



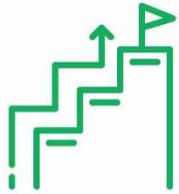
EU Budget for the future

Cohesion Policy 2021-27

Torino, 28 June 2018

*#CohesionPolicy
#EUinmyRegion*





Key themes

Modern

- Focus on smart, low carbon
- Enabling conditions, link to 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

Allocations

Cohesion Policy within the new MFF

In billion euro, current prices

I. SINGLE MARKET, INNOVATION AND DIGITAL
€187.4

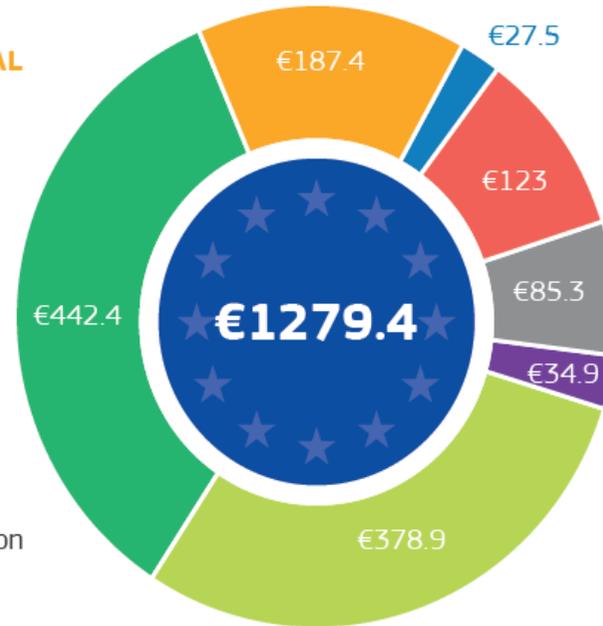
- 1 Research and Innovation
- 2 European Strategic Investments
- 3 Single Market
- 4 Space

II. COHESION AND VALUES
€442.4

- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values

III. NATURAL RESOURCES AND ENVIRONMENT
€378.9

- 8 Agriculture and Maritime Policy
- 9 Environment and Climate Action



V. SECURITY AND DEFENCE
€27.5

- 12 Security
- 13 Defence
- 14 Crisis Response

VI. NEIGHBOURHOOD AND THE WORLD
€123

- 15 External Action
- 16 Pre-Accession Assistance

VII. EUROPEAN PUBLIC ADMINISTRATION
€85.3

- 17 European Public Administration

IV. MIGRATION AND BORDER MANAGEMENT
€34.9

- 10 Migration
- 11 Border Management



ALIGNED TO POLITICAL PRIORITIES (3)



I SINGLE MARKET, INNOVATION & DIGITAL

1 Research & Innovation

- Horizon Europe
- International Thermonuclear Experimental Reactor (ITER)
- Euratom Research & Training Programme

2 European Strategic Investments

- InvestEU Fund
- Connecting Europe Facility
- Digital Europe Programme (incl. Cybersecurity)

3 Single Market

- Single Market Programme
(incl. Competitiveness and Small and Medium-Sized Enterprises - COSME, Food Safety, Statistics, Competition and Administrative Cooperation)

EU Anti-Fraud Programme

- Cooperation in the Field of Taxation (FISCALIS)
- Cooperation in the Field of Customs (CUSTOMS)

4 Space

- European Space Programme



II COHESION & VALUES

5 Regional Development & Cohesion

- European Regional Development Fund
- Cohesion Fund
- Support to the Turkish-Cypriot Community

6 Economic & Monetary Union

- Reform Support Programme including the Reform
- Delivery Tool and Convergence Facility
- Protection of the Euro Against Counterfeiting

7 Investing in People, Social Cohesion & Values

- European Social Fund +
(incl. Integration of Migrants & Health)
- ERASMUS+
- European Solidarity Corps
- Justice, Rights & Values
- Creative Europe (incl. MEDIA)

European
Solidarity
Fund

European
Solidarity
Fund

Globalization
Adjustment
Fund





ALIGNED TO POLITICAL PRIORITIES (4)



III NATURAL RESOURCES & ENVIRONMENT

8 Agriculture & Maritime Policy

- European Agricultural Guarantee Fund
- European Agricultural Fund for Rural Development
- European Maritime & Fisheries Fund

9 Environment & Climate Action

- Programme for Environment & Climate Action (LIFE)

25% climate mainstreaming



IV MIGRATION & BORDER MANAGEMENT

10 Migration

- Asylum & Migration Fund

11 Border Management

- Integrated Border Management Fund

European Border and Coast Guard (Frontex)



V SECURITY & DEFENCE

12 Security

- Internal Security Fund
- Nuclear Decommissioning (Lithuania)
- Nuclear Safety and Decommissioning (incl. for Bulgaria and Slovakia)

13 Defence

- European Defence Fund
- Connecting Europe Facility - Military Mobility

14 Crisis Response

- Union Civil Protection Mechanism (rescEU)

European Peace Facility

Emergency Aid Reserve



VI NEIGHBOURHOOD & THE WORLD

15 External Action*

- Neighbourhood, Development and International Cooperation Instrument (incl. external aspects of migration)
- Humanitarian Aid
- Common Foreign & Security Policy
- Greenland, Overseas Countries & Territories

16 Pre-Accession Assistance

- Pre-Accession Assistance

*The European Peace Facility is an off - budget fund outside the Financial Framework



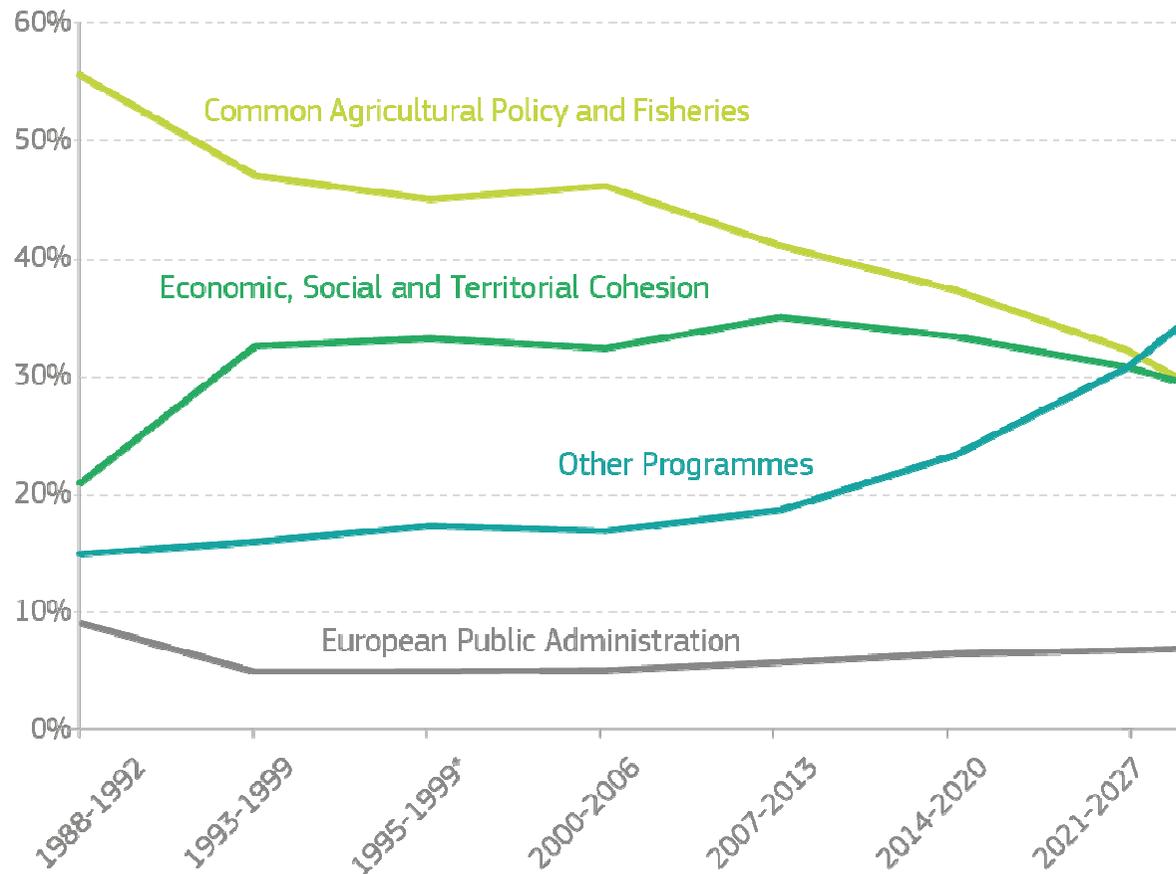
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MATCHING PRIORITIES WITH RESOURCES

