

13th International Evaluation Conference

The Reformed Cohesion Policy in a
New Policy Landscape



9th December 2019, Kraków

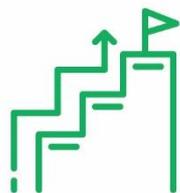
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European Commission DG REGIO

Reformed cohesion policy 2021-27– objectives

Former objectives are simplified and consolidated into **5 Policy Objectives**

- 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 issues: partnership
administrative capacity building,
cooperation outside the programme area



Reformed cohesion policy

331 billion euro (2018 prices)

Modern investment

- Focus on transition to smart, low-carbon economy
- Stronger link to European Semester
- Comprehensive performance data (near real time), open data

Simple, flexible, dynamic

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

For all regions

- Balanced and fair allocation method
- 75% of financial resources to poorest regions and Member States, where most needed

Reformed cohesion policy – measures proposed for simplification

- 1. A streamlined policy framework** (shorter menu, easier to shift within priorities, simpler thematic concentration mechanism)
- 2. Simpler implementation** (no specific rules for major projects, nor for revenue generating projects, use of Simplified Cost Options and of financing not linked to cost promoted, simpler rules on VAT eligibility, expenditure outside the MS is eligible)
- 3. Management, control and audit** (designation procedure discontinued, reduced number of verifications, a more proportionate approach to audits)
- 4. Financial instruments** (ex ante assessment with fewer key elements and possible update, flexible combination with grants in a single operation, simpler rules on management costs and fees)
- 5. Monitoring and evaluation** (no obligation to conduct an ex ante evaluation, real time reporting instead of annual report, elimination of performance reserve).

Thematic concentration requirements

- Maintaining expenditure in key areas for economic growth and employment
- At national level based on GNI per capita => flexibility

In the cases of countries with:	Minimal % value for PO1 („smart Europe”)	Minimal % value for PO2 („greener, low-carbon Europe”)
GNI below 75%	35%	30%
GNI 75–100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

Continued concentration on less developed regions

	2014-2020	2021-2027
Cohesion Fund	22%	13%
ERDF Less developed regions	53%	62%
ERDF Transition	10%	14%
ERDF More developed	15%	11%
Total	100%	100%
Share CF + ERDF less developed	74%	75%

