European Policies Research Centre Delft

HALFWAY THERE? TAKING STOCK OF THE PROGRESS OF ESIF PROGRAMME IMPLEMENTATION

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The partners in the IQ-Net network are as follows:

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- ÖROK Secretariat

Belgium

- Enterprise Agency Flanders

Croatia

- Ministry of Regional Development & EU Funds

Czech Republic

- Ministry of Regional Development

Denmark

- Danish Business Authority

Finland

- South and West Finland (Etelä- ja Länsi-Suomi)

France

- Commissariat Général à l'Égalité des Territoires (CGET)

Germany

- Nordrhein-Westfalen (North Rhine-Westphalia), Ministry for Economic Affairs, Innovation, Digitalization and Energy

Greece

- Management Organisation Unit of Development Programmes S.A.

Poland

- Marshal Office of the Pomorskie Region

Portugal

- Agency for Development and Cohesion (ADC)

Spain

- Provincial Council of Bizkaia, País Vasco (Basque Country)

Slovakia

- Central Coordination Body (Office of the Deputy Prime Minister for Investments and Informatization

Slovenia

- Government Office for Development and European Cohesion Policy

Sweden

- Swedish Agency for Economic and Regional Growth (Tillväxtverket)

United Kingdom

- Department of Communities and Local Government
- Scottish Government
- Welsh European Funding Office

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It should be noted that the content and conclusions of this paper do not necessarily represent the views of individual members of the IQ-Net Consortium.

Halfway there? Taking stock of ESIF programme implementation

TABLE OF CONTENTS

EXECUTIVE SUMMARY **1**

1. INTRODUCTION **3**

2. PROGRESS: COMMITMENT AND PAYMENT RATES **3**

2.1 Commitment rates 3

2.2 Payment rates 7

2.3 The level of application of decommitment - an open question? 11

3. CURRENT PROGRAMMING ISSUES **12**

3.1 Domestic changes with an impact on ESIF programmes 12

3.2 Ex ante conditionalities almost all resolved 14

3.3 Programme evolution – a continual process? 14

3.4 Short and longer-term priorities….the next six months at a glance 16

4. PROJECT GENERATION AND SELECTION **18**

4.1 Project generation issues 18

4.2 New regulatory requirements still being embedded 19

5. NEW DEVELOPMENTS IN IMPLEMENTATION SYTEMS **20**

5.1 Divided opinion anti-fraud measures 20

5.2 Financial instruments – have ambitions been met? 22

5.3 Varied progress on implementing new territorial approaches 25

5.4 Intensified evaluation activity 28

5.5 Progress Reports – too constraining? 29

5.6 Omnibus proposals still in trilogues… 30

5.7 Other ongoing operational issues 31

6. CLOSURE OF THE 2007-13 PROGRAMMES **32**

6.1 Closure process 32

6.2 Commission feedback 32

6.3 Looking forward 33

7. POST-2020 ISSUES **34**

7.1 State of discussion 34

7.2 Positions of Member States and regions 36

ANNEX 1: PROGRESS WITH FINANCIAL INSTRUMENTS IN THE IQ-NET PROGRAMMES IN 2014-20 ..... **41**

ANNEX 2: PROGRESS WITH EVALUATIONS IN THE IQ-NET PROGRAMMES IN 2014-20 ..... **45**

COUNTRY/PROGRAMME ABBREVIATIONS

Country	Abbreviation
Austria	AT
Belgium	BE
Belgium (Vlaanderen)	Vla
Croatia	HR
Czech Republic	CZ
Czech Republic (Integrated Regional Operational Programme)	CZ IROP
Denmark	DK
Finland	FI
France	FR
Germany	DE
Germany (Nordrhein-Westfalen)	NRW
Greece	EL
Poland	PL
Poland (Pomorskie)	Pom
Portugal	PT
Slovakia	SK
Slovenia	SI
Spain	ES
Spain (País Vasco (Bizkaia))	Biz
Sweden	SE
United Kingdom	UK
United Kingdom (England)	Eng
United Kingdom (Scotland)	Sco
United Kingdom (Wales)	Wal

EXECUTIVE SUMMARY

Steady progress, following a sharp increase in commitment figures in 2016, has characterised ESIF implementation over the period.

- Despite substantial progress since the last review period, **commitment rates** were generally higher in a comparable time span in 2007-13. The EU28 average amounts to 38.7 percent of total allocations, with the IQ-Net average reflecting similar growth dynamics. The IQ-Net average **payment rate** continues to be higher than that of EU28 (12.7 percent against 11.3 percent), with levels exceeding 10 percent for seven IQ-Net partners. **Interim EU payment rates**, while overall significantly lower, demonstrate a similar pattern, with the IQ-Net average exceeding that of EU28 (6.2 percent against 5.4 percent).
- At the same time, feedback on **project generation** within IQ-Net programmes is mostly positive. Strong project pipelines and good responses to issued calls have been reported in many cases, although challenges are noted related to regulatory requirements and the preparation of project documentation for large/major projects.
- Success of implementation appears significantly related to the presence of **previous experience**; implementation difficulties often emerge in new thematic areas.

While the **economic and political context** for ESIF has been relatively stable in most cases, domestic changes have ranged from profound institutional reforms to completion of IB designation and changes to the Cohesion policy financial envelopes. Setting or improving conditions for faster implementation has remained an important priority.

The **revision of OPs** has been a continual and ongoing process, with almost all IQ-Net programmes either having already made programme changes this year or still planning the required revisions. Programme changes range from relatively minor to more fundamental and systematic.

- As a result of the additional allocations provided through the **Youth Employment Initiative** in eligible Member States, work is undergoing on the reprogramming in an effort to free already engaged ESF resources.
- In addition to changes related to the **Performance Framework**, many planned and implemented reallocations reflect strategic shifts and contextual changes.

In the short term, many programme managers are concentrating on **meeting n+3** at the end of 2017. In the medium term, meeting the milestones for the Performance Framework and review are an important priority. Accelerating implementation, including ensuring that the positive dynamics in areas with a faster start become viral and are extended to all areas, remains high on the agenda.

New regulatory requirements are still being embedded in the ESIF implementation systems and arrangements. Some continue to cause difficulties, including the implementation of the new rules relating to financial instruments, introduction of simplified costs options, indicator reporting requirements, the e-cohesion process or stricter interpretation of State aid rules.

In light of the requirement of putting in place **anti-fraud measures**, a dedicated risk-assessment tool (ARACHNE) has been put at the disposal of Member States, the use of which so far remains evenly split among the IQ-Net programmes.

The scope of use of **financial instruments** has substantially expanded in the current programme period, with significant increases in allocations. Implementation of FIs has not been without difficulties, with the rules around the selection of implementing bodies and mobilisation of financial intermediaries being particularly problematic. In thematic terms, SME support and low-carbon are the areas with the largest proportion of OP allocations to FIs; previous experience appears an important factor in speedy FI implementation.

Implementation of the new **territorial approaches** is progressing at a varying pace. Implementation of sustainable urban development tools, although progressing well in several IQ-Net countries, has in some cases been associated with increases in administrative complexity and additional layering due to the governance re-arrangements required. The pace of ITI implementation also varies, with similar issues noted, including the complexity and protraction of the preparation and decision process and insufficient institutional capacity. CLLD implementation dynamics range from strategy finalisation to project approval, although on the whole, the process has also been rather protracted.

Evaluation activity has been intensifying, with minor adjustments to evaluation plans often seeking to adjust the initially foreseen timetables or rethink the focus of selected evaluations in order to reflect the dynamics of implementation and evolving evaluation needs and opportunities.

All **Progress Reports** were submitted by IQ-Net countries on time. Some found the preparation process to be a very positive experience, allowing a strategic and comprehensive overview of implementation progress. For others, the benefit was felt to be more limited, including due to the restricted space and belated provision of the template by the Commission.

With the Commission's 2016 '**Omnibus' proposals** not yet adopted, trilogues are ongoing. While a positive view is held by most IQ-Net programme managers with regards to the proposed simplifications or changes regarding small scale infrastructure, there is some frustration over the negotiation process along with concerns about the potential imposition of new obligations stemming from the proposed changes or lack of clarity with regards to specific issues.

The **closure process** overall appears to have gone satisfactorily for most IQ-Net programmes, despite some challenges, mostly related to the complexity and length of the process. At the same time, administrative capacity and governance approaches of programme authorities appeared to have been major factors determining the efficiency of the process.

Discussion on the **post-2020 reform** has progressed at both EU and Member States / regions level, although at varying pace. While no formal positions have yet been disclosed in most IQ-Net countries, discussions have been formally or informally launched in some cases. In others, position papers or statements have already been issued, individually or jointly. With a general adherence to the overall profile of Cohesion policy in terms of goals, budget and geographical scope being once again apparent, opinions diverge on both strategic and operational aspects of future policy. While the need of maintaining the long-term character of Cohesion policy has been advocated by a range of programme authorities, there appears to be a wide-spread call for a revision of the delivery mechanisms, including in light of greater simplification and proportionality concerns.

1. INTRODUCTION

More than halfway through the 2014-20 programme period, the current set of ESIF programmes are well underway despite a slow start. 2017 has provided Member States with the opportunity to take a strategic look at the progress of implementation so far with the submission of their Progress Reports. The designation process has been completed for most programmes. Adoption of the Omnibus proposals is potentially anticipated by the start of 2018, especially relevant in the context of the ongoing debate on simplification. At the same time, 2017 has seen the submission of final implementation reports and closure packages for the 2007-13 programmes. Looking to the future, the debate on post-2020 reform has intensified, supported by the publication of the Commission's Seventh Cohesion Report.

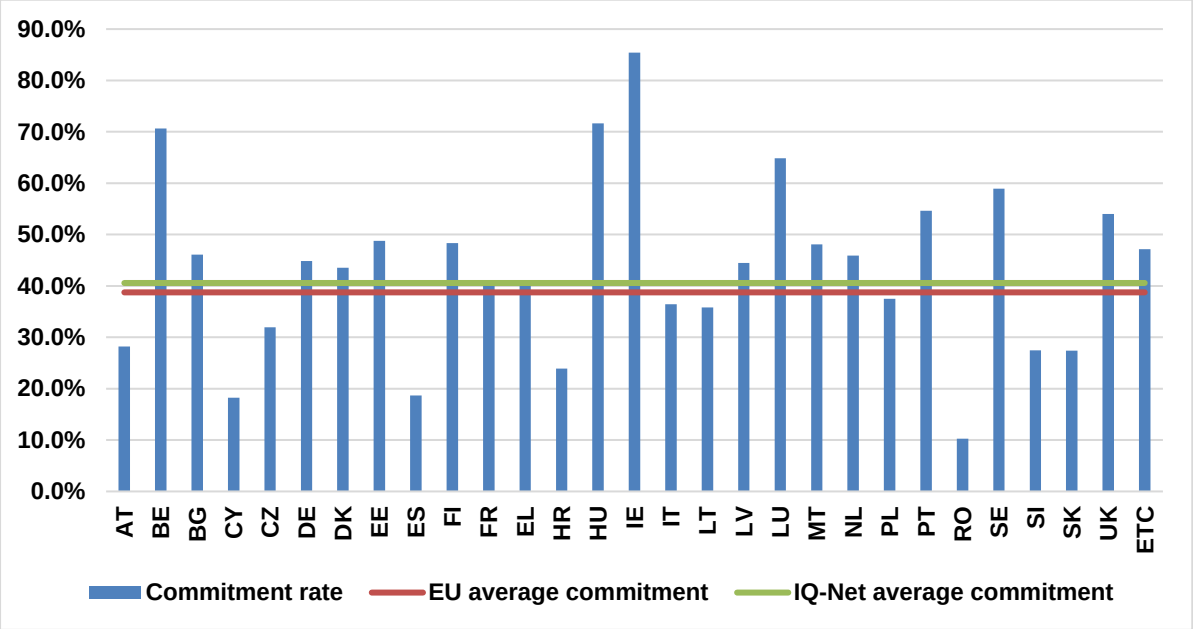
The aim of this paper is to provide a review of progress in implementing ESIF programmes in IQ-Net countries and regions over the last six months. The paper starts by reviewing the latest financial data on commitments and payments. It then examines current programming issues, including contextual changes with an impact on ESIF implementation and planned and accomplished changes to programmes. The next section discusses the dynamics and main issues facing project generation and selection. New developments in implementation systems are then reviewed. The closure process in the 2007-13 programmes is then reviewed and the paper closes with an overview of the current state of debate on the post-2020 reform at EU, Member State and regional levels.

2. PROGRESS: COMMITMENT AND PAYMENT RATES

2.1 Commitment rates

Commitment rates for ESIF programmes have increased during the second half of 2017. According to Commission data for November 2017, the average **commitment rate** across **EU28** (Figure 1) has increased from 27.7 percent in March 2017 to 38.7 percent in November 2017. The average rate for **IQ-Net countries** reflects similar dynamics and is slightly higher (growing from 29.4 to 40.6 percent over the same period). Notwithstanding this progress, EU-wide commitment rates were generally higher in a comparable time span in the 2007-13 period.

Figure 1: 2014-20 commitment rates in EU28 (ERDF, ESF, CF, YEI), November 2017



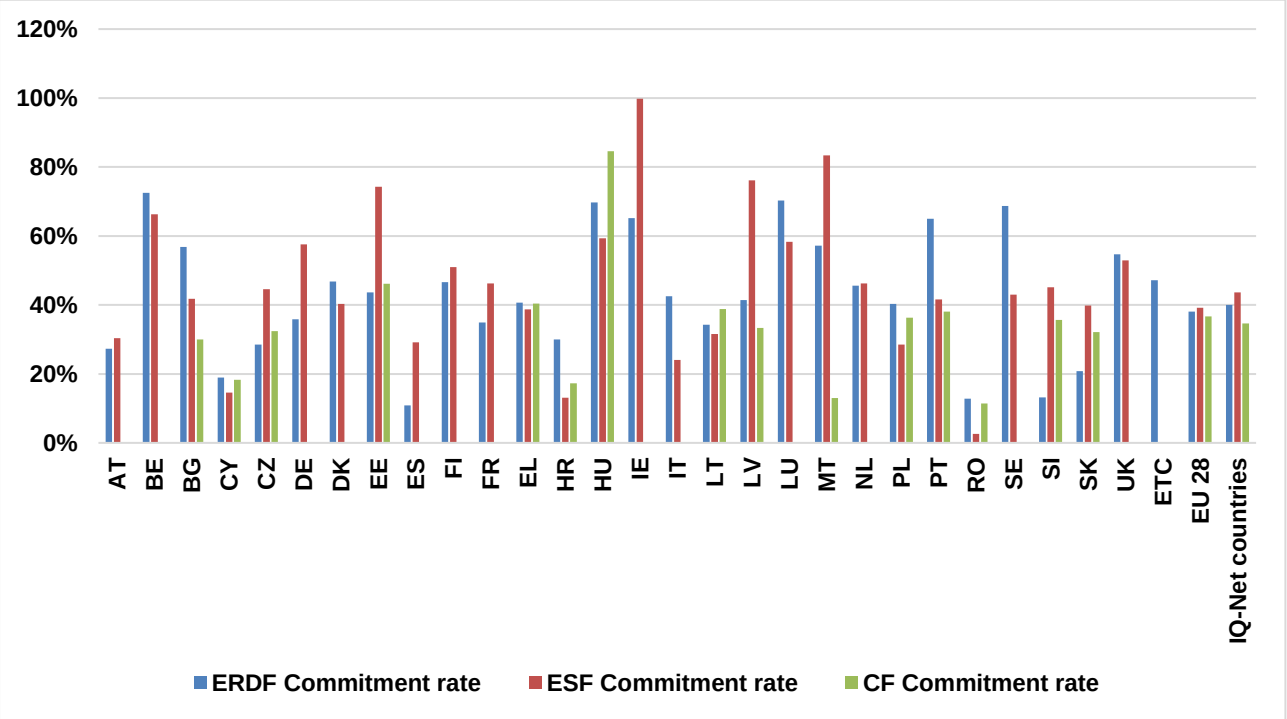
Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/countries), 20 November 2017. The data for the figure were taken from the DG Regio OpenData website. However, IQ-Net Managing Authorities note that they understate the current position regarding commitments.

Commitment rates are above 40 percent of total programme allocations in nine IQ-Net countries and above 50 percent in the UK (54 percent), Portugal (54.6 percent), Sweden (58.9 percent) and Belgium (70.7 percent).

The acceleration of commitment rates has been progressing at varying speeds. At the top end of the scale, the commitment rate increased by 15 percentage points between March and November 2017 (AT, CZ and EL) and ten percentage points in BE, ES, HR, PL, PT and SK.

