European Commission

REGIO

MANAGEMENT PLAN

2014

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1. MISSION STATEMENT

The mission of the Directorate General for Regional and Urban Policy is reflected in its corporate identity:

Our goal: Regions growing together

Our Vision

Our vision is a European Union where people in all our regions and cities can realise their full potential. We aim for lasting improvement in the economy and quality of life for everybody, wherever they live.

Our principles and values

Openness, integrity, objectivity and accountability are our core values. We are committed to the highest standards and the best results.

Who we are

We are some (700) professionals from all over the European Union who understand the diverse challenges faced by the Member States and their regions. We use our wide range of expertise to target investments that foster growth and create jobs. We aim to become a knowledge base within the Commission to inform policy making with regional data and intelligence.

How we work

We work with the Member states, regions and other stakeholders to assess needs, finance investments and evaluate the results from a long-term EU perspective. Together we ensure that the money is well spent.

We take pride in what we do and strive to make a difference.

2. CHALLENGES FOR 2014

2.1. The challenges ahead of us

Signs of economic recovery are now beginning to appear in the European Union after five years of global financial crisis. They are fragile and are not yet being felt by those who have suffered most from the crisis, among them the young unemployed. Thus, enhancing growth and jobs has been identified as the Commission's main focus for 2014.

As the Union's main policy for investment in growth and jobs, Regional policy will bear a substantial responsibility for delivering and implementing this objective. This will require focusing our collective efforts on two main challenges:

1. Putting into operation the substantial work already carried out to prepare the 2014-2020 programmes, by ensuring an effective start of the implementation. This will include finalising the new partnership agreements and corresponding programmes to achieve tangible and measurable results in each Member State. This needs to be supported by credible and reliable performance frameworks embedded in each operational programme, to ensure implementation of programmes as planned. These instruments will be used to drive successful programme implementation and to build up evidence on programme achievements throughout the 2014-2020 programming period. This challenge will extend well beyond the adoption of the operational programmes. An essential task for the geographical desks, supported by REGIO matrix organisation, will in fact be to ensure that the national monitoring systems are actually able to capture and provide on a timely basis the performance information that will make the results orientation effective throughout the 2014-2020 period.

2. Accompanying and supporting an accelerated programme implementation for 2007-2013 Funds, making possible to achieve the desired impacts on growth and jobs. While it will be crucial to ensure that the necessary structures, procedures and programmes for 2014-2020 are put in place on time at national level to start delivering projects on the ground as soon as possible, most of the spending in 2014 will actually result from 2007-2013 programmes. The current situation of absorption rates shows persistent and significant delays in the execution for a number of Member States / programmes that will have to significantly accelerate the current rhythm of execution. In order to accompany these efforts, we must continue to cooperate with Member States in order to ensure more effective spending and thus greater contribution to growth and jobs. Renewed efforts will have to be deployed internally, aimed at further consolidating the efficiency of key internal processes contributing to these objectives, related to OP modifications, assessment of major projects, use of financial instruments, capacity building initiatives.

At the same time, we will continue to work together with Member States to ensure that EU rules are properly implemented and applied, and are rigorously enforced to ensure a sound use of the Funds.

In this perspective, the Management Plan for 2014 sets out the main objectives and tasks to be achieved and accomplished in 2014 and beyond. In order to appropriately reflect the areas towards which our efforts will be focussed throughout 2014, all DGs are asked to define a handful of performance indicators that will measure our ability to deliver on the challenges identified. The ones we have selected are presented below.

Four of them are directly linked to policy objectives and measure regional policy achievements directly felt by the citizens:

- KPI 1: Gross jobs created[1];
- KPI 2: Number of enterprise cooperating with supported research institutions[2];
- KPI 3: Number of enterprises receiving support[3];
- KPI 4: Additional capacity of renewable energy production[4].

The fifth one aims at capturing the overall effectiveness of the control system surrounding the actions financed through our policy:

- KPI 5: Cumulative residual error rate.

As the value captured by KPI 5 is heavily dependent on the Member States, it is proposed to complement it with a second KPI directly measuring the performance of the DG internal processes:

- KPI 5bis: Respect of deadlines for key internal processes[5].

I thank you very much for the attention you will devote to our Management Plan and for your active participation and full support in its implementation. You have my personal commitment as well as that of the Senior Management that we will assist you and guide you in this enterprise to the best of our abilities.

Walter Deffaa
Director-General

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[1] Mainly corresponding to REGIO core indicator 1, associated with ERDF specific objective 3, but also aggregating other indicators tracking jobs creation used by programme authorities. It is as such related to general objective 1

[2] Corresponding to REGIO core indicator 5, associated to ERDF specific objective 1

[3] Corresponding to REGIO core indicator 7, associated to ERDF specific objective 3

[4] Corresponding to REGIO core indicator 24, associated to ERDF specific objective 4 and to CF specific objective 1

[5] Indicative: Weighted as follows: 1/3 Payments, 1/3 AIRs (acceptance/rejection), MPs (adoption/rejection), OP adoptions, OP modifications, 1/3 interruption/pre-suspension notification.

2.2. Rising to the challenges: our priorities for 2014 and beyond

DG Regional and Urban Policy has identified **19 operational priorities for 2014**. The priorities are structured around four main multiannual priorities, as described below and outlined on the table following (see *Overview table 'DG Regional and Urban policy's priorities for 2014'* on pages 15-20). There are very few changes from the multi-annual priorities in 2013; the multiannual priority 2 "Demonstrate the added value of the policy" was broadened and now incorporates the former multi annual priority 4 "Specific territorial policies". In addition, in order to strengthen prioritisation for the DG, the number of priorities is further reduced (from 25 in 2013 to 19 in 2014).

Among the operational priorities, those related to the 2014-2020 period are identified as strategic for 2014. In order to reflect this emphasis, the objectives and indicators associated with them have been presented as a unique transversal activity in section 5 of the Management Plan.

A. TO START THE 2014-2020 PERIOD WITH A STRONG RESULT AND PERFORMANCE ORIENTATION

This is the priority for the DG in 2014, because the success of the reform will essentially depend on the quality of the programming documents which will be adopted. This priority requires an equal commitment notwithstanding the different instruments of all geographic units, the seven competence centres, all of the horizontal support services, and of all layers of the organization whatever the level of responsibility. The work programme of the directorates and the units including their allocations of resources shall reflect this priority.

- The DG expects to fully reap the benefits of the matrix organisation in place, which will facilitate mobilisation of all available internal resources, organized as service-providers for geographical desks. Preparation of **delegated and implementing acts** will continue in the first semester 2014 so as to ensure timely formal adoption of all these legal acts. Adoption will be phased according to the degree of urgency given the large number of empowerments. In parallel, the DG will have to finalize the delivery of all relevant **guidance documents** aimed at supporting desk officers, along with specific guidance on selected topics for programme authorities.
- Following the formal adoption of partnership agreements between the European Commission and Member States, intense negotiations with national authorities will also continue at all levels in order to ensure the **rapid adoption of good quality 2014-2020 operational programmes**. The objective in this respect will be to ensure that all mainstream programmes are adopted under the mandate of this Commission, and to adopt all remaining programmes (ETC) before the end of 2014, so that the implementation of the 2014-2020 period can begin smoothly. However, this is dependent on the timing of submission and the quality of the documents from Member States. The success of this process will also largely depend on the capacity of DG Regional and Urban Policy to ensure that new programmes meet all the expectations regarding full compliance with ex-ante conditionality, concentration on thematic priorities and results orientation. Particular efforts will be made to ensure that all programmes have a robust intervention logic with

clear and measurable result and output indicators. These will need to be supported by credible performance frameworks embedded in the approved operational programmes, built on realistic and ambitious financial and physical milestones and targets. These will be the instruments that will be used to drive successful programme implementation and build up evidence on the achievements of programmes throughout the 2014-2020 programming period.

- However, the challenge of **ensuring a smooth start of the 2014-2020 programmes** will extend well beyond the adoption of the operational programmes. Equally crucial in this respect will be to ensure the timely deployment of all operational components ready to support the implementation, both in the Member States and at the level of the Commission. In particular, this will encompass the following:
  - **To ensure that implementation has started for the programmes**, thanks to the timely set up of monitoring committees and the swift launch of the first calls/projects selections.
  - **To ensure that all appropriate procedures and adequate IT systems are designed and operational** in order to support the start of the implementation. Particular emphasis will be placed on the timely development and delivery of SFC2014, which will support all official exchanges between the European Commission and Member States and on WAVE, the new workflow system that will support internal processes within DG Regional and Urban Policy.
- A key challenge specific to 2014 will be for DG Regional and Urban Policy to prepare the **file for the new Commissioner**. This will constitute an ideal opportunity to launch in practice the first step of the new knowledge management system within the DG. In this respect, it will be crucial to mobilise all internal resources in order to provide structured knowledge that is easily accessible to everybody within the DG regarding key transversal challenges, specific needs, responses and approaches for each of the Member States, as well as DG Regional and Urban Policy corporate governance and operational set-up.

B. TO ENSURE AND DEMONSTRATE THE ADDED VALUE OF COHESION POLICY THROUGH GREATER INTEGRATION WITHIN EU GOVERNANCE MECHANISMS, PROVIDING RESULTS AND COORDINATING EU TERRITORIAL POLICIES AND URBAN MATTERS

- As a follow-up to the great progress achieved throughout 2013 in strengthening the link between the EU economic governance and Cohesion Policy, DG Regional and Urban Policy will have to seize further opportunities to ensure that Cohesion Policy is established and recognized as **contributing to EU economic governance**. The formalization of the partnership agreements in particular and the negotiations leading to the adoption of the 2014-2020 operational programmes will be pivotal in ensuring that the Country Specific Recommendations (CSRs) in selected fields are reflected in Member States' development and competitiveness strategies, and will contribute to future CSRs when necessary. This will be crucial in ensuring a strong link between growth-enhancing reforms and the related Cohesion Policy investments, and consequently in achieving a greater impact of EU intervention on the ground. This increased integration will also be reflected both the structure and content of the 6th Report on Economic, Social and Territorial Cohesion that will be adopted in 2014, which will include a specific section on European Structural and Investment Funds (ESIF) and EU economic governance.