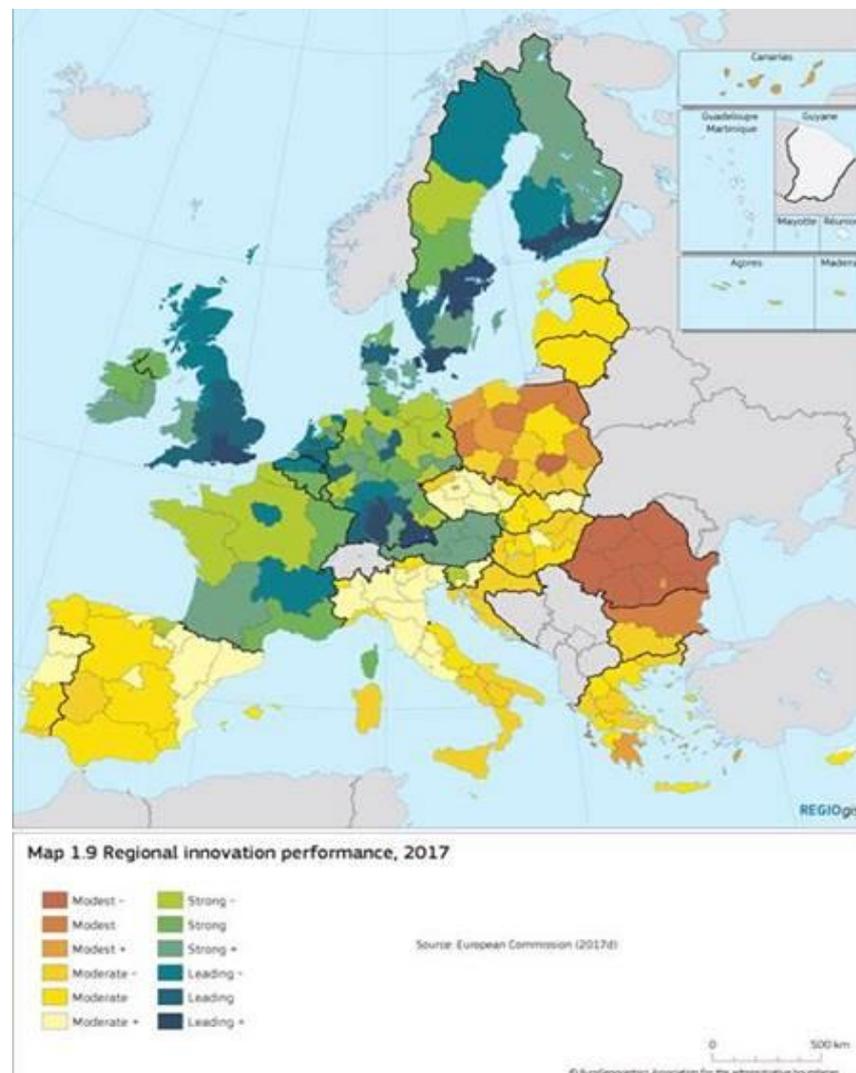
Cohesion policy 2021-2027

Policy objective 1

<< a Smarter Europe >>
by promoting innovative and smart economic transformation

Specific objectives:

- i. enhancing research and innovation capacities and the uptake of advanced technologies
- ii. reaping the benefits of digitalisation for citizens, companies and governments
- iii. enhancing growth and competitiveness of SMEs
- iv. developing skills for smart specialisation, industrial transition and entrepreneurship.



