EU Budget for the future
CPR ERDF/CF

Monitoring Committee Meeting of the
ERDF/CF/ESF Operational Programme
2014-2020
12 June, 2018 - Kaunas

#CohesionPolicy
#EUinmyRegion
Key themes

Modern
- Focus on smart, low carbon
- Enabling conditions, link to the European Semester

Simple & flexible
- 50% shorter regulations
- 50 key simplifications
- Adapts to emerging needs (migration, economy)

For all regions
- Objective method
- 75% for poorest regions
- Present for emerging needs elsewhere
7 funds, 1 regulation

CPR covers delivery. 1 set of rules is:

- More coherent
- Simpler to learn
- Simpler to combine
Modernising the policy
Policy objectives

11 objectives are simplified and consolidated to 5:

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

Horizontal objectives in all five: Administrative capacity building, cooperation across borders and between regions.
ERDF THEMATIC CONCENTRATION

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

<table>
<thead>
<tr>
<th>For countries with:</th>
<th>minimum % PO1 (&quot;smarter Europe&quot;)</th>
<th>minimum % PO2 (&quot;greener, low carbon Europe&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI below 75%</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>GNI 75-100%</td>
<td>45%</td>
<td>30%</td>
</tr>
<tr>
<td>GNI above 100%</td>
<td>60%</td>
<td>PO1 + PO2 min. 85%</td>
</tr>
</tbody>
</table>

- 6% of budget to urban development, delivered through local development partnerships
Simplification and flexibility
Programming

What's new?

- Simplified, more focused and strategic programming in structured form
- Performance-oriented: Mid-term review in 2025
- Synergies: Closer link with the European Semester
- Clarity: PA and programme models as part of CPR
- Annexes: to replace some 40 empowerments from 2014-2020

What we will not do anymore?

- No more changes of the PA during period
- Eliminated overlaps between PA and programmes
- Fewer procedures: combing technical adjustment with performance review
More flexible

• New transfer possibility: Member State may request the transfer of up to 5% of programme resources to any other Fund under shared management or to any instrument under direct or indirect management.

• Simpler reprogramming: up to 5% of a priority (3% of programme) without Commission decision.

• "5+2" Programming:
  • 5 years programmed initially
  • 2026-27 programmed after mid-term review in 2024-25 (basis: emerging needs, performance)
  • Technical adjustment to feed in (modifying allocations starting from 2025)
Simpler management, control and audit

- No designation procedure: roll-over of existing systems
- Fewer layers of control: Certifying Authorities replaced by an accounting function which will not duplicate controls
- Fewer management verifications: Currently 100% of payment claims covered by administrative verifications, in future risk-based sample
- Enhanced proportionate system: For programmes with good track record on error rates, proper functioning of system => Reliance on national systems, max 30 operations in the sample
- Simpler process for acceptance of accounts
- Clarity on document retention period for beneficiaries
Increased use of financial instruments

- Encouraging financial instruments (FIs) by simplification:
  - Lighter ex-ante assessments
  - Integrated rules for grants and FIs => easier to master rules, easier to combine instruments
  - Simpler rules on eligibility, payments and management fees
  - No separate reporting
- Voluntary contribution, as a general rule, up to 5% of each Fund to new "InvestEU" instrument.
- Rules of InvestEU apply, but cohesion objectives pursued
Solidarity and responsibility
## Lower co-financing ceilings

<table>
<thead>
<tr>
<th>Ceiling</th>
<th>Applies to</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>Less developed regions</td>
</tr>
<tr>
<td></td>
<td>Outermost regions</td>
</tr>
<tr>
<td></td>
<td>Cohesion Fund</td>
</tr>
<tr>
<td></td>
<td>Interreg</td>
</tr>
<tr>
<td>55%</td>
<td>Transition regions</td>
</tr>
<tr>
<td>40%</td>
<td>More developed regions</td>
</tr>
</tbody>
</table>

"Quid pro quo": Lighter VAT eligibility rules  
No specific rules for revenue generating projects
New MFF: possible allocations for Lithuania

- 5.6 bln EUR under the investment for jobs and growth goal for 2021-2027 in 2018 prices (6.4 bln EUR in current prices).
## Continued concentration on the poorest regions

<table>
<thead>
<tr>
<th>Region</th>
<th>2021-2027</th>
<th>2014-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion Fund</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Less developed regions</td>
<td>62%</td>
<td>53%</td>
</tr>
<tr>
<td>Transition</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>More developed</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Share CF + less developed</td>
<td>75%</td>
<td>74%</td>
</tr>
</tbody>
</table>
Thank you!