Among the **regional IQ-Net programmes**, commitment rates are on average above 40 percent, constituting over half of total programme allocations, and there has been a significant acceleration in some regions (e.g. Pom, Vla). In Wales, **over 60 percent** of resources have now been committed under both ERDF and ESF programmes, reaching 74 percent under the West Wales ESF Programme. The figures are **also high in Pomorskie** (69.5 percent under both ERDF and ESF), and **Vlaanderen** (65 percent).

Figure 2: Commitment rates by Fund in EU28, November 2017

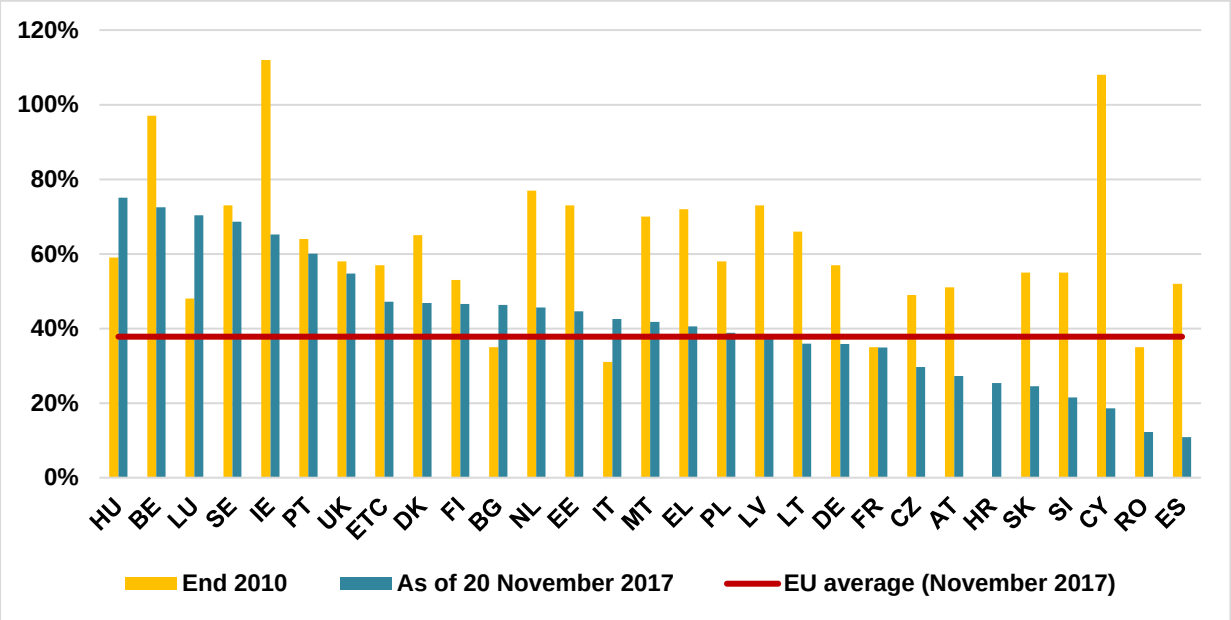


Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/countries), 20 November 2017. The data for the figure were taken from the DG Regio OpenData website. However, IQ-Net Managing Authorities note that they understate the current position regarding commitments.

In terms of commitment rates by **Fund** (ERDF, ESF and CF) (see Figure 2), the overall pattern has largely remained unchanged compared to March 2017. **Inter-Fund variation** has become more balanced in a range of IQ-Net countries, with commitment rates gaining pace under Funds previously 'lagging behind' (e.g. AT, CZ, SK). Commitment rates for a specific Fund have clearly prevailed over several consecutive review periods in some cases (e.g. ERDF in SE or PT, ESF in CZ, DE or FR). However, this trend has been reversed in the past eight months in other countries (e.g. ERDF overtaking ESF in BE or UK).

While commitment rates as at March 2017 were largely comparable to those reached around the same time during the previous period, overall commitment rates dynamics now appear to be less positive when the current levels are contrasted with those at the end of 2010 (see Figure 3).

Figure 3: Commitment rates – November 2017 vs. end 2010 – ERDF-CF

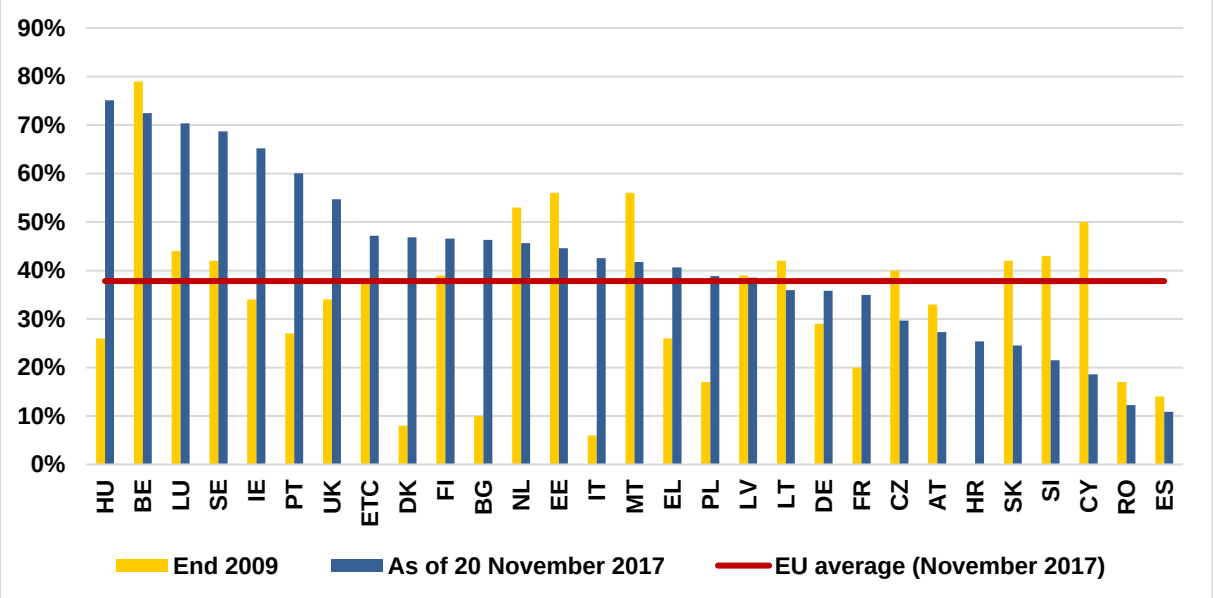


Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/countries), 20 November 2017. The 2017 data for the figure were taken from the DG Regio OpenData website. However, IQ-Net Managing Authorities note that they understate the current position regarding commitments.

These figures reflect Member State positions rather than individual programmes, but in EU-wide terms, only Hungary, Luxembourg, Bulgaria and Italy have reached commitment rates higher than at the same point in the previous period.

In the 2007-13 period, there was a rapid increase in EU28 average commitment levels between the end of 2009 (see Figure 4) and end of 2010 (from 23 to 54 percent). The **average pace of acceleration in 2014-20 has so far been more modest**, with the EU28 average commitment rate currently remaining at 38 percent.

Figure 4: Commitment rates – November 2017 vs. end 2009 – ERDF-CF

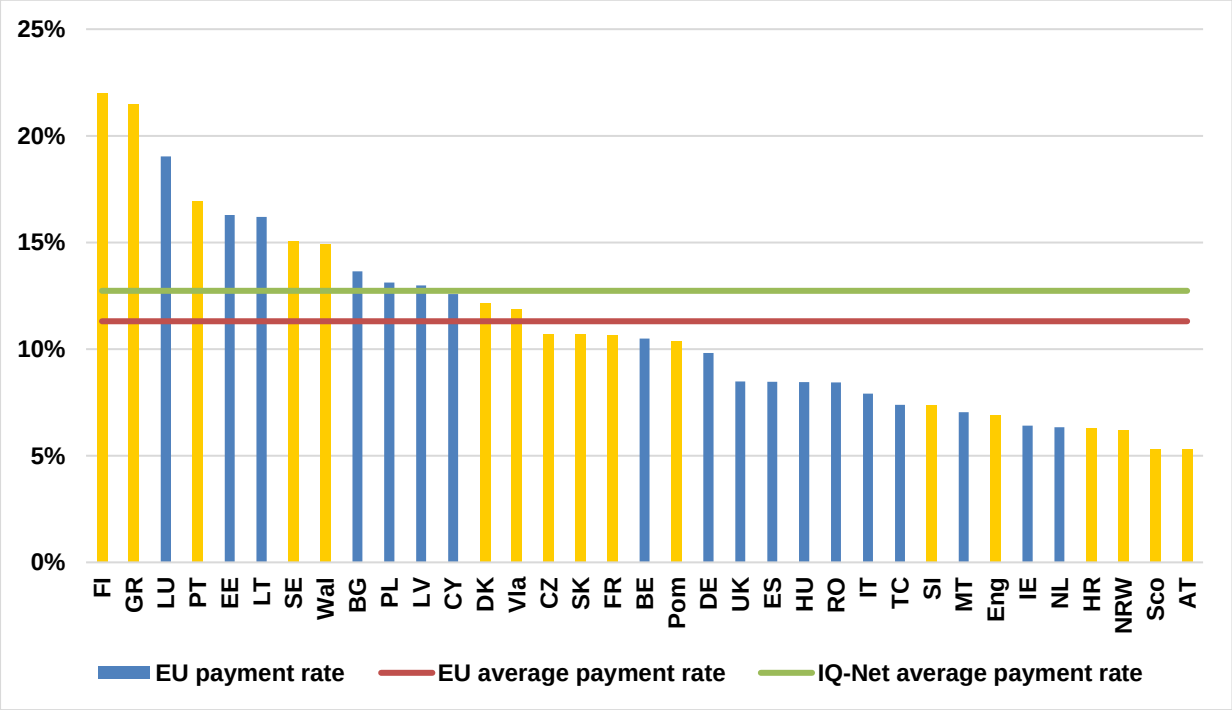


Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/countries), 20 November 2017. The 2017 data for the figure were taken from the DG Regio OpenData website. However, IQ-Net Managing Authorities note that they understate the current position regarding commitments.

2.2 Payment rates

In terms of **payments**, IQ-Net programmes continue to show a higher multi-Fund average rate than the EU28 as a whole (12.7 percent against 11.3 percent) (see Figure 5).

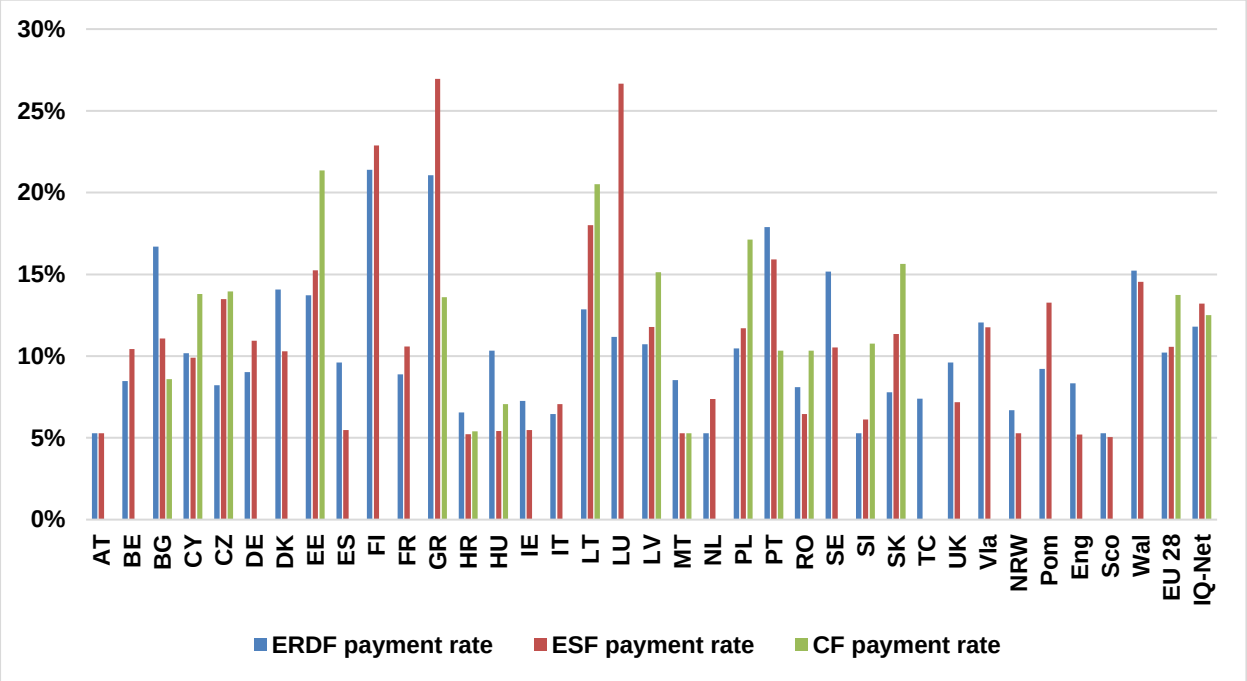
Figure 5: EU net payment rate (%) among IQ-Net programmes, November 2017



Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/EU-Level/ESIF-2014-2020-EU-payments-daily-update-/gayr-92qh/data), 20 November 2017.

This is also true across two of the three Funds individually (11.8 against 10.2 percent for ERDF, and 13.2 against 10.6 percent for ESF. The EU28 average is slightly higher in the case of the Cohesion Fund (see Figure 6).

Figure 6: Net payment rates among IQ-Net programmes by Fund, November 2017

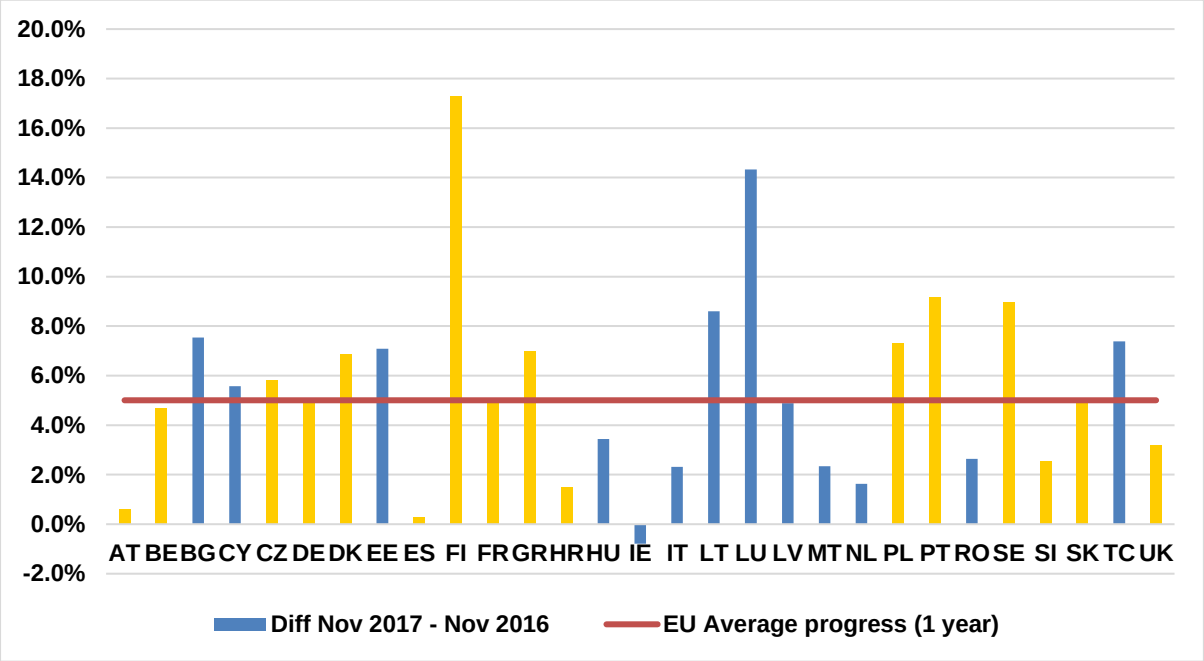


Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/EU-Level/ESIF-2014-2020-EU-payments-daily-update-/gayr-92qh/data)

Payments remain for the most part under 16 percent of planned amounts, except for three IQ-Net programmes: Finland (22 percent), Greece (21.5 percent) and Portugal (17 percent). The ESF average payment rate across IQ-Net countries and regions, as previously, remains slightly higher than for ERDF, reflecting the EU-wide trend.

Across the EU28 as a whole, the increase in payment rates over the 2016-17 period has averaged five percentage points. In ten countries involving IQ-Net programmes, **progress in terms of payment rates** has been above-average (CZ, DK, EL, FI, PL, PT, SE); in three countries (DE, FR, SK) the increase in payment rates has been equal to the EU average, and in the remainder it has been lower (see Figure 7). In several IQ-Net cases (CZ, FR, SK), there has been a catch up compared to the position in Spring 2017.

