

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; general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

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The Commission presented a strategic report 2019 on the implementation of the European Structural and Investment Funds (ESI Funds), whose aim is to promote sustainable socio-economic convergence, resilience and territorial cohesion.

The report shows that the first five years of implementation have enabled the programmes to make good progress towards smart, sustainable and inclusive growth. By the end of September 2019, Member States reported that projects representing a total cost of EUR 500 billion had been selected, representing around 77% of the total planned cost, of which more than EUR 210 billion has been spent.

Increasing impact of funded projects

Projects already funded are having a growing impact in key policy areas, for example:

- more than 1.6 million businesses – including farms – are being supported;
- 300 000 new jobs are being created by supported firms;
- 26 million people have received help for training, education or job-seeking;
- 8.3 million households will have access to better broadband;
- more than 3 900 km of railway lines are being built or reconstructed;
- 60 million people are benefitting from ongoing projects in the health sector.

In their 2019 progress reports, Member States acknowledge the decisive role played by the ESI Funds in addressing environmental, economic and social changes, and in helping put in place the reforms needed to ensure a sustainable future. In the aftermath of the financial crisis, the ESI Funds were instrumental in supporting investment and helping put economic convergence back on track. Nevertheless, several Member States point to the enduring territorial and regional inequalities and social exclusion, and growing issues linked to demographic change.

Overall progress

With the concentration of investments on key development objectives and the stronger focus on performance, ESIF programmes are geared towards effectively and efficiently achieving the EU's goals of

smart, sustainable and inclusive growth. This trend has been further strengthened by the Commission's hands-on and flexible approach, in particular through programme modification, monitoring of programmes at risk, or several pilot actions that have provided tailor-made assistance and lessons learned for future implementation.

Progress is noticeable in sectors such as R&I, thanks particularly to the catalysing effect of smart specialisation strategies, information and communications technology (ICT) and transport infrastructures. Project selection has also accelerated, although more moderately, in areas such as the low-carbon economy and sustainable and quality employment.

On actual spending, all ESI Funds taken together, 27% of the budget available had been paid to Member States by the end of December 2018 (36% by end October 2019). This level of declared expenditure is below that of previous periods and suggests that a stronger focus on spending is still required at Member State level.

This report gives a thorough overview of progress in all the thematic areas.

Future challenges

The ESI Funds are improving the lives of millions of Europeans. The Commission intends to continue its work to deliver in a more efficient and targeted way. It will also continue to learn the lessons needed to further simplify processes and to ensure more focus on the ESI Funds achievements.

Through its CPR and CAP proposals for 2021-2027, the Commission aims to strengthen the Funds' contribution to deliver on the targets of the Paris Climate Agreement, to invest in people, to innovate and to empower regions, cities, rural and coastal areas to implement the SDGs. Despite not being covered by the Commission's CPR proposal for 2021-2027, the EAFRD will remain closely linked to the ERDF, the ESF+, the Cohesion Fund and the EMFF, for example when supporting local initiatives through CLLD or financial instruments.

Delivering climate action

The ESI Funds, especially through the EAFRD, the ERDF and the Cohesion Fund, support long-term responses to the challenges faced by Member States and regions on the road to a climate-neutral economy. Implementation is progressing well: of the total EUR 115 billion planned for climate change actions, EUR 88.1 billion was allocated to projects by the end of 2018.

The ESF contribution to climate objectives is five times above the original planned amount, notably through higher support to training and labour market measures linked to green jobs. For this programming period, 20% of the EU budget was allocated to climate action, and the Commission proposed to take it to 25% for the next EU budget.

The Commission considered that the next generation of programmes, currently under preparation, represent a unique window of opportunity to lay the foundation for the sustainable future of the EU. These programmes will help ensure a fair transition for all, alongside the Just Transition Fund, creating new and different opportunities all across Europe, and leaving no one behind.