European Commission

BUILDING AN EVIDENCE BASE FOR COHESION POLICY POST-2020

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Setting up a database to assess the impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR).[1]

OBJECTIVE OF THE STUDY

The overall objective of this study was to set up a comprehensive database of operations to enable DG Regio to assess the impacts and effects of certain thresholds and limits in the Common provisions regulation (CPR) and their effects in terms of administrative burden and proportionality.

The study also fulfilled the following specific objectives:

- Provide a searchable database with certain data at the level of operations supported by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). This database comprises data from the 2007-2013 programming period.
- Provide a descriptive analysis of the data collected and simulations on the thresholds and limits on the basis of the database.

KEY MESSAGES

* The average total cost per operation varies significantly by Member State (MS).
* The distribution of operations shows a very large number of small operations and a very small number of higher-value contracts in terms of total cost.
* The distribution of operations as regards the number and total cost show that there is a high number of small operations which have a very low share of total costs.
* The highest number of operations can be found in the priority themes research, development and innovation, information society, energy and environment protection and risk prevention

1) *Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L, 347, 20 December 2013, p. 320.*

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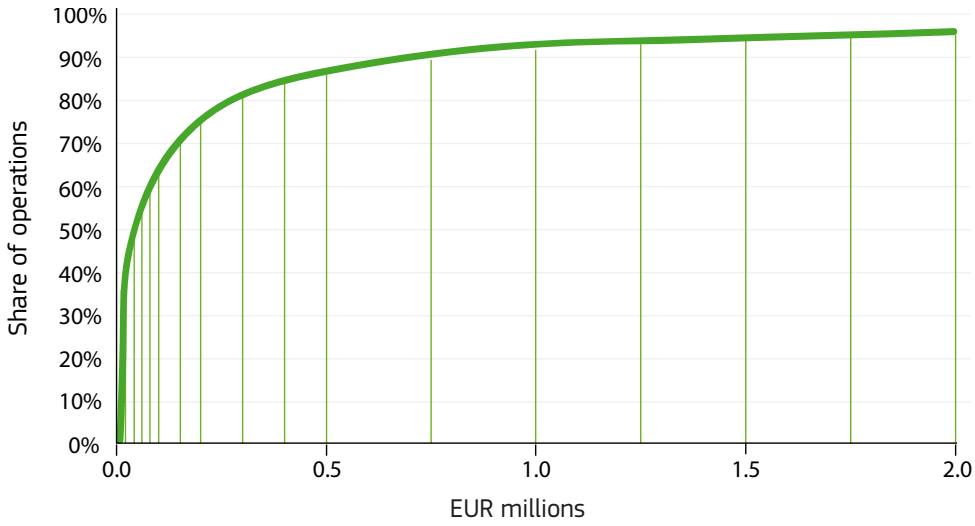
MAIN FINDINGS AND CONCLUSIONS

Since obligations in the 2007-2013 period only covered information at the priority axis level, the Commission was unable to conduct an analysis at the operation level, as regards the size and number of operations or their respective attribution to priority themes. The database established by this study now enables this analysis at the operation level, which may have an important impact on further considerations concerning simplification and proportionality.

- **The average total cost per operation varies significantly by MS**. It ranges from Spain (EUR 59 488) and Greece (EUR 101 373) to Slovakia (EUR 3.68 million) and Cyprus (EUR 5.77 million). The EU average is EUR 1.21 million.

- **The distribution of operations shows a very large number of small operations** and a very small number of higher-value contracts in terms of total cost. It is worth noting that 52 % of the operations are worth less than EUR 50 000 while 44 % have a total cost of even less than EUR 20 000. Less than 4 % of the operations are above EUR 2 million.

Cumulative estimated distribution of operations by number

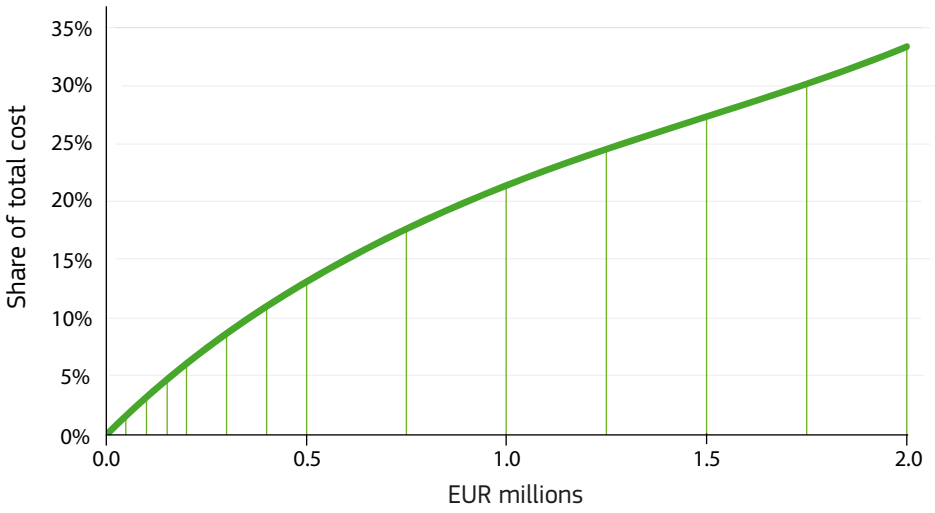


- **The highest number of operations can be found in the priority themes research, development and innovation (57 %), information society (12 %) and energy and environment protection and risk prevention (both 7 %)**. Operations with the highest total cost can be found in the priority themes research, development and innovation (37 %), transport (20 %) and environment protection and risk prevention (14 %).