Rebalancing and fairness

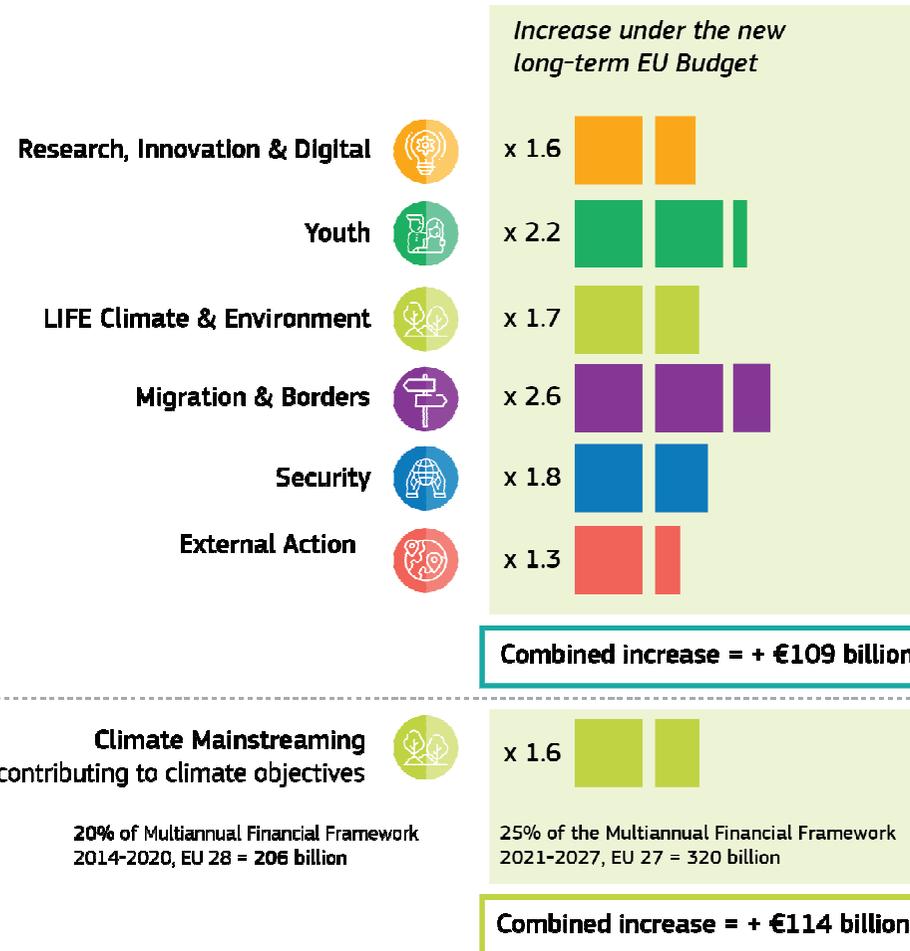
Evolution of main policy areas in the EU budget



*Adjusted for 1995 enlargement

Source: European Commission

MFF priorities



Note: Compared to MFF 2014-2020 at EU-27 (including European Development Fund)

Allocations by Member State within the cohesion policy

How are Cohesion Policy allocations set?

The revised 'Berlin method'

	2014-2020	2021-2027
GDP (incl. GNI for Cohesion Fund)	86%	81%
Labour market, education, demographics	14%	15%
Climate	-	1%
Migration	-	3%
<i>Total</i>	<i>100%</i>	<i>100%</i>

Labour market: unemployment rate, youth unemployment rate, employment rate

Education: early school leavers, tertiary level of education, low level of education

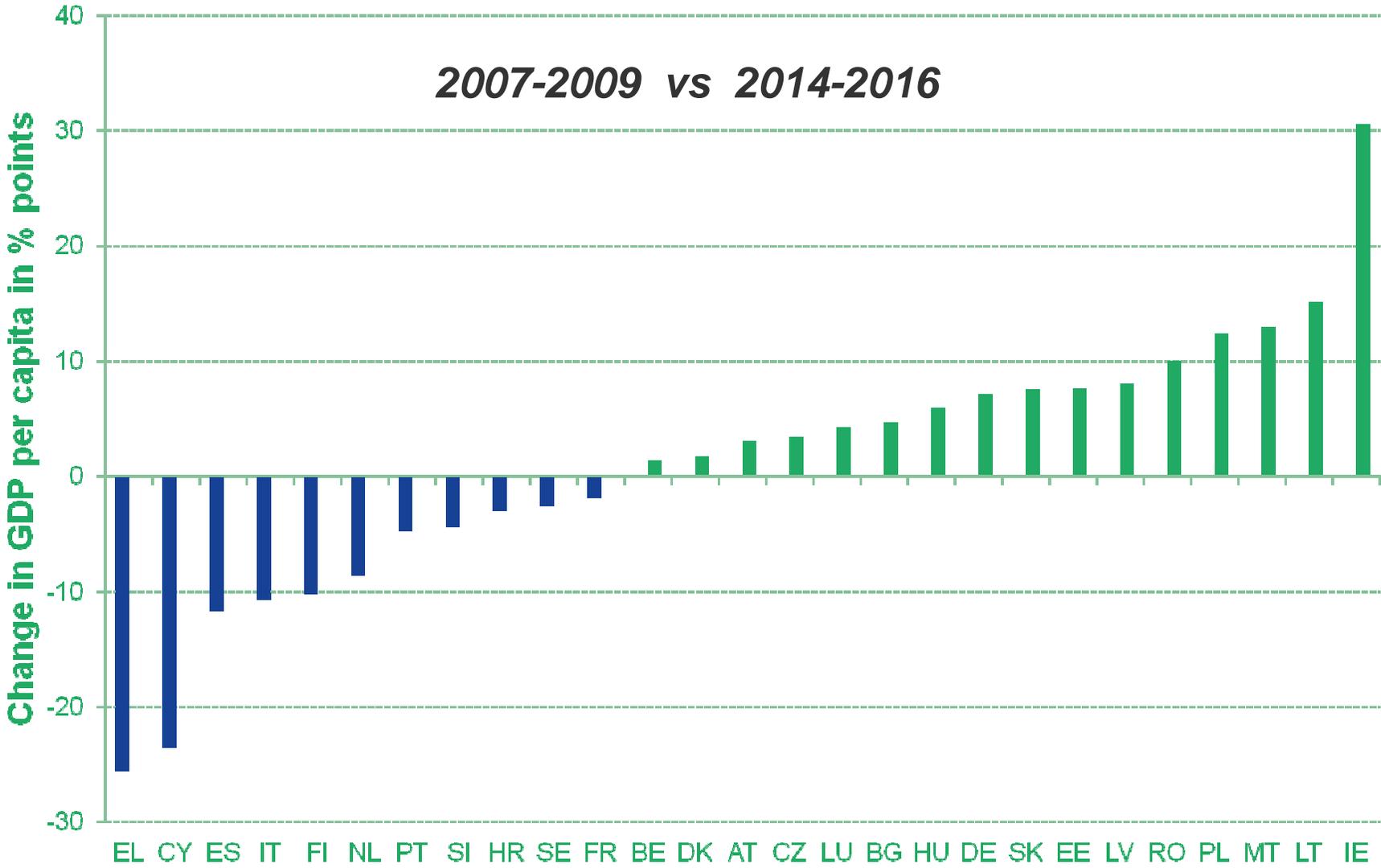
Demographics: population of regions, low density of population

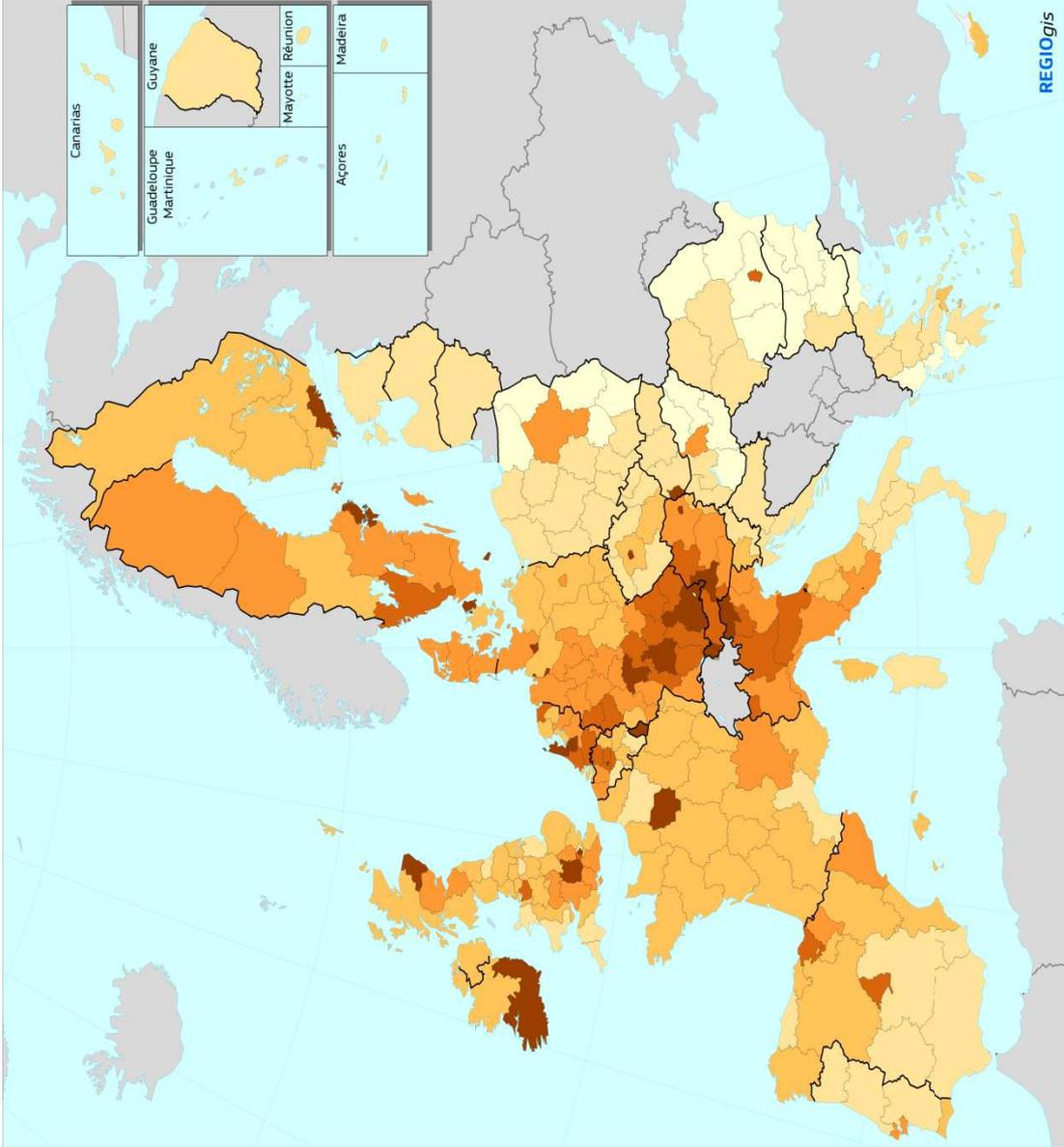
Climate: Greenhouse gas emissions in the non-ESD sectors