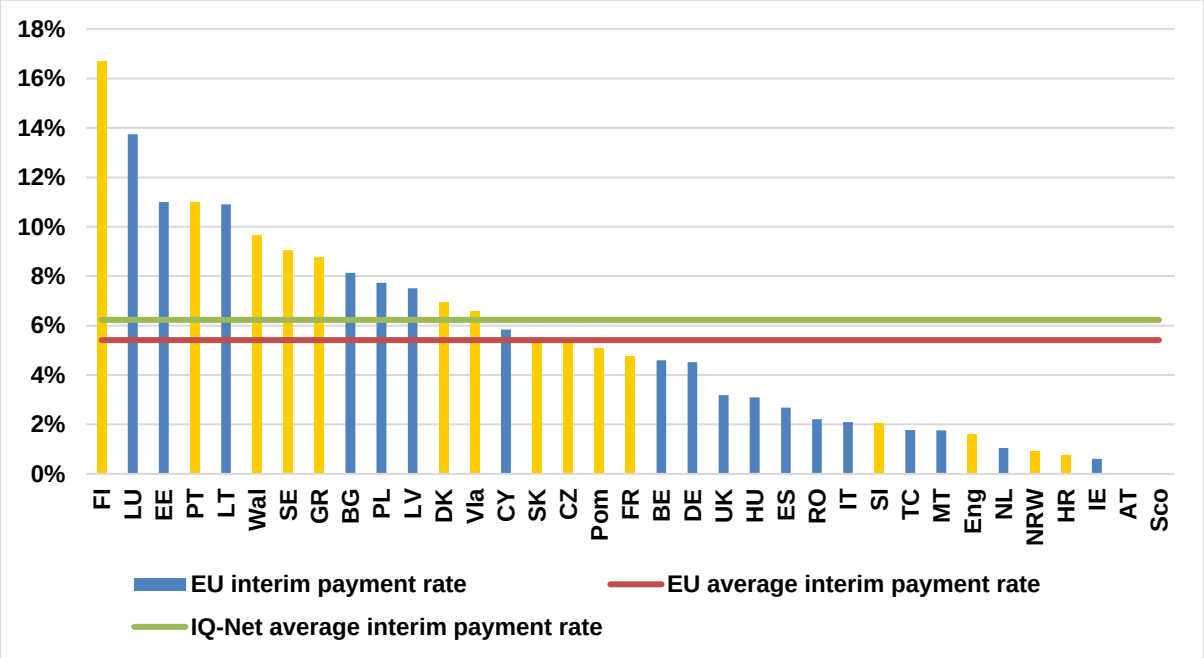
Figure 7: Progress in net payment rates between November 2016 and November 2017, %



Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/EU-Level/ESIF-2014-2020-EU-payments-daily-update-/gayr-92qh/data), 20 November 2017.

At the same time, if the **interim EU payment rate** is examined (i.e. payments data excluding advance payments), progress appears less substantial (see Figure 8). Whereas IQ-Net programmes' average rate is generally higher than the EU28 as a whole (6.2 percent against 5.4 percent), progress is overall more modest. Interim payments remain for the most part under 10 percent of planned amounts, except for two IQ-Net partners: Finland (16.7 percent) and Portugal (11 percent). The general trend across IQ-Net programmes largely remains similar if net and interim payment rates are compared, with the exception of few cases – for instance, Greece, while occupying second position in terms of EU net payments (21.5 percent), shows less progress if interim payments data (8.7 percent) is used.

Figure 8: EU interim payment rate (%) among IQ-Net programmes, November 2017



Source: EPRC calculations, based on EC data (https://cohesiondata.ec.europa.eu/EU-Level/ESIF-2014-2020-EU-payments-daily-update-/gayr-92qh/data), 20 November 2017.

In programmes with relatively **low payment rates**, the reasons (according to programme managers) mostly relate to **delays in programme preparation**, including the late **approval of the EU regulations** and delegated acts (NRW) and delays and/or heavy requirements with regards to the documentation and approval of the **management and control system** (AT, Biz, NRW), and slow set-up of the national IT system (Biz). Other factors, with consequences **for both project uptake and financial absorption** (see also Section 4.1), include:

- **amendments** to national ESIF implementation acts, which have prompted changes in procedures and documentation, causing subsequent implementation delays (Pom);
- complexity associated with the implementation of **FIs**. For instance, in Croatia, FI represent the biggest success under the OPCC but meeting FI implementation requirements proved to be challenging (Portugal has repeatedly noted FIs as an area relatively difficult to implement due to the multiple steps that need to be taken);
- **institutional** capacity more generally (HR);
- systemic administrative obstacles (e.g. with regards to public procurement or environmental legislation in SI);
- tighter **compliance** regime, including in the area of public procurement, resulting in delays in the submission of claims (Sco) or leading to protracted control processes for payment requests (SK);
- complexity of project applications, particularly for larger projects, protracting the project selection process (SI);
- stricter interpretation of State aid rules (Vla), particularly in relation to infrastructure (PT); and
- late approval by DG Competition of a State aid scheme (FR).

At the same time, there is evidence that some obstacles previously cited have been fully or partially eliminated in some cases. For instance, DFB (Biz) was granted Intermediate Body status in May 2017

allowing project verifications to be undertaken and potentially certification of expenditure (although this is dependent on the national IT system being ready).

2.3 The level of application of decommitment – no longer an open question?

At the time of writing, programme managers were concerned about the application of decommitment and whether this would be carried out at the level of categories of region i.e. MDR, Transition and LDR regions, or the OP as a whole. The Commission's position had been that the calculation of decommitment should be undertaken at the level of categories of region, evoking Article 96 of the CPR and Table 17 of Annex I of Implementing Regulation 288/2014: '*Commitments for a programme are made in accordance with the financial table of the OP, in which these commitments are broken down by Fund and by category of region*.' [1] EGESIF guidance also stated that n+3 would be assessed by regional category. This would mean that lower progress in some regions could not be made up by better progress in other regions if they are in different regional categories.[2]

Several Member States argued for a less restrictive application; and some IQ-Net programme managers noted that this was a potential issue for their OP(s) (AT, CZ IROP, Eng, DK, FR, SI). In England, for example, calls for projects are based on Local Enterprise Partnership (LEP) areas, which can cover more than one category of region. The Danish MA also has an ongoing issue with projects crossing different categories of regions. In Slovenia, the MA raised issues regarding the n+3 rule interpretation, including lack of clarity on the level of application.

According to a Commission working document, the Commission has now agreed to set the target at OP level, although if an OP fails to meet its overall target the Commission will decommit the funds at category of region level, taking into account the amount spent at each level.[3] Overall, therefore, **steady progress** has characterised ESIF implementation over the period, as reflected in both commitment and payment data.

[1] See Q/A following EGESIF 13/07/2017, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_decommitment_qa_en.pdf

[2] EGESIF_17-0012-01, (30/08/2017), http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_decommitment_en.pdf

[3] European Commission working document (2017) Decommitment methodology (n+3) and process in 2014 – 2020 – Update, EGESIF_17-0012-02, 23/11/2017.

3. CURRENT PROGRAMMING ISSUES

3.1 Domestic changes with an impact on ESIF programmes

In most cases **the economic and political context for ESIF has been relatively stable**. With some exceptions, Member States are experiencing a resumption or intensification of economic growth, although this is not always reflected in increased demand for EU funding. The main influences on ESIF programmes are associated with Brexit, domestic institutional reforms, as well as more changes to implementation arrangements.

The most far-reaching issue for the **United Kingdom** programmes is the UK's exit from the EU. Article 50 was triggered by the UK Prime Minister on 29 March 2017, meaning that the UK will leave the EU by UK 29 March 2019. A letter to MAs from the UK Treasury in October 2016 extended a guarantee of (domestic) funding for ESIF projects (initially covering project approvals made up to 23 November 2016) until the point at which the UK leaves the EU. Full funding for approved projects is expected to be honoured by the government so long as they represent good value for money and are in line with domestic priorities. However, there is considerable uncertainty as to what form exit will take, whether there will be any transitional period, and how the ESIF programmes will be managed after this date.

In some other countries, **domestic institutional reforms**, either completed or still anticipated, are already exerting an influence on programme management arrangements. They are affecting (or are expected to affect) ESIF delivery through, for example, the redefinition of the status and competences of sub-national actors involved in OP management. Despite the pursued objectives of longer-term rationalisation and greater efficiency of policy delivery, institutional changes have in some cases generated **uncertainty, additional costs and burdens** in a short-term perspective, or broader concerns with regards to the underlying rationale and utility.

The main contextual change affecting the implementation of ESIF in **Finland** continues to be related to **regional government reform**, initially expected to come into force in 2019 but eventually postponed by the Government to the beginning of 2020. The reform is expected to affect regional governance and development, with the responsibility for providing public healthcare and social services to be assigned to newly established regional governments. The decision on reform postponement has brought additional time for preparations, which, along with the largely remaining uncertainty, continue to burden all administrative levels in Finland. A more direct effect on the OP implementation is however expected at a later stage, when the new regional governments supposedly take the role of intermediary bodies.

In **Poland,** some regional actors are concerned about legal amendments which are perceived as **centralising the ESIF governance and delivery system** further. In September 2017 an amendment of the Polish Act on the Implementation of Cohesion Policy 2014-20 introduced regulations essentially strengthening the role of centrally-appointed regional governors (*voivods)* in the implementation of ROPs. The amendments have expanded the scope of involvement of the *voivods* in ESIF delivery, including through a newly acquired role in the OP designation process, role of observer in monitoring committee meetings or the ability to join project evaluation committees. Despite the officially claimed purpose of the amendment as providing greater simplification, transparency and effectiveness of EU grants delivery, the initiatives are seen by Marshall Offices and regional governments as undermining the competences of MAs, complicating project selection, blurring responsibility, and overall constituting part of a broader centralisation process.

In **France**, the **merger of regions** in 2016, which led to institutional changes and reallocation of competences, is reported by the French Court of Auditors (*Cour des Comptes*) to have led to additional costs in the short term while cost-savings are not yet materialising as envisaged. The reallocation of competences has involved the integration of new competences into existing structures, strengthening of cooperation between the State and the regions, the merging of managing authorities while OPs remain separate. These changes have raised some concern, but so far the reform does not seem to have affected the implementation speed of ESIF.

Progress with regards to the development of the **ESIF delivery system** has been reported by some IQ-Net programmes. The key new development at the DFB (**País Vasco**) was its designation as Intermediate Body in May 2017, which is expected to allow it to discharge its core functions in the current period, particularly with regards to expenditure verification and certification.

Measures aimed at the **acceleration of ESIF implementation** have been undertaken or further strengthened in some cases, among other things through the following efforts:

- **Institutional changes**. In Croatia, a limited number of changes to the Competitiveness and Cohesion OP management and control system have been made, aiming to eliminate unnecessary bottlenecks and ensure a more flexible project management environment.

- **Dedicated measures**. In Portugal, efforts at accelerating ESIF execution continue to be pursued through incentives aimed at anticipating investment. In Croatia, in line with the Priority National Action Plan for speeding up ESIF implementation, further activities have been implemented aimed at enhancing simplification and streamlining of procedures to reduce barriers for beneficiaries, and developing capacities and efficiency of public administration and regional authorities involved in EU funds delivery.
- **Ensuring greater coordination**. In Croatia, the National Coordination Committee continues to ensure overall coordination and monitoring of ESIF implementation, in line with the Priority National Action Plan for speeding up the implementation of the ESIF established in 2016. The activity of the thematic sub-committees is seen as being particularly relevant for increasing the impact and effectiveness of the Funds.

Several programmes have reported developments with regards to the policy approaches to **migration**. In **Finland**, previous concerns over the influx of migration have now eased, and the focus has shifted to the integration and employment of migrants, which, for the first time, has also become an ERDF focus. In **Poland**, migrants have been incorporated into the ROP as potential beneficiaries of ESF funding, as part of broader efforts to develop more active responses to the influx of Ukrainian migrants. In Scotland, however, the MA has found that current evidence requirements under ESF are a barrier to helping vulnerable groups such as refugees, as the level of paperwork and documentation required are discouraging potential applicants.[4]

3.2 Ex ante conditionalities almost all resolved

All **ex ante conditionalities appear to have now been met** in the IQ-Net programmes, except for one outstanding issue in Greece, where incomplete fulfilment of a conditionality has been recorded as regards the river basins. Completion is foreseen by the end of 2017.

Some programme managers have noted a deficiency in the current approach to ex-ante conditionalities, in particular where they combine national frameworks and regional implementation. The issue is that there is **no mechanism for the Commission to control or supervise that conditions set ex ante are subsequently upheld** during implementation. This was also noted by the European Court of Auditors in their recent report on the Performance Framework.[5] One example concerns the transport ex-ante conditionality in Poland, which included a ranked list of major projects to be implemented across the country. This was approved between the Polish government and the Commission and investment in a road in Pomorskie was sixth on the list. The Polish government now plans to change the ranking in the list and cancel some of the projects. The MA has been advised by the Commission that there is no mechanism for the Commission to prevent this.

3.3 Programme evolution – a continual process?

Almost all IQ-Net programmes have either already made programme changes this year and are awaiting Commission approval, or are still planning the required revisions. As one programme manager noted, '**the revision of OPs is a continual, never-ending process now**'. OP changes

[4] The MA (Scottish Government) is close to reaching agreement with the UK Department for Work and Pensions (responsible for benefits payments) on a data sharing agreement, which should help ease this situation.

[5] European Court of Audits (2017) *Ex ante conditionalities and performance reserve in Cohesion: innovative but not yet effective instruments*, Special Report No 15, https://www.eca.europa.eu/Lists/ECADocuments/SR17_15/SR_PARTNERSHIP_EN.pdf

range from relatively **minor, straightforward, often technical issues**, such as in Sweden, where adjustments have been made to the way indicators are measured, moving from percentages to numbers, to **more fundamental/systematic change**s, such as in Greece. In Greece, large-scale changes to the OPs will be implemented in two phases, with technical adjustments taking place first, followed by systematic changes to the OPs being undertaken in the first quarter of 2018. In Portugal, also, a global re-programming exercise is expected to start by the end of the year.

Changes resulting from the MFF mid-term review are still filtering through into IQ-Net programmes – in Denmark, for instance, while the process of making the changes involving extra allocations to TO8 and TO9 under the ESF OP went smoothly with the Commission, domestic political discussions over where to spend the extra funds took some time to resolve.

As part of the MFF mid-term review, the **Youth Employment Initiative** (YEI) was topped up by €1.2 billion for the period 2017-20. Implementation of the YEI envisages match funding from ESF; therefore in order to access the additional allocations provided through the YEI, contributing OPs had to undergo a significant reprogramming effort to free already engaged ESF resources. In France, tackling youth unemployment is a high priority, meaning that 23 OPs as well as the PA have been affected, and while the additional resources were welcome, this has led to significant time pressure as a deadline of 15 November 2017 was imposed for the reprogramming efforts. Work on this is also underway in Portugal and Slovakia; while a modification of the allocation for YEI under ESF has already been implemented in Croatia.

In multi-OP countries and regions, reprogramming already approved over the review period ranges in coverage from one OP (e.g. PT) to several OPs (e.g. SK).

In addition to changes related to the Performance Framework (see the associated Thematic Paper)[6] many planned and implemented reallocations reflect strategic shifts and contextual changes.

In **Portugal**, changes have already taken place in relation to the devastating wildfires which took place in the summer of 2017. A reprogramming of OP Centro was agreed and responded to by the Commission very quickly, ensuring the eligibility of certain operations that had not initially been foreseen. The intention was to ensure support for companies destroyed by fires (to enable them to return to operation) and equipment / infrastructure destroyed by fires. Applications have also been made to the EU Solidarity Fund.

The **Finland** MA is currently considering the possibility of increasing the share of funding for Technical Assistance from three to four percent for 2019-20. Pressure to increase funding for technical support has increased because regional reform has implied changes to the OP implementation and monitoring system, and preparations for these changes will require time and personnel.

In **Scotland**, there will be a major programme modification following the programme review which took place earlier in 2017. A decision was made at the start of the programme period to implement the OPs in two three-year tranches, after which a review would take place. The original intervention logic for both programmes (ERDF and ESF) was found to be sound although strategic and labour market changes require adjustments to both the scope and allocations. Proposed changes involve increasing intervention rates to address match funding issues, adding a new Investment Priority for the Highlands and Islands for culture and heritage due to demand and a lack of absorption under green infrastructure, and adjustments to the financial tables between the use of FIs, repayable assistance and grants.

