COHESION POLICY 2021-2027

A further step towards flexibility & simplification
Content

- Legal architecture
- More modern policy
- Faster and more strategic programming
- Faster and simpler delivery
- Streamlined audit work
- Interreg
Legal architecture
7 FUNDS - 1 REGULATION

- More coherent
- Simpler to learn
- Simpler to combine
More modern & flexible policy
Thematic menu

What's new?

- Shorter, flexible menu of 5 policy objectives, breaking sectoral silos
- A new, place-based, cross-cutting policy objective for ERDF - PO 5
- Capacity building and cooperation with partners within and outside Member States - horizontal priorities in all specific objectives
- Additional specific objectives for Interreg

Why helpful?

- Limits cases where integrated actions are programmed under more than one PO
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>
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<tbody>
<tr>
<td>GNI below 75%</td>
<td>35%</td>
<td>30%</td>
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<tr>
<td>GNI 75-100%</td>
<td>45%</td>
<td>30%</td>
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<tr>
<td>GNI above 100%</td>
<td>60%</td>
<td>PO1 + PO2 min. 85%</td>
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- 6% of budget to urban development, delivered through local development partnerships (can overlap with above)
Changes in ETC

- Cross-border programmes: integrated development of cross-border regions
- **NEW!** Interregional innovation instruments
- Specific component for the outermost regions
- Reinforced maritime cooperation
- **NEW!** addition of co-operation outside the EU (incorporation of IPA/ENI)
- **NEW!** European Cross-Border Mechanism
Transfers

Flexibility to define delivery tools *(Article 10 and 21, CPR)*

- **NEW!** Delivery through *InvestEU*
  - Up to 5% of the allocation of a Fund
  - In the Partnership agreement or any time during implementation
  - Not subject to decommitment

- **NEW!** Transfers between shared management Funds or to any instrument under direct/indirect management
  - Implementation in accordance with the rules of a Fund or instrument to which resources are transferred
  - Up to 5% of a programme budget
  - Transfers 'for the benefit of a Member State'
  - Any time during implementation
Faster & more strategic programming
# Programming

<table>
<thead>
<tr>
<th>What's new?</th>
<th>What's out?</th>
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</thead>
<tbody>
<tr>
<td>o Simplified, more focused and more strategic programming</td>
<td>o Changes of the PA during implementation</td>
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<tr>
<td>o Performance-oriented: Mid-term review in 2025</td>
<td>o Overlaps between PA and programmes</td>
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<td>o Flexibility: No Commission decision needed for up to 5% of funding</td>
<td>o Separate procedure for technical adjustment (combined with the performance review)</td>
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<tr>
<td>o Clarity: PA and programme templates as part of CPR</td>
<td>o Lengthy details and descriptions</td>
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</table>
Faster & simpler delivery
Faster & simpler delivery

- **Extended** possibility to use **simplified cost options (SCOs)** and financing not linked to costs schemes

- **Reduced** number of **controls and audits** and increased cross-reliance on audits

- Reintroduction of **n+2 rule** and reduced level of prefinancing - faster start of the programmes and quicker implementation

- Reinforced **visibility and communication** provisions → operations of strategic importance

- **No specific rules** for operations generating **net revenue**

- No major projects
New approach to technical assistance

What's new?

- Programme management related TA – reimbursed exclusively through flat rates
- In addition, TA to reinforce capacity of the authorities, beneficiaries and partners – implemented through financing not linked to costs.

What's out?

- Reimbursements for the TA based on real costs
TA for programme management

Member States' TA - flat-rate (*Articles 30 and 31 CPR*)

- Supports actions necessary for the effective administration and the use of the Funds
  - Scope of support unchanged (may finance actions for earlier/past period)
  - Each Fund may support TA eligible under any other Fund

- NEW! TA will be reimbursed by the Commission proportionally to the progress in implementation, as a top up to the payment application:
  - 2.5% for the ERDF and the Cohesion Fund
  - 4% for the ESF+ (5% for support addressing material deprivation)
  - 6% for the EMFF, AMIF, ISF and BMVI

No more reimbursement based on real costs!
TA for capacity building

Member States' TA - Financing not linked to costs (*Article 32 CPR*)

- It is additional support to the programme-related TA
- It covers actions to reinforce the capacity necessary for the effective administration and use of the Funds of:
  - Member State authorities,
  - beneficiaries, and
  - relevant partners.

