

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2011/0276(COD)</p> <p>Procedure completed</p> <p>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</p> <p>Repealing Regulation (EC) No 1083/2006 2004/0163(AVC) Amended by 2015/0160(COD) Amended by 2015/0263(COD) See also 2015/2052(INI) See also 2015/2282(INI) Amended by 2016/0193(COD) Amended by 2016/0282A(COD) Amended by 2016/0384(COD) See also 2016/2148(INI) Amended by 2017/0247(COD) See also 2017/2285(INI) Amended by 2018/0322(COD) See also 2018/2546(RSP) Amended by 2019/0027(COD) Amended by 2020/0043(COD) Amended by 2020/0054(COD) Amended by 2020/0086(COD) Amended by 2020/0101(COD) Amended by 2022/0096(COD) Amended by 2022/0208(COD) Amended by 2023/0199(COD)</p> <p>Subject</p> <p>3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD)</p> <p>3.15.17 European Maritime and Fisheries Fund (EMFF)</p> <p>4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD)</p> <p>4.70.01 Structural funds, investment funds in general, programmes</p> <p>4.70.02 Cohesion policy, Cohesion Fund (CF)</p> <p>4.70.07 European Regional Development Fund (ERDF)</p>	<p>Procedure completed</p>

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development		21/06/2011
		PPE VAN NISTELROOIJ Lambert	21/06/2011
		S&D KREHL Constanze	
		Shadow rapporteur	
		ALDE GODMANIS Ivars	
		Verts/ALE SCHROEDTER Elisabeth	
	ECR VLASÁK Oldřich		

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets		06/02/2012
	S&D VAUGHAN Derek	
CONT Budgetary Control		24/11/2011
	S&D VAUGHAN Derek	
ECON Economic and Monetary Affairs		
EMPL Employment and Social Affairs (Associated committee)		27/10/2011
	PPE KÓSA Ádám	
ENVI Environment, Public Health and Food Safety		08/11/2011
	PPE AUCONIE Sophie	
ITRE Industry, Research and Energy		15/11/2011
	S&D TOIA Patrizia	
TRAN Transport and Tourism		25/11/2011
	Verts/ALE CRAMER Michael	
AGRI Agriculture and Rural Development		23/11/2011
	S&D CARONNA Salvatore	
PECH Fisheries		22/11/2011
	Verts/ALE BESSET Jean-Paul	
CULT Culture and Education		27/01/2012
	Verts/ALE BENARAB-ATTOU Malika	
FEMM Women's Rights and Gender Equality		

Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	3285	16/12/2013
	General Affairs	3259	30/09/2013
	Justice and Home Affairs (JHA)	3228	07/03/2013
	General Affairs	3200	20/11/2012
	General Affairs	3192	16/10/2012
	General Affairs	3180	26/06/2012
	General Affairs	3160	24/04/2012
	General Affairs	3138	16/12/2011

European Commission	Commission DG	Commissioner
	Regional and Urban Policy	
	Employment, Social Affairs and Inclusion	

European Economic and Social Committee
European Committee of the Regions



Key events

06/10/2011

Initial legislative proposal published

[COM\(2011\)0615](#)

Summary

25/10/2011	Committee referral announced in Parliament, 1st reading		
16/12/2011	Debate in Council	3138	Summary
24/04/2012	Debate in Council	3160	Summary
11/09/2012	Initial legislative proposal published	COM(2012)0496	Summary
16/10/2012	Debate in Council	3192	
20/11/2012	Debate in Council	3200	Summary
07/03/2013	Debate in Council	3228	
18/04/2013	Referral to associated committees announced in Parliament		
22/04/2013	Legislative proposal published	COM(2013)0246	Summary
10/07/2013	Vote in committee, 1st reading		
22/07/2013	Committee report tabled for plenary, 1st reading	A7-0274/2013	Summary
30/09/2013	Debate in Council	3259	Summary
19/11/2013	Debate in Parliament		
20/11/2013	Results of vote in Parliament		
20/11/2013	Decision by Parliament, 1st reading	T7-0482/2013	Summary
16/12/2013	Act adopted by Council after Parliament's 1st reading		
16/12/2013	End of procedure in Parliament		
17/12/2013	Final act signed		
20/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2011/0276(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	<p>Repealing Regulation (EC) No 1083/2006 2004/0163(AVC)</p> <p>Amended by 2015/0160(COD)</p> <p>Amended by 2015/0263(COD)</p> <p>See also 2015/2052(INI)</p> <p>See also 2015/2282(INI)</p> <p>Amended by 2016/0193(COD)</p> <p>Amended by 2016/0282A(COD)</p> <p>Amended by 2016/0384(COD)</p> <p>See also 2016/2148(INI)</p> <p>Amended by 2017/0247(COD)</p>

	<p>See also 2017/2285(INI)</p> <p>Amended by 2018/0322(COD)</p> <p>See also 2018/2546(RSP)</p> <p>Amended by 2019/0027(COD)</p> <p>Amended by 2020/0043(COD)</p> <p>Amended by 2020/0054(COD)</p> <p>Amended by 2020/0086(COD)</p> <p>Amended by 2020/0101(COD)</p> <p>Amended by 2022/0096(COD)</p> <p>Amended by 2022/0208(COD)</p> <p>Amended by 2023/0199(COD)</p>
Legal basis	Treaty on the Functioning of the EU TFEU 177-p1
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/07479

Documentation gateway					
Initial legislative proposal		COM(2011)0615	06/10/2011	EC	Summary
Document attached to the procedure		SEC(2011)1141	06/10/2011	EC	
Document attached to the procedure		SEC(2011)1142	06/10/2011	EC	
Committee opinion	CONT	PE480.661	30/05/2012	EP	
Amendments tabled in committee		PE489.656	04/06/2012	EP	
Amendments tabled in committee		PE491.052	04/06/2012	EP	
Amendments tabled in committee		PE491.054	05/06/2012	EP	
Amendments tabled in committee		PE491.056	05/06/2012	EP	
Amendments tabled in committee		PE491.057	06/06/2012	EP	
Amendments tabled in committee		PE491.058	06/06/2012	EP	
Amendments tabled in committee		PE491.163	08/06/2012	EP	
Committee opinion	CULT	PE485.907	20/06/2012	EP	
Committee opinion	PECH	PE487.807	20/06/2012	EP	
Committee opinion	ITRE	PE486.188	21/06/2012	EP	
Committee opinion	AGRI	PE483.804	22/06/2012	EP	
Committee opinion	TRAN	PE486.053	25/06/2012	EP	
Committee opinion	FEMM	PE487.962	25/06/2012	EP	
Committee opinion	BUDG	PE488.045	25/06/2012	EP	
Committee opinion	ECON	PE486.023	03/07/2012	EP	

Committee opinion	ENVI	PE487.721	27/08/2012	EP	
Initial legislative proposal		COM(2012)0496	11/09/2012	EC	Summary
Committee of the Regions: opinion		CDR2027/2012	29/11/2012	CofR	
Economic and Social Committee: opinion, report		CES1393/2012	12/12/2012	ESC	
Supplementary legislative basic document		COM(2013)0146	12/03/2013	EC	Summary
Legislative proposal		COM(2013)0246	22/04/2013	EC	Summary
Economic and Social Committee: opinion, report		CES3206/2013	22/05/2013	ESC	
Committee draft report		PE487.740	03/06/2013	EP	
Amendments tabled in committee		PE514.644	21/06/2013	EP	
Amendments tabled in committee		PE514.645	25/06/2013	EP	
Amendments tabled in committee		PE514.636	26/06/2013	EP	
Amendments tabled in committee		PE514.702	03/07/2013	EP	
Committee opinion	EMPL	PE486.190	09/07/2013	EP	
Court of Auditors: opinion, report		N7-0089/2013 OJ C 267 17.09.2013, p. 0001	18/07/2013	CofA	Summary
Committee report tabled for plenary, 1st reading/single reading		A7-0274/2013	22/07/2013	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0482/2013	20/11/2013	EP	Summary
Draft final act		00085/2013/LEX	17/12/2013	CSL	
Commission response to text adopted in plenary		SP(2014)87	30/01/2014	EC	
For information		COM(2014)0494	30/07/2014	EC	
Follow-up document		COM(2016)0414	27/06/2016	EC	Summary
Follow-up document		SWD(2017)0343	11/10/2017	EC	
Follow-up document		COM(2017)0755	13/12/2017	EC	Summary
Follow-up document		SWD(2017)0452	13/12/2017	EC	
Follow-up document		COM(2018)0816	19/12/2018	EC	Summary
Follow-up document		SWD(2019)0145	01/04/2019	EC	Summary
Follow-up document		COM(2019)0627	17/12/2019	EC	Summary
Follow-up document		SWD(2019)0445	17/12/2019	EC	
Follow-up document		COM(2021)0213	28/04/2021	EC	
Follow-up document		SWD(2021)0086	28/04/2021	EC	
Follow-up document		COM(2021)0797	17/12/2021	EC	
Follow-up document		SWD(2021)0384	17/12/2021	EC	
Follow-up document		COM(2023)0039	30/01/2023	EC	