Related to **Brexit**, in Scotland and Wales the Commission has indicated that only one 'major' modification of the OPs will be allowed. This is cause for significant concern, as there may be a need for further flexibility within the programmes as 29 March 2019 approaches. As one UK programme commented, "in the event that the UK programmes are 'frozen' on 29 March, the OPs may in effect stop being 'programmes" and become instead "lists of projects''. If there were to be a meaningful transition period, it would be helpful for this to enable moving funds between these projects, managing them as if they were a coherent programme.

3.4 Short and longer-term priorities….the next six months at a glance

In the short term, several programmes are concentrating on **meeting n+3** at the end of 2017 (AT, CZ, HR, SI, SK). Also, if the **omnibus proposals** are adopted soon, action may be needed to apply any retroactivity (CZ national level).

[6] McMaster I and Kah S (2017) *The Performance Framework in Cohesion Policy: Expectations and Reality*, IQ-Net Thematic Paper 41(2), European Policies Research Centre.

In the medium-term, meeting the milestones for the **performance framework and review** are high on the agenda (CZ national level, HR, FR, Pom, SK).

Overwhelmingly, however, almost all programmes are focused on **accelerating implementation**, through a range of strategies, including:

- improving project appraisal and approval processes (CZ IROP, SI);
- launching new calls (SK);
- improving project quality and uptake from regional level (DK);
- speeding up implementation in outstanding areas (Pom) or for particular types of projects, such as FIs (CZ IROP, Eng, Pom, SI), urban strategies and regeneration projects (Eng, Pom), and TO4 projects (SE) ;
- reprogramming (FR, Pom) and making programme modifications (Sco, SI, Wales); and
- monitoring implementation progress (PT notes that the priority is to make implementation 'viral in all areas', ensuring that the positive dynamics in some areas are extended to all domains, including those with a slower start).

Related priorities include designation of the monitoring and control system (AT), finalising verification audits of projects in order to begin to certify expenditure (Biz), accelerating the certification process itself (Pom), finalisation and harmonisation of the IT system (SI), speeding up payments (Vla), and further approvals (SI), implementation of large projects (HR), finalising the FI system set-up (SI), work associated with evaluation (SK OP R&I) and optimising communication with citizens, notably via increased use of social media (NRW).

4. PROJECT GENERATION AND SELECTION

4.1 Project generation issues

Despite the data showing that overall commitment rates are somewhat lower than at the same time in the 2007-13 programme period, feedback on project generation among IQ-Net programmes is **mostly very positive**. **Strong project pipelines and good responses to issued calls** are reported. In **Austria**, for example, the picture is much better than it was six months ago, as all 16 IBs are now entering data into the monitoring system. In **Sweden**, project uptake has been so high from the start under most programmes that there is only limited funding available for new projects. **Pomorskie** ROP is the leading programme in terms of levels of contracting in Poland, with around 70 percent of available funding already contracted. In **País Vasco**, it has proven relatively straightforward to absorb funding into domestic schemes and projects.

Several programmes are reporting more difficulties with project generation. Challenges have been linked with the regulatory requirements (ring-fencing, result orientation, late approval and amendment of regulations, delegated and implementing acts, work required to document and approve the Management and Control System), and with the preparation of project documentation for large/major projects and with for complex projects (DK, FR, NRW, Pom, SI). In **Denmark**, while the MA is still receiving a steady stream of applications, many are too broad to fit the programmes. The MA has identified a number of factors potentially contributing to the slower than preferred progress:

- many of the difficulties have been linked to the rules on the minimum allocations in the OP. The rules may have resulted in certain areas (low-carbon/energy efficiency for ERDF and social inclusion for ESF) receiving allocations which are difficult to absorb;
- more widely, allocations between priority axes may need adjustment;
- due to result orientation, the IBs and applicants find the programme is too narrow and certain projects cannot fit the definition of eligibility; and
- it is proving difficult to spend under TO10 (education) due to complexity in the education and labour markets, and difficulty finding additionality, as the Danish education system works well.

In **France**, implementation is slower in programmes with primarily major projects (e.g. PACA), as these require lengthy approval procedures. Programmes focusing on the development of the high-speed broadband network also experienced delays due to the late Commission decision on the compatibility of the national aid scheme with EU State aid regulations. In **Wales**, match-funding for ESF projects has been an issue, as many ESF projects are carried out by public sector organisations (local authorities and third sector) so increased pressure on public finances is having an impact.

The Spring 2017 IQ-Net Review Paper[7] highlighted that new themes/Thematic Objectives are proving to be the most difficult to implement, and that implementation is easier where there is previous experience of a theme. Two of the most common TOs being mentioned in terms of difficulties with project generation are TO4 (low-carbon) (see Box 1) and TO5 (climate change) (FR, HR, SI).

[7] Lehuraux T (2017) *Gathering Implementation Speed: The Progress of Structural Funds Programmes, IQ-Net Review Paper 40(1)*, European Policies Research Centre, University of Strathclyde, Glasgow.

Box 1: Implementing low-carbon projects

Energy efficiency (EE) and renewable energy sources (RES) have become an increasingly important dimension of Cohesion policy, reflected in Thematic Objective 4 (TO4) - supporting the shift towards a low-carbon economy. Expenditure of over €29 billion for EE and RES is planned in the 2014-20 OPs; substantially higher than in 2007-13. Thirteen countries plan to spend more than 10 percent of their ESIF allocations in this area. At least 20 percent of total ERDF resources at national level must be allocated to TO4 in MDRs, at least 15 percent in Transition Regions and 12 percent in the LDRs. Cohesion Fund resources can be used by the LDRs to achieve the minimum fund allocation, in which case the minimum percentage of funding increases to 15 percent. Although TO4 projects are progressing relatively well in several programmes (AT, HR), difficulties are frequently reported. Specific issues include the following.

- Slow progress due to **lack of experience and new beneficiaries**, and narrow OP indicators (DK).
- RES projects have proven to be challenging due to **changing legislation and market conditions**. There are limited potential contractors for the quantity of projects envisaged and project offers are often too expensive for the capacities of beneficiaries. Changes in legislation relating to RES (e.g. limiting the scope for investment in on-shore wind generation) have led to changes and delay (Pom).
- Insulation of housing real estate has been **cumbersome**, as eligible applicants represent very small organizations of flat owners with **limited capacities** to prepare project proposals. A **very high number of small projects** with high co-financing is needed to cover the OP's allocation and **demand is low**. The MA in cooperation with the IB has simplified requirements for applicants several times and the reallocation of finance has been proposed. Also, the FI for insulation of buildings is delayed (CZ IROP).
- **Progress lower** than for other priority axes (Biz).
- The **scope of the priority axis has had to be expanded** to increase uptake of funding (Eng).
- **Very restrictive rules** (e.g. requirements for support through repayable instruments), energy-related EAC and ring-fencing requirements are noted to be particularly challenging in Portugal, leading to this being one of areas with the lowest approval levels. A reprogramming is currently in progress related to the revision of financing conditions for projects of energy efficiency in public administration.

The Commission's 2017 strategic report on implementation of ESIF noted low-carbon as one of the challenging areas where continued **effort** will be **needed**, **to ensure** the selection and effective implementation of high quality **projects**.[8]

Source: IQ-Net fieldwork and Wishlade F and Michie R (2017) *Financial instruments for energy efficiency and renewable energy*, report to the European Parliament REGI Committee, http://www.europarl.europa.eu/RegData/etudes/STUD/2017/601992/IPOL_STU(2017)601992_EN.pdf

4.2 New regulatory requirements still being embedded

Three years in to the programme period, elements of the regulatory requirements introduced for 2014-20 continue to cause issues, especially for beneficiaries.

- The introduction of **simplified costs options** has taken time to embed (SK), although the situation is improving and they are proving to be a useful tool once understood by beneficiaries (Eng).

- Implementation of the new **rules relating to financial instruments** has been challenging (HR, Eng) and the late issuing of guidance has contributed to delays.

[8] European Commission (2017) Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Strategic Report 2017 on the Implementation of the European Structural and Investment Funds*, SWD (2017) 452 final, COM(2017) 755 final, Brussels 13 December 2017.

- The focus on results has had some unintended consequences for beneficiaries and implementing bodies (DK, Eng, FI, Sco, Wal) around **indicator reporting and strengthened evidence requirements**. In England, the requirement for beneficiaries to evaluate projects through a summative assessment met with initial opposition, and in Wales, the more focused programmes and strengthened evidence requirements have slowed down claims submission. In Scotland, also, beneficiaries are making sure they have all the required evidence before they submit claims – thus delaying claims submission. The MA has issued guidance and held workshops on evidence requirements but project sponsors are still nervous about getting it right. To support beneficiaries, South Finland has organised a number of online trainings and provided face-to-face coaching, and as a result, beneficiaries are experiencing significantly fewer difficulties than at the start of the programme period with indicator reporting and performance orientation. West Finland has also implemented continuous training for implementing bodies.

- **e-Cohesion** remains challenging (AT, CZ IROP). In Austria, strict use of e-Cohesion would require all communication between IB and beneficiaries to be carried out via the electronic e-Cohesion system. This is found not to be realistic in practice, particularly in a system in which the ESIF funding is only an additional aspect to the activities of IBs. On a more positive note, the e-Cohesion system appears to be a useful implementation instrument for some smaller IBs. e-Cohesion has introduced significant complexity to the monitoring system in CZ.

- The **increased prominence of State aid compliance** in the regulations has caused serious delays for some projects in Vlaanderen. To address this, a comprehensive system of guidelines concerning State aid has been developed by the MA. The guidelines are intended to support beneficiaries as well as MA personnel and other stakeholders.

Several issues **may be solved by adoption of the Omnibus proposals**, although there is some uncertainty about when and whether this will actually happen**:**

- the limits set on **small-scale infrastructure** have hindered implementation of some types of projects under the CZ IROP, i.e. projects for reconstruction of significant cultural sights; and

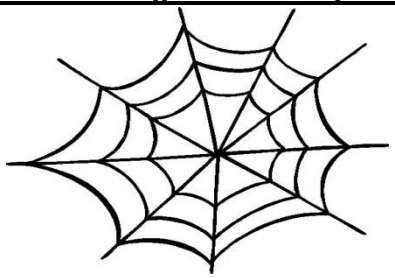
- **application of CPR Art. 61(8)** is causing issues providing support to large enterprises under the Slovakia OP R&I.

5. NEW DEVELOPMENTS IN IMPLEMENTATION SYTEMS

5.1 Divided opinion anti-fraud measures

According to Article 125(4) of Regulation 1303/2013, each MA must put into place efficient and proportionate anti-fraud measures. In this context, the Commission has put at the disposal of Member States the **ARACHNE risk-assessment tool**. Each MA must determine the time when it considers it appropriate to consult the tool and what data should (or should not) be transmitted according to its own evaluation and cartography of risks.

Use of ARACHNE is evenly split among the IQ-Net programmes – about half are using their own systems.

Programmes using ARACHNE	Programmes using domestic systems
	
CZ, HR, FR, PT (AA), SI, SK, Vla, Wal	**AT, Biz, Eng, FI, NRW, Pom, SE, Sco**

Alternatives to using ARACHNE include:

- ✓ setting up a **new system** – in Pomorskie, a Task Force that includes representatives of the Polish Ministry of Finance and National Audit Office has been launched;
- ✓ contracting development of **a new tool** – in Austria, the MA and IBs use a tool offered on the market, with the advantages that it provides information on potential linkages between different firms, and the collected data remains in Austria;
- ✓ **using existing systems**: e.g. authorities in NRW assessed their own existing measures and this showed the strength of existing strong domestic rules.

The MAs using ARACHNE have the following concerns.

- **Clarification is needed over the legal status of data submission requirements.** One programme manager noted that, according to the ARACHNE Charter[9], MAs should provide data to the tool at least every three months. The legal status of this requirement and the legal consequences of a hypothetical late provision of data are unclear, and some find a three-monthly update rate too short and not proportional to the administrative burden required.

- **Risk indicators are not relevant for all types of programme.** For small programmes where projects are often atypical, the tool does not allow correct benchmarking, conversely some parameters can be irrelevant for large programmes. For example, the parameter 'number of projects' might indicate a potentially problematic beneficiary in a programme where national public sector organisations manage hundreds of ESIF projects. ARACHNE is therefore found to be a somewhat 'blunt tool'. The range and detail of the 'traffic light' reports it produces can

[9] http://ec.europa.eu/social/main.jsp?catId=325&intPageId=3587&langId=en

be so extensive that some of the output has to be ignored, thus presenting a danger that important information is missed.

- **It instils more fear of audit. T**here is a perceived danger that auditors will use the ARACHNE reports to guide their audit 'fishing trips'.

- **ARACHNE exacerbates administrative burden.** Anti-fraud measures mean that project applicants are required to deliver a high number of declarations of honour – further administrative load for the entire system.

- **There is a lack of functionality.** The web-based version of ARACHNE is not yet available, causing logistical problems where it must be installed on individual computers, and where, for example, IBs outside the MA computer system are involved in the programme. Further, the 'status' options provided on ARACHNE do not always coincide with those used on the MAs' systems, requiring an elaborate 'mapping' workaround.

5.2 Financial instruments – have ambitions been met?

(i) What are the 'final' figures for FI implementation in 2007-13?

The latest data on the implementation of FIs in 2007-13, based on the Final Implementation Reports (FIR) data[10] are as follows.[11]

- By 31 March 2017, €16.4 billion in OP contributions had been committed to FIs under the 2007-13 programmes. Of this, €15.2 billion had reached final recipients – an overall **'absorption rate' of almost 93 percent** of OP contributions. This is an increase of 20 percent from the end of 2015.
- An estimated **€8.5 billion of resources have reportedly been returned for reinvestment** in programme areas.
- Average support per final recipient was €40,000, with average product size ranging between €16,000 for guarantees to c. €410,000 for equity investments.
- There are wide variations between Member States, both in their use of FIs and levels of absorption. Italy alone accounted for over 29 percent of OP contributions paid to FIs (€4.8 billion) by end March 2017. Other large Member States also made significant payments to FIs by end March 2017 including Germany (€1.7 billion) and the UK (€1.6 billion), but payments are not directly related to country size, with Greece and Poland also each paying over €1 billion, but France just €442 million.

In 18 countries, over 90 percent of monies paid to FIs had been paid to final recipients, with Belgium, France, Lithuania Portugal and Romania all achieving full absorption. The lowest absorption rates are

[10] European Commission (EC) (2017) *Summary of data on the progress made in financing and implementing financial engineering instruments reported by the managing authorities in accordance with Article 67(2)(j) of Council Regulation (EC) No 1083/2006 Programming period 2007-2013, Situation as at 31 March 2017 (at closure)*, European Commission, http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/closure_data_fei_2017.pdf

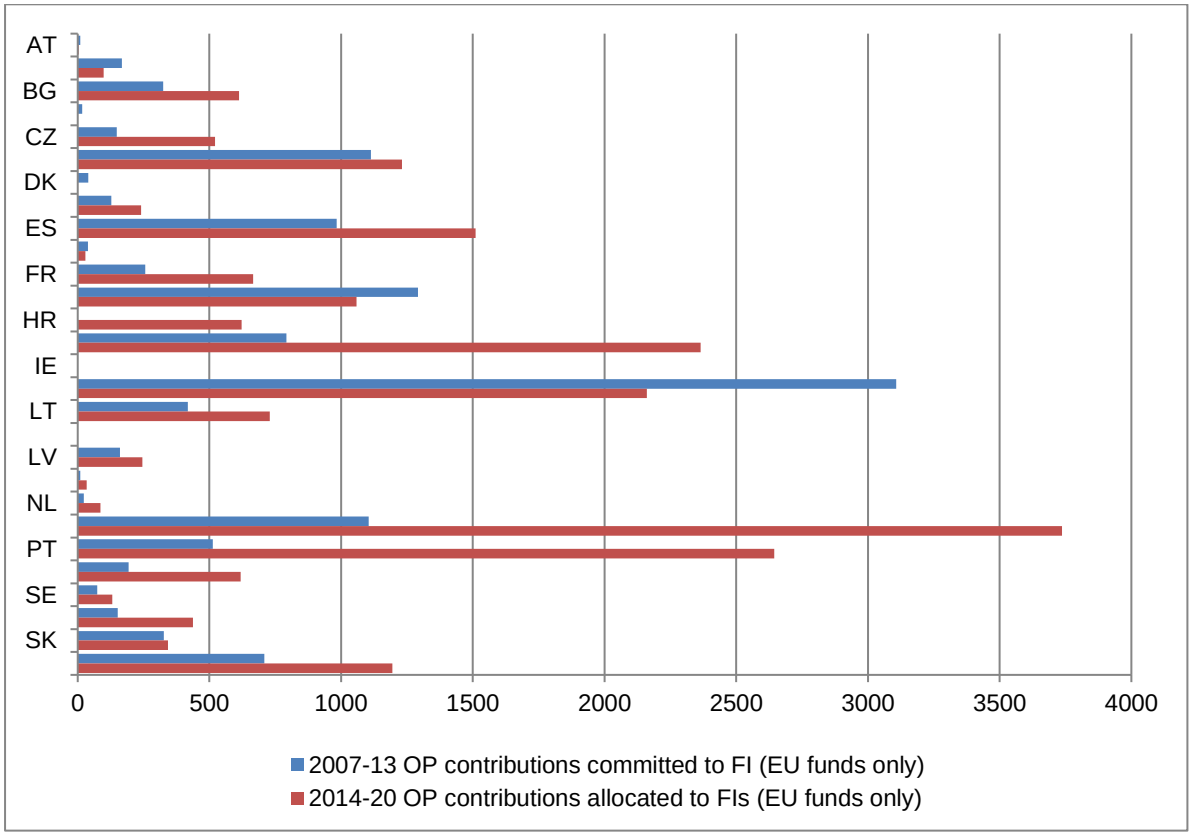
[11] Note that this is still subject to change as not all FIRs have been approved; financial instrument data is one of the reported causes of the delay in approval of some 2017 FIRs.

found in Spain (60 percent) and the Netherlands (74 percent), while the cross-border programme FI reported zero absorption.