Migration: Net migration of non-EU citizens

⇒ *In addition, caps and safety nets apply to 17 MS (but not to ES or PT)*

GDP per capita as the main driver of change



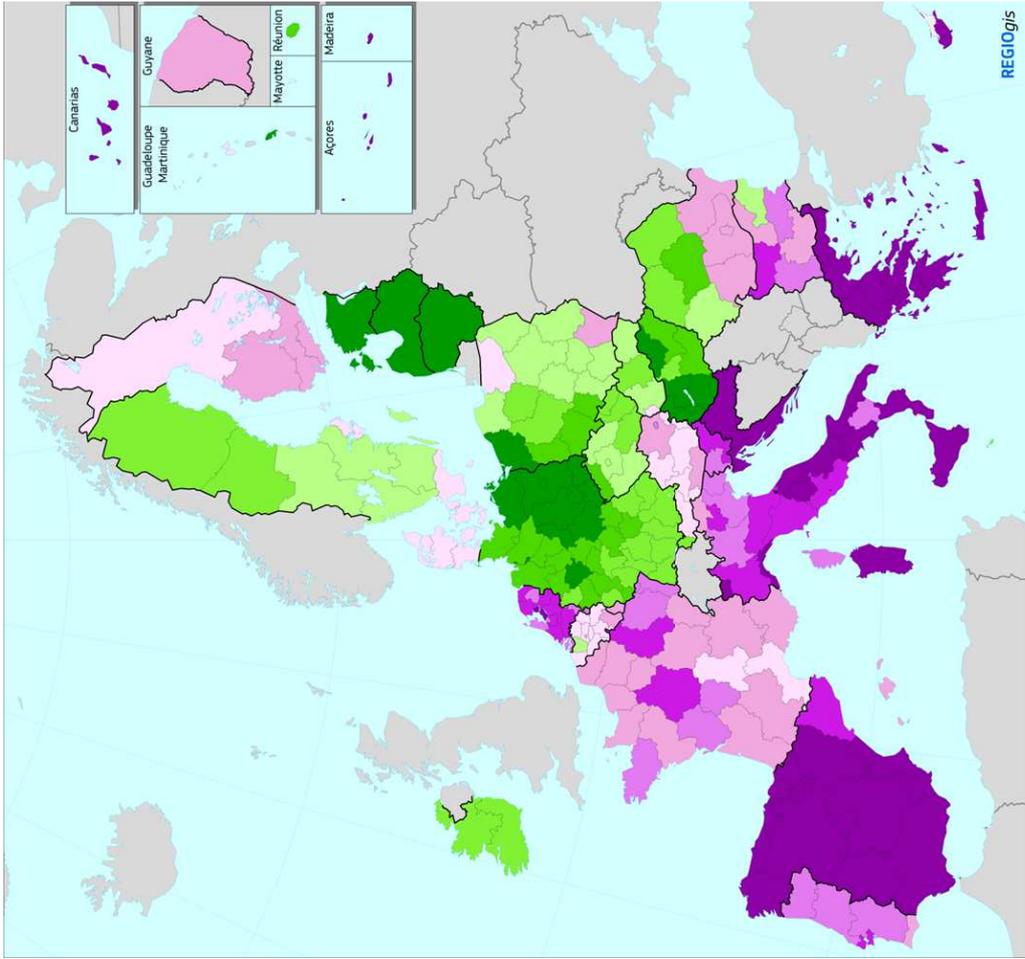
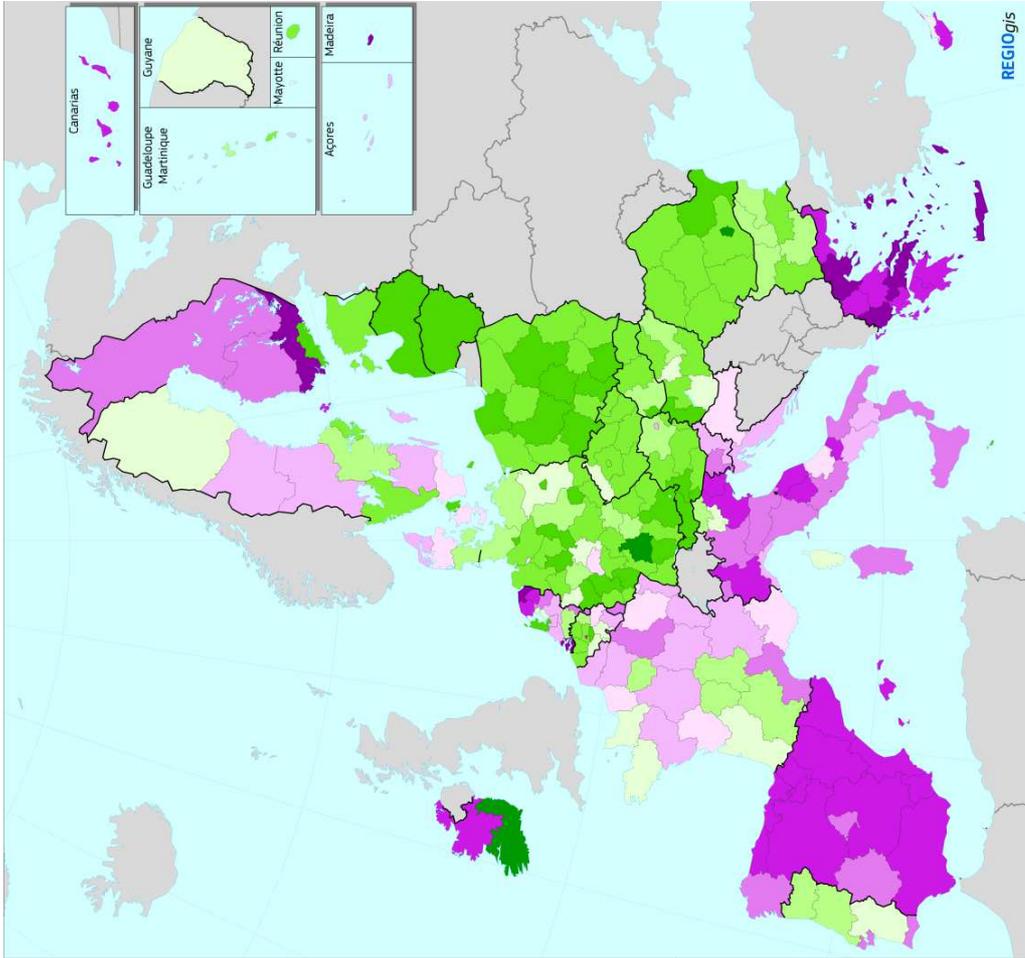