- While a strengthened **results orientation** is a key aspect of the reformed Cohesion Policy for 2014-2020 (see above, under section A), an emphasis on results is already important in the current programming period. There has been a very significant improvement in the quality of reporting against core indicators in the current period and the quality checking and synthesis of reported data for the core indicators for 2013 in 2014 will be an opportunity to show an improved ability to assess the plausibility of the data transmitted by Member States and to report on aggregate achievements of Cohesion Policy at EU level. The ex-post evaluation will also be launched in 2014, which will form the cornerstone of the DG for Regional and Urban Policy's strategy to provide evidence on results of 2007-2013 programmes. It will be completed in early 2016, with interim results published and debated late in 2014 and throughout 2015. The overall structure of the ex post evaluation was decided in 2013 and a data quality assessment study was launched. The remaining work packages will be launched in 2014. The work packages will all be managed to quality standards established by the Directorate General. Showing results and evaluating their impact will contribute to raise awareness of EU citizens and other stakeholders about what our policy and funds deliver. By gathering evidence on what does not work as well as what does, we can help Member States and regions develop more effective policies which will be supported by the Funds. Communicating and disseminating results and impacts of programmes will contribute to building trust in EU policies, particularly in Cohesion Policy, as an effective contribution to fostering investments for growth and creating jobs.
- Co-ordinating the implementation of **macro-regional strategies**, namely the *EU Strategy for the Baltic Sea Region* and the *EU Strategy for the Danube Region*, will continue to be a priority for DG Regional and Urban Policy. These strategies cover a wide range of different EU policies and aim to coordinate the efforts of various actors in the Region (Member States, neighbouring countries, regions, financing institutions, the EU, pan-Baltic organisations, and non-governmental bodies) in order to promote a more balanced development of the macro region. The specific challenge in 2014 will be to make sure that the 2014-2020 programmes coherently support the macro regional approach. In doing so, the DG will be able to take full stock of the lessons learned during the 2007-2013 period and to maximize the possible benefits of the macro regional approach in 2014-2020. In addition to that, DG Regional and Urban Policy will continue to deploy efforts in extending this approach to another macro region. The *EU Strategy for the Adriatic and Ionian Region* (EUSAIR) is due for adoption in 2014 which will be supported by communication and action plans and the *EU Strategy for the Alpine Region* is due for adoption in June 2015.
- DG Regional and Urban Policy plays a coordinating role within the Commission in the **area of territorial and urban development** and is responsible for the Inter-service Group on Urban Development and Territorial Cohesion. DG Regional and Urban Policy also represents the Commission in the intergovernmental dialogues on urban and territorial policies, led by the EU Council Presidency. In 2014, DG Regional and Urban Policy will continue to work with other Commission services in increasing coherence and consistency among the Commission's urban-related initiatives. Moreover, the DG will

ensure the launch and the coordination of the new Urban Innovative Actions. Another main operational focus for 2014 is to be able to assess the extent on which ERDF supports adequate integrated actions on sustainable urban development within the draft adopted programmes and provide information on the uptake of the new development instruments (ITI and CLLD) under the 2014-2020 programming period.

C. TO ACHIEVE SOUND AND EFFICIENT USE OF FUNDS TO CHANNEL INVESTMENTS FOR GROWTH AND JOBS

- 2014 and 2015 will be the final, and thus crucial, years of programme implementation for the 2007-2013 programming period. The current levels of absorption are cause for concern, as the current payment claims cumulatively submitted represent only 59% of available funds. The situation is particularly critical for a number of Member States such as Romania, Bulgaria, Italy, Slovakia and Malta for which the absorption rate is below 50%. It is to be expected that all Member States will have to significantly **accelerate the current rhythm of implementation**. In order to accompany these efforts, DG Regional and Urban Policy will continue to cooperate with Member States in order to re-programme the available funds to projects and priorities that could ensure more effective spending and thus greater contribution to growth and jobs. As regards to internal processes, the DG will devote further efforts to meeting the demands generated, accelerating implementation by ensuring that OP modifications are swiftly adopted and submitted major projects are assessed in a timely way and consequently adopted or rejected. It is however anticipated that the significant increase of the number of MP submitted by certain MS (notably Poland) and the high concentration of later overall submissions might affect REGIO ability to assess timely the incoming major projects.
- In addition to increasing the efficiency of its key internal processes which can directly impact the ability of the Member States to meet ambitious implementation targets, DG Regional and Urban Policy will also **strengthen its monitoring efforts** in order to be able to identify and address bottlenecks affecting the execution of the funds in Member States as early as possible. The efforts will focus on annual implementation reports submitted by managing authorities and on the rhythm of execution of financial instruments, for which significant implementation gaps still exist. All efforts in this respect will aim at maximizing the amount of funds that reach the final recipients.
- Significant efforts will also continue to be deployed to define and implement tailored actions and to provide specific assistance on the ground to Member States with weaker **administrative capacity**, which might require efforts and interventions from DG Regional and Urban Policy that go beyond the traditional scope of assistance in shared management. More generally, the DG will make full use of its Competence Centre "Administrative Capacity" to provide advice and suggest effective approaches that could help Member States increase the quality of spending and accelerate the absorption of Funds while ensuring the legality and regularity of expenditure.
- Sufficient human resources should remain dedicated to the **closure of the 2000-2006 period**, as DG Regional and Urban Policy will need to close all 2000-2006 ERDF open programmes (including partial closures related to unsolved legal and administrative proceedings) and to move decisively towards closing pending Cohesion Fund projects by 2014. This will require significant efforts from all the actors involved in the closure process, notably from the centralised Cohesion Fund Closure Task Force, geographical desks as well as auditors and legal officers.

- If expectations of an accelerated rhythm of implementation materialises, the stakes will also be higher in ensuring the sound use of the funds, as the financial implications of possible failures in the management and control systems will become even more significant than in the past. In order to avoid such risks, DG Regional Policy will continue to ensure that appropriate preventive and corrective mechanisms are in place as a matter of high priority. Two permanent actions will serve this purpose:
    - A continued **rigorous and efficient policy of interruption and suspension of payments**, which will safeguard the EU funds while encouraging the Member States to timely adopt appropriate corrective measures in case of significant deficiencies in the management and control systems;
    - Maintenance of DG Regional and Urban Policy audit activities in the framework of its two main audit enquiries, both desk and on-the-spot. These will provide **assurance regarding the legality and regularity** of expenditures declared to the Commission while making full use of the single audit approach. These efforts will facilitate the granting of the discharge from the European Parliament.

D. TO IMPROVE EFFICIENCY AND QUALITY OF KEY INTERNAL PROCESSES

DG Regional and Urban Policy is committed to streamlining its working methods, optimising allocation of its workforce and improving its efficiency through clearly establishing measurable targets and demonstrating results. This purpose will be pursued through four main axes throughout 2014.

- In 2014, it will be necessary to consolidate the **functioning of the seven competence centres and their matrix structure** of the DG, with a view to improving the smooth and efficient functioning of key processes, in order to reap all the benefits of bringing thematic expertise closer to the implementation of the policy and of surpassing artificial barriers within the DG.
- DG Regional and Urban Policy will also have to successfully implement the ambitious **knowledge management** initiative launched in 2013 aiming at enhancing internal knowledge through increased accessibility and collaboration, at the same time maximising the benefit of available expertise within the DG. This will involve ensuring that DG Regional and Urban Policy's corporate knowledge about Member States and regions' needs, strengths and potentials is fully incorporated into the tool, displayed in a structured way around all relevant processes and activities of the DG and made available to other actors across the Commission.
- The 2014-2020 regulations will introduce key features and requirements designed to improve the overall performance of the Funds (performance, conditionality, capacity building, clearance of accounts, etc.). In order to ensure that DG Regional and Urban Policy is sufficiently equipped to embrace these challenges, it was decided to prepare a **multiannual strategy for the use of 2014-2020 technical assistance**, which will be initiated in 2014. In addition to identifying traditional technical assistance requirements, this multiannual strategy provides a framework for financing actions that could help increase, as needed, the effectiveness and efficiency of certain key processes. This will help in achieving smoother implementation of the 2014-2020 period, while also improving the accountability of DG Regional and Urban Policy regarding the use of the technical assistance budget, and allowing for senior management to be better informed when making decisions.

- The work carried out in the context of Change REGIO is targeting directly the improvement of efficiency and quality of internal processes through a number of ongoing projects (seeking the establishment of a differentiation approach to our dealing with MS, identification of roles and priorities for Competence centres and Geo Units for the post-negotiation phase, addressing administrative culture limitations – complex processes, the way we conduct missions and meetings, removing barriers to information and expertise flows, etc.). Insight and information drawn from these processes will be continuously fed into the DG's HR Rolling Plan designed to help ensure the **optimal allocation of staff** in alignment with the DG priorities. In addition to the above, the next WLA exercise and the establishment in it of efficiency models to which DG-wide resource allocations should be converged would help us to better identify, taking into account HR constraints, potential savings and further efficiencies gains to be made.

3. GENERAL OBJECTIVES OF REGIONAL AND URBAN POLICY

The general objectives by policy area included in this chapter and the specific objectives for operational activities detailed in chapter 4 refer to the legal and multiannual objectives and implementation of Regional and Urban Policy through its main financial components (ERDF, Cohesion Fund, IPA and Solidarity Fund) contributing to the delivery of the overall cohesion policy objectives. The relevant indicators and policy outputs related to the functioning and execution of these instruments, as well as the horizontal activities are presented in the following sections. These general and specific objectives and associated indicators provide the tools for assessing the accomplishment of the mission of DG Regional and Urban Policy, while strategic and operational priorities included in chapter 2 above indicate the focus for actions to be highlighted for the year 2014.

The contribution of regional and urban policy instruments to the overall long-term objectives of cohesion policy

Cohesion policy is the main EU investment instrument for supporting the key priorities of the Union as enshrined in the **Europe 2020 strategy** and for **reducing disparities**. It does so by helping less developed Member States and regions to develop and grow but also through its role in the integration of the Single Market whose size delivers markets and economies of scale to all parts of the EU, rich and poor, big and small. DG Regional and Urban Policy has developed and promotes actions related to several **flagship initiatives** of Europe 2020, like the "Innovation Union" (Communication of 6/10/2010 “Regional Policy contributing to smart growth in Europe 2020"), "A digital agenda for Europe", "Resource efficient Europe" (Communication (2011) on “Regional Policy contributing to Sustainable growth in Europe 2020”), "An industrial policy for the globalization era" and "An agenda for new skills and jobs".