(ii) How does 2014-20 compare so far?

Comparing FI activity so far in 2014-20 to 2007-13, OP data on 'planned' FI use shows that overall Member States intended to almost double their spend on financial instruments to over €20 billion from ESIF resources, compared to around €11 billion in 2007-13. There are still wide variations between countries (Figure 9). 19 countries planned to increase allocations to FIs in absolute terms. In some cases these increases are substantial – in Portugal, the Czech Republic, the Netherlands and Poland, for example, FI allocations for 2014-20 are more than three times those for 2007-13. Seven Member States planned lower contributions to FIs (Austria, Belgium, Cyprus, Denmark, Finland, Greece and Italy) with significant reductions foreseen in Italy.

Figure 9: OP commitments to FIs 2007-13 (actual) and 2014-20 (planned) (€m)



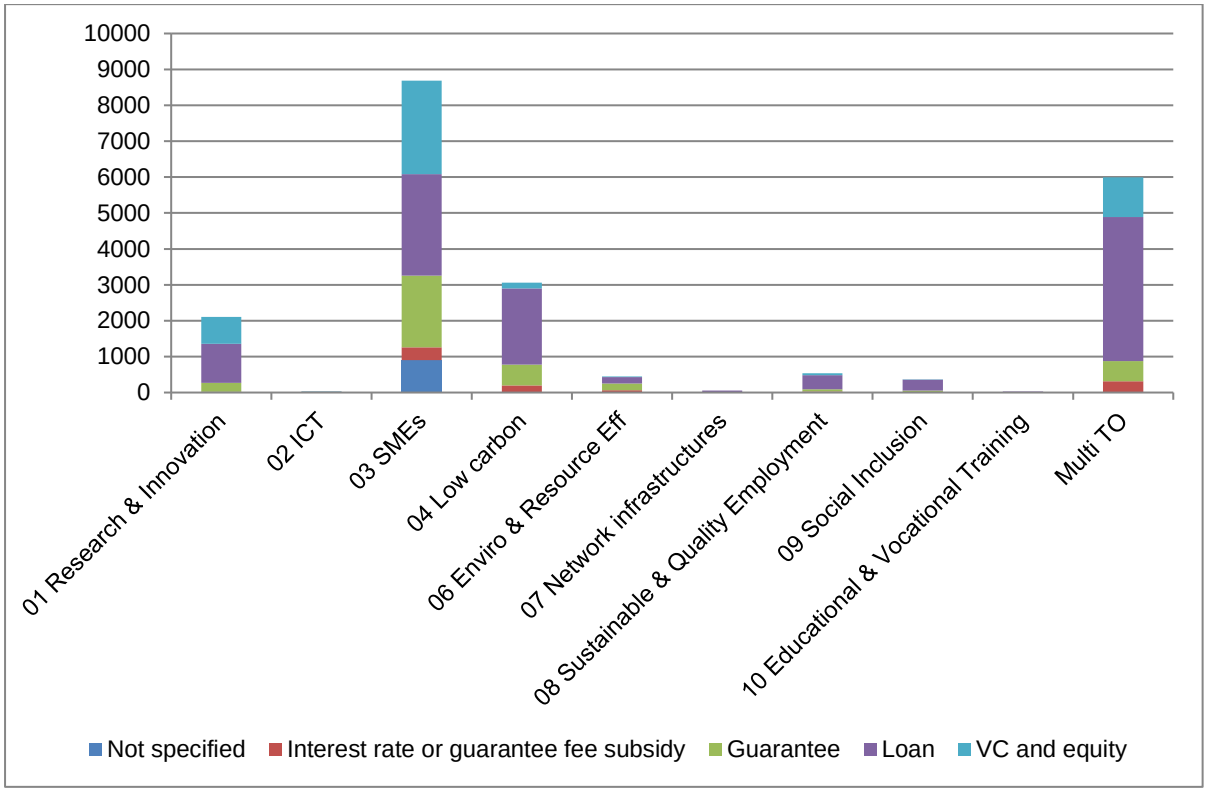
Source: Wishlade F and Michie R (2017) *Financial instruments in practice: uptake and limitations*, Background paper to OECD Seminar on Financial Instruments, 28 June 2017, Paris.

A total of 14 OPs have planned FI spend exceeding €400 million;[12] collectively these programmes alone account for over 55 percent of planned FI spend across the EU28. At the opposite end of the spectrum, some 50 OPs plan to allocate around €20 million or less to FIs (though this may account for a large share of spend in OPs with small budgets). The data from the OPs can only provide an indication – plans change after the mandatory ex ante assessments are carried out, and Member States did not always provide indicative amounts for FIs in their OPs. Contributions to joint and EU-level instruments such as the SME Initiative are also not reflected in OP data. So far, six Member

[12] EU amount.

States are implementing the SME Initiative (Bulgaria, Spain, Malta, Finland, Italy and Romania). From the OP data, early indications are that **SME support is likely to continue to dominate** the use of FIs, although FIs for low-carbon are also significant.[13]

Figure 10: OP Indicative allocations to FIs by Thematic Objective



Source: Wishlade F and Michie R (2017) *Financial instruments in practice: uptake and limitations*, Background paper to OECD Seminar on Financial Instruments, 28 June 2017, Paris.

Among the IQ-Net programmes, not all are planning on or involved in implementing FIs (Biz, DK, Vla). The Annex provides a list of currently indicated FIs in IQ-Net programmes, along with their implementation status.

FI implementation involved a steep learning curve in 2007-13; the 2014-20 period has also brought challenges:

- The rules around the **selection of bodies implementing financial instruments** has been problematic (FR, HR, Eng). In France, the Omnibus proposals envisage criteria for direct award to public authorities, which seem not to be compatible with the legal status of the public investment bank (BPI), which plays a major role in implementing FIs. In Croatia, a lack of interest for FIs has been noticed from European financial institutions.

- Some Polish regions have struggled to **mobilise financial intermediaries** to take part in tenders, although this has not been an issue in Pomorskie, where progress has been good. The EIB has also struggled to find a financial intermediary under the energy efficiency FI, related to public procurement regulations which mean that open tendering procedures must

[13] Wishlade F and Michie R (2017) *Financial instruments in practice: uptake and limitations*, Background paper to OECD Seminar on Financial Instruments, 28 June 2017, Paris.

be used. Further, national legislation on energy efficiency is limiting the potential of renewable energy, and limiting the incentives to act as financial intermediaries.

As mentioned above, most FIs are used to provide support to SMEs. The Commission has strongly encouraged use of FIs in new thematic areas, but these bring many challenges. For instance, an FI under the CZ Integrated ROP has a challenge to address strict EC requirements on 'what is ecological', and has found that within TO4, support for the replacement of heating devices with devices operating with natural gas is not allowed.

Previous experience is an important factor in speedy FI implementation – in Portugal, FIs for business support have been used for a long time, and it has proven **easier to get them up and running in the current period**, despite using a new implementation model, with a new institution being set up to manage FIs (IFD) which required more time to get things running. PT also has experience with FIs for urban regeneration, and implementation of these is fairly advanced. New areas have had a more difficult maturation process, and while possibilities are currently being studied, the outcome is still not known. At the same time, the macro-economic situation has changed since the initial programming exercise, and access to credit is now much easier. This is also affecting uptake in Nordrhein-Westfalen, where there is to date only limited interest being shown in the two FIs managed by NRW.BANK. The key challenge is that there is little demand for loans because of the strong availability of low interest loans from market-based entities e.g. banks. The NRW MA did considerable work to assess where market gaps existed before launching the FIs, and yet demand remains low in practice. The MA notes that they do not know of any German OP which has seen good take-up of funding under FIs, and they believe that they would have seen considerable difficulties in absorbing funding had they channelled a larger percentage of funding through FIs.

In the UK, Brexit poses challenges for FIs. The Wales Business Fund model originally included ERDF, public sector co-finance and legacy funds and has now been reconfigured to include only ERDF and co-investment funding. The Wales Business Fund (outside of ERDF) will still run to 2023 and legacy funds will be used at a later date, to maximise ERDF uptake in what remains of this programme period.

5.3 Varied progress on implementing new territorial approaches

Implementation of the new territorial-based strategies is **progressing at a varying pace, sometimes well, but often delayed and with some remaining problems**.

IQ-Net programme managers satisfied with the progress made in implementing their **urban strategies** include France and Austria, where there are 13 city-regional strategies in Upper Austria and one urban strategy in Vienna. The high-quality content of the urban strategies and their **potential to contribute to regional development** has been noted in Nordrhein-Westfalen, where a significant number of the strategies submitted to date are in the Ruhr area i.e. an industrial restructuring area with large urban areas and structural urban development challenges. In Portugal, however, 'the commitment rate is high, whereas the execution rate is low', although more progress is expected soon as the political situation stabilises in the aftermath of local elections.

Implementation of the regulatory requirements relating to sustainable urban development (SUD) has sometimes come at a price – for example, **increased administrative complexity** due to the

requirement for local authorities to be formal Intermediate Bodies for integrated urban development interventions. This has caused difficulties in Nordrhein-Westfalen and in England, where so far seven devolved IBs have been designated to carry out SUD. The approach in general is found to be **time-consuming and resource-intensive**, especially for smaller projects. The requirement that urban development strategies must address both TO6 and TO9 has been problematic in Denmark and in Nordrhein-Westfalen, where local authorities would prefer to focus on only one of the TOs, **delaying implementation of the relevant priority axis** due to reluctance of local authorities to apply for funding. The requirement to produce an overarching strategy for the cities involved places an additional burden on municipalities and adds no value where it simply **imposes an additional layer** on top of existing strategies, as in Denmark. Where local authorities currently face significant financial constraints, affecting their ability to co-finance projects, the issues are exacerbated. In Germany, the federal government has launched a scheme to which local authorities can apply for co-financing for urban development projects – but this scheme has its own timetable and deadlines and so local authorities will not be able to obtain funding until 2018. Further contributing to delays, many projects involve some form of infrastructure work, which cannot easily be undertaken in winter months (NRW).

Similarly mixed messages have been received on progress with **Integrated Territorial Investments**. **Good progress** is noted for some ITIs (Pom, FI, Vla). The ITI in Pomorskie has been successful in terms of project demand - under ERDF, virtually all projects have already been contracted as a form of pre-selection was used, with a list of projects to be supported being agreed with beneficiaries before implementation. Under ESF, a competitive procedure is being used but demand is also healthy, and up to 40 percent of funds have already been contracted. The **6AIKA ITI coordinated by the regional council of Helsinki-Uusimaa** in Finland is also progressing well, after initial difficulties. The cities participating in 6AIKA have found common ground, and the projects funded have generated good results, with the SOHJOA project competing in the RegioStars finals (see Box 2). Good progress has also been noted for the implementation of the ITI for Limburg in Vlaanderen (although less so for the ITIs in West-Vlaanderen and Kempen).

Box 2: The SOHJOA project – the last mile urban transportation – part of the ITI 6AIKA

The six largest cities in Finland (Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku), home to some 30 percent of the population, have joined forces under the **Six City Strategy (6Aika)** to tackle their common urban challenges. **6Aika** is implemented with cooperative projects which enable the cities to experiment in a larger context than just one city. Since 2014, the six cities have launched around 26 co-operation projects with a budget of €45 million.

6Aika has three focus areas: open innovation platforms, open data and interfaces, and open participation and customer service. The current project portfolio ranges from smart mobility, cleantech and agile piloting, to creating development environments for product testing and boosting open data for business. One example is the **SOHJOA** project, an ERDF-funded project which tests and develops new technologies to provide digital public services to citizens, specifically involving the trial of **robot buses** in Helsinki, Espoo and Tampere – an experiment which aims to solve some of the challenges of urban mobility (ERDF budget €224, 957). The buses have the potential to reduce operating costs, lower overall emissions and offer better service to customers (last mile from the end of classic public transport to home – e.g. in outskirts of Helsinki).

Source: https://6aika.fi/in-english/ and http://sohjoa.fi/

Several ITIs are at **the pre-operational stage** (SK, CZ, SI, PT). In the Integrated ROP in CZ, almost 40 calls for projects under ITIs have been announced and projects are currently being appraised, with only a limited number having reached implementation stage. Similarly in Slovenia, where eleven cities are involved in ITIs, the first projects have been selected in the field of energy efficiency and urban development. The MA expects first expenditure to take place in 2018, also in the field of sustainable urban mobility. In PT, measures have been defined and contracts signed; execution is expected to progress soon.

The issues reported for ITIs are similar to those reported for sustainable urban development more generally. The preparation process has been protracted, including building local institutional capacity (as in HR), and designating Intermediate Bodies (as in England, where Cornwall and the Isles of Scilly has been designated as an Intermediate Body and ITI). There is a perception that the decision

process is too complex, and may lead to lower quality projects (due to less competition between projects). The mechanism requires significant institutional capacity to understand and implement the integrated approach, given complex issues such as public procurement and the coordination needed. Related, in Slovenia, the MA plans to identify any areas that require changes with an evaluation in 2018.

Implementation of Community-led Local Development (CLLD) is also making progress, though again the process has been protracted. IQ-Net programmes are at different stages:

- **finalising strategies** (including in Greece, where the number of CLLDs is expected to be significantly smaller than initially anticipated). In Slovakia, a call for proposals for Local Action Groups for the financing of operating costs associated with managing the implementation of CLLD strategies has recently been published;

- **issuing calls, preparing to appraise projects** (also CZ, where there will be 190 CLLD strategies, and SI, where 25 LAGs are located in the Eastern region (LDR) and 12 in the Western region (MDR);

- **approving projects** (as in AT, where 13 projects have been approved in Tyrol, the only *Land* where CLLD is implemented, and in PT, where, the SI2E instrument (a recently created Incentive System for Entrepreneurship and Employment, implemented within the framework of CLLD and ITIs) has been launched, and hundreds of applications are under analysis).

5.4 Intensified evaluation activity

Evaluation activity has been intensifying. The Annex provides an updated list of the evaluations underway in IQ-Net programmes. Points to note include the following.

- Currently, minor adjustments to evaluation plans are common, e.g. to modify the timetable and focus of selected evaluations.
- Several programmes have taken a **framework or umbrella contract approach** to evaluation in 2014-20 (FR, NRW, DK - for project-level evaluations, see Box 3). Pomorskie notes that it would have been better to have a long-term contractual arrangement with experts rather than a constantly changing array of evaluators; related, the use of competitive tenders makes it difficult for the MA to target the companies they want to carry out the work.
- The Commission has encouraged **the use of theory-based evaluation techniques** in 2014-20. There are examples of this approach being taken – for instance, in Portugal, a significant investment is being made in terms of the methodology for a theory-based evaluation currently underway to assess the ESIF contribution to the dynamics of knowledge transfer.

In addition to the activity listed in the Annex, planned evaluation activity includes:

- a mid- term evaluation in 2018 (Vlaanderen);
- evaluations on FIs and on the horizontal criteria (SE); and
- an evaluation of education projects funded by ESF in 2018, an evaluation of the implementation of the Smart Specialisation Strategy, and a mid-term review of the ROP (Pomorskie).