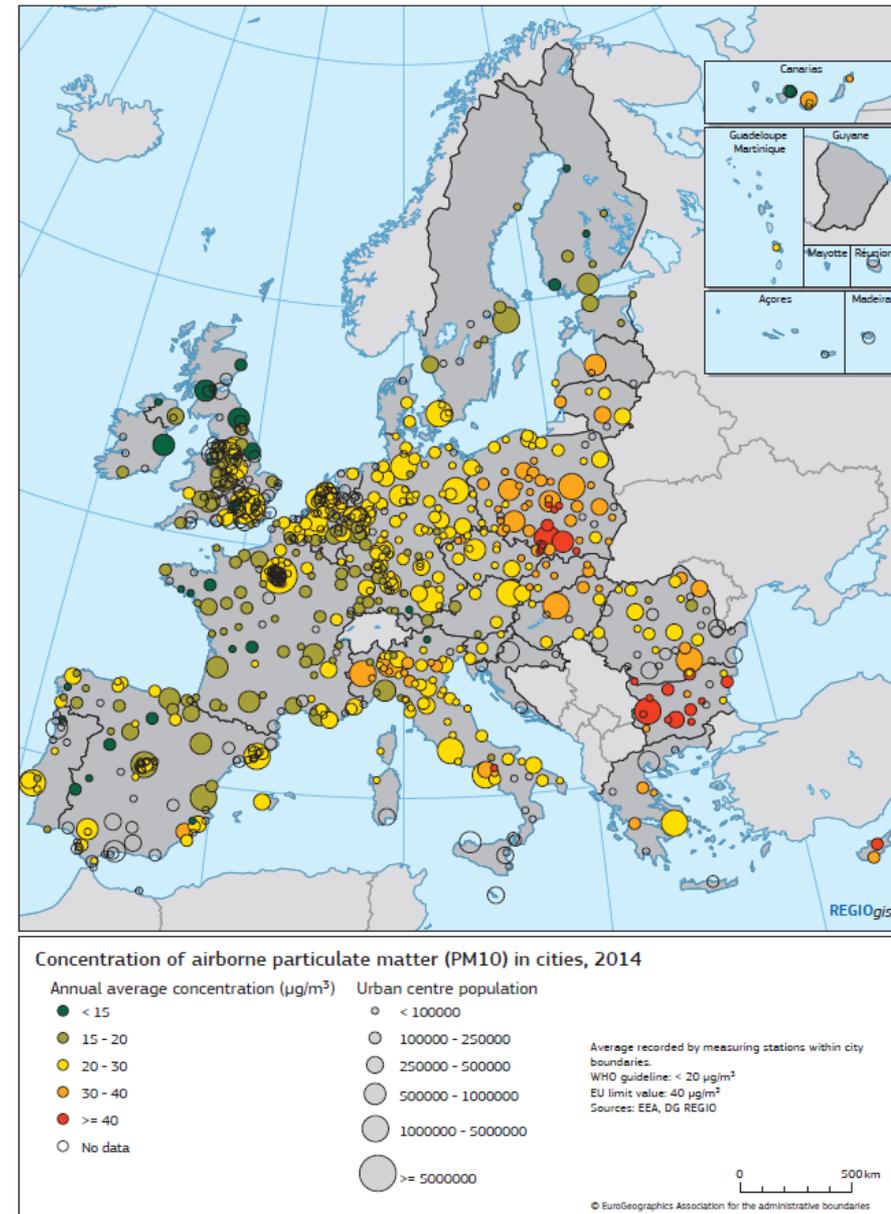
Cohesion policy 2021-2027

Policy objective 2

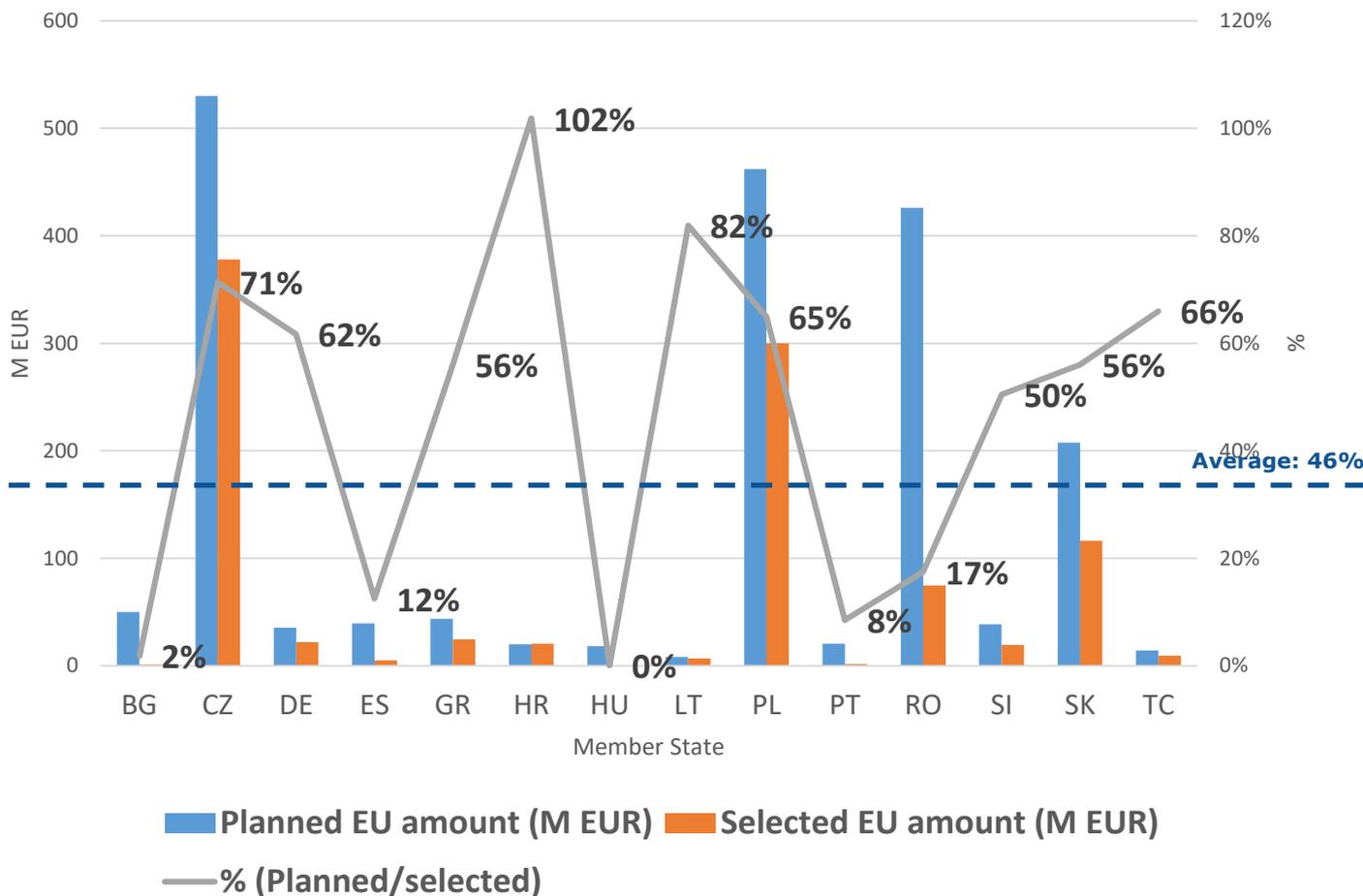
« A greener, low-carbon Europe »

