



EU Budget for the future

# CPR ERDF/CF ETC & ECBC

EGTCUM 18 June 2018



*#CohesionPolicy*  
*#EUinmyRegion*



# A modern, dynamic policy

## Modern investment

- Focus on transition to smart, low-carbon economy
- Stronger conditions & link to European Semester
- Comprehensive performance data in near real time

## Simple, flexible, dynamic

- 7 funds, 1 regulation (50% shorter)
- 50 key administrative simplifications
- Faster implementation (return to n+2)
- Responsive to emerging needs (migration, economy)

## For all regions

- Balanced and fair "Berlin method"
- 75% to poorest regions, where most needed
- Tackling emerging needs and economic transition across the EU

# Modernising the policy





# Policy objectives

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)

# ERDF THEMATIC CONCENTRATION

- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
<b>GNI below 75%</b>	35%	30%
<b>GNI 75-100%</b>	45%	30%
<b>GNI above 100%</b>	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships

# Sustainable urban development

- New dedicated specific objective for integrated development of urban areas
- 6% of ERDF to go to urban development, delivered through local development partnerships via various tools
- Requirement for local development strategies – local ownership
- European Urban Initiative: a coherent approach to capacity building, innovative actions, knowledge and policy development and communication



# The conditions for success 1: enabling conditions

- Fewer, from 35 to 20 (4 horizontal and 16 thematic)
- Clearer: tangible fulfilment criteria detailed in the annexes (no guidance)
- Focussed: improvement of effectiveness of spending
- Condition declaration of expenditure for the specific objectives concerned
- Directly applicable: no action plans
- Applicability throughout the whole period



## The conditions for success 2: governance and reform

- European Semester – taken into account at least twice (beginning and midterm review), funds can finance reforms
- Macroeconomic conditionality maintained
- Reform Support Programme
- Rule of law – dedicated regulation applying to all EU expenditure, will not affect beneficiaries (MSs obliged to continue financing)