Follow-up document		SWD(2023)0022	30/01/2023	EC	
Follow-up document		COM(2024)0006	15/01/2024	EC	
Follow-up document		SWD(2024)0002	15/01/2024	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

[Regulation 2013/1303](#)
[OJ L 347 20.12.2013, p. 0320](#) Summary

[Corrigendum to final act 32013R1303R\(01\)](#)
[OJ L 200 26.07.2016, p. 0140](#)

Final legislative act with provisions for delegated acts

Delegated acts

2014/2508(DEA)	Examination of delegated act
2014/2619(DEA)	Examination of delegated act
2015/2577(DEA)	Examination of delegated act
2015/2681(DEA)	Examination of delegated act
2015/2775(DEA)	Examination of delegated act
2015/2746(DEA)	Examination of delegated act
2016/2562(DEA)	Examination of delegated act
2019/2576(DEA)	Examination of delegated act
2019/2796(DEA)	Examination of delegated act
2019/2584(DEA)	Examination of delegated act

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

PURPOSE: to define the next framework for cohesion policy for the period 2014-2020 (General Regulation).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: in its [proposal for the next multi-annual financial framework for the period 2014-2020](#), the Commission decided that cohesion policy should remain an essential element of the next financial package. It proposed a number of important changes to the way cohesion policy is designed and implemented. Concentrating funding on a smaller number of priorities better linked to the Europe 2020 Strategy, focusing on results, monitoring progress towards agreed objectives, increasing the use of conditionalities and simplifying the delivery are among the major hallmarks of the proposal.

This proposal is part of a package of legislative measures relating to the Cohesion policy 2014-2020. This package includes:

- an [overarching regulation](#) setting out common rules governing the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). This will allow for the better combination of funds for a stronger impact of EU action;
- three specific regulations for the ERDF, the [ESF](#) and the [Cohesion Fund](#);
- two regulations dealing with the [European territorial cooperation](#) goal and the European grouping of territorial cooperation ([EGTC](#));

- two regulations on the European Globalisation Fund ([EGF](#)) and the [Programme for Social Change and Innovation](#);
- a communication on the European Union Solidarity Fund ([EUSF](#)).

The European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the future European Maritime and Fisheries Fund (EMFF) ('CSF Funds') pursue complementary policy objectives and their management is shared between the Member States and the Commission. It is therefore important to maximise the effectiveness of all structural instruments in terms of delivering objectives and targets set in programmes and optimise synergies and efficiency of the different instruments.

IMPACT ASSESSMENT: this proposal draws on three Impact Assessments: one carried out for the ERDF, the CF and the ESF together; and one each for the EAFRD and for the EMFF. These impact assessments analysed issues including EU added value, performance and delivery of the policies, as well as simplification and harmonisation of rules.

Delivering European added value: the preferred option is to establish a strong link to Europe 2020 targets which would contribute most to reaching the headline targets. Strategic planning arrangements which include the Common Strategic Framework at Union level and Partnership Contracts at national level are considered to ensure effective coordination between Union policies and instruments.

Increasing the performance of the policies: the preferred option was the combined option since this option would allow addressing the preconditions necessary for the effective use of the CSF Funds and would provide incentives to attain predefined objectives and targets and align the implementation of programmes with the Union's economic governance.

Simplification ? reducing administrative costs and minimising the risk error: a proportional approach entailing risk based control arrangements, the availability of a wide range of reimbursement options, and advanced eGovernance at the level of Member States and regions is the preferred option since it could lead to a significant potential reduction in the cost of controls and a decline in workload and would also comply better with the subsidiarity principle.

LEGAL BASIS: Article 177 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed delivers a common set of basic rules. It is divided into two parts:

PART I - Common provisions governing all CSF Funds: the general principles governing the support of all CSF Funds will include partnership and multi-level governance, compliance with applicable EU and national law, promotion of equality between men and women and sustainable development.

(1) **Strategic approach:** in order to maximise the impact of the policy in delivering European priorities, the Commission proposes to reinforce the strategic programming process. This involves defining a list of thematic objectives in the Regulation in line with the Europe 2020 Strategy:

- strengthening research, technological development and innovation;
- enhancing access to and use and quality of information and communication technologies;
- enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and fisheries and aquaculture sector (for the EMFF);
- supporting the shift towards a low-carbon economy in all sectors;
- promoting climate change adaptation, risk prevention and management;
- protecting the environment and promoting resource efficiency;
- promoting sustainable transport and removing bottlenecks in key network infrastructures;
- promoting employment and supporting labour mobility;
- promoting social inclusion and combating poverty;
- investing in education, skills and lifelong learning;
- enhancing institutional capacity and an efficient public administration.

Partnership Contracts between the Commission and each Member State will set out the commitments of partners at national and regional level and the Commission. They will be linked to the objectives of the Europe 2020 Strategy and the National Reform Programmes. They will:

- set out an integrated approach for territorial development supported by all the CSF Funds;
- include objectives based on agreed indicators, strategic investments and a number of conditionalities;
- contain commitments to give yearly account of progress in the annual reports on cohesion policy, on rural development policy and in other public reporting.

(2) **Conditionalities and performance:** to reinforce performance, new conditionality provisions will be introduced to ensure that EU funding creates strong incentives for Member States to deliver Europe 2020 objectives and targets. Conditionality will take the form of both 'ex ante' conditions that must be in place before funds are disbursed and 'ex post' conditions that will make the release of additional funds contingent on performance.

(3) **Common management arrangements:** the proposal envisages a management and control system which is similar across shared management instruments and is based on common principles. A system of national accreditation is put in place to emphasize the commitment of Member States to sound financial management.

(4) **Community-led local development:** to facilitate the implementation of multi-dimensional and cross-sectoral interventions, the Commission proposes to strengthen community-led initiatives, facilitate the implementation of integrated local development strategies and formation of local action groups, based on the experience of the LEADER approach.

(5) **Financial instruments:** in addition to grant funding, it is proposed that support for enterprises and projects expected to generate substantial financial returns will be delivered primarily through innovative financial instruments.

(6) **Simplified and streamlined eligibility rules:** the aim is to harmonise, to the extent possible, these basic rules for instruments implemented under shared management, in order to reduce the multiplicity of rules applied on the ground. Simplified costs options such as flat rates and lump sums provide the means for Member States to introduce performance-oriented management at the level of individual operations.

PART 2 - General provisions applicable to the ERDF, the ESF and the CF: the Regulation defines the mission and goals of cohesion policy, the geographical coverage of support, financial resources and principles of assistance, programming, major projects, joint action plans, territorial development, monitoring and evaluation, information and communication, eligibility of expenditure and management and control

systems.

Geographical coverage of support: a distinction in relation to less developed, transition and more developed regions is made:

- Less developed regions: regions whose GDP per capita is less than 75 % of the average GDP of the EU-27;
- Transition regions: A new category of region 'transition regions' will be introduced to replace the current phasing-out and phasing-in system. This category will include all regions with a GDP per capita between 75% and 90% of the EU-27 average.
- More developed regions: regions whose GDP per capita is above 90% of the average GDP of the EU-27.

