

# COHESION POLICY 2021-2027



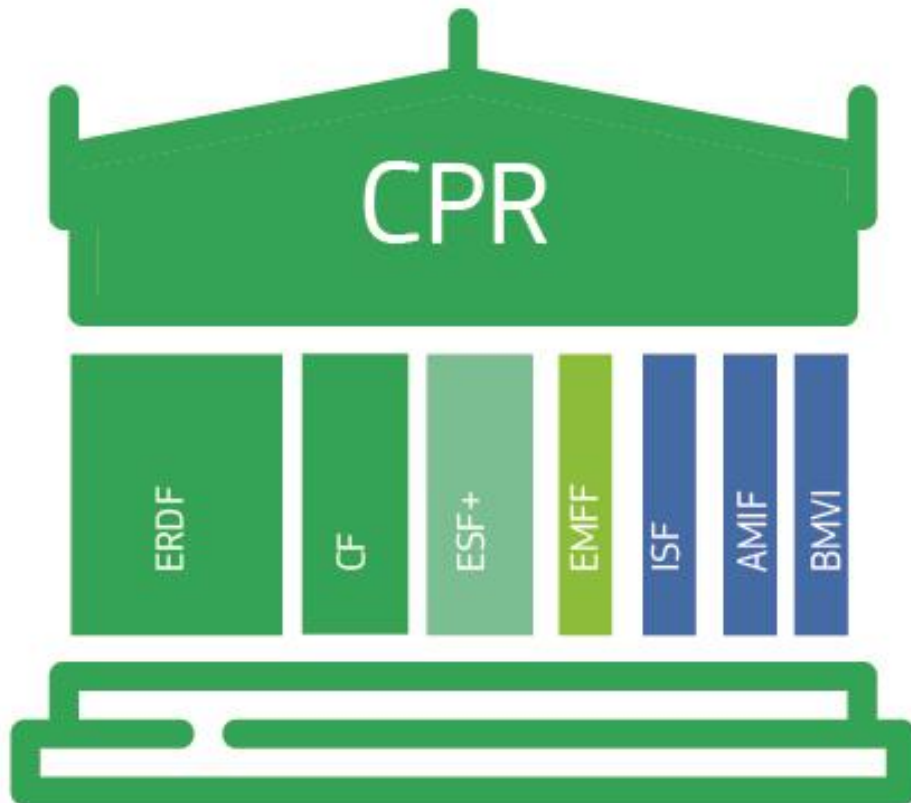
**A further step towards flexibility & simplification**

# Content

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



# 7 FUNDS - 1 REGULATION



- More coherent
- Simpler to learn
- Simpler to combine

# More modern & flexible policy



# Thematic menu

## What's new?

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

## Why helpful?

- Limits cases where integrated actions are programmed under more than one PO

# ERDF THEMATIC CONCENTRATION

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

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

- 6% of budget to urban development, delivered through local development partnerships (can overlap with above)

# Changes in ETC

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



# Transfers

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

- **NEW!** Delivery through **InvestEU**
  - Up to 5% of the allocation of a Fund
  - In the Partnership agreement or any time during implementation
  - Not subject to decommitment
  
- **NEW!** Transfers between shared management Funds or to any instrument under direct/indirect management
  - Implementation in accordance with the rules of a Fund or instrument to which resources are transferred
  - Up to 5% of a programme budget
  - Transfers 'for the benefit of a Member State'
  - Any time during implementation

# Faster & more strategic programming



# Programming

## What's new?

- Simplified, more focused and more strategic programming
- Performance-oriented: Mid-term review in 2025
- Flexibility: No Commission decision needed for up to 5 % of funding
- Clarity: PA and programme templates as part of CPR

## What's out?

- Changes of the PA during implementation
- Overlaps between PA and programmes
- Separate procedure for technical adjustment (combined with the performance review)
- Lengthy details and descriptions

# Faster & simpler delivery



# Faster & simpler delivery

- **Extended** possibility to use **simplified cost options (SCOs)** and financing not linked to costs schemes
- **Reduced** number of **controls and audits** and increased cross-reliance on audits
- Reintroduction of **n+2 rule** and reduced level of prefinancing - faster start of the programmes and quicker implementation
- Reinforced **visibility and communication** provisions → operations of strategic importance
- **No specific rules** for operations generating **net revenue**
- **No major projects**

# New approach to technical assistance

## What's new?

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

## What's out?

- Reimbursements for the TA based on real costs

# TA for programme management

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

- Supports actions necessary for the effective administration and the use of the Funds
  - Scope of support unchanged (may finance actions for earlier/past period)
  - Each Fund may support TA eligible under any other Fund
- **NEW!** TA will be reimbursed by the Commission proportionally to the progress in implementation, as a top up to the payment application:
  - 2.5% for the ERDF and the Cohesion Fund
  - 4% for the ESF+ (5% for support addressing material deprivation)
  - 6% for the EMFF, AMIF, ISF and BMVI

No more reimbursement based on real costs!

# TA for capacity building

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

- It is additional support to the programme-related TA
- It covers actions to reinforce the capacity necessary for the effective administration and use of the Funds of:
  - Member State authorities,
  - beneficiaries, and
  - relevant partners.
- **NEW!** Implemented exclusively through financing not linked to costs (*Article 89 CPR*). Reimbursement triggered by conditions, results, or intermediate deliverables.
  - See: templates in Annexes V and VI CPR



# FINANCIAL SUPPORT FROM THE FUNDS

## Union contribution to a programme

### What's new?

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

### What's less?

- Reimbursement based on real costs and corresponding paperwork

# FINANCIAL SUPPORT FROM THE FUNDS

## Member States' support to beneficiaries

### What's new?

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

### What's out?

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

# Eligibility


## What's new?

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

## What's out?

- Specific rules on the revenue generating operations
- Restrictions on location of operations
- Detailed separate provisions for PPP schemes

# Eligibility

- New expenditure added to a programme  eligible from the date of submission of the programme amendment
  - Clarification in the provision: new expenditure = a new type of intervention added in the programme – for all the Funds except for the ESF+
  - **NEW!** New expenditure related to a natural disaster will be eligible from the date when the natural disaster occurred.
  
- Eligibility – location:
  - applied to the ERDF and on a simplified, pro rata basis.
  - **NEW!** No restrictions for operations outside the Member State/Union provided they contribute to the programme's objectives.

# Streamlined Audit work



# Simplifying Management and Control

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

- All programmes to benefit from simplification
- For some programmes - based on objective criteria and low risks: further simplification / proportionality – ***'Enhanced proportionate arrangements'*** – Art. 77 to 79

# Simpler management and control

## What's in?

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

## What's out?

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



# INTERREG





# Components

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

# Main simplifications

- **No more designation of authorities**
- **Fewer management verifications** —→ from almost 100% verifications of expenditure to verifications on the basis of a risk analysis
- **Simplified cost options extended** (or even made obligatory).
- **Proportionate audits:** Operations to be audited will be selected by the Commission using a common sample covering all programmes that have submitted financial information on time.

# MCS Simplification

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

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

**Thank you for  
your attention.**