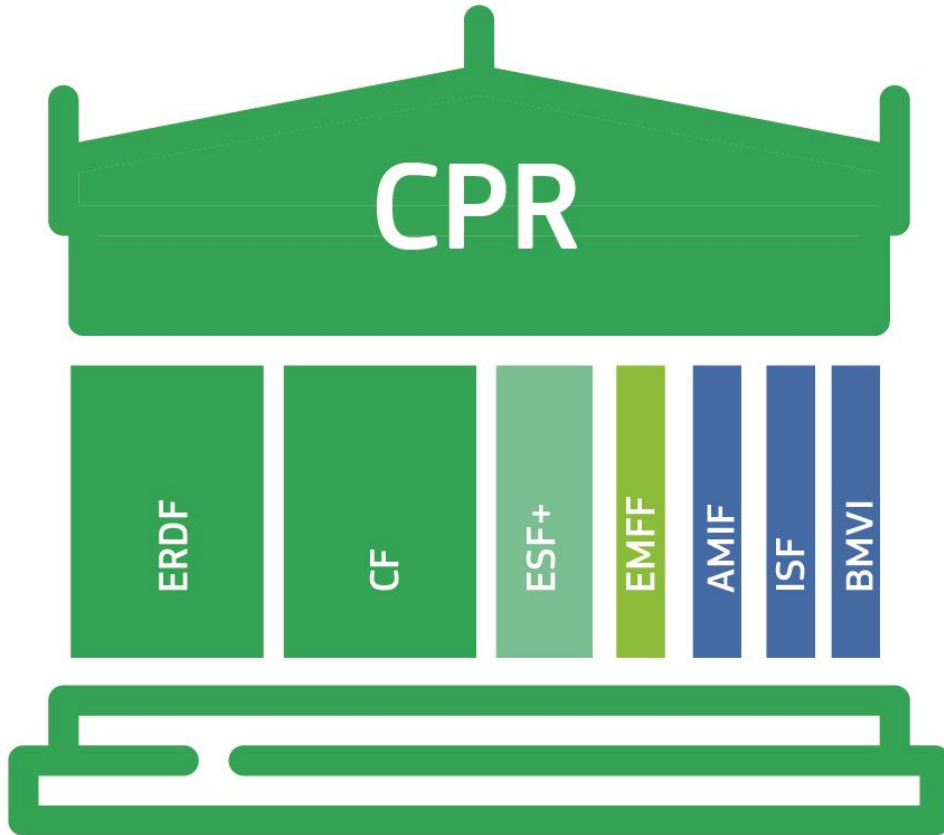


# Changes in ETC

- Embedding in mainstream via horizontal objectives
- Cross-border programmes: from fund distributors to centres of strategic planning
- New: Interregional innovation instruments
- New: Maritime co-operation goes from CBC to sea-basin level
- New: Specific component for the outermost regions (with co-operation outside EU)
- New: Co-operation outside the EU (incorporation of IPA/ENI)
- New: European Cross Border Mechanism (ECBC and ECBS)

# Legal architecture

# 7 funds, 1 regulation

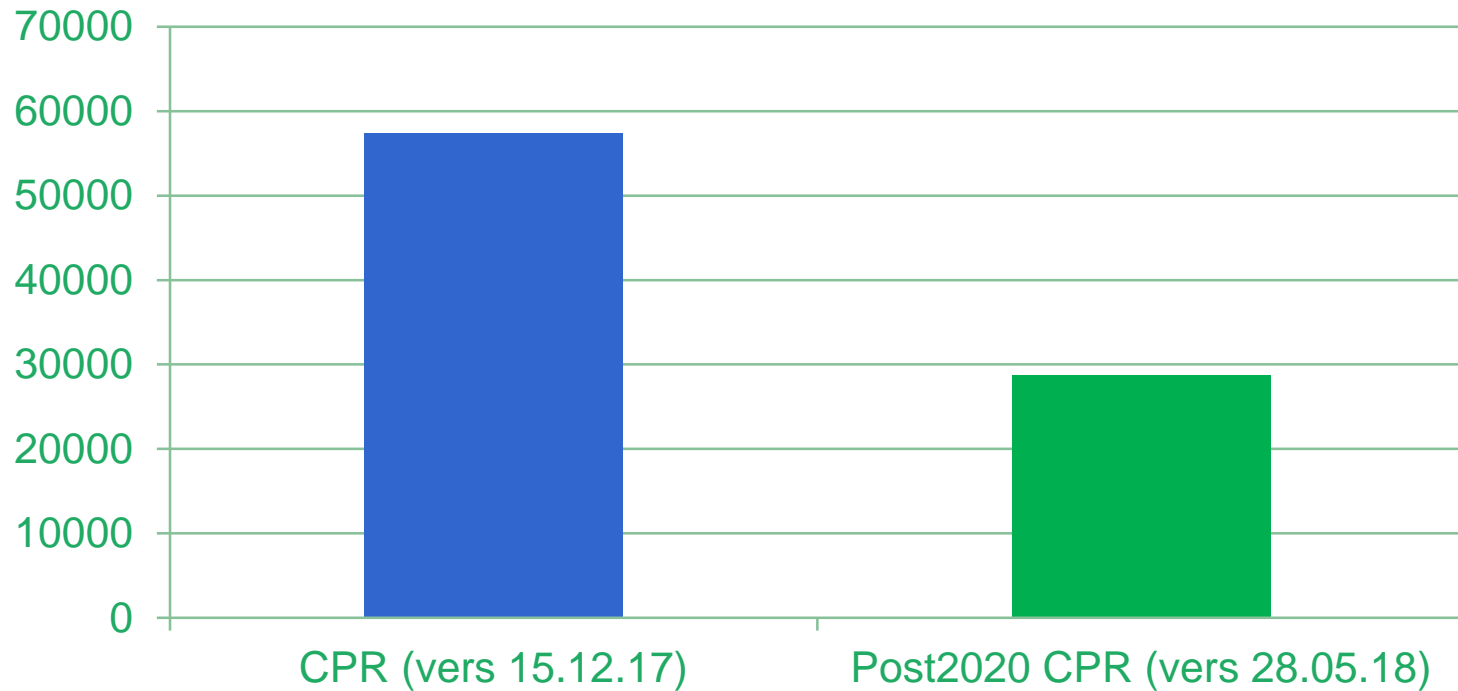


CPR covers delivery.  
1 set of rules is:

- More coherent
- Simpler to learn
- Simpler to combine

# More funds, half the words

## Number of words





# For us, 4 key legal instruments

## Common Provisions Regulation (CPR)

- Covers 7 funds, i.e. ERDF, CF, ESF+, EMFF, AMIF, ISF and BMVI
- Delivery elements are here

## ERDF/CF regulation

- Single regulation for both funds
- Policy priorities are here (specific objectives, thematic concentration requirements, etc)

## ETC regulation

- Territorial co-operation including external assistance
- New interregional innovation instrument

**ECBM:** off-the-shelf legal instrument to simplify cross-border projects



# Simplification and flexibility



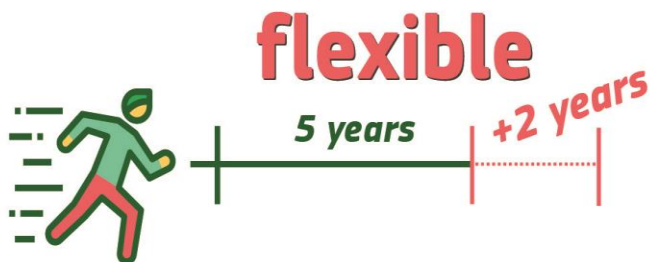


## Simpler

- The architecture itself – 7 Funds, 1 rulebook.
- Rulebook half as long
- Handbook of 50 key administrative simplifications

# More flexible

- New transfer possibility: Member State may request the transfer of up to 5 % of programme resources to another EU instrument
- Simpler reprogramming: up to 5% of a priority (3% of programme) without Commission decision.
- "5+2" Programming:
  - 5 years programmed initially
  - 2026-27 allocations programmed after mid-term reviews in 2024-25 (basis: emerging needs, performance)
  - Technical adjustment fed in (modifying allocations from 2025)



# Simpler management and control

- No designation procedure: roll-over of existing systems
- Fewer layers of control: Certifying Authorities replaced by an accounting function (which will not duplicate controls)
- Now: administrative verification of 100% of payment claims.  
Post-2020 : risk-based sample
- More proportionate system for low error rate programmes: reliance on national systems, no system audit, audit sample of max. 30 operations
- Simpler process for acceptance of accounts (and no "zero accounts")
- Clarity on document retention period for beneficiaries  
(5 years from end of year with last reimbursement)

# INTERREG

# Components of Interreg

- Cross-border cooperation (component 1)
- Transnational cooperation and maritime cooperation (component 2)
- Outermost regions cooperation (component 3)
- Interregional cooperation (component 4)
  - **Interact**
  - **ESPON**
- Interregional innovation investments (component 5)

# Changes in ETC

1. Cross-border programmes: from fund distributors to centres of strategic planning
2. **New:** Member States, third and partner countries, OCTs (almost) on equal footing
3. **New:** External cross-border cooperation (= incorporation of IPA/ENI)
4. **New:** Maritime co-operation goes from CBC to sea-basin level
5. **New:** Specific component for the outermost regions (with co-operation outside EU)
6. **New:** Interregional innovation investments
7. **New:** European Cross Border Mechanism (ECBC and ECBS)



# Thematic menu for Interreg

- **All ERDF policy objectives and specific objectives**
- **Additionally the ESF specific objectives (PO 4) with cross-border dimension:**
  - **Access to quality employment**
  - **Access and quality of education, training and life-long learning**
  - **Access to quality, sustainable and affordable healthcare**
  - **Accessibility, resilience and effectiveness of healthcare systems and long-term care services**
  - **Promotion of social inclusion and tackling poverty**
- **Two additional specific objectives**
  - **A better Interreg governance**
  - **A safer and more secure Europe (CBC external; transnational; outermost)**

# Main simplifications for Interreg

- **No more designation of authorities**
- **Less management verifications** (from almost 100% verifications of expenditure to verifications on the basis of a risk analysis)
- **Simplified cost options extended** (or even made obligatory).
- **Proportionate audits** Operations to be audited will be selected by the Commission using a common sample covering all programmes that have submitted financial information on time.

**Thank you!**