Box 3: A framework approach to project-level evaluations in Denmark

In Denmark, the MA has procured a single evaluator (COWI) for all the project-level evaluations to be carried out during the first half of the programme. The evaluator visits the projects as soon as they have been awarded funds to develop an evaluation design; the project is then evaluated at the mid-term and then the end. The MA had to select an evaluator who could cope with conducting so many evaluations. No evaluations have yet been completed but 100 evaluation designs have been prepared. This approach was chosen for a number of reasons:

- *Cost-effectiveness*: it is hoped that by using a single evaluator for the bulk of the work will be more affordable.
- *Easier to compare*: in the previous programme period, so many evaluations were carried by so many different evaluators that it was difficult to compare the results of each.
- *Credibility*: previously projects chose their own evaluator and the evaluations were rarely critical. It is hoped that by using this uniform approach the results will be more reliable.

The MA maintains regular, ongoing contact with the evaluator (at least monthly). In addition they hold quarterly meetings with the evaluator and representatives of the regions to discuss the experiences of both of the evaluations.

The call for tenders for the second half of the period is currently underway. The MA and the Danish regions agree that having a common evaluator for all ESF and ERDF projects has been a significant improvement compared to previous programme periods.

5.5 Progress Reports – too constraining?

Progress Reports (at Member State level) had to be submitted to the Commission by 31 August 2017. At the time of the last IQ-Net meeting (Spring 2017), many were at least in the early stage of report preparation. All IQ-Net countries submitted the report on time, although some now have had it returned for revision (FR) or had it initially rejected for being over the word count limit (UK; the report was resubmitted at the end of September 2017). In the meantime, the Commission has prepared the 2017 Strategic Report on the implementation of ESIF, summarising Member States' implementation and progress reports, and covering the years 2014-16.[14]

Some Member States found the process to be a **positive experience** (AT, DK, PT, SE). In Denmark, in particular, the process involved a collaborative approach between Fund MAs. Several Member States viewed preparation of the Progress Report as an **opportunity to take a more strategic look at progress** (AT, PT). In Austria, the report was drafted by a team of external consultants, and was done very thoroughly, the idea being that if such a report is required, this should be seen as a useful opportunity for some wider reflection. Austria will publish its Progress Report in ÖROK's series of publications. Similarly, in Portugal, preparation of the report is considered to have been a very positive and interesting exercise which provided an opportunity to gain a comprehensive overview of the state-of-play with regards to various dimensions of the PA, and to reflect on the evolution over the period.

For others, the benefit of the Progress Report was felt to be more limited, especially due to the restricted word count in the template provided (CZ, EL, FI, SI, UK). **Lack of space** resulted in relevant

[14] European Commission (2017) Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Strategic Report 2017 on the Implementation of the European Structural and Investment Funds*, SWD (2017) 452 final, COM(2017) 755 final, Brussels 13 December 2017.

information being omitted, limited the ability of the report to reflect the achievements of the programmes, such as how particular TOs had contributed to the PA strategy, and did not show how the PA had contributed to answering Country Specific Recommendations. Also, **belated provision of the template** by the Commission (mid-May) was found to be problematic (CZ, where the National Coordination Authority had to revise over a third of the already prepared Progress Report to fit the template. One programme manager noted that the Annual Implementation Reports could have been better used in drafting the Progress Report to avoid double work – as, in practice, the Progress Report had to be created from scratch.

5.6 Omnibus proposals still in trilogues…

The Commission's 2016 'Omnibus' proposals have not yet been adopted, with trilogues ongoing.[15] Potential approval is anticipated by the end of 2017, with a foreseen entry into force of 1 January 2018, but some scepticism remains over whether this is in reality feasible. During fieldwork for this paper and the last IQ-Net review paper in Spring 2017,[16] most IQ-Net programme managers reported a positive view of the proposed simplifications (especially the changes proposed for revenue-generating projects (Article 61 CPR) (AT, Eng), part-time contracts being treated as eligible costs (DK), and changes regarding small scale infrastructure (CZ IROP)).

Alongside some scepticism over the effectiveness of these changes taking place at a relatively advanced stage in the programme period, when the scope to adapt programme implementation may be very limited, there is frustration over the negotiation process, with the re-opening of already agreed issues. There are also remaining concerns about the proposed changes. These are mainly focused on the principle that the new provisions **should introduce additional options for MAs, rather than impose new obligations**, for example:

- the preference for simplified costs options (SCOs) to remain optional rather than become obligatory for support under €100,000;
- new provisions, such as the explicit extension of eligibility to areas such as migration and asylum, should not generate new requirements e.g. in terms of targets; and
- performance budgeting for groups of operations should not be mandatory.

MAs also highlighted specific issues which are still not clear or remain under negotiation:

- Single audit and reliance on national audit findings and the proportionality principle.
- Art 265.11 (concerning Art 38.4 of the CPR) relating to direct award to financial intermediaries. A proposed amendment by the European Parliament included criteria which would disqualify the French national public bank BPI from being awarded directly.
- The application of amendments to Article 61 concerning support for large enterprises and enterprises in difficulty.

[15] http://ec.europa.eu/budget/mff/lib/COM-2016-603/COM-2016-605_en.pdf

[16] Lehuraux T (2017) Gathering Implementation Speed: The Progress of Structural Funds Programmes, *IQ-Net Review Paper 40(1)*, European Policies Research Centre, University of Strathclyde, Glasgow.

- Concern over changes to the treatment of energy savings as revenue.

5.7 Other ongoing operational issues

Several other implementation-related issues have been highlighted:

- The Commission's **interpretation of cross-financing** is felt to contravene the logic and purpose of cross-financing – i.e. that all project costs should be treated according to the specific rules of a particular fund (i.e. ESF, ERDF); as a result, OPs that contains cross-financing are gradually abandoning its application in CZ.

- Related to designation, Commission guidance states: '*In order to ensure full impartiality and independence in the designation process (Article 123 CPR), it is recommended that the body or person that has been attributed the* ***power to designate bodies and/or monitor the designation, should not be the AA, the MA, the CA or an intermediate body****.*'[17] This requirement can impose a substantial additional administrative burden, especially for smaller Member States with a centralised system of Cohesion policy management. In Slovenia, for example, there is one OP, one MA, one CA and one AA, and the MA are in discussions with the Commission and internally in Slovenia about which authority should be appointed for the task.

- **Public procurement** is frequently mentioned as an ongoing issue, for example the Slovakia OP R&I has experienced a protracted process of public procurement, problems in implementing the various conclusions of the inspections carried out by the EC authorities in the field of public procurement, and problems with the potential conflict of interests of potential tenderers involved in cooperation with the contracting authority in other public procurement procedures.

- **Monitoring systems** are now fully functional in many of the IQ-Net programmes, but not yet fully functional in a substantial minority.

- Most programmes have been **audited** by their national audit authority (for designation audits, systems audits of MA and CA, programme sample audits, audits of MCS, audit of FI operations, IBs, fraud prevention and data systems were some of the examples). Many project-level audits are also being carried out (e.g. in Portugal, under both the NSRF and Portugal 2020, around 4100 operations have so far been audited, which corresponds to over 2000 audits.) Commission audits are also underway, potentially with an increasing focus on performance rather than pure financial compliance (FR). Commission systems audits (including reliability of accounts) are just starting in France, and are foreseen in January 2018 for Slovenia. '**Preventative' audits** by the Commission have been experienced in both Scotland and Slovakia. In Scotland, the Commission (both DG Regio and DG Employ) visited for a week at the end of September 2017 on a 'preventative' systems audit, which was considered to have gone well; findings have not yet been received. There will be a return visit in February 2018 for a substantive audit. DG Regio has also given notice that it will be carrying out an early preventative system audit on the England ERDF MA's management and control processes during November 2017.

[17] European Commission (2014) *Guidance for Member States on Designation Procedure*, EGESIF_14-0013-final, 18/12/2014, p. 5, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_ms_designation_en.pdf

6. CLOSURE OF THE 2007-13 PROGRAMMES

6.1 Closure process

The closure process overall appears to have gone satisfactorily well for most IQ-Net programmes, and closure packages were submitted by the deadline in March 2017 (the submission deadline for Croatia is March 2018).

The efficiency of the process was determined by the administrative capacity and governance approaches of programme authorities. The process was facilitated by the presence of experienced staff (e.g. Czech IROP) or external consultants (e.g. in NRW) that were involved in closing programmes in 2000-06, as well as by various initiatives designed to monitor the timely implementation of projects (e.g. setting **early deadlines** for completion, identification and monitoring of **projects at risk** of missing closure deadlines, **monthly checks** to ensure that work is going according to plan, etc.). The well-timed establishment of dedicated **working groups** and preparation of targeted **Action Plans** for OPs closure, defining tasks, responsibilities and deadlines (e.g. HR), proved to be important for ensuring the timeliness and accuracy of the closure exercise. Provision of domestic **guidance** on closure (PT) or the adjustment of Commission guidelines to the specific needs of the OPs (HR) has assisted in proceeding with closure reports. **Articulation** of the final content of the reports between the different levels of the Cohesion policy governance system (e.g. the MAs and the national Cohesion policy coordinating body in Portugal) has also been noted as important.[18]

Nevertheless, some challenges were experienced. The process was complicated where administrative arrangements were in flux with the launch of OPs for the next programme period (e.g. in France) and where EC inputs were inadequate or delayed (e.g. the late publication of closure guidance for Financial Instruments). The closure process has been described as overall **complex** and **time-consuming**, among other things due the instability of guidance on closure during the process (CZ), extensive audits (Vla, SI), inconvenient coordinating approach taken by the Commission (CZ), effort at closing projects finished for a number of years (Sco) or delays in project finalisation postponing audits (DK), low administrative capacity at the Commission (CZ), or difficulties with the consolidation of financial data across different information systems (SI). On the other hand, some programmes have noted that the closure process ran better than in the previous period (e.g. Eng).

6.2 Commission feedback

Programme authorities have now received letters from the Commission containing feedback on their closure packages. IQ-Net programme managers are now in the process of responding to this feedback. Commission questions have already been responded in some cases, and further reaction is awaited. In Scotland, the feedback is expected in early 2018.

Some programmes have requested extensions of the deadline for responses (e.g. in England and Norte in Portugal).

[18] For more information on closure of the 2007-13 programme period see: Ferry M and Kah S (2017) *Lessons learnt from the closure of the 2007-13 programming period*, Report to the European Parliament's Committee on Regional Development, Brussels, http://www.europarl.europa.eu/RegData/etudes/STUD/2017/601984/IPOL_STU(2017)601984_EN.pdf

For IQ-Net programmes, **feedback has not included any significant issues**. Minor or formal adjustments are required, including in response to:

- technical questions on the amounts reimbursed from the EC and amounts paid out to beneficiaries (e.g. related to dealing with surplus funding, calculation of VAT);
- some questions seeking further information on Financial Instruments reporting;
- questions on regional/local programme-specific issues e.g. regarding the status of specific operations in ongoing (legal or other) proceedings;
- questions on indicators: minor observations on indicators were received (Biz) or more information on indicators in some areas was requested (PT);
- comments on Final Implementation Reports for individual OPs, in some cases accompanied with request for changes (SK); and
- request on the confirmation of further audit work carried out (SK).

6.3 Looking forward

Important lessons from experience of closure processes that should be taken into account in the post-2020 reform debate can be highlighted:

- **Closure should be included in broader post-2020 simplification debates**. Despite significant progress, closure remains a complex and demanding process and incurs a substantial **administrative burden** for programme authorities, especially those in relatively small administrations (e.g. SI). Making the closure procedures less onerous and decreasing the administrative burden are therefore viewed as important (e.g. AT, SK).

- **The importance of timely and consistent input from Commission services** (e.g. concerning the timeliness and clarity of closure advice and guidelines or a unified coordination approach from the EC side).

- **The value of close coordination between MA, AA and CA** (e.g. in planning key stages and associated deadlines in the closure process, in data gathering and database interconnectivity etc.).

- **The value of more detailed discussion** of closure reports **at domestic level**, with the **involvement of** all relevant **stakeholders**, for instance through debates within monitoring committees.

- The need for **adequate capacity and early planning** of the allocation of administrative resources. For instance, the relevance of designing and planning for the closure process already at the beginning of the programme period (CZ), regular and timely assessment of project completion (Eng) and overall timely finalisation of projects (DK), regular reporting (SI) and adding data to the closure registry on a continuous basis (SK), as well as provision of more detailed domestic guidance (SK) have been highlighted. However, as one programme manager noted ‘sometimes even if everything is well planned and organised early, there is always something that happens on the way’!

7. POST-2020 ISSUES

7.1 State of discussion

At **EU level**, the strategic context for the budgetary and policy debates on the post-2020 reform in the past months has largely been framed by the White Paper on the Future of Europe, the Mid-Term Review of the MFF, the Budget Focused on Results process, the Commission's 'reflections papers' and the 7th Cohesion Report, raising, among others, core questions over the added value, underlying rationale, geographic and thematic targeting of Cohesion policy, its link with the objectives of economic governance, along with issues related to the efficiency of the policy delivery systems, including simplification and differentiation measures, the functioning of the shared management model and increased performance orientation.

While there was no dedicated Commission paper reflecting specifically on the future of Cohesion policy, a series of Commission reflections have had significant references to and implications for it, including with regards to the possibilities of reduced spending on ESIF, emphasis on a stronger social policy dimension, an asymmetric approach to convergence, efforts to ensure faster implementation, stronger administrative capacity and rationalisation of funding, alignment with economic governance, revision of the funds allocation system, changes to the geographical focus and new budgetary sanctions. The Commission's 7th Cohesion Report has provided a further boost to the discussion on Cohesion policy after 2020. Advocating the need for maintaining the all-region approach to Cohesion policy as 'an EU-wide policy', it brought forward the prioritisation of social cohesion, along with a stronger emphasis on the modernisation of regional economies through reinforcement of investment in innovation, digitisation and decarbonisation, and the need for greater alignment between Cohesion policy and EU economic governance in support of structural reforms.

Informal and formal discussions in the **regions** and the **Member States** on the future of Cohesion policy have progressed at varying pace. While no major developments in the post-2020 debate have taken place in the past six months in some (e.g. Biz, ES, FI), new discussions have been launched and/or new strategic documents, position papers or statements (formal or informal) have been produced in others, either on the MFF, the role of Cohesion policy or specific aspects of its implementation.

The absence or immaturity of discussions on the content of a future of Cohesion policy may stem from the overall uncertainty about the future MFF, due to the perceived tardiness in the release of the Commission's proposals on the new framework (EL, FR), which paralyses detailed discussions (FR) and postpones the adoption of any position on content and budget (Vla).

While no formal or informal position papers have been produced as yet in some cases (e.g. Biz, DK, FI, PT, SE, Vla), **discussions** on the post-2020 cycle have been **formally** (PT) or **informally** (DK) **launched** in some countries. For instance, in **Denmark**, the project group established by the Ministry of Finance to analyse the various budget options, including plans for ESIF, is expected to provide insights informing post-2020 discussions. In **Portugal**, the Government has launched a round of discussions with experts and social partners across various sectors, to be followed by a round of contacts with the local authorities and subsequently extended to the whole political system with the view to formulate a strategic proposal and position with regards to post-2020. In **France**, an inter-ministerial consultation on the future of Cohesion policy is ongoing.

The development of strategic discussions has been accompanied by the launch of special **webpages** (CZ) or **websites** (PT[19]) devoted to the post-2020 Cohesion policy debate in some countries.

In some cases, **documents** outlining the key **strategic** lines for post-2020, expected to feed into official position papers, have been adopted or are currently under preparation. For instance, in the **Czech Republic**, a 'Resolution on Standpoints of Preparation for Cohesion Policy post-2020', to be further developed into an official position paper, has been endorsed by the Government, while the 'National Conception of Cohesion Policy Realisation post-2020', a strategic document outlining the country's developmental and thematic priorities for Cohesion policy 2020+, is currently being prepared.

Work on first (EL) or new (PL) **draft position papers** is currently underway in some countries while has already been completed and is expected to be approved soon in others (SK). Written policy positions have already been issued in some instances (e.g. the latest German government position paper dates back to June 2017) while are expected to follow at a later stage in others (e.g. in Portugal, a concrete policy position can be expected by the middle of next year). At the same time, even where formal policy positions have been issued, **changes** may be anticipated reflecting shifting domestic policy priorities (e.g. DE).

Joint declarations or positions by groups of regions have been issued in some cases. With no formal regional position paper, **NRW** has been working with other *Länder* in developing a joint position, and the June 2017 position paper included a joint statement agreed by the federal level and *Länder* along with two separate statements (one agreed by the federal ministries, and one by the *Länder* – reflecting some differences between the two positions).[20] In a similar vein, two position papers, one by the central government and one by the association of regions, have been prepared in **Poland**, with the Pomorskie MA now being involved in preparing another draft position paper with the other Polish regions.

In some instances, the discussion focuses on **specific elements** of post-2020, for instance through a series of events and **seminars** dedicated to concrete themes with relevance for Cohesion policy 2020+, expected to make targeted contributions to the discussion on the new CP framework (e.g. in Portugal) and/or through discourses reflected in **papers** covering a specific issue of relevance (e.g. a paper by the Austrian Federal Chancellery on differentiation).