GDP per head in PPS, EU28 = 100 index, 2016

- EU28 index=100
- <50
 - 50 - 80
 - 80 - 100
 - 100 - 120
 - 120 - 140
 - > 140

Source: Eurostat

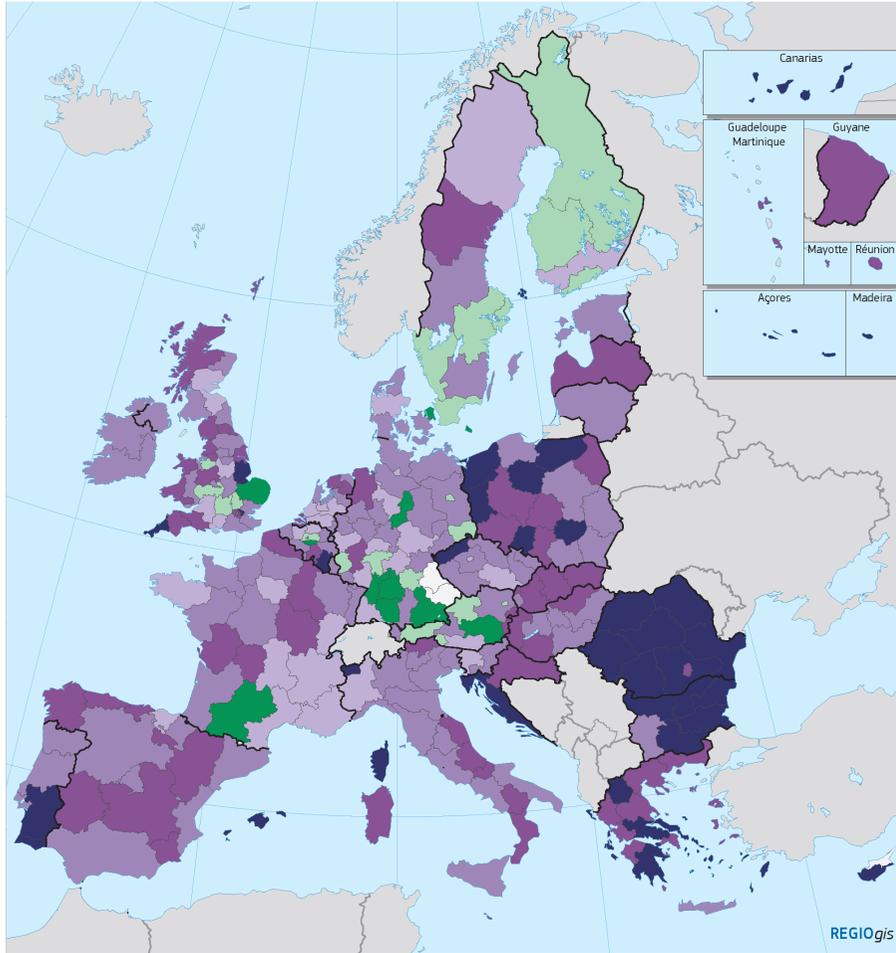




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Innovation remains concentrated



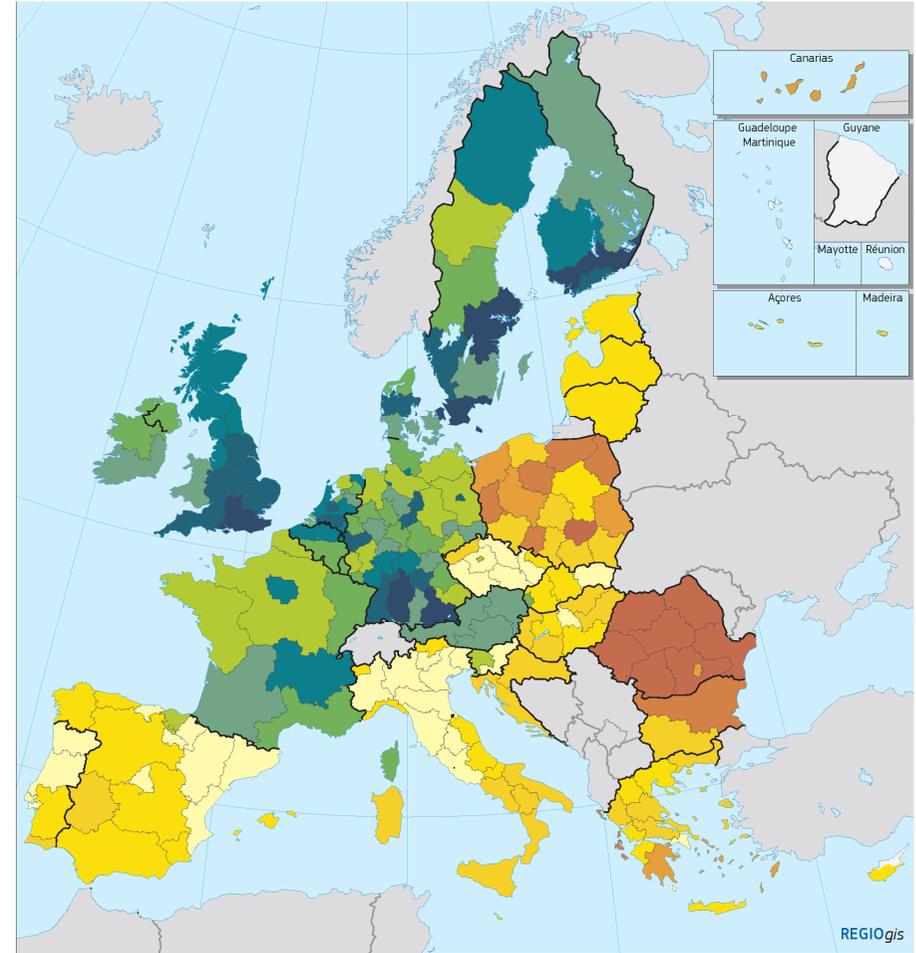
Map 1.8 Total expenditure on R&D, 2014

- % of regional GDP
- < 0.5
 - 3 - 4
 - 0.5 - 1
 - >= 4
 - 1 - 2
 - no data
 - 2 - 3

EU-28 = 2 04
 BE, DE, EL, FR, AT, SE = 2013
 The Europe 2020 R&D target is 3%.
 Source: Eurostat

0 500 km

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Map 1.9 Regional innovation performance, 2017

- Modest -
- Strong -
- Modest +
- Strong +
- Moderate -
- Strong +
- Moderate +
- Leading -
- Leading +

Source: European Commission (2017d)

0 500 km

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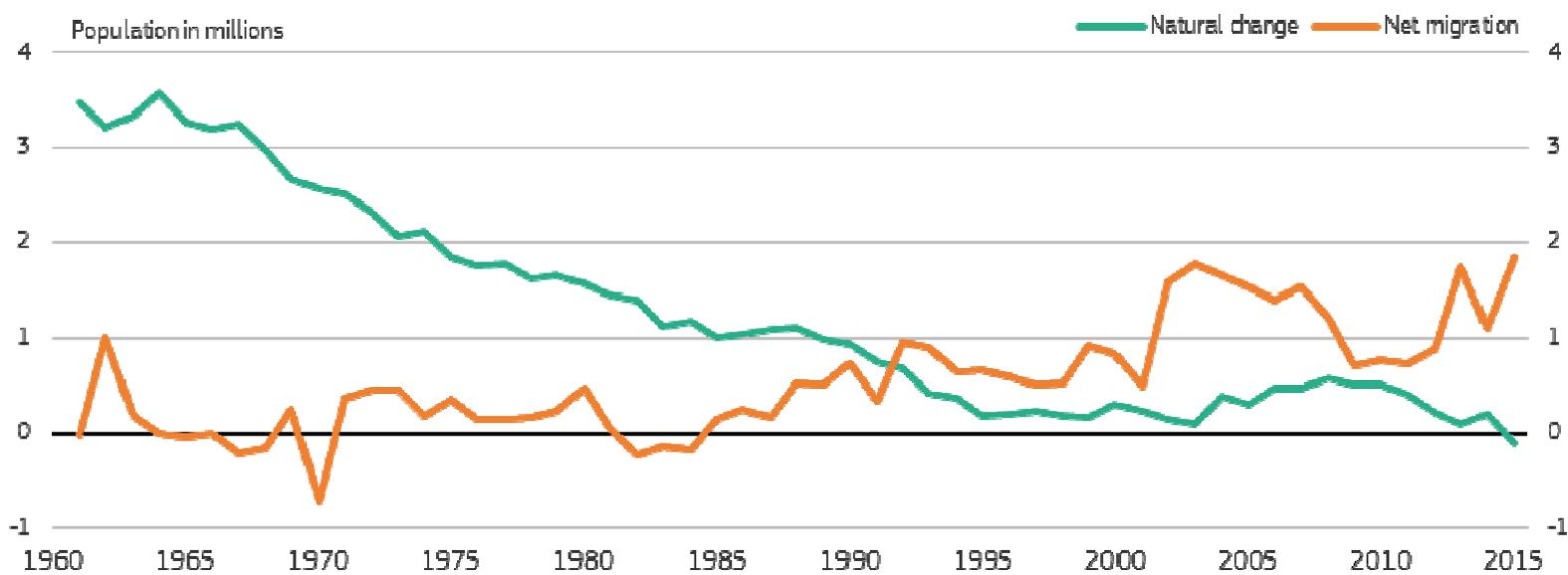
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Figure 2.1 Natural change and net-migration in the EU-28, 1960-2015