(a) All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average will receive two thirds of their 2007-13 allocation.

(b) Minimum shares for the ESF will be established for each category of regions (25% for convergence regions, 40% for transition, and 52% for competitiveness regions).

(c) The CF will support Member States whose GNI per inhabitant is less than 90% of the EU-27 average in making investments in TEN-T transport networks and the environment. Part of the Cohesion Fund allocation (EUR 10 billion) will be ring-fenced to finance core transport networks under the Connecting Europe Facility Experience.

In order to address the issue of absorption of funding, the Commission is proposing a number of steps:

- to fix at 2.5% of GDP the capping rates for cohesion allocations;
- capping co-financing rates at the level of each priority axis within the operational programmes at 85% in less developed regions (or in certain cases, 80% and 75%) and outermost regions, 60% in transition regions and 50% in more developed regions;
- to include certain conditions in the partnership contracts regarding the improvement of administrative capacity.

Reinforced strategic programming geared towards results: the Commission proposes to introduce the Joint Action Plans, which are operations comprising a group of projects as part of an operational programme, with specific objectives, result indicators and outputs agreed between the Member State and the Commission. They offer a simplified management and control system geared towards performance.

Streamlining financial management and control: the Commission's role in the ex ante review of national management and control systems will be proportionate, as an obligatory review by the Commission is replaced by a risk based approach. Small programmes will be exempt from a Commission review. It is proposed to require all Member States to set up systems by the end of 2014 to enable beneficiaries to submit all information by way of electronic data exchange. The proposal therefore foresees a mandatory annual closure of completed operations or expenditure in the framework of the annual clearance of accounts.

BUDGETARY IMPLICATION: the Commission's proposal for a Multiannual Financial Framework includes EUR 376 billion for cohesion policy for the period 2014-2020. The proposed budget (in billion euros) is broken down as follows:

- Less developed regions EUR 162.6
- Transition regions: EUR 38.9
- More developed regions: EUR 53.1
- Territorial cooperation: EUR 11.7
- Cohesion fund: EUR 68.7
- Extra allocation for outermost and sparsely populated regions: EUR 0.926.
- Facility for transport, energy and ICT: EUR 40 billion (with an additional EUR 10 billion ring-fenced inside the Cohesion Fund).

DELEGATED ACTS: this proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU).

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

The Council took note of a Presidency progress report on work undertaken on a package of legislative proposals for the EU's cohesion policy for the 2014-20 period.

Taking into account the discussion so-far, a set of guiding principles for assessment and improvement of the proposal of the Commission can be identified:

- some Commission proposals have raised doubts in terms of their conformity to the subsidiarity principle. It is therefore crucial to strike the right balance between the responsibilities of Member States and the Commission, especially in such areas as: the role of country-specific recommendations under Articles 121(2) TFEU and the relevant Council recommendations adopted under 148(4) TFEU, the mechanisms of thematic concentration, and ex-ante and macroeconomic conditionalities;
- the partnership principle should continue to foster multi-level and bottom-up features of Cohesion Policy by involving the relevant partners in the process of strategic programming and implementation according to the established modes of cooperation in a given Member State;
- flexibility and proportionality are necessary in order to accommodate the different institutional settings in all Member States and regions. Any administrative burden should be well justified by clear benefits in terms of effectiveness and efficiency;
- the multiannual character of Cohesion Policy requires a stable strategic and legal environment for investment throughout the whole programming period. It is therefore indispensable according to a large majority of the delegations to give a new impetus to the simplification process and make the new legal framework of Cohesion Policy lighter and more user friendly. This should be done by eliminating excessive details, overlaps and ambiguities.

On the basis of the a questionnaire prepared by the presidency, ministers commented on the following issues related to strategic programming and thematic concentration:

- options for the status of the common strategic framework and for its adoption;
- proposed use of country-specific recommendations as an instrument for aligning cohesion policy with the broader Europe 2020 strategy for growth and jobs;
- balance between thematic concentration and flexibility for Member States and regions in implementing cohesion policy.

The Council reached broad consensus in this regard, thereby facilitating early conclusion to negotiations on these issues by the incoming presidency.

Common strategic framework: broad consensus was reached on both the status of the common strategic framework and the procedure for its adoption. There was general acceptance that this strategic policy document should be approved by the European Parliament and the Council, and a majority expressed a willingness to adopt it as an annex to the proposed regulation establishing common provisions for the EU's structural and cohesion funds.

There was broad agreement on the desirability of linking cohesion policy objectives with the Europe 2020 strategy, whilst ensuring that the specific circumstances of individual regions and territories are taken into account. A large majority of delegations proposed that this be achieved by using national reform programmes (NRPs) as a reference instead of country-specific recommendations (CSRs) as proposed by the Commission.

The reason given by a majority of ministers was that existing mechanisms should be used as far as possible, rather than instruments with a shorter time horizon requiring annual review of strategic documents, thereby causing an unnecessary administrative burden. Ministers also considered that NRPs reflect better the specific circumstances within each Member State than do the CSRs.

The Partnership Contract is another key element of the strategic programming arrangements. Many Member States underlined that they should be allowed to adapt the Partnership Contract to their country-specific situation and multi-level governance structures.

Generally, Member States welcomed the possibility of preparing multi-fund operational programmes. However, many Member States also raised doubts whether an integrated, multi-fund approach could really work on the ground.

The Commission proposal to introduce an innovative pilot instrument of Joint Action Plan was welcomed by Member States but further in-depth examination is necessary.

In the area of the European Territorial Cooperation, some Member States expressed concerns about the extent to which the ETC should be included in the Partnership Contract.

Thematic concentration: overall, Member States were supportive of the idea of thematic concentration and the introduction of a menu of thematic objectives. However, a broad majority expressed scepticism about the mechanisms proposed by the Commission in this respect. A large number of delegations wanted to extend the limits for minimal allocations for specific types of interventions. Others proposed leaving it to Member States to choose specific intervention types from the proposed menu.

There was broad agreement on needing greater flexibility to take account of regional specificities and differences, which would mean better results, and that this could not be achieved by an automatic approach providing minimal allocations at EU level, nor by imposing a small number of intervention types for all Member States.

A number of Member States had reservations on whether the ring-fencing of Funds as part of the thematic concentration architecture would be an appropriate tool for this purpose, keeping in mind the different starting points of Member States as well as their diverse national policies.

- More specifically, the proposed ring-fencing of at least 20% of the total national ESF allocation to the thematic objective related to social inclusion and poverty was questioned by Member States. Similarly, the ring-fencing of at least 5% of the total national ERDF allocation to urban development also raised doubts.
- Further, the earmarking of the total national ERDF allocations to the low-carbon economy thematic objective was viewed by some Member States as too prescriptive and did not adequately take into account the contribution of other thematic objectives and the Cohesion Fund to low-carbon economy goals.
- Some Member States raised the issue of why in the thematic objectives, no support for large enterprises had been envisaged, while arguing that by assisting large enterprises, spill-over gains would be realised and thus also benefit SMEs.
- Several Member States questioned the proposal of not allowing more developed regions to invest in basic infrastructure when this is duly justified, especially in the areas of ICT (Information and Communication Technologies) and transport. There were also voices supporting investments in energy infrastructures other than those strictly related to the low-carbon economy as well as in tourism.

With regard to European territorial cooperation, a significant number of Member States opposed the proposal to limit the list of thematic objectives in the cross-border and transnational strands to just four.

There was a general support among Member States for further enhancing the territorial dimension of cohesion policy and for introducing some specialised instruments for territorial development. However, some delegations voiced concerns about whether the variety of territorial development instruments would not result in a fragmentation of cohesion policy intervention.

Some delegations raised further issues related to cohesion policy, such as the "capping" of interventions, macroeconomic conditionality, the "Connecting Europe" facility for transport, energy and information/communication technologies and "RAL" (reste à liquider or unspent commitments). These issues are related to the EU's multiannual financial framework for the

2014-20 which is due to be discussed during the next two presidencies.

Ministers also discussed the modes of conditionality proposed by the Commission, i.e. positive and negative incentives for ensuring a high-quality performance for cohesion policy.

