



Council of the European Union
General Secretariat

Brussels, 23 October 2018

WK 12766/2018 INIT

LIMITE

**CADREFIN
RESPR
POLGEN
FIN**

WORKING PAPER

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

MEETING DOCUMENT

From: General Secretariat of the Council
To: Ad hoc Working Party on the Multiannual Financial Framework (MFF) 2021-2027
Subject: Cohesion Policy Allocations (Fiche no. 51)

Delegations will find attached the above-mentioned document from the Commission.



23 October 2018

WORKING DOCUMENT OF THE COMMISSION SERVICES

Subject: Cohesion Policy Allocations

1. INTRODUCTION

The Communication on the Multiannual Financial Framework of 2 May established the overall allocation for Cohesion Policy for 2021-2027 at EUR 373 billion. In particular, the total allocation for the European Regional Development Fund (ERDF) was fixed at EUR 216.8 billion and for the European Social Fund Plus (ESF+), a total of EUR 100 billion was fixed (all figures in current prices).

The Cohesion Policy package of 29 May established a breakdown by Member State of the total cohesion policy package, providing Member States with a single allocation covering all elements of Cohesion Policy.

While the allocation method included in the 29 May package enables an individual allocation per Member State of the Cohesion Fund and of Interreg (cross-border and transnational multi-country programmes), it provides a single joint allocation for the ERDF and the ESF+. The present fiche provides the individual amounts per Member State for these two Funds. Based on this, it provides an overview of Member States' Cohesion policy allocations for all funds.

2. ALLOCATION PER MEMBER STATE FOR ESF+ AND ERDF

The 2014-2020 approach underpinning the breakdown of the ESF and ERDF for each Member State was to establish a minimum share of ESF support for each Member State, in order to ensure that there is appropriate funding for social priorities within the Cohesion Policy allocation of each Member State.

For 2021-2027, the Commission has proposed a fixed amount (EUR 100 billion) for ESF+. To determine the distribution of the EUR 100 billion among the Member States, it is proposed to take the existing (2014-2020) ESF shares as a starting point and to adjust them, taking account of a limited number of variables. The attached proposed methodology for the ESF+ allocation per Member State starts from the current (2014-2020) ESF share for each Member State as a percentage of its total ESF and ERDF allocation. It is then proposed to use two specific indicators reflecting key policy challenges that the ESF+ will address in 2021-2027: youth unemployment and social inclusion.

The Commission proposal for ESF+ 2021-2027 singles out social inclusion actions as well as youth employment measures as policy focus areas by requiring minimum budget allocations for these actions. The indicators chosen are thus a reflection of the policy priorities for ESF+.¹

To arrive at 2021-2027 figures, the amounts obtained from the 2014-2020 ESF percentage share are adjusted based on the rate of young people aged 15-24 not in employment, education or training (“NEETs”) and the rate of people at risk of poverty or social exclusion (“AROE”). Both of these indicators stem directly from the European Pillar of Social Rights and are included in the Social Scoreboard.

The advantage of the proposed methodology is that it provides consistency and continuity with the current level of funding for social issues from the EU Budget and respects longer-term policy choices within the Member States.

This proposed methodology ensures continuity as well for ERDF shares for the Member States within the overall reduction of Cohesion Policy funding. This is due to the fact that both, the overall allocation distribution methodology and the ESF+ distribution methodology, are based on the continuity of indicators used in determining 2014-2020 allocations. In addition, the ESF+ method relies significantly on the historical share of the ESF in the overall ESF + ERDF allocation. Therefore, continuity also applies to the ERDF.

To be noted that, as part of the overall MFF proposal, budgetary flexibility has been included in line with the Commission’s aim of ensure a modern, adaptable budget. This includes the possibility for Member States to move up to 5% of a Cohesion Policy programme allocation from one Fund to another in order to address changing priorities, evolving operational needs or unforeseen circumstances during the 2021-2027 period.²

The detailed description of the methodology and the resulting allocations for the ESF+ per Member State is set out in Annex 1.

3. BREAKDOWN OF COHESION POLICY ALLOCATIONS PER MEMBER STATE

Annex 2 sets out the breakdown per Member State of the total Cohesion Policy allocation, stemming from the 29 May Cohesion Policy package and the outcome of the ESF+/ERDF breakdown as described above. It is provided in both current and 2018 prices.