- **NEW!** Implemented exclusively through financing not linked to costs (*Article 89 CPR*). Reimbursement triggered by conditions, results, or intermediate deliverables.
  - See: templates in Annexes V and VI CPR
FINANCIAL SUPPORT FROM THE FUNDS
Union contribution to a programme

What's new?
- New forms of reimbursement of the Union contribution to a programme:
  - financing not linked to costs
  - reimbursement based on simplified cost options

What's less?
- Reimbursement based on real costs and corresponding paperwork
FINANCIAL SUPPORT FROM THE FUNDS
Member States’ support to beneficiaries

**What's new?**
- Extension of the **obligatory use** of the simplified cost options for operations up to 200 000 EUR of total cost
- off-the-shelf flat rate of up to **7% of eligible** direct costs to cover indirect costs
- **Additional** off-the-shelf method to calculate direct staff costs

**What's out?**
- Limitations linked to the public procurement when applying the SCOs
- Newly established calculation method (however those established for 2014-2020, can be re-used)
- Keeping invoices or accounting records for the SCOs
Eligibility

What's new?
- Flexibility when responding to natural disasters
- Separate and clearer rules on durability and relocation
- For operations below €5m of total costs, VAT is eligible. In all other cases, VAT is ineligible.

What's out?
- Specific rules on the revenue generating operations
- Restrictions on location of operations
- Detailed separate provisions for PPP schemes
Eligibility

- New expenditure added to a programme eligible from the date of submission of the programme amendment
  - Clarification in the provision: new expenditure = a new type of intervention added in the programme – for all the Funds except for the ESF+
  - NEW! New expenditure related to a natural disaster will be eligible from the date when the natural disaster occurred.

- Eligibility – location:
  - applied to the ERDF and on a simplified, pro rata basis.
  - NEW! No restrictions for operations outside the Member State/Union provided they contribute to the programme's objectives.
Streamlined Audit work
Simplifying Management and Control

Simplification for all, but control requirements adjusted to the identified level of risks:

- All programmes to benefit from simplification

- For some programmes - based on objective criteria and low risks: further simplification / proportionality – *Enhanced proportionate arrangements* – Art. 77 to 79
# Simpler management and control

## What's in?
- Accounting function will not duplicate controls: no checks at the level of beneficiaries.
- Post-2020: risk-based sample.
- Single audit arrangements (Omnibus wording kept).
- More proportionate system for low-error-rate programmes: reliance on national systems, no system audit, audit sample of maximum 30 operations.

## What's out?
- Designation procedure: roll-over of existing authorities and systems.
- Administrative verification of 100% of payment claims.
- Multiple layers of control: Certifying Authorities replaced by an accounting function (may be placed within the MA, confirmation of legality & regularity of expenditure becomes a duty of the MA).
Components

- Cross-border cooperation (component 1)
- Transnational cooperation and maritime cooperation (component 2)
- Outermost regions cooperation (component 3)
- Interregional cooperation (component 4)
  - INTERACT
  - ESPON
- Interregional innovation investments (component 5)
Main simplifications

- No more designation of authorities

- Fewer management verifications from almost 100% verifications of expenditure to verifications on the basis of a risk analysis

- Simplified cost options extended (or even made obligatory).

- Proportionate audits: Operations to be audited will be selected by the Commission using a common sample covering all programmes that have submitted financial information on time.
MCS Simplification

Non-application of the "Enhanced proportionate arrangements" (Art. 77-79 CPR), but:

- A single common statistical sample for all programmes that submit their information on time (Art. 48 of ETC)
- Sample drawn by the Commission (by Oct 1) but audits of operations done by the relevant AAs
- Specific provisions for programme authorities (Art. 45 ETC on MA, Art. 46 ETC on accounting function, Art. 47 ETC on AA),
- Additional audit work shall be requested when global residual error rate is above 2% (Art. 48 ETC)
Thank you for your attention.