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

The Council reached agreement on a partial general approach concerning the EU cohesion policy for the 2014-2020 period.

The Council's partial general approach is aimed at strengthening results orientation and improving the quality of cohesion spending. It also seeks to contribute to the integration of cohesion policy in the economic governance of the EU.

The partial general approach does not prejudice the outcome of negotiations on other elements of cohesion policy or on the EU's multiannual financial framework (MFF) for 2014-2020 or the Financial Regulation.

(1) The Council's compromise text: this covers some of the more technical features of the future cohesion policy. Work on the more political elements will continue. Some of these are dealt with in the negotiations on the MFF.

More concretely, the partial general approach includes the following elements:

Programming: common programming rules are envisaged for the five funds covered by a common strategic framework, namely: (i) [the European Regional Development Fund \(ERDF\)](#); (ii) [the European Social Fund \(ESF\)](#); (iii) [the Cohesion Fund \(CF\)](#); (iv) the European Agricultural Fund for Rural Development (EAFRD); (v) the European Maritime and Fisheries Fund (EMFF).

Each programme has to specify how it contributes to the EU's 2020 strategy for jobs and growth. The question as to whether the link between the EU strategy for jobs and growth on one hand and cohesion policy on the other should be assured through country-specific recommendations or national reform programmes has been left open. The Council will come back to it in June.

Ex ante conditionality: certain conditions must be met before funding may start. It is aimed at improving cohesion policy performance.

Management and control: the partial general approach provides for specific rules for the management and control of funds disbursed.

Monitoring and evaluation: this part of the partial general approach makes sure that the implementation of the cohesion policy programmes is duly monitored and evaluated.

Eligibility: the financing of already completed projects, which is possible under the current rules, would be excluded under the partial general approach.

Major projects: the Council's compromise text would facilitate the deployment of "upstream" quality reviews by independent experts of major projects. This is considered to be more effective than the existing approvals "downstream" by the Commission.

Further discussions will be held at Council level in the coming months. The new cohesion policy rules are closely linked to the MFF negotiations. They are only expected to be adopted by the European Parliament and the Council once an agreement on the MFF has been reached.

(2) Multiannual financial framework 2014-2020: the Council discussed, in public session, for the first time on the basis of the negotiating box, certain areas of the multiannual financial framework (MFF) including cohesion policy and the provisions relating to the five funds belonging to these policy fields.

During the debate, a number of delegations voiced concerns about the proposed overall level of expenditure in times of fiscal consolidation and asked for cuts to be made in all headings.

Cohesion policy: some Member States considered the proposed amount for cohesion policy as a minimum, whereas others viewed the amount proposed for the common agricultural policy as a minimum.

Several Member States expressed concerns relating either to the new category of transition regions or to its scope. A number of delegations opposed the proposed level of capping, limiting the level of transfer to each Member State to a certain percentage of its gross domestic product. Some Member States objected to the so-called reversed safety net, which would limit the scope of support to a certain percentage as compared to its level during the 2007-2013 period. Some Member States argued for co-financing rates of 85% for less developed regions, whereas others pleaded for reducing the rates.

The rules governing the five funds under the common strategic framework: some Member States stressed the importance of macro-economic conditionality. Others were sceptical about it, unless it was extended to other types of expenditure.

The General Affairs Council of 29 May will hold a first discussion on a comprehensive version of the negotiating box covering all elements of the MFF negotiating package.

Ministers for European Affairs will continue their work on the MFF at an informal meeting in Horsens (Denmark) on 10 and 11 June.

The European Council will discuss the MFF for the first time on 28 and 29 June.

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

The Commission presents an amended proposal for a Regulation laying down common provisions for the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EMFF covered by the Common Strategic Framework and general conditions applicable to the cohesion policy funds.

This proposal, presented on 6 October 2011, foresaw the adoption of a common strategic framework (CSF) to facilitate the sectoral and territorial coordination of union intervention under the CSF funds and with other relevant Union policies and instruments. The Common Strategic Framework was to establish the key areas of support, territorial challenges to be addressed, policy objectives, priority areas for cooperation activities, coordination mechanisms and mechanisms for coherence and consistency with the economic policies of Member States and the Union.

The proposal foresaw that the CSF would be adopted by the Commission as a delegated act. Both the Council and Parliament's Committee on Regional Policy have signalled that they wish to see the CSF adopted as an annex to the regulation and not as a delegated act.

In view of this and in order to facilitate a compromise between the institutions, the Commission presents this amended legislative proposal which splits the elements of the CSF between a new annex (Annex I) to the Common Provisions Regulation (CPR) and a delegated act.

The new annex contains four sections on

- 1) means to achieve coherence and consistency with the economic policies of Member States and the Union,
- 2) coordination mechanisms among CSF Funds and with other relevant Union policies and instruments,
- 3) horizontal principles and cross-cutting policy objectives and
- 4) arrangements to address territorial challenges.

The delegated act will in turn contain two sections:

- 1) sections on indicative actions of high European added value and corresponding principles for delivery and
- 2) priorities for cooperation.

The Commission maintains, however, that all elements of the CSF, whether included in the annex or in the delegated act, remain non-essential elements for the purpose of Article 290 Treaty of the Functioning of the European Union and can thus be amended by delegated act. The essential elements are contained in Articles 11 and 12 of the CPR.

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

The Council agreed on a **fourth partial general approach** on the cohesion policy legislative package for the 2014-2020 period.

The partial general approach complements the **three partial general approaches** agreed on:

- **24 April 2012** (ex ante conditions, management and control, monitoring and evaluation, eligibility and major projects);
- **26 June 2012** (thematic concentration, financial instruments, net revenue generating operations and public-private partnerships, performance framework);
- and **16 October 2012** (territorial development, European territorial cooperation, financial questions not covered in the negotiations on the MFF for the 2014-2020 period, management and control, country-specific recommendations, information, communication and technical assistance, indicators).

The partial general approach covers **the following two elements**:

1. Financial management: this part of the partial general approach is aimed at ensuring that EU support under the cohesion policy respects the principle of sound financial management and safeguards the European Union's financial interest. The provisions cover inter alia areas such as:

1. the annual pre-financing and the interim payments of programmes by the Commission,
2. the application of financial corrections in case of irregularities and
3. rules for the closure of operational programmes.

The compromise text agreed by the Council stipulates that in order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is clear evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to submit documents for the purpose of examination and acceptance of accounts.

The duration of the interruption period should be up to nine months- if a Member State so wishes - to give sufficient time to resolve the situation which gave rise to the interruption with a view to avoid having to resort to suspensions.

2. Common strategic framework (CSF): this part of the partial general approach is about setting up a framework that provides strategic orientation to the programming and the coordination of EU support under the five following funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The compromise text agreed by the Council specifies, in particular, how the CSF Funds will contribute to the objectives of Unions strategy for smart, sustainable and inclusive growth, the means to address key territorial challenges, the integrated use of CSF Funds, horizontal principles and cross-cutting policy objectives, the means for coordination with other relevant Union policies and cooperation activities.

These partial general approaches do not prejudice the outcome of negotiations on other elements of cohesion policy or on the MFF for 2014-2020. Since all four partial general approaches were agreed on the principle that nothing is agreed until everything is agreed they may be subject to change as a result of these other negotiations.

The Presidency intends to step up the informal trilogues with the European Parliament and the Commission achieving a preliminary agreement

among the three institutions on programming before the end of the year, thus facilitating the preparatory work of Member States and regions for the new programmes.

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

This proposal aims to amend the Commission proposal dated 11/09/2012 which concerned the amendment of the Regulation 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 covered by the Common Strategic Framework (CSF) and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Given the urgent priority to address youth unemployment in the Union's most affected regions, the Commission proposes to create a Youth Employment Initiative, funded from a specific allocation and from targeted investment from the European Social Fund (ESF).

The objective of the Initiative is to support young people not in employment, education or training residing in the eligible regions. The Initiative will be implemented as a part of the Investment for growth and jobs goal.

Resources for the Youth Employment Initiative will amount to EUR 6 000 000 000 with at least EUR 3 000 000 000 from ESF targeted investment.