This breakdown includes Member State allocations for Interreg programmes and for the Cohesion Fund. It also indicates the amount per Member State to be transferred from the Cohesion Fund to the Connecting Europe Facility.

Funding not directly allocated to Member States are kept outside of this exercise, such as Interregional component of Interreg, Transnational Cooperation under the ESF+ and Technical Assistance for the Commission under ERDF and ESF+.

¹ The proposed ESF+ Regulation stipulates that all Member States have to allocate at least 25% to social inclusion actions and Member States with a NEET (young people not in employment, education or training) rate above the EU average in 2019 have to allocate at least 10% to youth employment measures.

² According to Article 21 of the draft Common Provisions Regulation, Member States may request the transfer of up to 5% of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.

Annex 1: Detailed description of the methodology

The following steps have been taken into account for the proposed methodology:

1. The ESF³ resources for 2014-20 allocated to programmes in every Member State as of 1 June 2018 are expressed as a share of the combined 2014-20 ERDF and ESF resources.

2. The share is increased based on the rate of young people aged 15-24 neither in employment nor in education or training (NEET rate) in Member States. Specifically:

- where the NEET rate is equal to or exceeds 16.4%, the share is increased by 1.5 percentage points⁴;

- where the NEET rate is equal to or exceeds the EU27 average of 11.6% but is lower than 16.4%, the share is increased by 1 percentage point;

- where the NEET rate is equal to or exceeds 6.9%, but is lower than the EU27 average, the share is increased by 0.5 percentage points.

The reference years for the NEET rates are 2015-2017 (most recent available). The data are at national level.

3. The share is further increased based on the rate of people at risk of poverty or social exclusion (AROPE rate) in Member States. Specifically:

- where the AROPE rate is equal to or exceeds 30.3%, the share is increased by 1.5 percentage points;

- where the AROPE rate is equal to or exceeds the EU average of 23.9% but is lower than 30.3%, the share is increased by 1 percentage point;

- where the AROPE rate is equal to or exceeds 17.6%, but is lower than the EU average, the share is increased by 0.5 percentage point.

The reference years for the AROPE rates are 2014-2016 (most recent data available). The data are at national level.

4. As the shares obtained as described above would add up to an amount which is higher than available resources for programming, the outcomes are adjusted to the available EUR 100 billion for the ESF+ on a pro rata basis.

5. The amounts available for programming under the ESF+ for the outermost regions identified in Article 349 TFEU and the northern sparsely populated areas covered by Protocol No 6 of the 1994 Act of Accession are added to each concerned Member State's allocation.

³ In order to be complete and comparable to the ESF+, this calculation includes the resources for Youth Employment Initiative and the Fund for European Aid to the Most Deprived programmed for 2014-2020.

⁴ The thresholds in points 2 and 3 are set on the basis of the standard deviation of the two sets of data values. The standard deviation serves as a measure to indicate by how much the national NEET and AROPE rates deviate from the EU average.

European Social Fund Plus shared management strand - national allocations

Allocation Member State, Millions EUR

	2021-2027 ESF+			2014-2020 ESF+YEI+FEAD		
	Current	2018 prices	ESF+ in % of ESF+ and ERDF	Current	2018 prices	ESF, YEI and FEAD in % of ESF, YEI, FEAD and ERDF
BE	1 177	1 044	50,4%	1 173	1 197	55,2%
BG	2 588	2 292	31,4%	1 682	1 715	32,0%
CZ	2 737	2 428	20,6%	3 467	3 524	22,5%
DK	181	161	46,0%	217	220	51,2%
DE	6 205	5 505	37,5%	7 575	7 720	41,3%
EE	492	437	23,0%	589	600	24,1%
IE	579	514	56,3%	636	651	60,7%
EL	5 900	5 232	33,9%	4 683	4 775	35,2%
ES	12 084	10 722	32,3%	10 376	10 583	33,5%
FR	7 194	6 383	42,7%	6 999	7 148	45,4%
HR	2 145	1 902	27,1%	1 654	1 685	27,7%
IT	15 011	13 319	35,4%	12 687	12 941	36,9%
CY	207	184	32,3%	155	161	34,0%
LV	736	652	22,2%	709	727	22,8%
LT	1 029	913	24,8%	1 237	1 260	26,1%
LU	21	19	50,0%	24	24	55,2%
HU	4 806	4 257	29,3%	4 856	4 948	31,1%
MT	91	81	20,8%	110	112	22,2%
NL	552	489	45,0%	514	524	50,2%
AT	510	453	42,3%	460	469	46,2%
PL	14 297	12 659	24,0%	13 936	14 189	25,7%
PT	7 579	6 725	39,6%	7 944	8 104	42,4%
RO	8 385	7 414	32,6%	5 368	5 463	33,4%
SI	793	704	32,2%	758	772	34,8%
SK	2 481	2 196	22,9%	2 307	2 351	24,0%
FI	725	643	43,4%	541	551	40,6%
SE	946	839	45,8%	816	835	46,6%
Technical assistance	349	305				
Transnational cooperation	200	175				
TOTAL	100 000	88 646		91 472	93 250	