Specific objectives:

- i. promoting energy efficiency measures
- ii. promoting renewable energy
- iii. developing smart energy systems, grids and storage at local level
- iv. promoting climate change adaptation, risk prevention and disaster resilience
- v. promoting sustainable water management
- vi. promoting the transition to a circular economy
- vii. **enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution.**



Cohesion policy air quality investments 2014-2020



Reducing emissions from energy recovery in Košice waste plant, SK



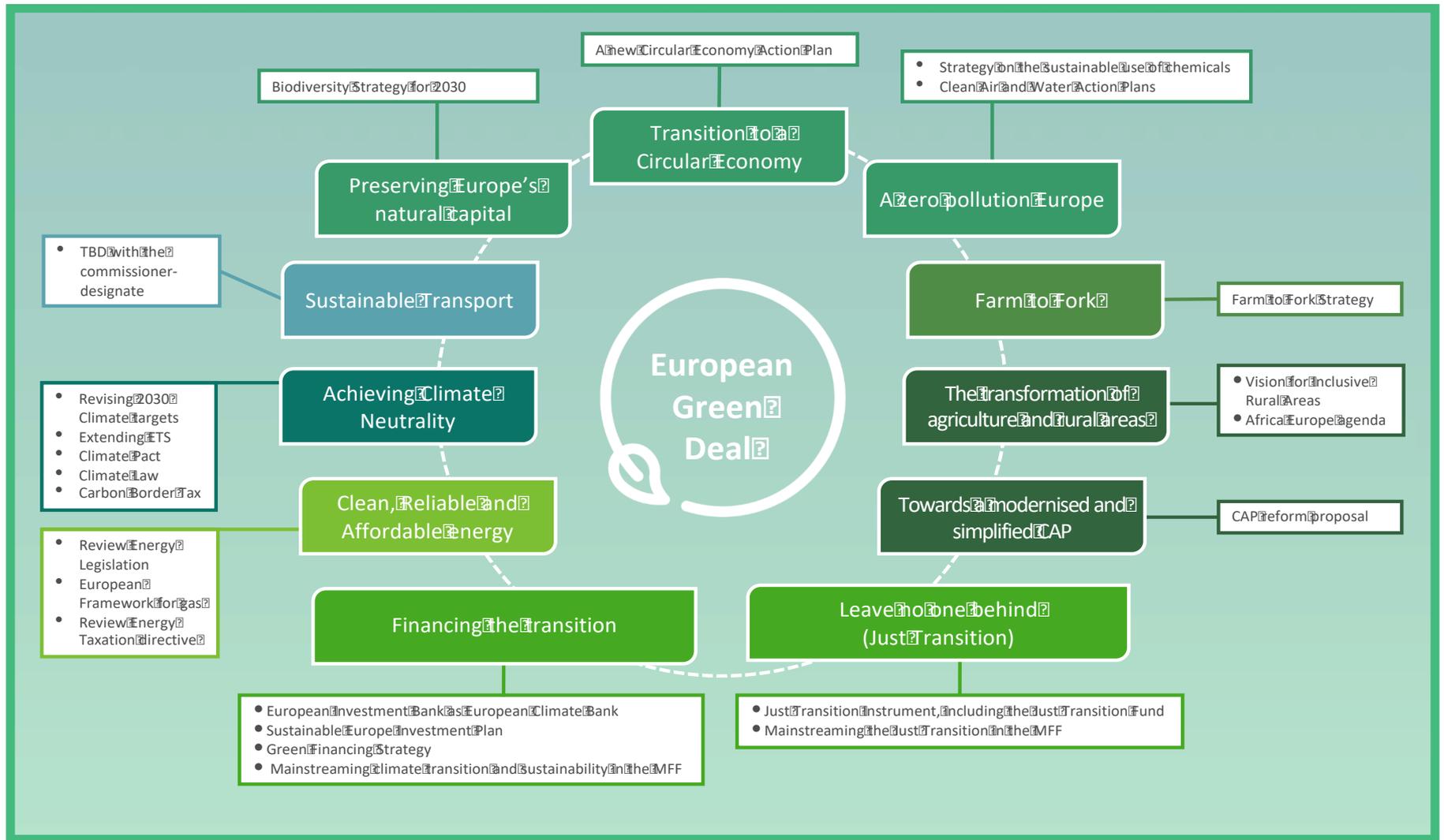
Key ambitions of the Commission

“Europe must lead the transition to a healthy planet and a new digital world. But it can only do so by bringing people together and upgrading our unique social market economy to fit today’s new ambitions”
(Ursula von der Leyen, Political guidelines for the next EC 2019-2024)

Headline ambition: **A European Green Deal**

- Global leadership: world’s first climate-neutral continent
- Biodiversity Strategy 2030
- New Circular Economy Action Plan
- Just transition: cohesion policy, Just Transition Fund
- Sustainable European Investment Plan
- Future-ready economy – new industrial strategy





Source: Twitter @TimmermansEU, 8 October 2019

Key ambitions of the Commission

Headline ambition: **A Europe fit for the digital age**

„I want Europe to strive for more by grasping the opportunities from the digital age within safe and ethical boundaries“.

(Ursula von der Leyen)



- **Defining standards for 5G networks**
- **Empowering people through education and skills.**

Investment related challenges in Poland

- Low **innovation** performance and **productivity** of SMEs, insufficient use of **e-governance**, limited access to **digitally skilled workforce**
- **Air pollution, dependence on coal**, challenges linked to **climate change**, too slow progress in recycling of **waste, urban** wastewater not tackled adequately
- Connectivity gaps, low share of **rail** transport in freight, limited **public transport** in rural areas and weak **intermodal urban mobility**, low access to **ultra-fast internet**