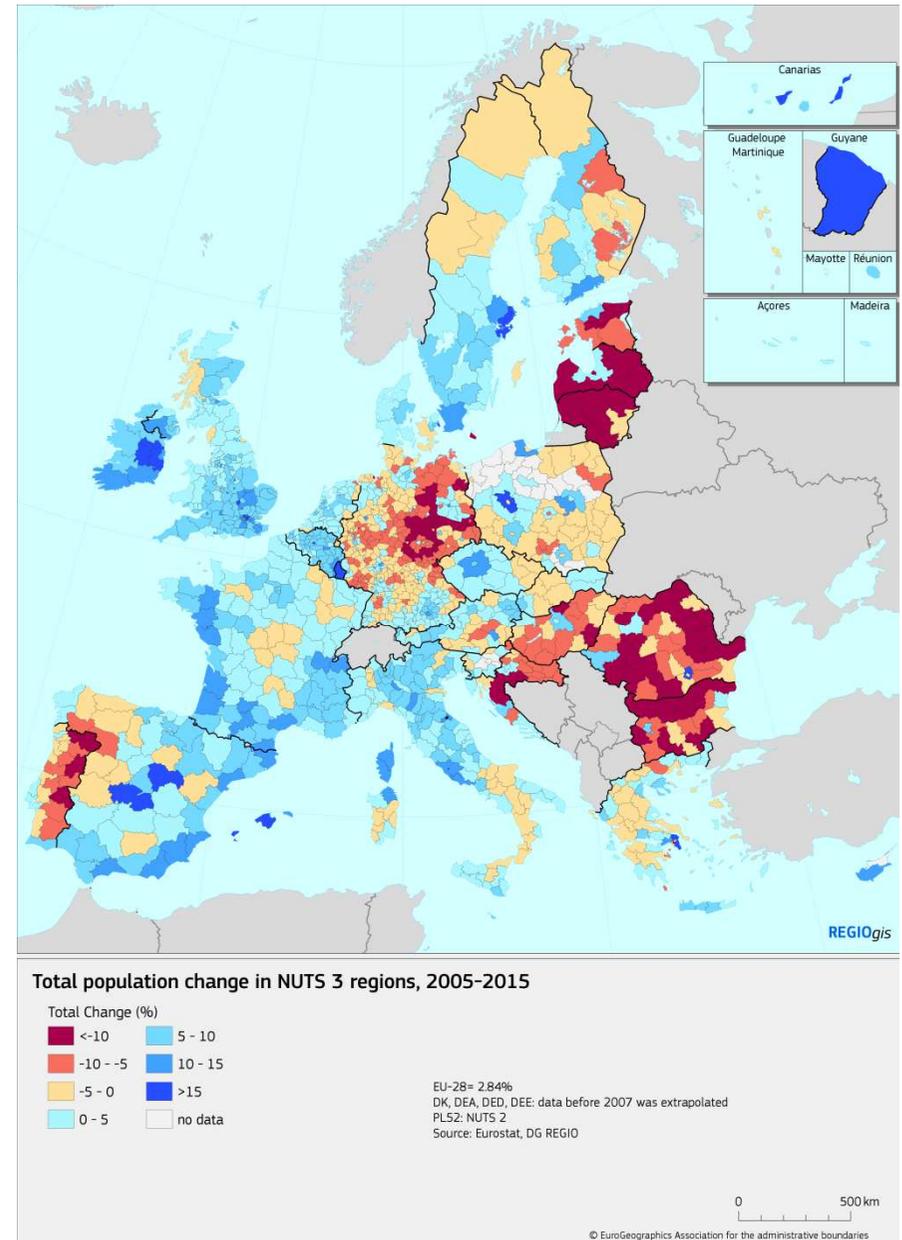


Source: Eurostat

Migration & mobility

Migration and mobility is main determinant of population change

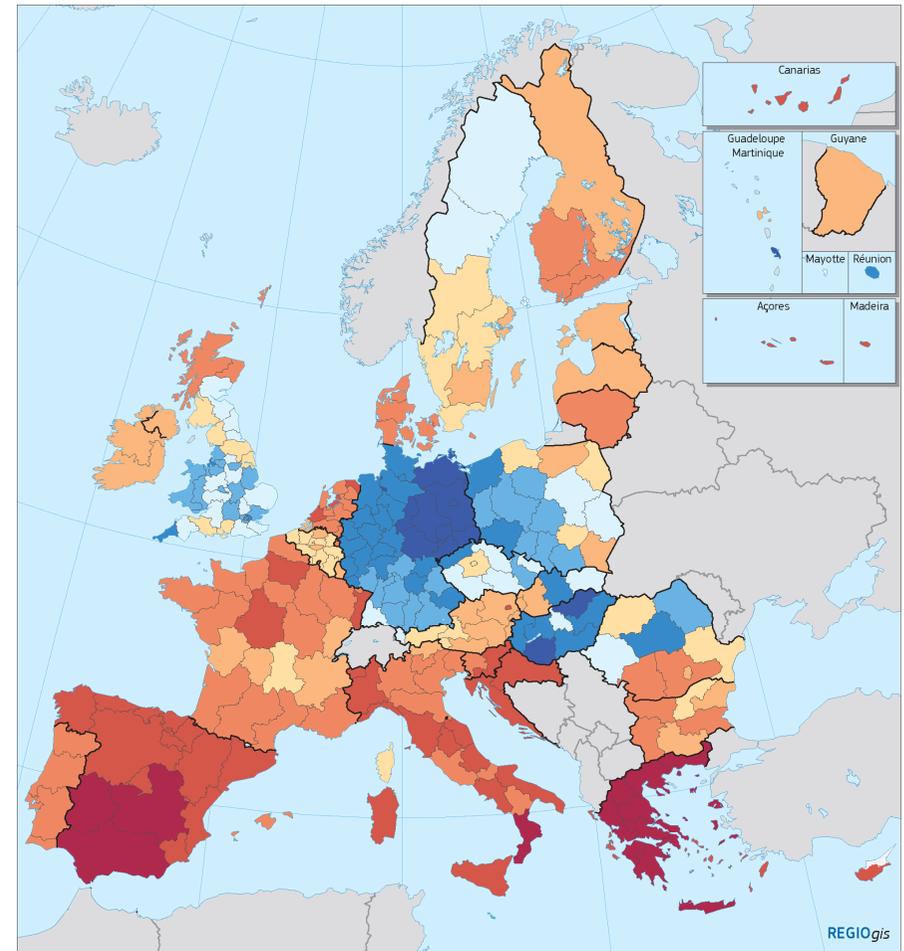
Two out of three people in EU-13 live in a shrinking NUTS 3 region



Unemployment

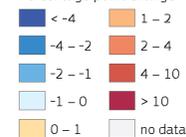
Unemployment is still above pre-crisis level and regional disparities have not started narrowing yet

In particular youth unemployment remains high



Map 2.8 Change in unemployment rates, 2008–2016

Percentage point change



EU-28 = 1.5
Sources: Eurostat, DG REGIO

0 500 km

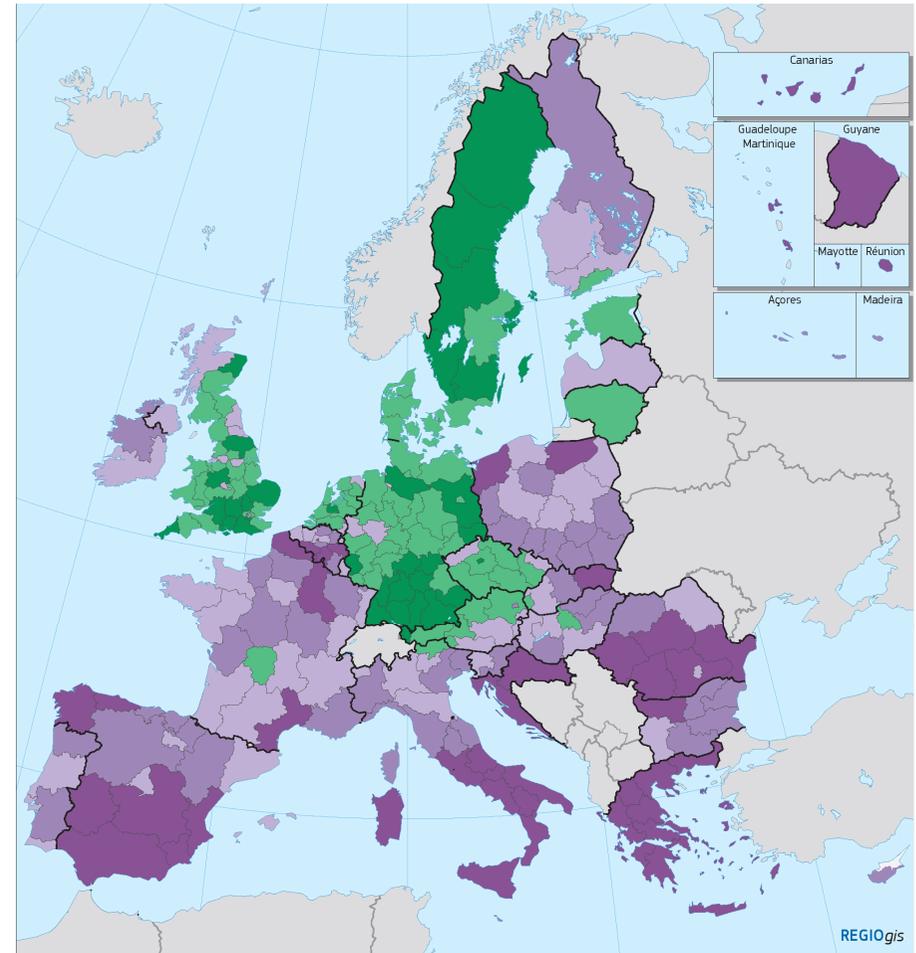
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Employment