The goal of economic, social and territorial cohesion is promoted through 5 EU funds (ERDF, ESF, Cohesion Fund, EAFRD, and EMFF). The two components belonging to Regional and Urban policy (ERDF and Cohesion Fund) play an important role in delivering these objectives, by mobilising local assets and focusing on the development of endogenous potential.

As stipulated in the Treaty on the Functioning of the European Union (TFEU), the following contributions are specifically expected of ERDF and Cohesion Fund:

- ERDF: to promote the development and structural adjustment of lagging regions and of declining industrial regions (Article 176 of the TFEU);
- Cohesion Fund: to finance projects in the fields of environment[6] and trans-European networks in the area of transport infrastructure. Cohesion Fund support is reserved to projects in Member States with a per capita GNI of less than 90% of the Union average.

[6] Article 192 of the TFEU refers to the use of the Cohesion Fund for environment in cases where the polluter pays principle cannot be applied due to disproportionate costs for the public authorities of a Member State.

Regional and Urban Policy in 2007-2013

The Regional and Urban Policy components of 2007-2013 cohesion policy (ERDF and Cohesion Fund) contribute to the following general objectives:

1) Stimulate the growth potential and employment of the least-developed Member States and regions (the "Convergence" objective);
2) Strengthen regions' competitiveness and attractiveness as well as employment by helping them to anticipate economic and social changes (the "Regional competitiveness and employment" objective);
3) Promote stronger integration of the territory of the EU to support balanced and sustainable development (the "European territorial cooperation" objective), by promoting cross-border cooperation and trans-national cooperation;

In addition to that, a fourth objective is pursued through the Instruments for Pre-Accession Assistance – "IPA/ISPA":

4) Assist candidate countries as well as potential candidate countries in their progressive alignment with the standards and policies of the European Union including cross-border cooperation.

Regional and Urban Policy in 2014-2020

On 22 December 2013 the new rules and legislation governing the 2014-2020 period entered into force. While the long-term objectives stipulated in the TFEU for the ERDF and CF remain unchanged, the 2014-2020 legislation introduces some new features. They include full alignment of Cohesion Policy with the Europe 2020 strategy, thematic concentration in order to maximise impact and increasing effectiveness of cohesion policy investment; more strategic programming; a stronger focus on results; performance frameworks with milestones and targets; and simplification (including harmonisation of rules for all structural instruments) are important elements in this respect. To reinforce performance, new conditionality provisions were introduced to ensure that the conditions necessary for effective support are in place before implementation of programmes and that the effectiveness of cohesion expenditure is not undermined by unsound macro-fiscal policies.

Partnership agreements between the Commission and each Member State will set out the commitments of partners at national and regional level and the Commission. These will be linked to the objectives of the Europe 2020 strategy and the European Semester. In order to align Cohesion Policy with the Union strategy for smart, sustainable and inclusive growth a list of thematic objectives corresponding to the priorities of the strategy has been defined in the legislative proposals. These objectives are translated into investment priorities in the Fund-specific rules. To maximise impact Member States are required to concentrate support on those actions bringing the greatest added value in relation to smart, sustainable and inclusive growth, taking into consideration specific territorial challenges and development potentials.

Following the Cohesion Policy proposals of 6th October 2011, and to help Member States prepare for the next programming period, the Commission presented on 14 March 2012 the "Common Strategic Framework" (CSF). This was finally incorporated by the co-legislator in revised form as an annexe to the CPR. It is intended to help in setting strategic direction for the next programming period from 2014 to 2020 in Member States and their regions. It also provides clear orientations for effective coordination and integration in the use of both ESIFunds and other EU Funds to maximise the impact of EU investments. National and regional authorities will use this framework as the basis for drafting their 'Partnership Agreements' with the Commission, committing themselves to meeting Europe's growth and jobs targets for 2020.

On the basis of the finally adopted legislative texts, the following general objectives can be identified:

General objective 1 (common to ERDF/CF):
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular to the achievement of quantitative headline targets identified in that strategy.

General objective 2 (Pre-accession assistance): ***DG ELARG – Chef de file***
To support candidate countries and potential candidates (‘beneficiary countries’) in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.

The 2007-2013 general objectives as presented in the 2013 Management Plan can be considered covered by the 2014-2020 ones above.

Intervention logic of ERDF and Cohesion Fund[7]

The intervention logic presented below shows how the planned actions contribute to the achievement of objectives, by setting the logical links between inputs (financial and human resources allocated to the DG for ERDF and CF), actions financed, outputs, and results and impacts.

It is however to be noted that the delivery of desired results and impacts according to the results chain below depends significantly on a number of exogenous factors:

1) Under the **shared management mode**, the Commission cooperates with Member States' administrations (at national, regional and local level), which are in charge of the operational implementation. Thus, efficient and effective implementation of actions supported by the ERDF and CF depends on good governance and partnership among all the relevant territorial and socio-economic partners, and in particular regional and local authorities, as well as

[7] As regards the intervention logic of the Instrument for pre-accession assistance, reference is made to the MP of DG ELARG (chef de file)

any other appropriate body during the various stages of implementation of the operational programmes and projects co-financed by the ERDF and CF. While DG Regional and Urban Policy has put in place an effective control environment (ranging from monitoring and evaluation activities to capacity building actions for the benefit of local partners) to increase its influence over this variable, the degree of control the DG exerts on actions carried out at national, regional and local level necessarily remains limited.

2) Many other factors on which DG REGIO has no control can also affect the achievement of the objectives. For instance, the extent of disparities may increase because of asymmetric economic shocks. Progress towards Europe 2020 target can be affected by business cycle (e.g. employment rate or greenhouse gas emissions). Trends at the macroeconomic level also reflect the policies put in place by the national, regional and local authorities on which cohesion policy has little influence if any. In general, this makes it very difficult to identify the part of a trend at macroeconomic level which can be attributed directly to Cohesion Policy.

Needs to be addressed

- Significant differences in the level of development of EU regions
- Persistent underutilization of endogenous potential (inefficiency)
- Persistent / increasing social exclusion

Our resources (inputs)

Financial resources (€)	Human resources (FTE)
33.025.463.284	401

Coloured background = relevant for CF

What we finance

Actions following under the following priorities, the precise policy mix depending on the specificities and the needs of each Member State:

- research and development, and innovation;
- improving access to and quality of information and communication technologies;
- climate change and moves towards a low-carbon economy;
- business support to SMEs;
- services of general economic interest;
- telecommunication, energy, and transport infrastructures;
- enhancing institutional capacity and effective public administration;
- health, education, and social infrastructures; and
- sustainable urban development

What we deliver (main expected outputs)

- Projects strengthening regional capacities for research and technological development
- Direct investment aid to SMEs
- Increased broadband access coverage
- New or reconstructed roads/railways
- Increased capacity and/or quality of public transport networks
- Additional capacity of renewable energy production
- Increased drinking water production / transportation capacity
- Increased waste water treatment/transportation capacity
- Increased waste recycling capacity and/or storage facilities
- Improved training, health and education infrastructures
- Projects supporting inclusive and sustainable urban development

Main expected short / medium-term results

- Investment induced
- Sustainable jobs are created / safeguarded
- Obstacles to regional and local development gradually removed in regions lagging behind
- Regional and local development further enhanced in richer regions
- Cooperation between towns and regions is fostered
- Economic structures are modernised and diversified, endogenous potential for development is strengthened
- Sustainable transport is ensured and bottlenecks in key network infrastructures are removed
- Reduction of greenhouse gas emissions
- Decreased vulnerability /exposure to risks related to flood, forest fires and natural disasters

Expected long-term results (end outcome)

Standard of living of EU citizens is improved and
Economic, social and territorial cohesion in the European Union is strengthened

- Disparities between the levels of development of the various regions are reduced
- Targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, are achieved

External factors

Impact indicators linked to the general objectives of the policy

ERDF and CF

As shown by the intervention logic presented above, the expected long-term results of Regional and Urban Policy relate to:

1. the achievement of the targets of Europe 2020 strategy;
2. the reduction of disparities in the level of development of EU regions.

The indicators associated with these objectives are presented below.

It is to be noted that, while several EU policies contribute to the achievement of Europe 2020 objectives, it is impossible to isolate the contribution of regional policy to the observed trend by using RACER indicators. Because of this difficulty, no targets have been set specifically for regional policy on such macro-level indicators. Furthermore, since the political decisions taken at EU level concerned targets only, no milestones can be indicated in the table below. <u>The values associated with these impact indicators should therefore interpreted with caution and not be considered as a direct measure of the effectiveness of regional policy, but elements to contribute to policy dialogue.</u>

General objective 1 (common to ERDF/CF):		☒Spending programme
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.		
Indicators common or for which data are available for both 2007-2013 and 2014-2020		
Impact indicator 1: Employment rate by sex, age group 20-64		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)
68%	NA	75%
Impact indicator 2: Gross EU domestic expenditure on R&D (GERD)		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)
1,.82%	NA	3%
Impact indicator 3: Share of renewables in gross final energy consumption		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)
8,5%	NA	20%
Impact indicator 4: Energy intensity of the economy (*proxy indicator for energy savings, which is under development*)		
Source: (Eurostat)		
Baseline (2010)	Milestones	Target (2020)
152	NA	20% increase in energy efficiency
Impact indicator 5: Greenhouse gas emissions		
Source: (Eurostat and DG REGIO calculations)		
Baseline (1990)	Milestones	Target (2020)
100	NA	80 (70, if the conditions are right)
Impact indicator 6: Early school leavers, age group 18-24		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)

15,8%	NA	10%
Impact indicator 7: Tertiary educational attainment by sex, age group 30-34		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)
28%	NA	40%
Impact indicator 8: People at risk of poverty or social exclusion		
Source: (Eurostat and DG REGIO calculations)		
Baseline (2005)	Milestones	Target (2020)
124.329.000	NA	20.000.000 less than baseline
2014-2020 Indicators		
Impact indicator 9: Number of regions with a GDP per head below 50% of the EU average		
Source: (Eurostat)		
Baseline (2010)	Milestones (2015)	Target (2020)
22	20	18
Impact indicator 10: Coefficient of variation of GDP per head between regions (NUTS II)		
Source: (Eurostat)		
Baseline (2010)	Milestones (2015)	Target (2020)
38,2	38	37

Impact indicators 9 and 10, which are more directly linked to the general objectives of regional policy, have been defined by DG Regional and Urban Policy in order to monitor regional disparities in the EU. These indicators are currently being further developed to better reflect the objectives of Cohesion Policy following the recent reform. It should be noted that the same precautions mentioned above also apply to these two indicators, the evolution of which reflects many different external factors (world-wide economic trends, effects resulting from other local and national policies, etc.) on which the DG has no control. Ideally, one would measure the impact of Cohesion Policy by comparing the situation with the policy to one without – the counterfactual, which is not possible in practice.