- The priority theme grouping for transport had the **highest average** cost of operations in this sector (EUR 5.7 million), which is consistent with the nature of infrastructure projects. The priority theme groupings with the **lowest average** cost per operation were information society and development of outermost regions at EUR 160 670 and EUR 238 528, respectively.

- **The distribution of operations as regards the number and total cost show that there is a high number of small operations which have a very low share of total costs**. On the EU average, more than half (52 %) of all operations have total costs below EUR 50 000, representing just 1 % of total allocation. However, there are considerable differences between the MSs. For example, CY and LU have no operations below EUR 50 000 whereas Spain has 91 % below this threshold. A threshold of EUR 1 million covers 92 % of all operations but only 22 % of the total costs.

Cumulative estimated distribution of operations by total cost



Estimated operations above and below EUR 50 000 total cost

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	187 852	48 %	197 103	99 %
Below threshold	202 920	52 %	2 373	1 %
Total	**390 772**	**100 %**	**199 476**	**100 %**

Estimated operations above and below EUR 1 million total cost

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	31 721	8 %	156 265	78 %
Below threshold	359 051	92 %	43 211	22 %
Total	**390 772**	**100 %**	**199 476**	**100 %**

METHODOLOGICAL APPROACH

- Data on the size and other specifications of operations supported by the ERDF and the CF in the programming period 2007-2013 were collected from the respective Managing Authorities via an online survey. This covered all the operations supported by all 322 Operational Programmes financed by the ERDF and the CF, including 73 under the European territorial cooperation objective. Where possible, an estimate was made where data could not be collected.

Summary of the findings of the threshold and sensitivity analyses

	Threshold		Threshold analysis		Sensitivity analysis			
					Threshold lowered		Threshold raised	
			Percent of total operations	Percent of total cost	Percent of total operations	Percent of total cost	Percent of total operations	Percent of total cost
1	EUR 1 000 000 Total cost (revenue generating operations after completion)	Above threshold	8 %	78 %	To EUR 800 000 10 %	To EUR 800 000 81 %	To EUR 1 200 000 7 %	To EUR 1 200 000 76 %
		Below threshold	92 %	22 %	To EUR 800 000 90 %	To EUR 800 000 19 %	To EUR 1 200 000 93 %	To EUR 1 200 000 24 %
2	EUR 50 000 Total cost (revenue generating operations during their implementation)	Above threshold	48 %	99 %	To EUR 40 000 49 %	To EUR 40 000 99 %	To EUR 60 000 46 %	To EUR 60 000 99 %
		Below threshold	52 %	1 %	To EUR 40 000 51 %	To EUR 40 000 1 %	To EUR 60 000 54 %	To EUR 60 000 1 %
3	EUR 50 000 000 or EUR 75 000 000 if T07 Total cost (major projects)	Above threshold	0,1 %	20 %	To EUR 40 million 0 %	To EUR 40 million 22 %	To EUR 60 million 0 %	To EUR 60 million 19 %
		Below threshold	100 %	80 %	To EUR 40 million 100 %	To EUR 40 million 78 %	To EUR 60 million 100 %	To EUR 60 million 81 %
4	EUR 1 000 000 Total eligible expenditure (availability of documents)	Above threshold	6 %	70 %	To EUR 800 000 8 %	To EUR 800 000 73 %	To EUR 1 200 000 5 %	To EUR 1 200 000 67 %
		Below threshold	94 %	30 %	To EUR 800 000 92 %	To EUR 800 000 27 %	To EUR 1 200 000 95 %	To EUR 1 200 000 33 %
5	EUR 200 000 Total eligible expenditure (maximum number of audits)	Above threshold	21 %	88 %	To EUR 100 000 31 %	To EUR 100 000 93 %	To EUR 300 000 16 %	To EUR 300 000 85 %
		Below threshold	79 %	12 %	To EUR 100 000 69 %	To EUR 100 000 7 %	To EUR 300 000 84 %	To EUR 300 000 15 %
6	EUR 250 Amounts to be recovered	Above threshold	95 %	97 %	To EUR 100 99 %	To EUR 100 100 %	To EUR 500 95 %	To EUR 500 99.99 %
		Below threshold	5 %	3 %	To EUR 100 1 %	To EUR 100 0 %	To EUR 500 5 %	To EUR 500 0.01 %

More information:

Full study: http://ec.europa.eu/regional_policy/sources/policy/how/studies_integration/impl_pf_esif_report_en.pdf

More info on the EU Cohesion policy: http://ec.europa.eu/regional_policy