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

PURPOSE: to ensure a simple and streamlined integration of the EMFF into an already existing set of rules for cohesion policy.

PROPOSED ACT: amended proposal for a Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: on 6 October 2011, the Commission presented its proposals for a regulation laying down common provisions on the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), with the Funds for rural development, namely the European Agricultural Fund for Rural Development (EAFRD), and for the maritime and fisheries sector, namely the European Maritime and Fisheries Fund (EMFF) and the general provisions on cohesion policy funds (please refer to the summary dated 06/10/2011).

To recall, the [initial Commission's proposal for the EMFF Regulation](#) aligned the management and control system for the EMFF with the arrangements proposed for the EAFRD.

During the examination of the EMFF proposal in the Fisheries Working Group in the Council, a number of Member States have expressed reservations as regards the shift to the system proposed by the Commission for management and control and for financial management.

Although a majority of Member States have indicated that they prefer alignment of the EMFF with the delivery system for cohesion policy, they also highlighted the need to take into account the principle of proportionality.

In order to facilitate the already on-going negotiations in the Council and the European Parliament, the Commission proposes a simultaneous amendment of the Commission proposals for the Common Provisions Regulation on the ERDF, ESF, CF and the EMFF Regulation to ensure simple and streamlined integration of the EMFF into an already existing set of rules for cohesion policy.

The objective is to harness the experience gained in previous programming periods and facilitate a smooth transition from one programming period to the next.

IMPACT ASSESSMENT: an Impact Assessment has been carried out for the original legislative proposals.

LEGAL BASIS: Articles 177 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the main amendments made to the initial proposal are as follows:

- the EMFF is integrated in the relevant provisions in the Common Provisions Regulation which were initially specific to cohesion policy, creating a new Part Four of the Common Provisions Regulation which applies to cohesion policy and to the EMFF;
- respective provisions corresponding to the delivery arrangements of the EAFRD or overlap with the articles of the Common Provisions Regulations in its amended form are deleted from the EMFF Regulation and appropriate references to the CPR are introduced in the EMFF Regulation, where necessary.

Recitals and definitions are aligned with the changes to the articles and amendment of the structure of the regulations. The terminology used in the new Part Four is adjusted to accommodate the specificities of the EMFF and in certain instances it is clarified that the Fund-specific rules under the EMFF may set out complementary rules.

BUDGETARY IMPLICATIONS: the amended proposal will have no budgetary implications.

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

OPINION^o 2/2013 OF THE COURT OF AUDITORS on the amended proposal for a Regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

The Court wishes to maintain the general observations made in its [Opinion No 7/2011](#), which are not currently reflected in the Commissions amended proposal. It draws particular attention to paragraphs 22 to 37 of that opinion. These relate to the common management and control arrangements for the regulation, which, after the amended proposal, would now also apply to the EMFF.

The Court also notes that the detailed recommendations it made in Part II of Opinion No 7/2011 and the general observations made in [Opinion No 9/2012](#), are not currently reflected in the Commissions amended proposal of 22 April 2013 but ought to be considered.

Common provisions and general provisions : in its Opinion No 7/2011, the Court raised the question of whether it would be preferable to limit the general Regulation to those provisions which are applicable to all five Funds (the common provisions) and to include other provisions (general provisions) in Fund-specific regulations.

The Court notes, however, that the amended proposal creates another category of general provisions, applicable to all funds except the EAFRD.

EMFF:

- the amended proposal introduces a provision that in cases where the total amount of support from the EMFF to an operational programme exceeds EUR 100 000 000, the Commission may request the report and the opinion of the independent audit body and the description of the management and control system. The Court considers that the Commission should be empowered to request this information for all operational programmes, independently from the amount of EU support.
- the amended proposal introduces a provision that EMFF operations for which the total eligible expenditure does not exceed EUR 50 000 shall not be subject to more than one audit by the audit authority or the Commission prior to closure of all expenditure concerned. The Court considers that there is no evidence that operations whose eligible expenditure is below EUR 50 000 are less error-prone than other operations. the Regulation should clarify how proportional controls will affect the sampling to be done by the audit authorities.

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

The Committee on Regional Development adopted the report drafted by Lambert van NISTELROOIJ (EPP, NL) and Constanze Angela KREHL (S&D, DE) on the amended proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

The Committee on Employment and Social Affairs, exercising its powers as an associated committee under [Rule 50 of the Rules of Procedure](#), was also consulted and gave its opinion on the report.

The committee recommended that the position of Parliament adopted in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Cohesion policy: the Common Strategic Framework (CSF) shall establish:

- mechanisms for ensuring the contribution of the European Structural and Investment Funds to the Unions Europe 2020 Strategy;
- the arrangements to address the key territorial challenges;
- arrangements to promote the integrated use of the European Structural and Investment Funds;
- arrangements for coordination between the European Structural and Investment Funds and other relevant Union policies and instruments.

Special attention should be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps inter alia, outermost regions, northernmost regions with very low population density and island, cross-border and mountain regions.

Moreover, implementation of the programme should take into account the overall aim of reducing administrative burden for bodies involved in the management and control of the programmes.

Increased flexibility: the Funds should focus their support on a limited number of common thematic objectives, which leave sufficient scope for flexibility in order to accommodate the specific needs of regions and give adequate responses to them.

Partnership Agreement: the Funds should be implemented through programmes covering the programming period in accordance with the

Partnership Agreement. The purpose of such a partnership is to respect the principles of multi-level governance, but also of subsidiarity and proportionality and the specificities of the Member States' different legal and institutional frameworks. A code of conduct will facilitate Member States the implementation of partnership.

Members amended the provisions on the partnership agreement so as to give local and regional authorities and bodies representing civil society greater rights of participation in planning and implementation.

Efficacy of Funds: Member States and regions increasingly face interrelated challenges regarding the impact of globalisation, environmental and energy concerns, population ageing and demographic shifts, technological transformation and innovation demands, and social inequality. Accordingly, Members considered that the solutions supported by Funds should be integrated, multi-sectoral and multi-dimensional, and it should be possible for the ESI Funds to be combined into integrated packages that are tailor-made to fit the specific territorial needs.

Ex ante conditions: the proposal set out ex ante conditionalities to ensure that the necessary framework conditions for the effective use of Union support are in place.

Members were of the opinion that an ex ante conditionality should be applied only where it has a direct link to and impact on the effective implementation of the European Structural and Investment Funds. The Commission should assess the information provided by Member States on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Agreement and programmes.

Performance reserve and macro-economic conditionality: Members deleted the provision in the proposal that set aside a performance reserve of 5% of the resources for the Investment for growth and jobs goal for each Fund, and category of region in each Member State.

Members noted that conditions on project performance could make regional policy more efficient but they were opposed to macro-economic conditionality.

Pre-financing: Members considered that the pre-financing payment at the start of programmes ensures that the Member State also has the means to provide ex ante support to beneficiaries from the start of the implementation of the programme, so as to ensure that the beneficiaries have the financial sustainability to make the allocated investments.

Smart specialisation: Members introduced provisions on smart specialization into the structural funds. This concerned national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths with business needs. Such a strategy may take the form of or be included in a national or a regional research and innovation (R&I) strategic policy framework.

Sustainable impact of intervention: Members considered it necessary to set out provisions guaranteeing that investments are long-lasting and prevent the Funds from being used to undue advantage. It was considered that a period of five years is an appropriate period to be applied.

Furthermore, in the case of an operation comprising investment in infrastructure or productive investment, the operation should repay the contribution from the Funds if within 10 years from the final payment to the beneficiary, the productive activity is subject to relocation outside the Union.

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

The presidency informed the Council about the state of play in the ongoing trilogue discussions with the European Parliament and the Commission on the [EU's cohesion policy package for 2014-2020](#) on the basis of an issue paper (see Council doc. [13796/13](#)).

The Council exchanged views and provided guidance to the presidency for finalising the negotiations with the European Parliament.

All Member States considered that a timely agreement was urgently needed in order to allow the new cohesion policy programmes to be implemented as from 1 January 2014. Member States reminded the significant concessions which the Council had already made to the European Parliament. They reiterated their willingness to continue working in a constructive spirit on this file.