In the light of the considerations above, and in order to provide a better view of the expected ERDF and CF specific contribution to the achievement of long-term outcomes of Regional and Urban Policy, it is considered appropriate to present data resulting from macro-economic models such as HERMIN and/or QUEST. The table below illustrates the expected impact of the 2007-2013 programmes on the GDP and employment of two groups of MS (main beneficiaries and EU-12). These predictions, reflecting the best and most robust available knowledge, show the expected impact of the Funds in regions lagging behind, thus actively contributing to the reduction of disparities among EU regions.

Data concerning the impacts of 2014-2020 Funds will be provided as soon as they are available.

	Average 2007-2016	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
On GDP (as % of baseline)															
Main beneficiaries*	**1.2**	0.2	0.4	0.7	1.0	1.3	1.5	1.6	1.7	1.6	2.0	1.0	0.9	0.8	0.8
EU-12	**2.7**	0.5	0.9	1.7	2.1	2.7	3.2	3.7	3.8	3.7	4.4	2.6	2.4	2.2	2.1
On employment (thousand people)															
Main beneficiaries*	**957**	257	383	639	875	1,048	1,142	1,212	1,315	1,235	1,468	563	512	463	440
EU-12	**735**	214	314	520	621	768	864	953	1,001	962	1,127	481	443	408	389

* Main beneficiaries correspond to the so-called cohesion countries: EU-12 + Greece, Portugal, Spain + Mezzogiorno, East German Länders

However, we must be aware that the estimates of impact delivered are to a large extent dependent on the assumptions built into these models[8].

Pre-accession assistance

General objective 2 (Pre-accession assistance): ***DG ELARG – Chef de file***
To support candidate countries and potential candidates ('beneficiary countries') in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.
2014-2020 Indicators
(to be proposed and monitored by DG ELARG)

Procedures and controls for optimizing economic, efficient and effective implementation of programmes

As reminded above, under the shared management mode the Commission cooperates with Member States' administrations, which are in charge of the operational implementation. Thus, efficient and effective implementation of actions supported by the ERDF and CF largely depends on good governance and partnership among all the relevant territorial and socio-economic partners, In particular, crucial processes such as projects selection remains largely in the hands of programme authorities.

DG Regional and Urban Policy has however set up a control environment and put in place procedures aimed at inducing authorities in charge of the implementation to comply with the principles of economy (minimizing the cost of inputs), efficiency (relation between resources and results) and effectiveness (achievement of objectives).

[8] For a disclosure of the underlying assumptions, refer to the following publication providing a description of the HERMIN model: Bradley, E., Untiedt, G. and Morgenroth, E. (2003), Macro-regional evaluation of the structural funds using the HERMIN modelling framework, Italian Journal of Regional Science, 1, (3), 5-28.

Concerning **economy**, the respect of appropriate procurement procedures ensures that the cost of inputs is minimized for every intervention subject to such procedures co-financed by the Funds. The assessment of compliance with procurement procedures is one of the main control activities carried out at Member State (programme authorities and other actors involved in the implementation of the Funds) and at Commission (notably by REGIO auditors) levels.

Concerning **effectiveness**, the extent to which the intended objectives (as illustrated in the intervention logic above) have been achieved is assessed through the indicators associated with general and specific objectives. Progression against the set targets is 1) measured throughout the implementation period by programme authorities through the local monitoring systems and 2) assessed by DG REGIO notably in the framework of the assessment of Annual Implementation Reports.
In this respect, the AIR submitted in 2017 will in addition assess:

- progress towards achieving the objectives of the programmes,
- the contribution of the programmes towards the change in the value of result indicators, when evidence from evaluations is available.

In addition, the AIRs submitted in 2019 and the final reports shall include as well information on and assess the contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

Assessment of the contribution of the policy to the achievement of objectives is done through evaluation. Programme authorities must adopt evaluation plans within one year of the adoption of the programmes and they must evaluate the effectiveness and impact of each priority at least once during the programme period. The Commission will summarise the results of evaluations in its report to Council and Parliament each year.

Efficiency is also assessed through evaluation carried out throughout the whole programming period. DG REGIO's evaluation activities (notably thematic and ex-post evaluations) will support the assessment of effectiveness and efficiency of the Funds. An overview of REGIO evaluation strategy for assessing the achievements of 2014-2020 policy objectives is provided in Annex 5. This will be further developed in the coming years

Results of evaluation showing achievements concerning sound financial management are presented in the AAR.

4. SPECIFIC OBJECTIVES FOR OPERATIONAL ACTIVITIES

4.1. European Regional Development Fund and other regional interventions

4.1.1. Description and justification

The European Regional Development Fund (ERDF) aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between regions and support for the development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions lagging behind, and support for cross-border, transnational and interregional cooperation. The ERDF supports regional and local development to contribute to all thematic objectives, by setting out detailed priorities to increase focus on:

- research, technical development and innovation;
- improving access to and quality of information and communication technologies;
- competitiveness of SMEs;
- shift towards a low-carbon economy;
- climate change adaptation, risk prevention and management;
- protection of environment and promotion of resource efficiency;
- promotion of sustainable transport and removing of bottlenecks;
- employment and labour mobility;
- social inclusion and fight against poverty;
- education, skills and lifelong learning;
- enhancing institutional capacity and effective public administration.

Responsibilities of the Commission

Under the shared management mode, the co-legislator fixes the legal framework and determines the allocations by MS and category of region. The Commission adopts the programmes. As regards implementation, the Commission cooperates with Member States' administrations (at national, regional and local level), which are in charge of the operational implementation.

4.1.2. *EU added value and evidence from evaluations*

EU added value

Solid evidence justifies an EU-level intervention to fulfil the long-term cohesion policy objectives. Cohesion Policy balances different governance levels at European, national and regional level. The main advantages of Cohesion Policy as compared to resources being spent solely by Member States are the following:

- Aligning spending to EU priorities. Once EU priorities are agreed by all Member States, Cohesion Policy can ensure that resources are aligned with such priorities and are not spread too thinly across many issues which might have only local or political interest. As a result of the current approach, EU priorities are introduced across the fields covered by Cohesion Policy, and often spread into to national policies as well. The most recent reforms – in terms of ex ante conditionalities, thematic concentration, results orientation and performance frameworks – strengthen this direction.

- Promotion of transparency and good governance. Cohesion policy has a strong record in terms of good governance. Public procurement is systematically checked, strict monitoring and audit standards set and we force transparency in terms such as publication of beneficiaries on websites.
- Building of managerial capacity. The requirements of a multi-annual programme, combined with monitoring, evaluation and dialogue has the capacity to create a learning cycle. The governance method of the policy has strongly influenced institutional reforms and administrative practices in many MS, as these countries moved gradually from rule-oriented culture towards more management-oriented systems. Staff expertise and management has been built and there is evidence that the increased capacity has spilled over to the management of national policies.
- Interregional links and the exchange of experience. Interregional co-operation – both crossborder and across the EU – is a clear area where the EU level brings added value. This applies not just to ETC, but across cohesion policy, where programmers are encouraged to "think outside their region" (or nation). Good examples of this include the work on TEN-T (where changing even one route within one region requires a holistic view of the network) and broader strategies such as the Baltic or Danube strategy. Moreover, an EU-wide policy enables an EU-wide exchange of ideas, and cohesion policy has deliberately capitalised on this through exchange of experience programmes (such as URBACT) and various twinning and training initiatives.
- Involving civil society – for its own sake and for better programmes. Dialogue with civil society and a broad range of local and regional actors is one of the key features of the policy. This promotes local involvement, transparency, dialogue, and partnership while also stimulating discussion and mobilising local knowledge. So it is not just a question of citizen empowerment, but also efficient way to manage the funds - reducing the knowledge burden and therefore the number of staff in Brussels.

Evidence from evaluations

The Expert Evaluation Network was established in 2010 and is now in its fourth and final year. Forthcoming findings on the performance of Cohesion Policy based on the 2012 Annual Implementation Reports and evaluations undertaken in Member States up to mid-2013 suggest that there is growing evidence on the outcome of expenditure to date, despite significant delays in many countries.

Nearly 594,000 jobs are reported to have been created across the EU to the end of 2012 as a direct result of the interventions co-financed by the ERDF, mainly through enterprise support. This is 43% of the target set when the OPs were drawn up, although there are wide divergences between outcomes and targets across Member States.

The Expert Network also reviewed the evaluation activities of Member States and regions. It concluded that there are visible improvements in the EU evaluation activity, with the accumulation of knowledge from evaluations in areas like RTDI, enterprise support and territorial development representing an important advancement. Rigorous impact evaluations are gaining ground. The main constraints to evaluation quality and effectiveness relate to limited available information, weak monitoring systems and poor public debate on evaluation findings – resulting in accountability not being sufficiently developed and undermining the policy. The fact that evaluation and evaluation plans will be compulsory in the new programming period should lead to a more efficient planning and more attention to capturing the impacts of the policy.

DG REGIO asked the network to examine the use of job creation_as an indicator of outcomes in ERDF programmes in 2013. The rationale for this study is that there is no obligation for Member States to use this indicator, but it has attracted increasing attention over the current programming period in view of the economic crisis. The main conclusion was that the number of jobs created directly is not a suitable indicator on its own for monitoring outcomes of ERDF support. It is only a partial measure of the employment effects of support due to its under-use in some Member States and regions. In addition, it tends to be higher in Regional Competitiveness and Employment regions with significant enterprise support measures. Where there is significant investment in infrastructure, the values are likely to be lower. The network confirms the clarity of the definition for the indicator in the coming programming period, when its use will be obligatory on relevant priorities which will allow a more reliable indication of the additional jobs for which the ERDF has been directly responsible.