Employment at an all time high, but the 2020 target of 75% is unlikely to be reached on time

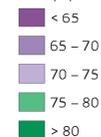
Between 2008 and 2016, it only increased by 0.8% points

Many regions in the south and east of the EU still have (very) low employment rates



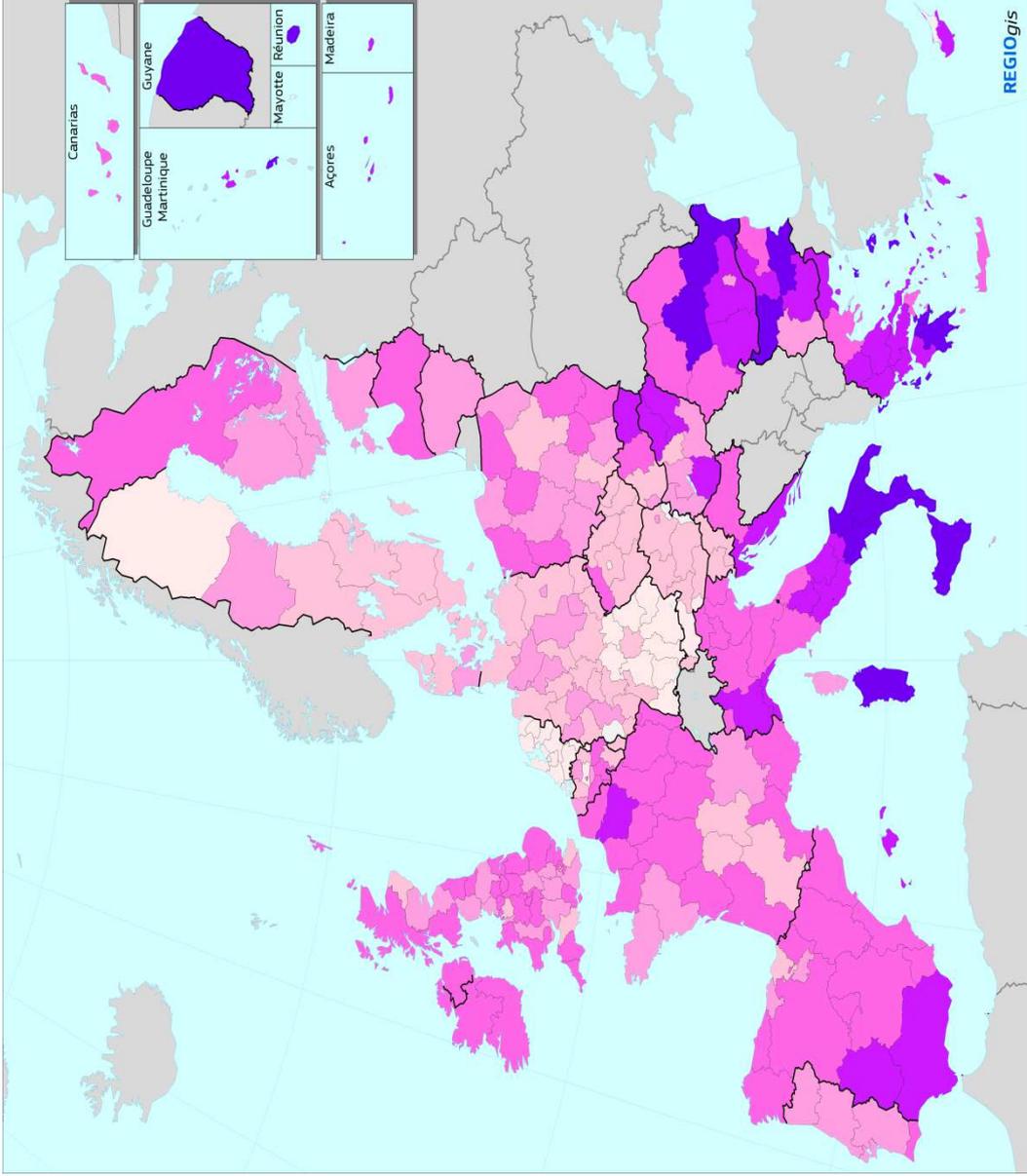
Map 2.5 Employment rate (20–64), 2016

% of population aged 20–64



EU-28 = 71
The Europe 2020 target is 75
Source: Eurostat

0 500 km



Population aged 15-24 not in employment, education or training (NEET), 2017

% of population aged 15-24

- < 5
- 5 - 7.5
- 7.5 - 10
- 10 - 15
- 15 - 20
- > 20

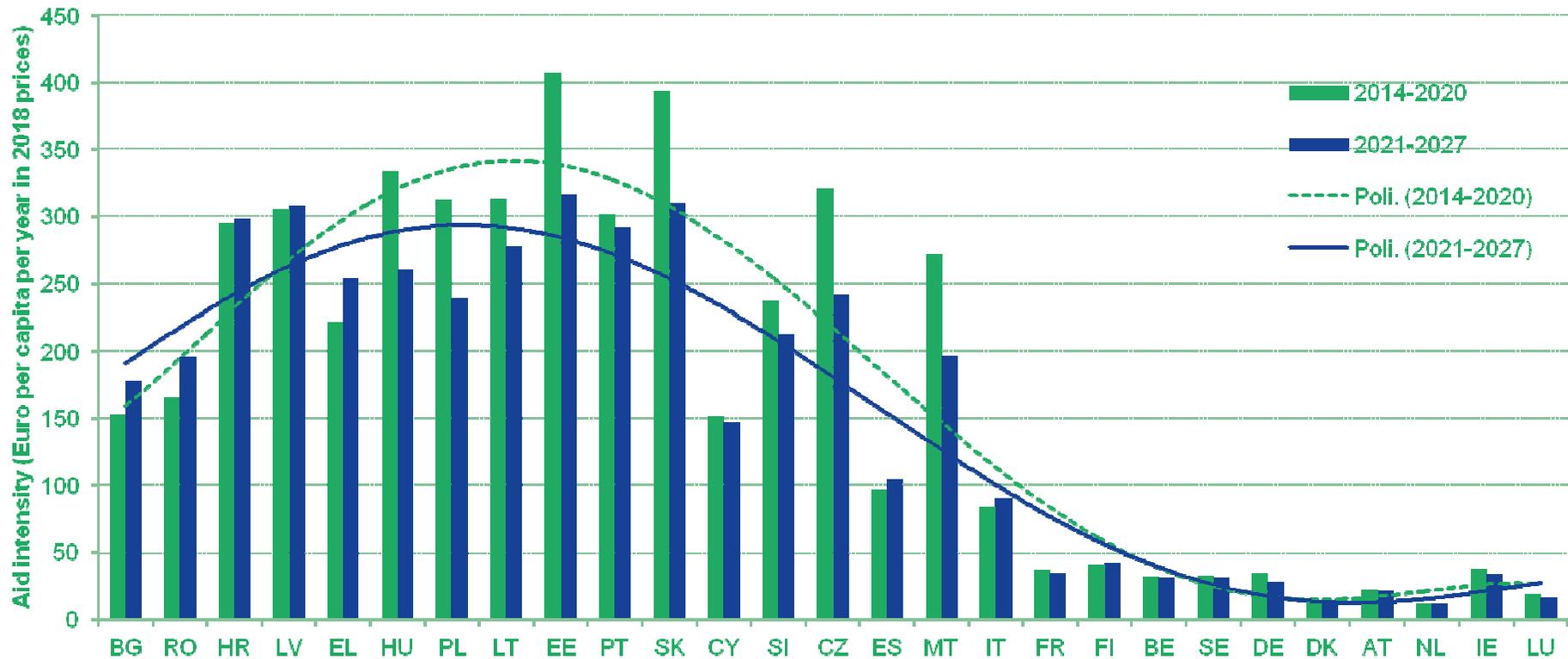
EU-28=10.9
Source: Eurostat

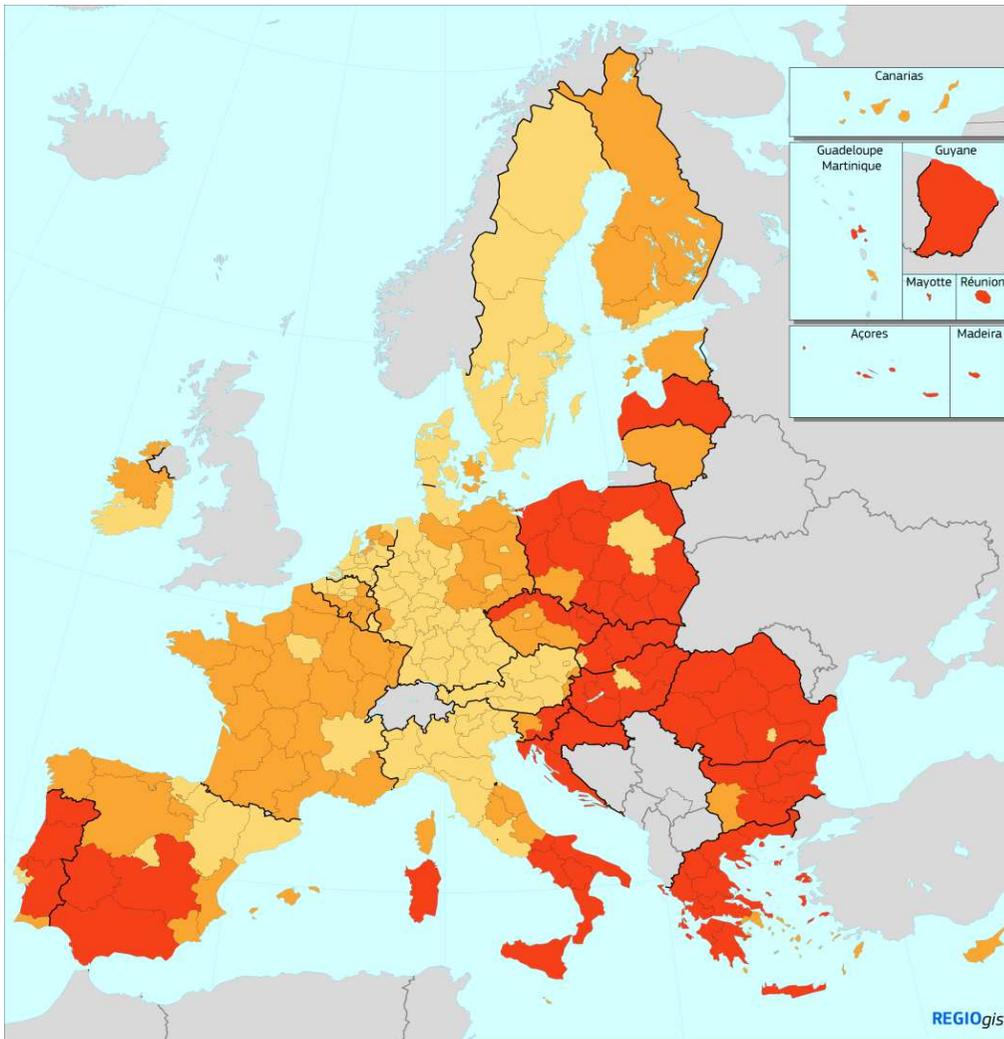
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Comparison of aid intensities

2021-2027 vs 2014-2020





GDP/head (PPS) by NUTS2 region, average 2014-2015-2016

Index, EU-27 = 100

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)

0 500 km

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New regional eligibility map 2021-2027

FONDOS DE COHESIÓN 2021-2027

En miles de millones de euros

	2014-20	2021-27	Variación (%)
Hungría	23,6	17,9	-24
Lituania	7,4	5,6	-24
Estonia	3,8	2,9	-24
Rep. Checa	23,5	17,8	-24
Malta	0,8	0,6	-24
Polonia	83,9	64,4	-23