With regard to the outstanding political issues, the discussion went along the following lines:

- Several Member States opposed any dilution of the macro-economic conditionality. They stressed its importance for making sure that the five European structural and investment funds (the European regional development fund ([ERDF](#)), the European social fund ([ESF](#)), the cohesion fund ([CF](#)), the European agricultural fund for rural development (EAFRD) and the European maritime and fisheries fund (EMFF)) were not undermined by unsound macro-economic policies.

- Many Member States objected to any change to the performance reserve and the pre-financing which could have an impact on the payments' profile, seen as a core element of the MFF agreement.

- Some Member States resisted to any modification to co-financing, reminding that national cofinancing was essential to guarantee the ownership of the different programmes on the ground.

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

The European Parliament adopted by 479 votes to 126 with 85 abstentions, a legislative resolution on the amended proposal for a regulation

of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

Alignment with Europe 2020 strategy: the Common Strategic Framework (CSF) should facilitate sectoral and territorial coordination of Union intervention under the five European Structural and Investment Funds and with other relevant Union policies and instruments. The CSF must set out:

- how the European Structural and Investment Funds (ESI) will contribute to the objectives and targets of the Union's strategy for smart, sustainable and inclusive growth;
- the arrangements to address key territorial challenges;
- the arrangements to promote the integrated use of ESI Funds;
- the arrangements for coordination with other relevant Union policies and cooperation activities.

Particular attention shall be paid to urban and rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, taking account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions.

Effectiveness of the Funds: given the fact that Member States and regions increasingly face complex and interrelated challenges, the solutions supported by the European Structural and Investment Funds should be integrated, multi-sectoral and multi-dimensional. In order to increase the effectiveness and efficiency of the policies, it should be possible for the ESI Funds to be combined into integrated packages which are tailor-made to fit the specific territorial needs.

Arrangements for the implementation of the European Structural and Investment Funds, shall take into account the overall aim of reducing administrative burden for bodies involved in the management and control of the programmes.

Financial framework: the resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014 to 2020 shall be EUR 325 145 694 739 at 2011 prices, of which EUR 322 145 694 739 represents global resources allocated to the ERDF, the ESF and the CF and EUR 3 000 000 000 represents a specific allocation for the Youth Employment Initiative.

Resources for the Investment for growth and jobs goal shall amount to 96.33 % of the global resources and shall be allocated as follows:

- 52.45 % for less developed regions;
- 10.24 % for transition regions;
- 15.67 % for more developed regions;
- 21.19 % for Member States supported by the Cohesion Fund;
- 0.44 % as additional funding for the outermost regions.

Partnership agreement: the partnership principle was strengthened. On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners, and in dialogue with the Commission, a Partnership Agreement. The ESI should be implemented through programmes covering the programming period of the Partnership Agreement.

The provisions on Partnership Agreement were amended so as to give local and regional authorities and partners representing civil society the right of further scrutiny regarding planning and implementation.

A code of conduct would establish a framework within which Member States would support the implementation of partnership.

Ex ante conditionalities: the amended regulation defines ex ante conditionalities to ensure that the necessary prerequisites for the effective and efficient use of Union support are in place. To this end, an ex ante conditionality should apply only when it has a direct and genuine link to the effective achievement of the objectives of the ESI Funds. The Commission should assess the information provided by the Member State in the framework of evaluating the Partnership Agreement.

Performance framework: the performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each priority over the course of the programming period. The Commission should undertake a performance review based on a performance framework and in cooperation with the Member States in 2019.

A performance reserve of 6% of the resources allocated to the ERDF, ESF and CF under the Investment for Growth and Jobs goal as well as to the EAFRD and to Title V of the EMFF, shall be established for each Member State. The effectiveness of expenditure under the European Structural and Investment Funds must be underpinned by sound economic policies. The ESI Funds should be able to be, if necessary, redirected to addressing the economic problems a Member State was facing.

Where a Member State fails to take effective action in the context of the economic governance process, the Commission should make a proposal to the Council to suspend part or all of the commitments or payments for the programmes of that Member State. In such an event, the European Parliament shall be kept informed at all stages of the procedure on suspension of funds, through the structured dialogue with the Commission. Furthermore, the suspension of Funds would be adapted to the social and economic circumstances of the Member state concerned.

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

Regulation).

LEGISLATIVE ACT: Regulation (EU) No 1303/2013 of the European Parliament and of the Council 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.

CONTENT: the Regulation is part of a package of measures relating to the cohesion policy comprising the following Regulations:

- this Regulation sets out the provisions common to five European structural and investment funds (ESI Funds) namely the ERDF, the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).
- The Regulations specific to the five funds for the [ERDF](#), the [ESF](#), the [Cohesion Fund](#), the [European Territorial Cooperation](#) and the European grouping of territorial cooperation ([EGTC](#)).

Cohesion policy has the goal to reduce disparities between the levels of development of the various regions of the EU by encouraging economic growth, the creation of employment and competitiveness. THE ESI Funds provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Europe 2020 strategy for smart, sustainable and inclusive growth.

The main elements of the Regulation are the following:

Partnership and multi-level governance: partnership agreements must be concluded between the Commission and each of the Member States for the period from 1 January 2014 to 31 December 2020 to fix commitments relating to the use of the Funds at the national and regional level.

For the Partnership Agreement and each programme, each Member State shall in accordance with its institutional and legal framework organise a partnership with the competent regional and local authorities that combines a) competent urban and other public authorities; b) economic and social partners; and c) relevant bodies representing civil society (environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, etc).

On the basis of these agreements operational programmes are established to translate cohesion policy into concrete measures and priorities.

Common Strategic Framework (CSF): a comprehensive investment strategy, the CSF, is defined so that the five ESI Funds contribute to the objectives of the Europe 2020 strategy.

The CSF establishes strategic guiding principles to facilitate the programming process and the coordinating the sectoral and territorial intervention of the Union under the ESI Fund and in relation to other relevant Union policies and instruments.

Each ESI Fund contributes to the following thematic objectives:

- strengthening research, technological development and innovation;
- enhancing access to, and use and quality of, ICT;
- enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF);
- supporting the shift towards a low-carbon economy in all sectors;
- promoting climate change adaptation, risk prevention and management;
- preserving and protecting the environment and promoting resource efficiency;
- promoting sustainable transport and removing bottlenecks in key network infrastructures;
- promoting sustainable and quality employment and supporting labour mobility;
- promoting social inclusion, combating poverty and any discrimination;
- investing in education, training and vocational training for skills and lifelong learning;
- enhancing institutional capacity of public authorities and stakeholders and efficient public administration.

Thematic concentration: according to this principle, minimum shares are set for a certain number of priority thematic objectives for the three types of funding beneficiary regions, namely:

- the less developed regions (GDP per capita is less than 75% of the average GDP of the EU-27);
- the transition regions (GDP per capita is between 75%-90% of the average GDP of the EU-27);
- the more developed regions (GDP per capita is more than 90% of the average GDP of the EU-27).

Financial framework: the resources for the period 2014 - 2020 shall be increased to EUR 325 145 694 739 (in 2011 prices), of which i) EUR 322 145 694 739 represents the global resources allocated to the ERDF, the ESF and the Cohesion Fund and ii) EUR 3 000 000 000 represents a specific allocation for the Youth Employment Initiative (YEI).

Resources for the Investment for growth and jobs goal shall amount to 96.33% of the global resources allocated as follows:

- 52.45% (EUR 164 279 015 916) for the less developed regions;
- 10.24% (EUR 32 084 931 311) for the transition regions;
- 15.67% (EUR 49 084 308 755) for the less developed regions;
- 21.19% (EUR 66 362 384 703) for Member States supported by the Cohesion Fund;
- 0.44% (EUR 1 386 794 724) as additional funding for the outermost regions.

The resources for the European territorial cooperation objective (to be supported by the ERDF) shall amount to 2.75% of the global resources (i.e., a total of EUR 8 948 259 330).