An evaluation on the main achievements of EU Cohesion Policy programmes over the longer term in 15 selected regions of the EU15 was completed in 2013. The evaluation found that early Cohesion Policy strategies, especially in poorer regions, focused on infrastructure in the belief that this would lead to growth. In later years from 2000 onwards, we see a greater recognition for the need to invest in human capital, innovation and the private sector. Tourism was a predominant focus in many strategies in such regions and many did expand their tourism numbers. However, the evaluation concluded that tourism is usually not sufficient to be a major source of growth. Many regions invested in social cohesion, but the longer term sustainability of such investments in the absence of growth is questionable. Many of the former Objective 2 regions had problems of structural adjustment. In early years, several continued to invest in traditional low-skill enterprises and only in later years did they begin to invest in innovation and education. Structural adjustment is not achieved in one programming period. The evaluation also identified lessons that apply to the different stages of the programme cycle: more emphasis is required on the conceptual approach to programming, strategic planning techniques, analytical methods to support project selection, and the quality or focus of monitoring and evaluation. Finally, the evaluation argued that perhaps the most important change required is to encourage and support a more sophisticated approach to long-term strategic analysis and planning, based on theory and a detailed understanding of the distinctive strengths and weaknesses of individual regions. Overall, the evaluation confirms the correctness of the new approach to Cohesion Policy after 2014, with its focus on results, clear intervention logics and ex ante conditionalities.

4.1.3. Available financial and human resources

ABB activity: ERDF					
Financial resources (€) in commitment appropriations			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
24.909.000.000[9]	128.544.299[10]	25.037.544.299	229	47	276

4.1.4. *Specific objectives and related indicators*

The logical links between inputs, actions financed, outputs, and end outcomes are illustrated in the intervention logic presented in section 3 above. The related specific objectives and associated indicators are presented below.

Important remarks concerning the indicators

The performance information presented in the tables below mainly results from the reporting on core indicators, which are the main tools for assessing the achievement of objectives associated to operational programmes. It is however to be noted that, due to the variety of interventions supported by the ERDF and CF, the core indicators cannot cover the full spectrum of benefits resulting from the implementation of the funds on the ground. In addition to that, it is also to be noted that the adoption of core indicators by programme authorities was not compulsory for the period 2007-2013. Because of that, for some of the approved OPs, targets are not available for all the relevant indicators.
DG REGIO has then chosen to present information concerning achievements as follows:

- **Global achievements**: under this heading, we present the sum of all achievements linked to the relevant indicator reported by each operational programme, regardless of whether or not targets had been set for each of them. It therefore expresses the most recent available estimate of the actual achievements.
- **Achievements with targets**: under this heading, we present the cumulated value of achievements reported by programme authorities for which a target had been set. The related figure can then be used to assess progress against targets.
- **Milestones**: under this heading, and since information concerning milestones for 2014-2020 OPs is not yet available, only one figure is currently disclosed ("2007-2015 (cumulative)"). It corresponds to the target set for the 2007-2013 period and should therefore be considered as an intermediate target value rather than as an actual milestone.

[9] Including Innovative actions (EUR 50.1 mln)

[10] Including Administrative and Operational Technical assistance and 70 % of the global envelope allocation

Relevant general objective 1: To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.

Specific objective 1.1: Strengthening research, technological development and innovation			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Number of new researchers in supported entities *Source: core indicator 06: research jobs created*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
20.755	12.073	26.442		
Number of enterprises cooperating with research institutions *Source: core indicator 05: number of cooperation projects enterprises-research institutions*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
21.622	17.647	26.419		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Number of researchers working in improved research infrastructure facilities				
Private investment matching public support in innovation or R&D projects				
Number of enterprises supported to introduce new to the market products				
Number of enterprises supported to introduce new to the firm products				

Specific objective 1.2: Enhancing access to, and use and quality of, information and communication technologies			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Additional households with broadband access of at least 30 Mbps *Source: core indicator 12: additional population covered by broadband access*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
5.049.965	4.980.459	7.097.599		

Specific objective 1.3: Enhancing the competitiveness of small and medium-sized enterprises			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Number of enterprises receiving support *Source: core indicator 07: direct investment aid to SMEs*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
198.223	171.450	214.978		
Number of new enterprises supported *Source: core indicator 08: number of start-ups supported*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)

77.800	75.123	81.619		
Employment increase in supported enterprises *Source: core indicator 01: jobs created*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
500.674	381.208	873.429		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Number of enterprises receiving grants				
Number of enterprises receiving financial support other than grants				
Number of enterprises receiving non-financial support				
Private investment matching public support to enterprises (grants)				
Private investment matching public support to enterprises (non-grants)				
Employment increase in supported enterprises				
Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (sustainable tourism)				

Specific objective 1.4: Supporting the shift towards a low-carbon economy in all sectors			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Additional capacity of renewable energy production *Source: core indicator 24: additional capacity of renewable energy production (KM / MWH)*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2.431	1.874	5.143		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Number of households with improved energy consumption classification				
Decrease of annual primary energy consumption of public buildings				
Number of additional energy users connected to smart grids				
Estimated annual decrease of GHG				

Specific objective 1.5: Promoting climate change adaptation, risk prevention and management			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Population benefiting from flood protection measures *Source: core indicator 32: number of people benefiting from flood protection measures*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
4.179.289	3.866.132	9.801.862		
Population benefiting from forest fire protection measures *Source: core indicator 33: number of people benefiting from forest fire protection and other protection measures*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
20.276.615	16.814.896	21.624.546		

Specific objective 1.6: Preserving and protecting the environment and promoting resource efficiency				☒ Spending programme
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Additional population served by improved water supply *Source: core indicator 25: additional population served by water projects*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3.226.629	3.221.629	15.047.893		
Additional population served by improved wastewater treatment *Source: core indicator 26: additional population served by waste water projects*				
Latest known results (2007-2012 cumulative)		Milestones		Target (year)
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
5.464.498	5.001.958	19.696.696		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Additional waste recycling capacity				
Total surface area of rehabilitated land				
Surface area of habitats supported to attain a better conservation status				

Specific objective 1.7: Promoting sustainable transport and removing bottlenecks in key network infrastructures				☒ Spending programme
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Total length of new railway line *Source: core indicator 17: km of new railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
305	301	354		
Total length of reconstructed or upgraded railway line *Source: core indicator 19: km of reconstructed railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2.369	2.104	3.539		
Total length of newly built roads *Source: core indicator 14: km of new roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2.236	1.975	6.746		
Total length of reconstructed or upgraded roads *Source: core indicator 16: km of reconstructed roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
23.601	22.711	24.485		
Total length of new railway line of which: TEN-T *Source: core indicator 18: km of TEN railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.495	1.344	2.102		

Total length of newly built roads of which: TEN-T *Source: core indicator 15: km of new TEN roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.208	1.202	4.177		

2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**
Total length of reconstructed or upgraded railway line of which: TEN-T
Total length of reconstructed or upgraded roads of which: TEN-T
Total length of new or improved tram and metro lines
Total length of improved or created inland waterway

Specific objective 1.8: Promoting sustainable and quality employment and supporting labour mobility	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	
Indicator to be proposed after approval and based on the content of 2014-2020 OPs	

Specific objective 1.9: Promoting social inclusion, combating poverty and any discrimination	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	
Population covered by improved health services	
Open space created or rehabilitated in urban areas	
Public or commercial buildings built or renovated in urban areas	
Rehabilitated housing in urban areas	

Specific objective 1.10: Investing in education, training and vocational training for skills and lifelong learning			☒ Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Capacity of supported childcare or education infrastructure *Source: core indicator 37: number of benefiting students*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
4.748.647	4.283.533	5.171.846		

Specific objective 1.11: Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	
Population living in areas with integrated urban development strategies (indicators to be confirmed after approval and based on the content of 2014-2020 OPs)	

Specific objective 1.12: Developing regional and local potential through encouraging integrated development approach, capacity building, cross border and transnational cooperation and supporting networking, exchange of experience and cooperation between regions, towns and relevant social, economic and environmental actors	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	

Number of participants in cross-border mobility initiatives
Number of participants in joint local employment initiatives and joint training
Number of participants in projects promoting gender quality, equal opportunities and social inclusion across borders
Number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders

Specific objective 1.13: Supporting cross-border, transnational and interregional cooperation (European territorial cooperation) including cross-border cooperation between Member States and candidate or potential candidate countries	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	
Number of enterprises participating in cross-border, transnational or interregional research projects	
Number of research institutions participating in cross-border, transnational or interregional research projects	

Comments:

There is significant increase in achievements reported in 2012 compared to 2011 showing that implementation speeded up considerably in this year, as shown by the following examples:

- Gross jobs created: +53,1%;
- Number of enterprise cooperating with supported research institutions: +42,2%;
- Number of SMEs supported: +49,7%;
- Number of start-up supported: +34,9;
- Additional capacity of renewable energy production: +105,8%.

There is still a marked difference that exists between Member States in the progress in implementing programmes.

4.1.5. Main operational outputs in 2014

Given the time lag between the implementation of the spending programme and the results it is supposed to deliver, it is unlikely that the latter could be measured in the early years of the spending programme. Therefore, additional indicators -mainly output-oriented- and targets have been identified to measure internal processes which contribute to the smooth starting of the implementation and, consequently, to the eventual delivery of the intended results. These indicators are mainly linked to the DG operational priority "To start the 2014-2020 period with a strong result and performance orientation".

Main operational outputs in 2014		
Finalisation of the secondary legislation and guidance documents	**indicator**	**target**
	Adoption of delegated and implementing acts within 6 months of the adoption of the	Category I and II adopted

	CPR regulation	before 31/05/2014
	% of Guidance documents for desk officers prepared	100% by 30/06/2014
	% of Guidance documents in the field of management and control systems for MS programme authorities prepared	100% according to plan – i.e. 7 guidance documents
Adoption of all partnership agreements and all OPs	% of partnership agreements adopted	100 % by 30/06/2014 for those submitted in due time (by 30/04/2014 for PAs submitted before end of January 2014)
	% of OPs adopted	100% (excluding ETC) under the mandate of this Commission 100% ETC by end 2014 CBC IPA and ENI in 2015
Ensure starting of implementation for the OPs	% of monitoring Committee set up	100% (excluding ETC) by 31/12/2014 100% ETC by 30/06/2015
Ensure that the new procedures and IT systems are operational in time for the implementation of the 2014-2020 programming period	Delivery in accordance with the plan of all new 2014-2020 processes defined in the schéma directeur 2014 for SFC2014 and WAVE	100% according to plan

4.2. Cohesion Fund

4.2.1. Description and justification

The Cohesion Fund helps Member States with a GNI per inhabitant of less than 90% of the EU-27 average in reducing their economic and social shortfall, as well as to stabilise their economy. It does so by financing investments in:

Environment
- Climate change adaptation and risk prevention
- Water and waste sectors
- Biodiversity including through green infrastructures
- Urban environment
- Low carbon economy.