In some countries, **studies** undertaken on various issues of relevance for the post-2020 debate are expected to contribute to the discussion and/or provide practical inspiration for the design of future policies (a Portuguese National Cohesion Report or a Czech cross-country analysis of Cohesion policy implementation systems).

[19] http://www.portugal2030.pt/

[20] http://www.bmwi.de/Redaktion/EN/Downloads/S-T/stellungnahme-bund-laneder-kohaesionspolitik.html

7.2 Positions of Member States and regions

The debate around the priorities for the post-2020 reform, as previously, is structured around two broad dimensions of Cohesion policy – a more strategic one, with regards to the underlying rationale and objectives of the policy, its added-value as well as relation with other EU goals and policies, and a more operational one, relating to the delivery system and efforts to enhance its efficiency.

(i) Strategic dimension of Cohesion policy

As before, there is a general adherence to the overall profile of Cohesion policy in terms of goals, budget and geographical scope. At the same time, opinions diverge on a range of issues, including thematic prioritisation, the funds allocation system and link to the economic governance, among others.

- **Reinforcing the commitment to Cohesion policy and its long-term character.** The pertinence of ensuring the focus on and the structural character of Cohesion policy as a long-term policy in EU after 2020 has been emphasised by several Member States individually (HR, PT) or through joint statements (Visegrád 4+4).

- **Maintaining the level of funding, reconsidering criteria behind allocations.** Although expressing awareness of budgetary constraints for the post-2020 period (FR), several countries confirm their interest in preserving the budget of Cohesion policy for the next programme period. Reduction of EU co-financing rates in less developed regions is seen undesirable (NRW). At the same time, reconsideration of **indicators** used for funding allocations is suggested, where alternative indicators to that of GDP per capita, particularly those capturing the social dimensions, are seen essential for ensuring a more comprehensive assessment of the regional development level (SK, EL). This largely resonates with the

suggestions of the Commission's future finances paper regarding the revision of the Berlin formula and introduction of new criteria related to demography, unemployment, migration, innovation or climate change.

- **Convergence vs competitiveness**. Calls for a better balance between the two complementary objectives of competitiveness and convergence are present. While most countries advocate the need of Cohesion policy funding being primarily channelled towards less-developed regions, and the need to ensure greater support for the convergence of the cohesion countries has been voiced, others suggest the pertinence of focusing more on competitiveness-related domains. While a strong bias towards the competitiveness approach finds some opposition, a reconciliation of the two positions can be found in a stance that views the reinforced orientation on **competitiveness as an essential factor of** long-term **cohesion** and real convergence. The pursuit of **place-based and integrated** approaches, empowered by cross-policy integration, has also been mentioned as relevant for supporting and reinforcing these two complementary objectives.

- **Geographical scope.** As previously, the maintenance of the **all-region** approach to Cohesion policy, whenever mentioned, is viewed crucial (e.g. NRW, SI), while the need for more intense support for less developed regions is recognised. At the same time, special emphasis on specific types of territories is sometimes noted, for instance the continuation of the '**sparsely populated area**' status is seen important by Finland, while continued support to **low-density** areas and **cross-border** regions is essential in Portugal. At EU level, while the future finances paper considers the possibility of removing Cohesion policy support from 'the more developed countries and regions', the 7th Cohesion report advocates the maintenance of the all-region approach.

- **Thematic concentration versus flexibility.** While the overall thematic scope of Cohesion policy is rarely contested, the relevance of specific thematic areas has been questioned in some cases (e.g. CZ), while generally greater concentration on a **limited number of priorities** and a **clearer focus** are advocated by some programme authorities (SI, Vla). Such thematic prioritisation should be determined on the basis of a **territorial approach**, taking into account **national and regional needs** and priorities (FR, SI, SK). In a similar vein, the Visegrád 4+4 jointly emphasised the importance of 'ensuring the right balance between thematic support and specific needs of Member States, regions and cities'. In addition, greater focus, including in terms of the numbers and types of pursued development priorities, could contribute to reducing complexity. Importantly, thematic concentration, although seen as essential for ensuring greater focus of policies and potentially their effects, should be accompanied with agility and **flexibility** (FI, NRW, PT, SK), as part of the programming principles, including at regional level, allowing programmes to adapt better to new emerging needs and challenges and respond rapidly to unforeseen circumstances.

- **Economic governance and structural reform.** While the legislative framework for 2014-20 formalised the linkages between ESIF and the European semester and economic governance, one of the key issues for the future is how to improve or reconsider these links. Increased **linkage between Cohesion policy and EU economic governance and the European semester** is often seen as positive, including in terms of ensuring greater strategic

coherence and stimulating crucial structural reforms. At the same time, it is recognised that the mechanisms of these connections should be rethought (PT), economic governance should respect cohesion goals as a part of economic policy (FI), and greater consistency should be ensured in order to avoid overlaps between various instruments contributing to similar objectives, e.g. EAC and CSR (SK). While the relevance of maintaining the current **ex-ante conditionalities** logic is generally recognised, some advocate strengthening the role **of EAC** (SI) or, conversely, reducing it or making **EAC tailor-made** to individual Member States and regions (SK). Some programme authorities see the strong link between **country specific recommendations** and Cohesion policy as crucial (Vla) and requiring further strengthening (DE). Others, while recognising that national priorities must be aligned with EU priorities and the MFF budget, are questioning the usefulness of a stronger link between CSR and CP (FR), especially in the sense of using the latter as a mechanism to support the implementation of CSR on an annual basis, due to concerns over the short-term nature of CSR jeopardising the multi-annual long-term benefits of Cohesion policy planning (NRW, PT). **Macroeconomic conditionality** remains a controversial issue. While some are in favour of maintaining and strengthening macroeconomic conditionalities, others do not support the existence of macroeconomic conditionality concerning use of ESI Funds in the programme period after 2020 (NRW, SK) or propose the reconsideration of the principle.

(ii) Operational dimension of Cohesion policy

The main issues with regards to this dimension of Cohesion policy debate focused, as previously, on the concerns over the complexity of administrative procedures and thus the need for greater simplification, synergies among ESIF and with other EU instruments, proportionality and differentiation in policy management rules and greater performance-orientation, among others.

Shared management model. While the maintenance of shared management is generally widely advocated, there are calls for greater **proportionality** and **subsidiarity** in the delivery of the policy (FI, Vla) and better clarification of responsibilities in the strengthened multi-level governance system (FI, NRW). Similarly, a precise specification of the roles of all stakeholders in the shared management system and the establishment of clear division of their competences is emphasised in the Visegrád 4+4 positon paper.

Simplification. Greater simplification of Cohesion policy implementation rules and arrangements is a widely shared concern (AT, DE, FI, NRW, PT, SE, SI, SK, Vla). A number of dimensions are seen as a priority for simplification measures, including:

- **Common and streamlined rules across ESI Funds**. A single, simple, and harmonised set of rules for all funds under shared management is seen important for ensuring greater clarity and efficiency of policy delivery (FI, PT, SK). Greater integration between funds in more strategic terms (conceptual framework, structure, the applicable rules) is expected to lead to greater coordination in more operational aspects, streamlining delivery (PT).

- **Harmonisation of rules of the ESIF and other EU instruments** (SK), as well as generally **greater synergy** and links between EU policies and more possibilities for joint use of different financing programmes (FI) are seen as having the potential to maximise the effects of policies pursuing similar objectives and achieve genuine complementarity to tackle concrete development

issue on the ground (SI). A series of EU documents, including the Commission paper on future finances, similarly identify the importance of coherence in EU spending and complementarity of instruments, even foreseeing the possibility of introducing a single rule book for CP and other funding instruments with programmes or projects of the same type. At the same time, concerns relate to the risk of funding **rationalisation** turning into the **diversion** of funding from the ESIF to the centrally managed instruments. For instance, Portugal is concerned about the potential for future transfers from ESIF funds to EFSI, as provided for in the Omnibus regulation, considering that this should be avoided. Standardisation and alignment of rules and structures between ESIF and domestic funds has also been advocated (HR).

- **Increased use of Simplified Cost Options** is seen as beneficial by some programme authorities (e.g. SK), although it is noted that the introduction of obligatory use of SCO should take into account the specificity of support and its volume (e.g. PT).

- **Timing of OP approval and launch, pace of implementation.** A key concern is that actual implementation can only start two-three years after the start of the programme period (PT). Reconsideration of the **budget timeline** (PT) is seen as one of the possible ways of addressing this. Simplification and streamlining of the **designation** process are also seen as important (SK, DE), and the possibility of maintaining the outcome of current designation for the next programme period unless conditions change radically (SK) has been suggested. The Commission's paper on future finances shares concerns over the speed of implementation and proposes corrective options such as stricter decommitment rules, shorter closure procedures and quicker designation processes.

- **Simplification and proportionality at the level of control and audit** (DE, SK, NRW), including the need to promote the principle of single audit and simpler controls at the level of beneficiaries, are viewed as important elements of the simplification agenda and often correlate with the calls for greater differentiation in the policy management rules. Introduction at EU level of a single database of audit findings (SK) is viewed as a means to help Member States to adopt effective measures to eliminate and correct the identified deficiencies. Reconciling the need for control and audit and the pursuit of simplification and enhanced performance is an important concern for some programme managers. In Austria, criticism targets **the lack of balance** between the necessary controls and implementation flexibility, promoting risk aversion and a tendency towards standardisation. Calls for **greater differentiation**, commensurate with the framework conditions and the volume of the funding in the Member States, are strong.

Differentiation in Cohesion policy management rules is thus a closely related issue. Performance-based management and the introduction of proportionality to management models, taking into account size, past performance (FI) and framework conditions (AT) of the programmes and the share of EU funds in public investments (AT) are advocated, inter alia stemming from the recognition of disproportionate administrative costs and burden of management in countries with relatively low allocations.

Result orientation. Reinforcement of the result orientation of Cohesion policy, deepening and simplifying the methodology implemented under the current framework (PT) is viewed as necessary, also the need to measure the objectives with new indicators, better describing project results has been noted (FI). At the same time, the importance of focusing on **incentive**-driven rather than

punitive elements of the performance orientation logic has been emphasised (PT, FI). Concentration on punishment mechanisms over reward is, among other things, seen as undermining the value of the performance framework (PT) and the performance-orientation logic overall. Finland considers that in some cases failure can be a meaningful outcome in terms of **policy learning**, and beneficiaries 'should not be punished for trying but failing'. Strengthening performance-orientation in audits and controls, for instance involving prioritisation of performance over compliance audits, is also suggested.

Legal certainty. The need for timely planning and availability of regulations and guidance has been once again emphasised. For instance, in Greece, respondents expressed a concern that the new programme period will arrive with no regulatory framework still in place.

Financial instruments. While the increased focus on financial instruments is seen favourably by some (FR), several others, not opposing FIs in principle, call for more careful analysis and evidence of their effectiveness as a basis for decisions on their introduction (FI). Need for a greater autonomy and flexibility in deciding on the amount of funding to be channelled via FI is advocated (NRW), and the mismatch between the push for the use of FIs and the absence of a clear framework for doing so, as well as implementation difficulties on the ground, are seen as problematic (PT). Further simplification of rules for FIs has also been suggested.

(iii) Anticipated domestic changes in the post-2020 perspective

Reflecting on the Cohesion policy framework post-2020, some authorities factor in a number of changes in domestic implementation arrangements. For instance, concrete changes in the configuration of OPs are already anticipated in some cases (e.g., changed approach to the treatment of Eastern Poland, with a shift from a dedicated multi-regional OP to a national OP covering lagging territories across the whole country, or introduction of regional OPs in Croatia) or changes to the NUTS2 classification and redefinition of regional boundaries and geographic eligibility for the ESIF (HR).

ANNEX 1: PROGRESS WITH FINANCIAL INSTRUMENTS IN THE IQ-NET PROGRAMMES IN 2014-20

IQ-Net partner	OP	Name of FI	Objective (e.g. enterprise support, urban development, energy-related projects etc.)	Implementation stage (planned/in set-up/operational)
AT	**ERDF**	OÖ Hightechfonds		Operational
CZ	**Integrated Regional Operational Programme**		Energy-related projects – insulation of housing real estate – with the help of advantaged loans	In set-up stage – now a preparation of tender for loans' provider is taking place; in the middle of 2018 the FI should be opened.
NRW	**NRW ERDF OP**	NRW.BANK/EU.Wärmeinfrastrukturkredit (NRW.BANK/EU.Energy Infrastructure Loans)	District heating systems	Operational (since autumn 2017)
NRW	**NRW ERDF OP**	NRW.BANK/EU.Stadtentwicklungskredit (NRW.BANK/EU.Urban Development Loans)	Urban development	Operational (since December 2016)
FI	**Mainland Finland OP**	Pohjois-Savo regional FI	Enterprise support	Planned
EL	**Entrepreneurship, Competitiveness, Innovation and EIF**	Equifund	Support to entrepreneurship for SMEs, startups, spinoffs, spinouts etc.	In set-up
EL	**Entrepreneurship, Competitiveness, Innovation**	Entrepreneurship Fund II	Support to entrepreneurship in 9 strategic sectors of the country	In set-up
EL	**Entrepreneurship, Competitiveness, Innovation**	Energy saving at home II	Energy efficiency for private residencies	In set-up
HR	**OPCC**	ESIF Small grant scheme	Enterprise support	Operational
HR	**OPCC**	ESIF Micro grant scheme	Enterprise support	Operational
HR	**OPCC**	EIF Individual Guarantees scheme without interest rate subsidy	Enterprise support	Operational
HR	**OPCC**	ESIF Guarantees scheme	Enterprise support	Operational
PL	**Pomorskie Regional OP 2014-20**	Equity instrument	Enterprise support/ R+D	Planned
PL	**Pomorskie Regional OP 2014-20**	Loan 1: Pożyczka na innowacje	Enterprise support/ R+D	In set-up
PL	**Pomorskie Regional OP 2014-20**	Loan 2: Mikropożyczka	Enterprise support	Operational (loans are disbursed by two financial intermediaries)

IQ-Net partner	OP	Name of FI	Objective (e.g. enterprise support, urban development, energy-related projects etc.)	Implementation stage (planned/in set-up/operational)
PL	**Pomorskie Regional OP 2014-20**	Loan 3: Pożyczka rozwojowa	Enterprise support	Operational (loans are disbursed by two financial intermediaries)
PL	**Pomorskie Regional OP 2014-20**	Loan 4: Pożyczka inwestycyjna	Enterprise support	In set-up
PL	**Pomorskie Regional OP 2014-20**	Loan 5: Pożyczka profilowana	Enterprise support	In set-up
PL	**Pomorskie Regional OP 2014-20**	Counter-guarantees	Enterprise support	Planned
PL	**Pomorskie Regional OP 2014-20**	Regeneration loan	Urban projects	In set-up
PL	**Pomorskie Regional OP 2014-20**	Loan for thermomodernisation of residential buildings	Energy-related projects	In set-up
PT	**Norte, Centro, Lisboa, Alentejo, Algarve**	Credit Line with Mutual Guarantee	Enterprise support	Operational
PT	**Açores e Madeira**	Credit Line with Mutual Guarantee	Enterprise support	In set up
PT	**COMPETE, Norte, Centro, Lisboa, Alentejo, Algarve, Açores e Madeira**	Venture Capital	Enterprise support	In set up
PT	**COMPETE, Norte, Lisboa e Algarve**	Business Angels	Enterprise support	Operational
PT	**Açores e Madeira**	Business Angels	Enterprise support	In set up
PT	**Norte, Açores e Madeira**	Reversible Capital	Enterprise support	In set up
PT	**Norte, Centro, Lisboa, Alentejo, Algarve, Açores, Madeira e POSEUR**	Financial Instrument for Urban Rehabilitation and Revitalisation (IFRRU 2020)	Urban development	In set up
PT	**POISE**	Fund for Social Innovation (FIS)	Innovation and social entrepreneurship	In set up
PT	**Madeira**	Innovation and social entrepreneurship	Innovation and social entrepreneurship	Planned
PT	**POCH**	Loans to students of higher education	Education	In set up
PT	**Norte, Centro, Lisboa, Alentejo, Algarve, Açores e Madeira**	Micro entrepreneurship and creation of one's own job	Job creation	Planned