Eslovaquia	15,1	11,8	-22
Alemania	19,8	15,7	-21
Letonia	4,9	4,3	-13
Irlanda	1,2	1,1	-13
Eslovenia	3,4	3,1	-9
Portugal	22,8	21,2	-7
Croacia	9,3	8,8	-6
Francia	16,9	16,0	-5
Luxemburgo	0,1	0,1	0
Austria	1,3	1,3	0
Holanda	1,4	1,4	0
Bélgica	2,4	2,4	0
Suecia	2,1	2,1	0
Dinamarca	0,6	0,6	0
Chipre	0,9	0,9	+2
España	32,4	34,0	+5
Finlandia	1,5	1,6	+5
Italia	36,2	38,6	+6
Grecia	17,8	19,2	+8
Bulgaria	8,3	8,9	+8
Rumania	25,2	27,2	+8
UE 27	367,0	331,0	-9,9

Fuente: Comisión Europea.

EL PAÍS



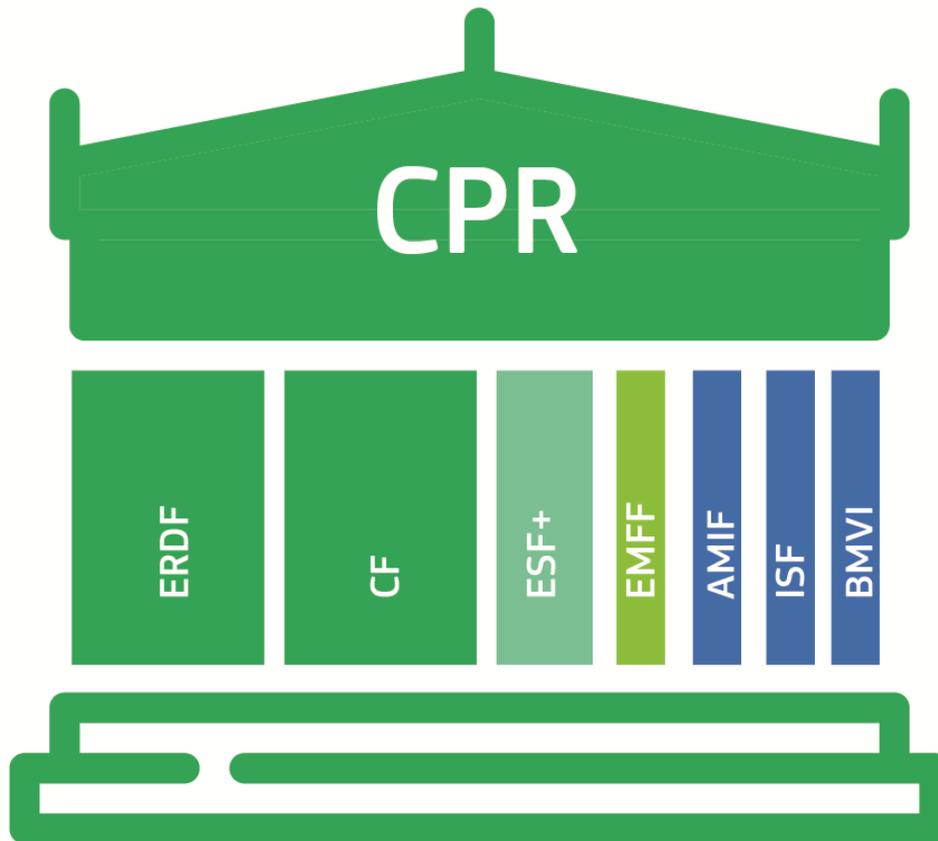
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Continued concentration on the poorest regions

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

Legal architecture

7 funds, 1 regulation



CPR covers delivery.
1 set of rules is:

- More coherent
- Simpler to learn
- Simpler to combine



4 key legal instruments for Regional Policy

Common Provisions Regulation (CPR)

- Covers 7 funds, i.e. ERDF, CF, ESF+, EMFF, AMIF, ISF and BMVI
- Delivery elements are here

ERDF/CF regulation

- Policy priorities are here (e.g. specific objectives and thematic concentration requirements)

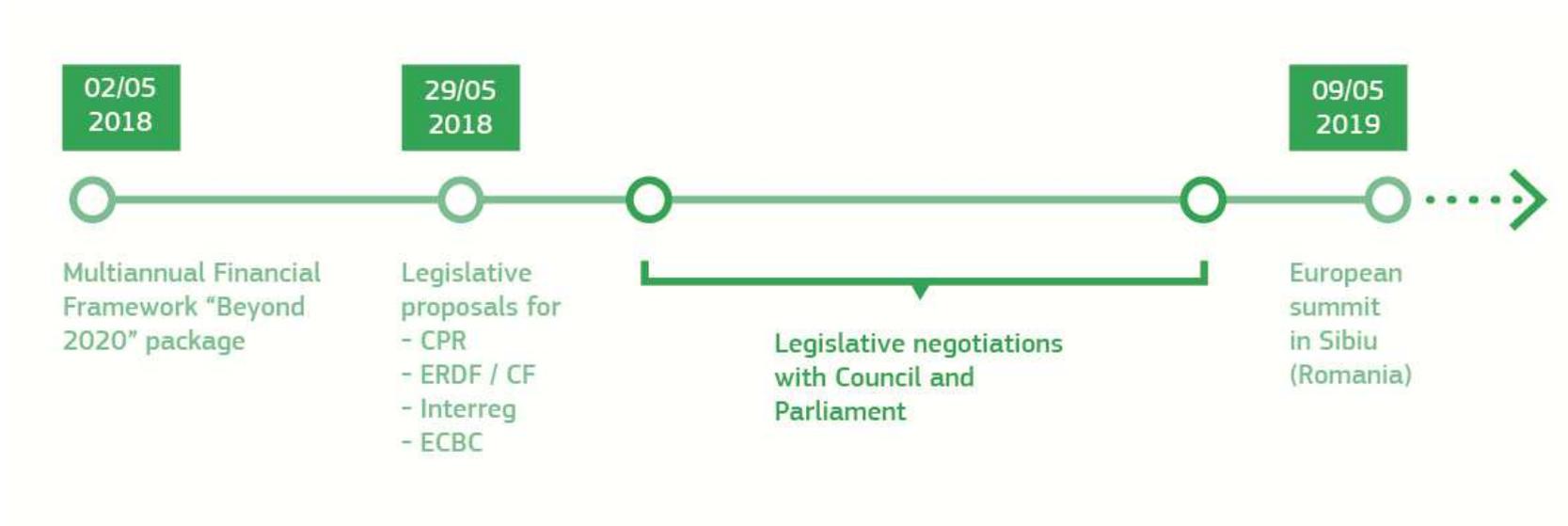
ETC regulation

- Territorial co-operation including external assistance
- New interregional innovation instrument