Transport:
- Trans-European Transport Networks (TEN-T)
- Low-carbon transport systems and urban transport.

Responsibilities of the Commission

Under the shared management mode, the Commission relies on the Member States to implement certain policies. In the case of cohesion policy, the European institutions decide on the amounts to be paid and the conditions of implementation. As regards implementation, the Commission cooperates with Member States' administrations (at national, regional and local level), which are in charge of the operational implementation.

4.2.2. EU added value and evidence from evaluations

Reference is made to the information presented under 4.1.2 above.

4.2.3. Available financial and human resources

The human and financial resources allocated to the service for undertaking its activities under this ABB activity is presented below:

ABB activity: Cohesion Fund					
Financial resources (€) in commitment appropriations			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
7.939.400.000	48.518.985[11]	7.987.918.985	100	25	125

[11] Including Administrative and Operational technical assistance and 30 % of the Global envelope allocation

4.2.4. Specific objectives and related indicators

The logical links between inputs, actions financed, outputs, and end outcomes are illustrated in the intervention logic presented in section 3 above. The related specific objectives and associated indicators are presented below.

Relevant general objective 1:
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.

Specific objective 1: Supporting the shift towards a low-carbon economy in all sectors — ☒ Spending programme

Indicators common/for which data will be available for both 2007-2013 and 2014-2020
Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs

Additional capacity of renewable energy production (Cohesion Fund)
Source: core indicator 24: additional capacity of renewable energy production

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.030	851	1.988		

2014-2020 Indicators for which no exploitable data are available from 2007-2013
Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs

Number of households with improved energy consumption classification
Decrease of annual primary energy consumption of public buildings
Number of additional energy users connected to smart grids
Estimated annual decrease of GHG

Specific objective 2: Promoting climate change adaptation, risk prevention and management — ☒ Spending programme

Indicators common/for which data will be available for both 2007-2013 and 2014-2020
Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs

Population benefiting from flood protection measures (Cohesion Fund)
Source: core indicator 32: number of people benefiting from flood protection measures

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2.071.208	2.071.208	6.906.162		

Population benefiting from forest fire protection measures (Cohesion Fund)
Source: core indicator 33: number of people benefiting from forest fire protection and other protection measures

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
20.236.753	16.775.034	21.510.746		

Specific objective 3: Preserving and protecting the environment and promoting resource efficiency — ☒ Spending programme

Indicators common/for which data will be available for both 2007-2013 and 2014-2020
Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs

Additional population served by improved water supply (Cohesion Fund)

Source: core indicator 25: additional population served by water projects				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2.803.736	2.769.585	14.439.893		
Additional population served by improved wastewater treatment (Cohesion Fund) *Source: core indicator 26: additional population served by waste water projects*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3.831.933	3.784.595	16.773.060		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Additional waste recycling capacity				
Total surface area of rehabilitated land				
Surface area of habitats supported to attain a better conservation status				

Specific objective 4: Promoting sustainable transport and removing bottlenecks in key network infrastructures				☒ Spending programme
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Total length of new railway line (Cohesion Fund) *Source: core indicator 17: km of new railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
61	59	253		
Total length of reconstructed or upgraded railway line (Cohesion Fund) *Source: core indicator 19: km of reconstructed railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.087	1.032	2.372		
Total length of newly built roads (Cohesion Fund) *Source: core indicator 14: km of new roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.902	1.839	6.368		
Total length of reconstructed or upgraded roads (Cohesion Fund) *Source: core indicator 16: km of reconstructed roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
23.245	21.088	23.873		
Total length of new railway line of which: TEN-T (Cohesion Fund) *Source: core indicator 18: km of TEN railroads*				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
580	429	1.440		
Total length of newly built roads of which: TEN-T (Cohesion Fund) *Source: core indicator 15: km of TEN roads*				
Latest known results (2007-2012 cumulative)		Milestones		Target (year)

Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1.202	1.202	4.177		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**				
Total length of reconstructed or upgraded railway line of which: TEN-T				
Total length of reconstructed or upgraded roads of which: TEN-T				
Total length of improved or created inland waterway				
Total length of new or improved tram and metro lines				

Specific objective 5: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	
Indicator to be proposed after approval and based on the content of 2014-2020 OPs	

Comments:

The points made in for ERDF are equally valid for the Cohesion Fund. As the information provided by programme authorities concerning achievements is reported globally for the ERDF and Cohesion Fund, the expected outputs and results reported here relate to both Funds (CF countries). A significant increase in outputs and results was reported by Member States in 2012. However, infrastructure projects which are co-financed by the Cohesion Fund are complex and take longer to complete than ERDF projects in other sectors, so in general Cohesion Fund results will be slower than ERDF.

4.2.5. Main operational outputs in 2014

The same considerations illustrated under point 4.1.5 also apply to the present one.

Main operational outputs in 2014		
Finalisation of the secondary legislation and guidance documents	**indicator**	**target**
	Adoption of delegated and implementing acts within 6 months of the adoption of the CPR regulation	Category I and II adopted before 31/05/2014
	% of Guidance documents for desk officers prepared	100% by 30/06/2014
	% of Guidance documents in the field of management and control systems for MS programme authorities prepared	100% according to plan – i.e. 7 guidance documents
Adoption of all partnership agreements and all OPs	% of partnership agreements adopted	100 % by 30/06/2014 for those submitted in due time (by 30/04/2014 for PAs submitted before end of January 2014)
	% of OPs adopted	100% (excluding ETC) under the mandate of this

		Commission
Ensure starting of implementation for the OPs	% of monitoring Committee set up	100% (excluding ETC) by 31/12/2014
Ensure that the new procedures and IT systems are operational in time for the implementation of the 2014-2020 programming period	Delivery in accordance with the plan of all new 2014-2020 processes defined in the schéma directeur 2014 for SFC2014 and WAVE	100% according to plan

4.3. Instrument for Pre-Accession Assistance (IPA)

4.3.1. Description and justification

The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help. The IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region.

The allocation of EU pre-accession funds helps translate the political priorities of the enlargement strategy into concrete actions. Through IPA, the EU reinforces its guidance to the aspiring countries on the priorities necessary for aligning with EU standards and legislation.

EU funding priorities and intervention logic

IPA beneficiary countries have very different funding needs. IPA is designed to meet these different needs flexibly, and provide a tailor-made funding solution through 5 channels (known as "components"). The overall objectives served by the 2 components that are relevant for DG Regional and Urban Policy are the following:

- Cross-Border Cooperation (CBC) – for cross-border cooperation between the enlargement countries; or between them and EU countries. Essential for promoting good neighbourly relations and regional cooperation and working towards a sustainable economic, social and territorial development of border regions. Prepares the countries for managing the Structural Funds, once they become EU members.
- Regional Development – for investment in transport, environment and economic cohesion, and associated technical assistance. Participating in such programmes should help beneficiary countries to use EU regional funding more effectively once it becomes available (after they become EU member states).

IPA under the 2007-2013 legal framework

Under the 2007-2013 legal framework, the IPA "regional development" component is available only to candidate countries, with the exception of Iceland due to its high level of integration with EU standards and rules. The policy framework for IPA assistance is contained in the European and Accession Partnerships and takes account of the reports and strategy papers comprising the annual "enlargement package" presented by the Commission. This package includes a multi-annual indicative financial framework setting out the Commission's intentions for the allocation of funds, broken down by country and by component.

IPA introduces **multi-annual programming** and **decentralised management** by beneficiary countries, mirroring as closely as possible the Structural Funds. IPA will also help advance regional co-operation and prepare candidate countries for the management of Cohesion policy by setting up of management and control authorities to whom the Commission will confer the decentralised management of assistance.

IPA under the 2014-2020 legal framework

Under the new IPA Regulation for 2014-2020, DG REGIO will manage no operational programmes but will contribute to the Commission's overall work of monitoring and assessing potential preparatory activity in the fields of its remit. However, contribution to the preparation of the project pipeline in the area of "regional development" for 2014-2020 will result from the activation of JASPERS in Serbia, Montenegro, and **the former Yugoslav Republic of Macedonia** (fYROM). Additionally, DG REGIO remains responsible for the management of the "IPA regional development" component (5 regional development programmes adopted) in 3 Candidate Countries namely **Turkey**, **fYROM, and Montenegro** and the "IPA cross-border cooperation" component (actually 10 IPA-CBC programmes adopted between Member States and candidate or potential candidate countries). Implementation of **Montenegro**'s operational programme will start as soon as the country clears the identified findings blocking the conferral of decentralized management powers by the Commission.

On October 22 the General Affairs Council decided to open negotiations with **Turkey** on chapter 22 ("Regional Policy and coordination of structural instruments"). Therefore, throughout 2014 DG REGIO expects to be involved in technical negotiation meetings on Chapter 22 with Turkey. Following an explanatory meeting with **Montenegro** in September 2013, DG REGIO expects to be involved throughout 2014 in the preparation and assessment of the "benchmark" (Action Plan) required for opening Chapter 22 technical negotiations with this country.

Negotiations on **c**hapter 22 were opened with **Iceland** on 18 December 2013 and the first technical negotiation meeting between DG REGIO services and Icelandic authorities took place on 19 February 2013. However, on 22 May 2013 the new Icelandic government decided to put EU accession negotiations on hold, not to be resumed unless so approved by a referendum, whose date remains undetermined. Nonetheless, Iceland retains to date its candidate status.

In March 2012 **Serbia** obtained the status of candidate country. In its Progress Report of 16 October 2013 the Commission recommended the opening of accession negotiations. DG REGIO expects to contribute to the preparation of negotiations under Chapter 22 already in 2014.

In the fields of concern for DG REGIO, there has been limited progress so far in **Albania**. Additional efforts are needed to establish the necessary institutional and administrative capacity and to develop a mature pipeline of projects in the area of regional development. Based on the Commission's latest recommendations, REGIO may be involved in the preliminary stages of negotiations on chapter 22 with Albania in 2014.

In **Bosnia Herzegovina** and in **Kosovo**, REGIO will contribute to the Commission's overall work of monitoring and assessing potential preparatory activity in the fields of its remit.