Not less than 23.1% of all the resources from the ERDF, the ESF and the CF must go to the European Social Fund. The support from the Structural Funds for aid for the most deprived under the Investment for Growth and Jobs goal should be not less than EUR 2 500 000 000 and

may be increased by up to EUR 1 000 000 000 by additional support decided on a voluntary basis by Member States.

Co-financing: the Commission decision adopting an operational programme shall fix the co-financing rate and the maximum amount of support from European Funds. The rate of EU co-financing varies from 50% to 85% of total support, notably according to the level of development of the region concerned. The highest co-financing rates will also be applied to the outermost regions and (until 2017, subject to a review clause in 2016) to Cyprus.

Pre-financing: the Regulation provides the possibility of initial pre-financing in the form of advance payments charged to the ESI Funds allowing the managing authorities to start programmes. As a general rule, it is expected that pre-financing will amount to 1% of the five European Funds in 2014 and in 2015. From 2016, annual pre-financing will gradually increase to reach 3% in 2020.

Ex ante conditionality: the Regulation defines ex ante conditions to ensure the implementation of the conditionality framework necessary for the effective use of the support provided by the Union. The Commission shall evaluate the information provided by Member States on compliance with the ex ante in its evaluation of partnership agreements and the programmes.

Performance reserve: for each programme, a performance framework should be defined with a view to monitoring progress towards the objectives and targets set for each priority over the course of the programming period. The Commission, in 2019, should undertake a performance review based on a performance framework and in cooperation with the Member States. A performance reserve consisting of 6% of the national allocation in respect of the five European Funds is reserved or dedicated to the best-performing programmes reaching objectives previously.

Measures linked to sound economic governance: the effectiveness of expenditure under the Funds should be underpinned by sound economic policies and that the Funds can, if necessary, be redirected to addressing the economic problems a Member State is facing.

As a preventative, the Commission can demand that a partnership agreement with a Member State can be amended, for example, relating to macroeconomic imbalances.

Where a Member State fails to take effective action in the context of the economic governance process (for example, excessive deficits or macroeconomic imbalances), the Commission should make a proposal to the Council to suspend part or all of the commitments or payments for the programmes of that Member State. In this case, the European Parliament may exercise its right of control over all procedures taking decisions linked to the suspension of funds, during a structured dialogue with the European Commission.

ENTRY INTO FORCE: 21.12.2013.

DELEGATED ACTS: the Commission may adopt delegated acts to supplement and amend certain non-essential parts of the Regulation. The power to adopt delegated acts shall be conferred on the Commission from 21 December 2013 to 31 December 2020. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification (this period can be extended for two months). If the European Parliament or the Council make objections, the delegated act will not enter into force.

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

In accordance with Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the five structural and investment funds (the CPR), this Commission report carries out a review of two financial provisions:

- the increase in payments for Member States with temporary budgetary difficulties according to Article 24 of the CPR (the 'top-up') and
- the maximum EU co-financing rate of 85% applicable to all operational programmes in Cyprus according to Article 120(3) of the CPR.

Extension of the top-up: the top-up was introduced in 2010 for Member States with the greatest budgetary difficulties. Upon request, eligible countries received additional payments of 10% on all their declared expenditure and continued receiving payments at 10 percentage points above the maximum co-financing rate as long as they were under the programme.

This provision enabled bringing forward EU payments compared to the original financial plan and thus resulted in an immediate easing of budgetary pressure, provided liquidity and reduced the level of the necessary national match-funding in cohesion policy.

From 2011 up until the end of 2015, the Commission paid over EUR 3 billion (ERDF, ESF and Cohesion Fund contribution taken together) earlier than planned for Cyprus, Greece, Hungary, Ireland, Portugal and Romania.

The biggest beneficiary in financial terms was Greece (EU payments exceeding EUR 1.3 billion).

Greece, Cyprus, Ireland, Romania and Portugal are currently eligible for the 10% top-up on interim payments for the 2014-2020 programmes for payment claims submitted before 30 June 2016. The financial assistance programmes for Cyprus, Ireland, Portugal and Romania have now expired. Greece will be the only country that has a financial assistance programme in place on 30 June 2016.

The Commission feels that two issues need to be considered when modifying Article 24 CPR, namely (i) the scope of eligible countries and (ii) the time through which the provision applies.

- As regards the scope of eligible countries, the inclusion of a mid-term review in 2016 suggests that those Member States that are no longer receiving financial assistance should no longer be eligible for the top-up. This would enable Greece and any other country falling under an adjustment programme in the future to be supported through the top-up mechanism. The Commission does not consider that a further revision of eligibility for the top-up in the 2014-2020 period is necessary.
- With respect to the duration of the provision, the Commission proposes to continue eligibility until 30 June of the year following the calendar year in which the Member State stops receiving financial assistance under an adjustment programme. This approach follows the ESI Funds accounting year and would extend the period of eligibility by up to maximum 18 months. It will provide financial security for the Member State concerned in planning the necessary national match funding to draw down ESI Funds. It will also reduce the risk of losing funds once eligibility for the top-up has expired.

Extension of the maximum EU co-financing rate of 85% for Cyprus: the CPR provides an exceptional EU co-financing rate for all programmes in Cyprus of maximum 85% for the period of 1 January 2014 to 30 June 2017. The economic adjustment programme of Cyprus having expired at the end of March 2016, the question arises whether the country should continue to benefit from this rate after 30 June 2017.

Given that Cyprus signed an economic adjustment programme with the EU in March 2013, the CPR provided for Cyprus to benefit from an exceptional EU co-financing rate of 85% until 30 June 2017.

A closer look at key macroeconomic indicators shows that the economic situation of Cyprus is still very fragile. Cyprus and Greece are the only two Member States with negative economic growth and declining investment.

Given the deterioration of the economic situation of Cyprus, the country will also become fully eligible for the [Cohesion Fund](#) in the context of the mid-term review in 2016 according to Article 90(5) of the CPR.

Against this background, the Commission proposes to extend the maximum EU co-financing rate of 85% for Cyprus until closure of the programme.

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

The Commission presented a 2017 strategic report on the implementation of the European Structural and Investment Funds (ESIF).

This report provides the first strategic overview of the implementation of the 2014-2020 ESIF Funds programmes which run until the end of 2023. It summarises Member States' implementation and progress reports, covering the years 2014 to 2016.

With a budget of EUR 454 billion for 2014-2020, the ESIF Funds are the EU's main tool for investment. The current generation of programmes has incorporated significant reforms and more funding than ever before is now concentrated in areas of highest EU value added, such as employment, social inclusion, skills, research and innovation, the environment or the low-carbon economy.

The ESIF Funds provide better framework conditions for investment through ex ante conditionalities, the alignment with country-specific recommendations, the reinforced performance framework and better synergies with other instruments.

Putting this ambitious new approach into practice in Member States and regions required time and resources in the start-up phase. The Commission has assisted, and will further support Member States in complying with new regulatory requirements and adapting to new challenges in a number of ways, including through advisory services, capacity building, training and sharing of good practice and other measures.

The main conclusions of the report are as follows:

- around 2 million projects have been selected all over Europe, amounting to EUR 182 billion or 28.4 % of the total investment planned in 2014-2020. The EU contribution to these projects is an estimated EUR 128 billion;
- 793 490 businesses are being supported and 7.8 million people have been helped so far in their search for a job, training, or education;
- about EUR 181.4 billion in investments are planned in RD&I, ICT and SME competitiveness in 2014-2020. At the end of 2016, projects worth EUR 50.3 billion had been selected, representing 28 % of the planned total allocation;
- around EUR 168.3 billion, especially from the European Social Fund ('ESF'), will be invested in employment, social inclusion and education. At the end of 2016, projects amounting to EUR 48.7 billion had been selected, representing 29 % of the planned total allocation;
- the ESIF Funds channel EUR 262.2 billion in key areas for sustainable development. By the end of 2016 about 28 % or EUR 73.2 billion was allocated to concrete projects;
- about 20 % of the total agricultural area is covered by climate and environment related actions following investments to improve biodiversity, soil and water management;
- the ESIF Funds are the EU's main instrument to foster integrated territorial development in Member States and regions. More than 3 800 urban and territorial strategies are receiving dedicated EU support.