Annex 2: Breakdown of Cohesion Policy allocations per Member State

Allocation by fund and Member State, Millions EUR, current prices

	ESF+	ERDF	CF	of which transferred to the CEF	ETC	Total allocation
BE	1 177	1 158			405	2 739
BG	2 588	5 643	1 654	401	143	10 028
CZ	2 737	10 524	6 444	1 563	314	20 019
DK	181	213			249	643
DE	6 205	10 346			1 029	17 579
EE	492	1 651	1 075	261	51	3 269
IE	579	450			190	1 219
EL	5 900	11 528	4 034	978	120	21 582
ES	12 084	25 377			639	38 101
FR	7 194	9 654			1 106	17 954
HR	2 145	5 776	1 695	411	219	9 836
IT	15 011	27 411			788	43 209
CY	207	434	319	77	24	984
LV	736	2 573	1 424	345	55	4 789
LT	1 029	3 127	2 085	506	88	6 329
LU	21	21			30	73
HU	4 806	11 624	3 437	833	272	20 140
MT	91	345	219	53	14	670
NL	552	673			392	1 616
AT	510	695			229	1 434
PL	14 297	45 300	12 144	2 945	595	72 335
PT	7 579	11 578	4 436	1 076	142	23 736
RO	8 385	17 323	4 499	1 091	392	30 599
SI	793	1 673	901	218	80	3 446
SK	2 481	8 345	2 173	527	235	13 234
FI	725	944			129	1 798
SE	946	1 121			333	2 400
Technical assistance	349	737	153		29	1 269
Interregional					1 206	1 206
Transnational cooperation	200					200
EUI		564				564
TOTAL	100 000	216 807	46 692	11 285	9 501	373 000
	26,8%	58,1%	12,5%		2,5%	100,0%

Allocation by fund and Member State, Millions EUR, 2018 prices

	ESF+	ERDF	CF	of which transferred to the CEF	ETC	Total allocation
BE	1 044	1 027			359	2 430
BG	2 292	4 998	1 465	355	127	8 882
CZ	2 428	9 338	5 718	1 386	279	17 762
DK	161	189			221	571
DE	5 505	9 180			913	15 598
EE	437	1 465	954	231	45	2 901
IE	514	399			169	1 082
EL	5 232	10 222	3 578	868	106	19 138
ES	10 722	22 517			567	33 806
FR	6 383	8 566			981	15 931
HR	1 902	5 122	1 503	365	195	8 721
IT	13 319	24 321			699	38 338
CY	184	385	283	69	21	873
LV	652	2 279	1 261	306	49	4 241
LT	913	2 774	1 850	449	78	5 615
LU	19	19			27	65
HU	4 257	10 296	3 044	738	242	17 838
MT	81	306	194	47	13	594
NL	489	597			347	1 434
AT	453	617			204	1 273
PL	12 659	40 113	10 753	2 607	528	64 053
PT	6 725	10 273	3 936	955	126	21 060
RO	7 414	15 317	3 978	965	348	27 057
SI	704	1 484	799	194	71	3 058
SK	2 196	7 388	1 924	466	209	11 717
FI	643	838			115	1 596
SE	839	995			295	2 129
Technical assistance	305	668	136		26	1 134
Interregional					1 070	1 070
Transnational cooperation	175					175
EUI		500				500
TOTAL	88 646	192 191	41 375	10 000	8 430	330 642
	26,8%	58,1%	12,5%		2,5%	100,0%