4.3.2. *EU added value and evidence from evaluations*

EU added value

Enlargement policy is part of the external action and contributes to meeting the common objectives in terms of global challenges, global response and global leadership.

The successive enlargement of the EU is by its very nature a common task which can be pursued only at EU level. Only the Member States acting together can decide on the accession requests by new candidates. The pre-accession assistance provided through the EU budget is designed to help candidate countries/potential candidates prepare for future membership: IPA is built to give countries a "test run" of obligations of membership before accession (such as putting in place institutions for managing post-accession EU funds, and/or adopting the acquis and EU standards).

Evidence from evaluations

No recent evaluation results available.

4.3.3. *Available financial and human resources*

ABB activity: Instrument for Pre-Accession Assistance (IPA)					
Financial resources (€) in commitment appropriations			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
39.000.000	p.m.	39.000.000	3	2	5

4.3.4. *Specific objectives and related indicators*

Specific objective 1: Support for political reforms			☒ Spending programme	
2014-2020 Indicators				
Indicator 1: Commission Decisions on Conferral of Management (Decentralized Implementation System under IPA Component III in place for all 5 OPs of FYROM, Montenegro, Turkey) *Source: (Article 14 of Commission Regulation (EC) No 718/2007 of 12 June 2007)*				
Baseline (2007)	2013	2014	2015	Target (2017)
0	2013: 4 (1 FYROM, 3 Turkey)	2014: 5 (1 FYROM, 3 Turkey, 1 Montenegro)		5 (1 FYROM, 3 Turkey, 1 Montenegro)

Specific objective 2: Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth	☒ Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 **Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs**	

<table>
<tr><td colspan="5">(To be defined)</td></tr>
<tr><td colspan="5">2007-2013 Indicators discontinued in 2014-2020</td></tr>
<tr><td colspan="5">Indicator 1: Absorption of available funds (%) under IPA Component III 2007-2013 (aggregate for FYROM, Turkey, Montenegro)
Source: (DG REGIO data)</td></tr>
<tr><td>Baseline (2007)</td><td>2013</td><td>2014</td><td>2015</td><td>Target (2017)</td></tr>
<tr><td>0%</td><td>32% (24% FYROM, 33% Turkey)</td><td>57% (54% FYROM, 58% Turkey)</td><td>77% (75% FYROM, 78% Turkey, 36% Montenegro)</td><td>100%</td></tr>
<tr><td colspan="5">Indicator 2: Submission of major projects by national authorities of FYROM, Turkey, Montenegro to DG REGIO service for approval
Source: (DG REGIO data)</td></tr>
<tr><td>Baseline (2007)</td><td>2013</td><td>2014</td><td>2015</td><td>Target (2017)</td></tr>
<tr><td>0</td><td>41
(2 FYROM, 39 Turkey[12])</td><td>42
(3 FYROM, 39 Turkey[13])</td><td>44 (3 FYROM, 39 Turkey[14], 2 Montenegro)</td><td>44[15] (3 FYROM, 39 Turkey[16], 2 Montenegro)</td></tr>
<tr><td colspan="5">Indicator 3: Number of major projects approved by the Commission out of the total number of major projects submitted by national authorities of FYROM, Turkey, Montenegro to DG REGIO service for approval (%)
Source: (DG REGIO data)</td></tr>
<tr><td>Baseline (2007)</td><td>2013</td><td>2014</td><td>2015</td><td>Target (2017)</td></tr>
<tr><td>0 (% MP Approved/ MP needed)</td><td>66%
(67% FYROM, 70% Turkey)</td><td>95%[17]
(100% FYROM, 100% Turkey)</td><td>100%[18]
(100% FYROM, 100% Turkey, 100% Montenegro)</td><td>100%[19]
(100% FYROM, 100% Turkey, 100% Montenegro)</td></tr>
</table>

[12] Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

[13] Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

[14] Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

[15] Total number of major projects which need to be submitted in order to cover fully the aggregate available budget of all OPs.

[16] Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

[17] The progression in milestone values across the three milestone years will depend on the pace of submission of major projects by the national authorities. This pace can be uneven across the milestone years, affecting the values of the milestones of approval of major projects by the Commission.

[18] The progression in milestone values across the three milestone years will depend on the pace of submission of major projects by the national authorities. This pace can be uneven across the milestone years, affecting the values of the milestones of approval of major projects by the Commission.

[19] All milestone and target values in this row represent the total number of major projects whose timely approval by the Commission is necessary to cover fully the available aggregate budget of the OPs. This total number is a *subset* of the total number of major projects mentioned in the "Indicative List of Major Projects" annexed to each OP. The difference between the two reflects the volume of "overbooking" of the aggregate available budget. We opt for reflecting the total number of major projects necessary for covering the available budget and not for the total number of major projects mentioned in the "Indicative List of Major Projects," as the overbooking in certain OPs is so significant (up to 100% overbooking over the available budget) that reflecting the latter would have a highly distortive effect on the presentation of the real workload targets.

4.3.5. Main outputs for 2014

Policy outputs:

- Contribution to Annual Report on implementation of IPA (2013)
- Contribution to Annual Report on implementation of ISPA (2013)
- Contribution to Progress Reports on EU Enlargement (2014) for all candidate and potential candidate countries
- Contribution to EU Enlargement Strategy (2014)
- Contribution to the Commission's (under lead of DG ECFIN) Assessment of the 2014 Pre-accession Economic Programmes of the candidate countries and the 2014 Economic and Fiscal Programmes of the potential candidate countries.

Operational outputs:

- Requests for Commission Amending Decisions on IPA major projects assessed and approved (70% of requests submitted by mid-2014 approved by end of 2014).
- IPA major projects submitted in 2014 assessed and approved (70% in less than one year)
- IPA major projects submitted before 2014 assessed and approved (70% by end of 2014).
- IPA non-major projects submitted in 2014 assessed and approved (100% in less than 1 year)
- Conferral of Management Decision for Montenegro by end of 2014
- Explanatory meeting on Chapter 22 conducted with Serbia and Turkey
- Explanatory meeting on Chapter 22 conducted with Albania, pending a Council decision in early 2014.
- Implementation of JASPERS in FYROM, Montenegro and Serbia (following the signature of a contribution Agreement with EIB in 2013).

4.4. Management of the Solidarity Fund

4.4.1. Description and justification

The **European Union Solidarity Fund (EUSF)** is an instrument distinct from those of Cohesion policy and was set up in 2002 to grant financial assistance to Member States and to countries negotiating their accession to the EU[20], mainly in the event of **major natural disasters**. The EUSF is not included in the EU budget as such but may be mobilised over and above the normal budget on a case by case basis through an amending budget. The maximum annual allocation available to the Fund for 2014 – 2020 has been reduced from previously EUR 1 billion (current prices) per year to EUR 500 million (2011 prices) plus any possible remainder of the preceding year.

Over the past 11 years, since its creation in 2002, a total number of 104 applications for EUSF financial aid were received[21] by the Commission. The mobilisation of the EUSF has been approved on a total of 31 occasions following major disasters. A "major disaster" within the meaning of the Regulation means any disaster exceeding a threshold, specific for each country, of either EUR 3 billion in 2002 prices or of more than 0.6% of its gross national income (GNI), whichever is the lower.

In exceptional cases, where damage remains below these thresholds, the Fund may be activated for so-called "extraordinary regional disasters", if the major part of the population of the region concerned is affected and if there is evidence of serious and lasting repercussions on living conditions and on the economic stability of the region. In all, since 2002, the EUSF granted aid for 16 regional disasters meeting these exceptional criteria.

Solidarity Fund under the 2014-2020 legal framework

A legislative proposal to improve the functioning of the EU Solidarity Fund was presented by the Commission on 25 July 2013. It aims at making the fund more responsive in the face of disasters, more visible and its operational criteria clearer[22].

The Commission considers that important improvements to the operation of the EU Solidarity Fund could be achieved with only a minimum of adjustment to the current Regulation, thus maintaining its rationale and character and without touching on matters of finance and the volume of permitted spending. The adjustments to the Regulation would not lead to any change in the eligible operations financed from the Fund, such as the immediate repair of vital infrastructures and the costs of deploying response assets. Elements of the 2005 proposal such as the widening of the scope, the modification of

20 Currently Turkey, and Montenegro. Iceland; previously eligible, has withdrawn from accession negotiations

21 State of play of October 2013

22 Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund, COM(2013)522 final

the thresholds or abandoning the category known as regional disasters are not included in the proposal which is currently being discussed with Parliament and the Council.

Responsibilities of the Commission

Under shared management rules, the Commission is responsible for assessing the applications received and - if the applications are accepted - for proposing an amount of aid to the European Parliament and the Council who have to approve it. Once the funds become available, the aid is paid after the signing of an agreement between the Commission and the beneficiary State. Once the grant is paid out, the affected State is responsible for the implementation including the selection of operations and their audit and control.

4.4.2. EU added value and evidence from evaluations

EU added value

It is based on the subsidiarity principle and assists eligible countries in coping with disasters of such size and impact that they have difficulties facing them with their own means alone. EUSF aid comes in addition to national efforts as an act of European solidarity.

The EUSF supplements Member States' public expenditure for the following essential emergency operations:

- Immediate restoration to working order of infrastructure and plant in the fields of energy, water, waste water, transport, telecommunications, health and education
- Providing temporary accommodation and emergency services to meet the immediate needs of the population;
- Immediate securing of prevention infrastructures and measures to protect the cultural heritage;
- Cleaning up of disaster-stricken areas, including natural zones.

Evidence from evaluations

No recent evaluation results available.