IQ-Net partner	OP	Name of FI	Objective (e.g. enterprise support, urban development, energy-related projects etc.)	Implementation stage (planned/in set-up/operational)
PT	**Norte, Centro, Lisboa, Alentejo, Algarve, Açores, Madeira e POSEUR**	Financial Instrument for Energy (IFE 2020)	Energy efficiency	In set up
PT	**POSEUR**	Efficient water and waste management	Efficient water and waste management	Planned
SE	**ERDF**	Green Fund	Risk capital to SMEs for products and services reducing CO2 emissions	Operational
SE	**ERDF**	Swedish Venture Initiative Fund of Funds	Enterprise support	Operational
SE	**ERDF**	12 Regional venture capital funds	Enterprise support	Operational
SI	**ERDF, ESF, CF**	FIs under TO 1 (science and innovation), TO 3 (entrepreneurship), TO4 (energy efficiency) and TO6 (sustainable urban development	Various	In set-up
SK	**OP Research and Innovation**	Portfolio Risk Sharing Loan - 1st call	Enterprise support	In set-up - running selection of financial intermediaries
SK	**OP Research and Innovation**	First Loss Portfolio Guarantee - 1st call	Enterprise support	In set-up - running selection of financial intermediaries
SK	**OP Research and Innovation**	RC - 1st call	Enterprise support	In set-up - Public procurement for selection of financial intermediaries for FI Risk capital is being prepared.
SK	**OP Research and Innovation**	Not specified yet	Enterprise support in RDI	Planned - running ex ante evaluation
SK	**Integrated Regional OP**		Energy efficiency of residential buildings	Planned
SK	**Integrated Regional OP**		Businesses in cultural and creative industry.	Planned
SK	**Quality of Environment**	FI to support of the waste management	Enterprise support	In set-up
SK	**Quality of Environment**	FI to support of the field of renewable energy sources	Energy-related projects	In set-up
SK	**Quality of Environment**	FI to support of the energy efficiency of SMEs	Energy-related projects	In set-up

IQ-Net partner	OP	Name of FI	Objective (e.g. enterprise support, urban development, energy-related projects etc.)	Implementation stage (planned/in set-up/operational)
SK	**Quality of Environment**	FI to support of the energy efficiency of public buildings	Energy-related projects	In set-up
UK	**England ERDF**	Northern Powerhouse Investment Fund	SME support	Operational
UK	**England ERDF**	Midlands Engine Investment Fund	SME support	In set-up
UK	**England ERDF**	Greater Manchester Urban Development Fund	Urban development	In set-up
UK	**England ERDF**	North East Fund	SME support	In set-up
UK	**West Wales & the Valleys and East Wales ERDF OPs**	Wales Business Fund	SME support	Operational
UK	**Scotland ERDF**	SME Holding Fund	SME support via a microfinance fund, a local authority (council) loan fund and equity finance through the enterprise agency, Scottish Enterprise.	Operational

ANNEX 2: PROGRESS WITH EVALUATIONS IN THE IQ-NET PROGRAMMES IN 2014-20

Theme	Country/ OP	Title of evaluation	Methodology	State of play
2007-13 NSRF	**CZ - National coord. authority (NCA)**	Ex post evaluation of 2007-13 National Strategic Reference Framework	Mix of methods based on several thematic areas. (e.g. counterfactual methods in thematic areas such as energy, environment and business enterprise research and development; case studies etc.)	Launched
2007-13 NSRF	**SK**	Impacts of NSRF implementation on meeting the NSRF strategic objective	Desk research, analysis of time series	Launched
2007-13 NSRF/OPs	**SK**	Qualitative analysis of recommendations from performed evaluations NSRF/OP/HP in the 2007-13 programme period and from the meta-evaluation performed	Process-related, qualitative tools, interviews, quantitative tools	Finalised
Administrative capacity	**PT**	ESIF contribution to increased public administration capacity	Impact-related (2007-13), Process-related (2014-20)	Postponed (to 2018)
Business support	**HR**	Evaluation of the effects of support under Priority Axis III Business competitiveness (OPCC)	- analysis of existing data (desk research) - analysis of statistical data	Procurement procedure in process
Business support	**PT**	ESIF impact on the performance of Portuguese enterprises (2007-13)	Impact-related, counterfactual evaluation	Contract being signed
Business support	**SE**	Ongoing evaluation of TO3	Thematic	Finalised (Feb. 2017)
Climate change	**HR**	Evaluation of the effects of support under Priority Axis V Climate change and risk management	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
CLLD	**PT**	Implementation of CLLD strategies: operationalisation and first achievements	Process-related	Postponed (to 2018)

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Communication	**Biz**	Mid-term evaluation of communication plan	Process evaluation (implementation)	To be launched January 2018
Communication	**Biz**	Final evaluation of communication plan	Process evaluation (results)	To be launched January 2021
Communication	**SI**	Communication strategy for 2007-13	Desk research, survey	Finalised
Communication	**SK**	Communication and information activities in 2014-20	Process-related, Theory-based	Finalised
Education	**HR**	Evaluation of the effects of Priority Axis IX Education, Skills and Lifelong learning (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Education	**Pom**	Evaluation of the accuracy and effectiveness of the support provided under Sub-measure 3.2.1 quality of general education of the ROP	Impact-related, possible use of theory-based evaluation	Launched (tender procedure)
Education	**PT**	Contribution of PT 2020 to advanced education	Impact (theory-based evaluation)	Underway
Education	**PT**	Measures promoting the quality of education and training	Process-related	Postponed (to 2018)
Education	**SI**	Mid-term evaluation of the efficiency and effectiveness of the implementation of measures in the field of higher education	Impact-related Desk research, survey, interview	Planned (launched in July)
Employment	**HR**	YEI financed through OPEHR 2014-20	Process-related qualitative	Finalised
Employment	**PT**	Evaluation of the contribution of Portugal 2020 to the promotion of educational success, reduction of early school leaving and youth employability	Impact (theory-based and counterfactual)	Preparation of Terms of Reference
Employment	**PT**	Implementation, efficacy and efficiency of the YEI	Process-related (incl. counterfactual)	Underway
Employment	**SI**	Active employment policy/Connecting people with jobs	Impact-related Statistical analysis, qualitative; interviews	Finalised

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Environment	**HR**	Evaluation of the effects of Priority Axis VI Environmental protection and sustainability of resources (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Europe 2020	**CZ – NCA**	ESI Funds contribution to Europe 2020 objectives	Impact-related Macroeconomic model estimate	Underway; expected 2019
Europe 2020	**Pom**	Influence of the ROP 2007-13 on realisation of Europe 2020	Impact related Analysis of project documentation	Finalised
Evaluation methods	**CZ - NCA**	Satisfaction indicators and assessment of the concept of the single methodical environment	on-going questionnaire survey, focus groups, interviews	Finalised 2016 and repeated in 2017
Evaluation methods	**SK**	Methodology for the evaluation of synergic effects and interventions of ESIF	Meta-analysis	Finalised
Ex-post 2007-13	**HR**	Ex-post evaluation of OPs for the financial perspective 2007-13 (OP Transport, OP Environment, OP Regional Competitiveness, OP Human Resources Development & OP for Fisheries)	n/a	Planned (second half of 2017)
Ex-post 2007-13	**SI**	Final (ex-post) evaluation of 2007-13	n/a	Finalised
Ex-post 2007-13	**Wal**	Ex post evaluation of 2007-13 OPs	Desk research, survey, interview, focus groups	Launched (to be finalised in May 2017)
Financial Instruments	**EL**	Updated Ex ante evaluation for the new design and implementation of FIs for 2014-20 based on the new conditions in the Greek economy	Microeconomic data	Finalised (November 2016)
Financial Instruments	**SE**	Regional FIs within TO3	Thematic	Every six months
Financial Instruments	**SE**	Financial instruments for green fund and the EIF-FI within TO3	Thematic	In planning (launched soon)
General	**AT**	Package of all OP-related evaluations	The package is divided into process-related aspects and impact-related aspects.	Selection process about to close, contract will run to 2023
General	**Biz**	Evaluation of OP objectives and results for AIR/Progress Report	Process evaluation (results)	Launched
General	**Biz**	Evaluation of OP objectives and results for Final Report	Process evaluation (effectiveness)	To be launched July 2024

Theme	Country/ OP	Title of evaluation	Methodology	State of play
General	**Biz**	Summary of conclusions of evaluations	Summary of previous evaluations	To be launched July 2022
General	**FI**	Unknown		Launched (results in June)
General	**FR**	MA Framework contracts		Launched
General	**NRW**	Ongoing evaluation	Process evaluation	Ongoing
General	**NRW**	Evaluation of NRW ERDF OP covering all eight evaluations listed in the evaluation plan	Variety of methods, interviews, focus groups, desk research, data assessment etc.	Launched
General	**Pom**	Evaluation of the progress of the Pomorskie Region Development Strategy 2020 in particular the role of the Pomorskie ROP in achieving its development goals	Mixed approach; process-related and impact evaluation	Finalised
General	**Vla**	Focus not decided	'light approach'	In planning
ICT	**HR**	Evaluation of the effects of support under Priority Axis II Use of information and communication technologies (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
ICT	**SE**	TO2	Thematic	Finalised
Implementation structure	**CZ – IROP**	Setting pilot IROP calls for project proposals and of setting of the IROP implementation structure	Process-related	Launched (final stage)

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Implementation structure	**CZ - NCA**	Partnership platforms for the preparation of calls	Process-related evaluation Mixed approach	Finalised
Implementation structure	**HR**	Management and Control System for OPEHR 2014-20	Process-related qualitative	Launched
Implementation structure	**HR**	Mid-term evaluation of the implementation of horizontal activities	Process-related	Planned (second half of 2017)
Implementation structure	**HR**	Evaluation of implementation system of OPCC	- analysis of existing data (desk research), documentation analysis - interviews with representatives of MA, IB's 1, IB's 2, CB, members of MC OPCC	Procurement procedure in process
Implementation structure	**HR**	Evaluation of project selection system of OPCC	- analysis of existing data (desk research) - interviews with grant and strategic projects beneficiaries - interviews with representatives of MA, IB's 1 - CAWI survey -interviews with MC OPCC members and with other social partners - interviews with representatives of project selection committee	Procurement procedure in process
Implementation structure	**Pom**	Project selection criteria in ROP 2014-20	Process-related Documentary research	Finalised
Implementation structure	**PT**	Implementation of the Incentive Schemes	Process-related	Contract being signed
Implementation structure	**SE**	ESI common evaluation of the MAs (ESF, ERDF, EAFRD, EMFF)	Process-related	Finalised (Feb. 2017)
Implementation structure	**SK**	Evaluation of partnership in preparation and implementation of the Partnership Agreement	Time series, cross-sectional and correlation approaches	Launched
Implementation structure	**SK**	Progress achieved in the implementation of PA	Desk research, analysis of time series	Finalised
Implementation structure	**SK**	Interim evaluation of progress in the implementation of HP at OP level	Desk research, analysis of time series	Finalised
Indicators	**AT**	Update to the baselines for the OP's result indicators	n/a	Launched
Indicators	**Pom**	Estimation of selected outcome indicators and the impact Priority Axis 7. Protection health and emergency system 2007-13 ROP	Impact-related Mixed approach (quantitative, qualitative)	Finalised

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Indicators	**SK**	OP QE – internal evaluation of state of play of indicators used in the OP QE	Aggregation of data, evaluation questions	Finalised
Infrastructure	**Wal**	Infrastructure evaluation	n/a	Launched (procurement)
Low-carbon economy	**HR**	Evaluation of the effects of support under Priority Axis IV promoting energy efficiency and renewable energy sources (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Low-carbon economy	**SE**	Ongoing evaluation of TO4	Thematic	Finalised (Feb. 2017)
NGOs	**SI**	Contribution to NGO development and enhancing NGO capacity	Impact-related Desk research, survey, interview	Launched
Post 2020	**CZ - NCA**	Underlying study for preparation of the implementation system of the post 2021 period	Case studies (questionnaire survey, focus groups, interviews)	In preparation
Programme performance/ accuracy	**Biz**	Evaluation of OP objectives and results for 2017 report and Performance framework review	Process evaluation (results)	To be launched in 2019
Programme performance/ accuracy	**CZ - IROP**	Verification of Developmental Needs of IROP and Their Change	Strategic assessment	Launched (final stage)
Programme performance/ accuracy	**CZ – IROP**	Fulfilment of priorities and specific objectives IROP	n/a	Launched (final stage)
Programme performance/ accuracy	**CZ – NCA**	Macroeconomic and Sectoral Analysis of the Czech Republic	Input for Progress Report	Finalised
Programme performance/ accuracy	**CZ – NCA**	Synthesis of existing evidence on results from 2007-13	Review and synthesis of evidence	Finalised
Programme performance/ accuracy	**CZ – NCA**	Relevance of needs as defined in OPs; synthesis of findings	Input for PA Progress Report and potential revisions of OPs; Mixed approach	Finalised
Programme performance/ accuracy	**EL**	OP evaluations	Theory-based	Launched, deliverables will be provided by the end of 2017
Programme performance/ accuracy	**SE**	Evaluation of effects	Thematic	Finalised (Feb. 2017)
Programme performance/ accuracy	**SK**	External evaluation of OP QE implementation progress	Desk review, interviews, one to two dimensional analysis, comparative method	Finalised

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Project-level	**DK**	Multiple evaluations at project level	Impact-related Theory-based	Launched
Publicity and communications	**CZ - IROP**	Evaluation of publicity	Process-related	In planning (launch Q1 2018)
Research & Innovation	**HR**	Evaluation of the effects of support under Priority Axis 1 strengthening economy through application of research and innovation (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Research & Innovation	**NRW**	Priority axis 2: Measure 3.1 'Support for innovative start-ups and start-ups with growth potential', in combination with relevant measures in 2007-13	Impact evaluation	In planning
Research & Innovation	**NRW**	Priority axis 1: selected projects under Measure 2.1 'Support for innovative cooperation and transfer projects', & under relevant measures in 2007-13	Impact evaluation	In planning (autumn 2017)
Research & Innovation	**Pom**	RIS3	n/a	Planned
Research & Innovation	**PT**	Evaluation of the implementation of the National and Regional Research Strategy for Smart Specialisation (RIS 3): Network, Outputs and First results	Process-related	Competition closed; jury decision awaited
Research & Innovation	**PT**	ESIF contribution to the dynamics of transfer and valorisation of knowledge	Impact (theory-based evaluation)	Underway
Research & Innovation	**SE**	Ongoing evaluation of TO1	Thematic	Finalised (Feb. 2017)
Research & Innovation	**SK**	OP R&I - ex post evaluation of the national project national infrastructure for supporting technology transfer in Slovakia	Combination of quantitative and qualitative research methods; comparative analysis	In progress
Simplified costs	**PT**	Evaluation of the application of simplified costs	Process-related	Preparation of Terms of Reference
Social and economic development	**Pom**	Ex-post evaluation of effects of the projects implemented under CP 2007-13 and their impacts on social and economic development	Impact-related theory-based and counterfactual elements.	Launched (results expected in spring 2017)
Social and economic development	**PT**	Impact of the Local Contracts for Social Development	Impact-related, theory-based evaluation	In execution

Theme	Country/ OP	Title of evaluation	Methodology	State of play
Social inclusion	**HR**	Evaluation of the effects of support under Priority Axis VIII Social Inclusion and health (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Sustainable transport & networks	**HR**	Evaluation of the effects of support under Priority Axis VII Connectivity and mobility (OPCC)	Analysis of existing data (desk research); analysis of statistical data; quantitative survey with beneficiaries of individual measures; interviews with key beneficiaries, MA, IB, expert; counterfactual study; case study analysis for each measure	In planning
Sustainable transport & networks	**SE**	TO7	Thematic	Launched
Synergies	**CZ – NCA**	Coordination mechanisms for synergies and complementarities	Process-related qualitative methods (focus groups and interviews); done in-house	Finalised
Technical assistance	**HR**	Evaluation of the effects of support under Priority Axis X Technical assistance	Analysis of existing data (desk research); CAWI study	In planning
Technical assistance	**SK**	OP Technical assistance 2014-20 ongoing evaluation	Objective-based evaluation	Finalised
Territorial	**HR**	Evaluation of territorial dimension (4 ITI, 9IBs sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty (OPCC)	Interviews with key beneficiaries/cities; case study analysis for each project; interviews with representative MAs, IBs.	In planning
Territorial	**Pom (plus another 4 regions)**	Analysis of functional-spatial relations between cities and their surroundings	Impact evaluation	In planning
Territorial	**PT**	Evaluation of the operationalisation of the territorial approach of Portugal 2020 in the context of convergence and territorial cohesion	Process-related	Competition closed; jury decision awaited
Thematic	**DK**	Limited number of thematic evaluations	Thematic	Planned (2017 & 2018)
Urban development	**SE**	Sustainable cities	Thematic	In planning (launched soon)
Wellbeing	**CZ – NCA**	Capability Approach for assessing relevance of ESI funds interventions for the wellbeing of target groups	Impact-related Pilot research; Mixed approach	Finalised