The results of the 2016 monitoring exercise and the latest data available at the end of October 2017 show that with a total amount of project selection now worth EUR 278 billion, representing 44 % of the total financing available for the period, the implementation of the ESIF Funds has taken off and is reaching cruising speed. Payments are expected to further accelerate in the coming months.

The report shows that while progress is significant across most Member States and policy areas, a number of challenges still remain such as investments in ICT, the low-carbon economy and support to administrative capacity building for authorities and beneficiaries. More effort is needed to ensure that quality projects are selected and effectively implemented.

Member States need to make sure that the committed funds are disbursed while maintaining the positive progress in project selection.

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

The Commission presents its 2018 summary report of the European Structural and Investment Fund programme annual implementation

reports covering implementation in 2014-2017.

This is the third annual overview of the implementation of the more than 530 shared management (national and regional) programmes based on the annual programme reports received in mid-2018.

Specifically, it summarises available performance information covering implementation in the years 2014 to 2017.

Financial progress

Following the mid-term review of the 2014-2020 multiannual financial framework and the GDP technical adjustment in 2017, the EU share of the ESI Funds budget increased by EUR 6 billion to a total of EUR 460 billion. With matching increases in national co-financing, the total investment planned rose by EUR 9 billion to a total of EUR 647 billion.

During 2017, the total investment planned under the ESI Funds was subject to several changes leading to a net increase. The mid-term review of the 2014-2020 multi annual framework led to an increase in the allocation to the Youth Employment Initiative ('YEI').

The EU co-legislators agreed to increase the resources of the YEI, covering the remainder of the programming period (2017-2020). The YEI specific allocation was increased by EUR 1.2 billion, spread over 4 years to benefit 11 Member States still meeting the requirements for support.

By the end of 2017, an estimated EUR 7 billion has been allocated to 162 000 projects, representing 67% of the EUR 10.3 billion planned. During this period, 2.4 million young people had been supported by the Youth Employment Initiative.

In the context of the 2018 budget procedure, it was agreed that the new YEI resources would be further frontloaded, by increasing the 2018 commitment appropriations and decreasing those for 2020, thus bringing the overall amount for 2018 from EUR 116 million up to EUR 350 million.

In terms of payments from the EU budget to the Member States, a total of EUR 75 billion was paid by end-2017 (16% of the planned total, including pre-financing and interim payments of declared expenditure).

Looking ahead, important financial targets are set for the end of 2018 ("N+3" rule). There are risks that specific programmes will lose EU financing. Next years reporting cycle will involve comprehensive programme reports by June 2019 and national progress reports by end-August 2019. Those reports will provide a full quantitative and qualitative overview of the implementation of investment objectives. They will cover a range of important issues. In particular, the Member States will report on financial and physical milestones under the performance framework to be used to award the performance reserve in 2019. The reports will be synthesised by the Commission in a strategic report by the end of 2019.

Conclusions

The main conclusions of the report are as follows:

- by the end of 2017, over 1.7 million projects have been selected across Europe, amounting to a total investment volume of EUR 338 billion, or 53 % of the planned total;
- the value of the projects selected in 2017 alone represented EUR 158 billion, the largest annual rise so far. Member States are clearly turning the investment plans into concrete projects to deliver sustainable social and economic benefits;
- investment is progressing well in many of the thematic areas targeted as EU priorities such as:
 - SMEs: 55% of the total planned investment in SMEs was allocated to projects;
 - climate change and digital economy: the rates of selection of climate actions and investment in the digital economy have improved by the end of 2017;
 - cohesion: the report noted a continued strong progress in project selection, with 67% of funds allocated to projects. That is an increase of EUR 66 billion in 9 months bringing total decided investment to over EUR 400 billion. The selected projects have reported total expenditure of nearly EUR 96 billion by end 2017, accelerating and more than doubling in 12 months. By the end of 2017, 16% of the total available funds for the period were paid from the EU budget to the Member States. (This has reached 23% by the end of October 2018.);
 - rural development: the implementation of rural development programmes is on track. By autumn 2018, beneficiaries supported by the EAFRD received over EUR 33.8 billion, which represents almost 33% of the total financial envelope available for the programming period.

The overall performance data reported to the end of 2017 show that:

- 1 million businesses have been targeted by support to improve their productivity and growth or to create jobs;
- 15.3 million people have been supported in their search for a job, training or education or have benefitted from social inclusion measures;
- 15% of the total agricultural area are covered by climate and environment related actions to improve biodiversity, soil and water management.

The report also concluded that the ESI Fund programmes are a major investment instrument of the European Union with every region in the European Union benefiting from the policy. The evidence now available from financial implementation and from common output and result indicators provides a more complete overview of implementation progress than has been available in any previous period.

An important acceleration has taken place during 2017 in the overall implementation of programmes co-financed by the ESI Funds. The project selection rate almost doubled compared to end-2016, to exceed 52% of the total funding. Expenditure generated by the projects also started to catch up as have the achievement values of the output and result indicators of the programmes linked to important social and economic benefits.

Based on past experience, the Commission expects that implementation rates for investment expenditure and the delivery of outputs and results will continue to increase in 2019. The upcoming performance review in 2019 will further incentivise better spending of ESI Funds in terms of achieving programme objectives. As the ESI Fund implementation progresses, it will ultimately provide material on which to conduct impact evaluations. However, a significant number of evaluations by the Member States will still take some time to be launched, completed and for their results to become available.

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

The Commission presents its 2018 summary report of the programme annual implementation reports covering implementation European Structural and Investment (ESI) Funds for the period

2014-2017. This Staff working document provides a complementary synthesis of the evaluation work undertaken by the Member States and the Commission in order to assess the impact of the programmes supported by ESI Funds. The Commission notes that the legislation for the period 2014-2020 sets out a stronger emphasis on the need to evaluate the contribution to growth, sustainable development and job creation of the policies cofinanced through the ESI Fund programmes, which comprise the following:

- European regional development fund (ERDF) and Cohesion Funds;
- European social fund (ESF) and Youth Employment Initiative (YEI);
- European agricultural fund for rural development (EAFRD);
- European maritime and fisheries fund (EMFF)

Main findings

An overview of the implementation progress shows that the reported expenditure of projects selected at the end of 2017 in the programmes supported by the ESI Funds amounts to 15% of the total planned. Although it has more than doubled in 12 months, it still represents a low execution rate, especially if compared to the previous programming period.

- The low pace of implementation has determined a limited availability of evaluations for the period 2014-2020 so far, behind the level initially planned. The evaluations mostly deal with process/implementation and monitoring/progress issues, and those oriented to evaluate the impact of the programmes and the policy are only a minor share of the total. However, the number of 2014-2020 evaluations completed by the Member States is now increasing. There are positive signals also on implementation, such as the 25% increase in the selection rate of the projects in 2017 alone (the largest annual rise so far), indicating that Member States are turning the planned investments into concrete projects.

With regard to quality, an in-depth analysis of the reliability of impact evaluations, related to both programming periods, showed that only a limited number of them can be considered as fully reliable, which highlights the need for improvement in the quality of the works produced by Member States, to which the Commission is committed to provide necessary support.

Conclusions

The report notes the following:

- First evidence is available from the Member States on the period 2014-2020, mostly for ESF/YEI and show positive impact on employment of the various measures evaluated so far, while impact evaluations on the other Funds are still very limited, due to the scope and nature of the actions funded.

- For the 2007-2013 period, impact evaluations show that most investments would have not been carried out without EU support and their success requires strong coordination of different measures and cooperation among stakeholders. Support to SMEs has increased employment, productivity and exports and can be more effective when complemented with non-financial support.

Based on the forecasts of the evaluation plans and the fact that implementation is accelerating to reach its full pace, the Commission expects that a more conspicuous number of impact evaluations related to 2014-2020 programmes will be available in the next 12 months, so that more evidence from the Member States will be reported in the 2019 edition of this document.

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

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 EUs goals of smart, sustainable and inclusive growth. This trend has been further strengthened by the Commissions 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 Commissions 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.