- Unsatisfactory **quality and outcomes of education**, low labour market participation of **disadvantaged** groups, low access to **childcare**, underdeveloped **long-term care** and community-based services, health system **too much hospital-centred** and lacking **coordination**.
- Striking **disparities** at sub-regional level, strong urban-rural divide, un-coordinated **spatial planning**, progressing urban sprawl.

Air pollution in Poland and EU support

- According to WHO **out of the 50 most polluted European cities 36 are located in Poland.**
- **Low stack furnaces are the most important source of air pollution** in Poland.
- Ongoing **EU Technical Assistance Support** with World Bank in the framework of Catching-up Regions Initiative to the Polish **Clean Air Programme.**
- **Way forward:** Effective **system of financial support** to households for the exchange of low-emission boilers and thermo-modernization adjusted to income – with help of EU funds.

Multiannual Financial Framework negotiations – key issues related to cohesion policy

- **7-year MFF** - MFF mid-term review and CP mid-term review still to be negotiated
- **CP budget** – EP calls for the same budget in real terms
- Different proposals for **co-financing rates** – EP in favour of increase
- **Pre-financing** levels - EP in favour of increase
- **Transfers to CEF, InvestEU** and other directly managed instruments – divergent positions on EP and Council side
- **Thematic concentration** – level (national vs. regional) and thresholds still under discussion
- **Decommitment rules** – different options (incl. n+3 and transition)
- Reference periods **2014-2016 vs 2015-2017** – COM presented the statistical update/changes to NUTS classification to assist PRES
- **Just Transition Fund**

Conclusion and next steps

- **Greening and digitalisation** of the reformed cohesion policy - nobody is to be left behind to ensure **a just transformation** for all.
- **Reform** (aimed at speeding up growth-enhancing investment) and **cohesion** must work hand by hand.
- Engage in dialogue on programming with all relevant stakeholders in accordance with the **Code of Conduct on partnership**.
- Joint objective **to adopt the Partnership Agreement and programmes by end of 2020**.

Thank you