ECBM: off-the-shelf legal instrument to simplify cross-border projects

Next steps

Timeline



Key novelties – Modernising the policy



Policy objectives

11 objectives are simplified and consolidated into 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 issues: administrative capacity building, cooperation outside the programme area

ERDF thematic concentration

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

For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships



Creating the conditions for success

Enabling conditions (used to be "ex ante")

- Fewer, clearer, tighter link to policy
- Followed up, not just set at the beginning

EU Governance

- European Semester
- Macroeconomic conditionality
- Reform Support Instrument
- Rule of law

Performance, monitoring and evaluation

What's new?

- Performance framework will cover all output and result indicators
- Open data to follow progress every 2 months
- Structured and dynamic policy dialogue between COM and MS in the annual review meeting

What's gone?

- Performance reserve (replaced by the 5+2)
- Annual implementation and progress reports for Cohesion Policy
- Ex-ante evaluation

Lower co-financing ceilings

Ceiling	Applies to
70%	Less developed regions Outermost regions Cohesion Fund Interreg
55%	Transition regions
40%	More developed regions

From N+3 to N+2 over the period



Sustainable urban development

- New dedicated specific objective for integrated development of urban areas
- 6% of ERDF to go to urban development, delivered through local development partnerships with different tools
- Requirement for local development strategies – local ownership
- European Urban Initiative: a coherent approach to capacity building, innovative actions, knowledge and policy development and communication

European Territorial Cooperation

Interreg - European Territorial Cooperation

Five strands, new legal instrument for border regions

1. Cross border (land) programmes , more strategic approach, NEW including co-operation on external borders (IPA/ENI)
2. NEW: Maritime co-operation goes from CBC to sea-basin level
3. NEW: Specific component for the outermost regions (co-operation outside EU)
4. Interregional co-operation; INTERACT, ESPON
5. NEW Interregional innovation instrument

NEW: European Cross Border Mechanism to facilitate cross border projects

5 + 2 Interreg-specific 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)

1. A better Interreg governance

2. A safer and more secure Europe

ECBM: what is it?

- *A legal mechanism to overcome legal obstacles that hamper stronger cross-border interaction*
- *The framework to establish case by case agreements (Commitments ECBC; or Statements ECBS) to overcome existing obstacles*
- *ECBC and ECBS apply in the limits of a well-defined case/project*
- *Within those limits, allows for the application in one MS of the legal provisions from another MS*

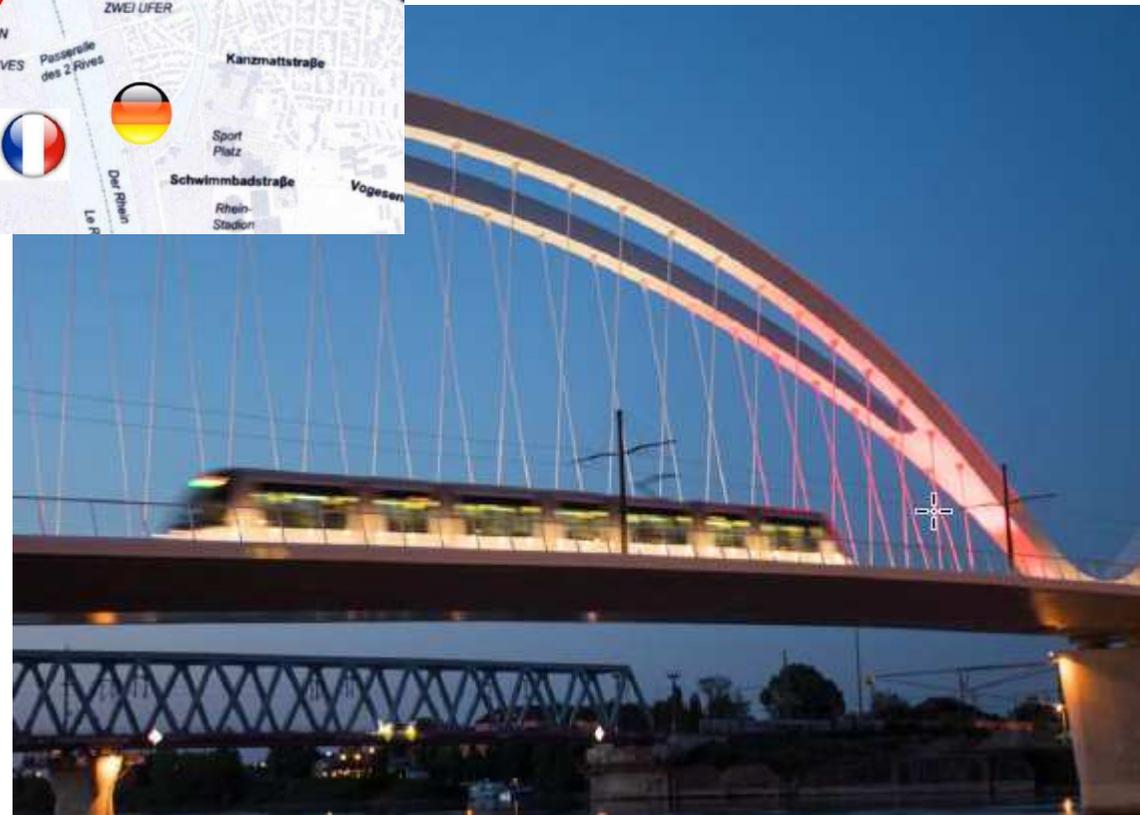
What it is not

- *A revision of, or a new form of EGTC*
(it is not aimed at creating new legal persons)
- *Mandatory*
(MS may opt to keep other "existing ways to solve legal obstacles")
- *A mere support for INTERREG*
(it aims at overcoming obstacles, even when EU funding is not involved)
- *A way to bypass national legislative powers*
(When a ECBS is agreed, it only commits authorities to present proposals to the respective legislative bodies)
- *Applicable everywhere*
(Scope defined as cross-border regions = NUTS3)

What kind of obstacles?

- *Legal or administrative provisions with regards to the planning, development, staffing, financing or functioning of a joint project*
- *Many possible causes:*
 - . *Not compatible administrative procedures;*
 - . *Planning not considering the neighbour;*
 - . *Incompatible transpositions of a Directive;*
 - . *Different applicable technical standards;*
 -
- *Some illustrations???*

Extension of Strasbourg (FR) tram line to Kehl (DE)



Strasbourg – Kehl tram... Obstacles e.g.:

Adaptation of the equipment of a tram (light, wheels, extincor..)

Mixing of signalisation for road and tram traffic

Installation of travel ticket machines with mixed systems

Circulation of a French tram in a foreign country

Statute of equipment: bridge, tram platform, ticket machines..

Recognition of travel tickets

Responsibilities for **security matters** during CB travels

Conditionality of the financial support through ministries

Separate tariffication and travel tickets

Distribution of tickets

Coordination of public certification for the circulation of trams

... led to a too long process

2009 Memorandum
of Understanding



2016
Convention on the Joint
Tariffication

Obstacles in emergency services

- *Firefighters and ambulances are in many cases prevented to intervene as legal restrictions impede them from crossing the border*



13/5/2000

Major explosion in firework factory in Enschede (NL) on DE border;

Police cars were already allowed to cross the border with their signals, but not the ambulances! An on-the-spot solution had to be found: one police car with the siren on ran in front of an (silent) ambulance which followed at the same speed.



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... and the examples could continue

- *Different legal provisions hamper cross-border traineeships [\(more info\)](#)*
- *Lengthy and costly cross-border mail delivery [\(more info\)](#)*
- *Lack of legal certainty for medical practitioners in hospital across the border [\(more info\)](#)*
- *Restricted supervision of PhD students from neighbouring countries [\(more info\)](#)*
- *Cross-Border triathlon where runners residing in MS at finish line, need extra authorisations than if residing in MS at departure*
- ...

Thank you!