4.4.3. Available financial and human resources

ABB activity: Solidarity Fund					
Financial resources **(€) in commitment appropriations**			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
Up to EUR 500 million (in 2011	0	Up to EUR 500 million (in 2011 prices)	2	0	2

prices)[23]					

4.4.4. Specific objectives and related indicators

<table>
<tr><td colspan="2">Specific objective 1: To assist Member States or countries negotiating their accession to the EU in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy</td><td>☒ Spending programme</td></tr>
<tr><td colspan="3">Indicators common to both 2007-2013 and 2014-2020 programming periods</td></tr>
<tr><td colspan="3">Indicator 1: Population helped in overcoming a crisis situation where their living conditions have been affected
Source: E1 monitoring data</td></tr>
<tr><td>Baseline (2007)</td><td>Latest known result (2013)</td><td>Target</td></tr>
<tr><td>0</td><td>7 EUSF grants decided in 2013, covering 100% of the affected areas and population for which interventions were requested</td><td>100% of population affected and eligible under the EUSF Regulation upon the Member States' request</td></tr>
<tr><td colspan="3">Indicator 2: Size of disaster-stricken area where rehabilitation has been assisted
Source: E1 monitoring data</td></tr>
<tr><td>Baseline (2007)</td><td>Latest known result (2013)</td><td>Target</td></tr>
<tr><td>0</td><td>Aid available for 100% of affected areas (choice of supported operations up to the beneficiary country)</td><td>100% of areas affected by the disaster and eligible under the EUSF Regulation upon the Member States' request</td></tr>
</table>

4.4.5. Main outputs for 2014

Policy outputs:

- Adoption of the proposed Regulation amending the Solidarity Fund Regulation
- Annual Report on the Solidarity Fund 2013

Operational outputs:

- These depend on the number, size and nature of disasters for which Solidarity Fund applications will be received and decided in the course of 2014. By their nature, natural disasters cannot be predicted. The budget appropriations from Amending Budget No 9/2013 decided in November 2013 have to be carried forward to 2014 and implementation agreements with the beneficiary states have to be concluded before the grants can be paid out in a single instalment.
- 7 monitoring visits to beneficiary countries for 2013 cases.
- Closure of up to 9 EUSF operations (ES forest fires, Greece Evros flooding 2006, Cyprus drought 2008, Portugal Madeira land and mudslides 2010, France storm Xynthia 2010, Slovakia flooding 2010, Poland flooding 2010, Czech Republic flooding 2010 and Croatia flooding 2010).

23 The Solidarity is financed from appropriations to be raised on a case by case basis over and above the normal EU budget with a maximum annual ceiling of EUR 500 million plus any possible unspent appropriations form the preceding year.

5. SPECIFIC OBJECTIVES FOR HORIZONTAL ACTIVITIES

Horizontal activities carried out by DG Regional and Urban Policy cover policy strategy and coordination and administrative support. These activities fully support the coordination and delivery of the operational activities of the DG for 2014.

In order to fully reflect the areas and objectives which require particular management focus in 2014, most of the specific objectives presented under this section correspond to the DG's operational priorities identified by senior management for 2014, already presented under section 2.2. Where relevant, additional specific objectives and indicators not immediately resulting from the DG's operational objectives for 2014 were added, in order to provide a better picture of the main horizontal activities of the DG. This concerns notably:

Two key indicators reflecting the overall performance of the DG's internal control:
- Residual error rate for ERDF/CF expenditure certified in 2013
- Respect of deadlines for key internal processes.

And one **specific objective related to the implementation of the anti-fraud strategy**, which reflects the DG's permanent focus on fraud prevention.

5.1. Policy Strategy, Co-ordination and Evaluation

5.1.1. Description of the activity

The activity "Policy Strategy and Coordination" includes all actions that steer or coordinate the policies for which the DG/service is responsible. The actions under this activity contribute directly to the success of the DG's main policies.

This activity gives the necessary impulse to the policy definition, preparation and implementation in order to achieve the overall mission of the DG Regional and Urban Policy within the time-scales laid down. It promotes the development of a strategic planning culture within the DG in accordance with the Commission's strategic planning and programming cycle. It actively promotes the main policies of the DG through information, internal and external communication, awareness-raising and dialogue with stakeholders. It contributes to the coherence of the different activities within the DG, ensuring the liaison notably with the horizontal services and the cabinet. It provides legal advice so that policies, procedures, and applicable laws are complied with. It aims at developing an administrative culture of better regulation.

This Activity includes the following functions:

- Policy strategy definition and coordination
- Strategic planning and programming
- Internal and external communication
- Coordination of institutional affairs
- Legal affairs
- Better regulation, including evaluation and impact assessment.

5.1.2. Available financial and human resources

Horizontal activity: Policy Strategy and Co-ordination					
Financial resources (€) in commitment appropriations			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
92.600.000*		92.600.000*	157	29	186

* Technical assistance operational expenses.

The number of posts includes
- 5 temporary AD surchages from DG HR
- 2 temporary AD posts to be returned 31/12/2014
- 2 temporary AD posts to be returned 31/12/2015

The number of external personnel includes 9 cost free ENDs.

5.1.3. Areas of emphasis and other operational objectives for 2104

The specific objectives and accompanying indicators DG Regional Policy will focus its attention on in 2014 are presented below.
Due to the importance and the major activity expected to be carried out by the DG in 2014 for launching the implementation of 2014-2020 EU Cohesion Policy, a specific section encompassing all related specific objectives, tasks and outputs is dedicated to this topic.

5.1.3.1. To start the 2014-2020 period with a strong result and performance orientation

Specific objective:		
• To finalise the secondary legislation and guidance documents.		
Indicator 1: The delegated and implementing acts adopted within 6 months of the adoption of the CPR regulation *Source: Adopted delegated and implementing acts*		
Baseline	Milestones	Target
N.A.	N.A.	Category I and II adopted before 31/05/2014
Indicator 2: % of Guidance documents for desk officers prepared *Source: Guidance documents endorsed by Board of Directors*		
Baseline	Milestones	Target
N.A.	N.A.	100% by 30/06/2014
Indicator 3: % of Guidance documents in the field of management and control systems for MS programme authorities prepared *Source: Guidance documents endorsed by Board of Directors*		
Baseline	Milestones	Target
N.A.	N.A.	100% according to plan – i.e. 7 guidance documents
Specific objective:		
• To have all partnership agreements adopted by end of June 2014 for those submitted in due time and all mainstream OPs (including inter alia review of compliance with		

ex-ante conditionality, concentration on thematic priorities, results orientation and definition of performance frameworks) adopted at the latest under the mandate of this Commission.		
Indicator 1: % of partnership agreements adopted *Source: (SFC/Wave information systems)*		
Baseline	Milestones	Target
N.A.	N.A.	100 % by 30/06/2014 for those submitted in due time (by 30/04/2014 for PAs submitted before end of January 2014)
Indicator 2: % of OPs adopted *Source: (SFC/Wave information systems)*		
Baseline	Milestones	Target
N.A.	N.A.	100% (excluding ETC) under the mandate of this Commission 100% ETC by 30/06/2014 CBC IPA and ENI in 2015
Specific Objective:		
• To ensure that implementation has started for the OPs.		
Indicator 1 (MS level): % of monitoring Committee set up *Source: Geographical desks monitoring data*		
Baseline	Milestones	Target
N.A.	N.A.	100% (excluding ETC) by 31/12/2014 100% ETC by 30/06/2015
Specific Objective:		
• To ensure that the new procedures and IT systems are operational in time for the implementation of the 2014-2020 programming period.		
Indicator 1: Delivery in accordance with the plan of all new 2014-2020 processes defined in the schéma directeur 2014 for SFC2014 and WAVE *Source: Quaterly report on the implementation of the Schéma Directeur 2014*		
Baseline	Milestones	Target
N.A.	N.A.	100% according to plan

Specific objectives, outputs, indicators and targets for horizontal activities described below (from section 5.1.3.2 to 5.2.4.6) with regards to the start of programming period 2014-2020 are reported in section 5.1.3.1 above).

5.1.3.2. *Smart, Sustainable and Inclusive Growth*

Specific Objectives:	
• To provide assistance to and foster thematic expertise of the DG staff and especially to the geographical units with respect to smart & sustainable growth and transport issues of the Europe 2020 Strategy in order to facilitate the assessment process of Partnership Agreements and Operational Programmes during the negotiations for the next programming period 2014-2020. • To coordinate the assessment and reporting of Major Projects within DG REGIO for the 2007-2013 and the preparation of the new system for the next programming period. • To ensure thematic coordination and a bridge between the thematic DGs and national and regional innovation actors and REGIO and to manage internal thematic networks in relation to smart & sustainable growth and transport. • To manage internal thematic networks in relation to Inclusive growth.	
Indicator 1: Number of meetings of the internal thematic networks on inclusive growth *Source: G1 + H1 monitoring data*	
Baseline	Target
2014	3 in 2014
Indicator 2: Number of PA/OP assessed within deadlines *Source: Internal consultation informal and formal process (WAVE)*	
Baseline	Target
2014	28 PA + 100 OP
Indicator 3: Number of Major Projects assessed within deadline *Source: Internal consultation informal and formal process (WFS >WAVE)*	
Baseline	Target
2014	100 MP applications
Indicator 4: Number of expert's contracts to ensure thematic quality and consistency in 2014-2020 programming documents (smart and sustainable growth fields) *Source: ABAC WF + Contracts – Database of expert's contracts*	
Baseline	Target
2014	50 experts' contracts

5.1.3.3. *Urban and Territorial Development*

Specific Objective:		
• To coordinate and provide support in Territorial and Urban matters.		
Indicator 1: Analyses are carried out on how ERDF Art7 (sustainable urban development) is implemented within the adopted OPS and on the uptake of the new tools (ITI and CLLD) under the ERDF *Source: PA/OP, geographical units*		
Baseline	Target	
2014	By 31/12/2014	
Indicator 2: Developing EU Urban Agenda in cooperation with MS *Source: H1 monitoring data*		
Baseline	Milestones	Target
2014	Urban forum February 2014	Launch debate on key components for EU Urban Agenda in 2014
Indicator 3: The budgetary commitment appropriations for Urban Innovative Actions are		

safeguarded in accordance with the provisions of the Financial Regulation under a global commitment *Source: REGIO financial data*	
Baseline	Target
2014	Launch the process in 2014 complying with Financial Regulations deadlines regarding "global commitment"

Main outputs 2014

- Screening of proposed Operational Programmes 2014-2020: assessment from urban, territorial and inclusive growth point of view of relevant OPs from 28 MS.
- "Cities of Tomorrow: Investing in Europe" forum to debate proposals for an EU Urban Agenda: cluster of events 17-18.2.2014 for urban stakeholders from MS and EU level.
- Launch of Urban Innovative Actions (UIA) in line with ERDF Art 8: outsourcing management according to agreement by DG REGIO [two options currently].
- Preparations for Urban Development Network (UDN) in line with ERDF Art 9: call for tender to outsource administration.
- Reference Framework for Sustainable Cities (RFSC): 1 contract for further technical development of the tool.
- Study on the implementation of Territorial Agenda: 1 report.
- ISG for coordination of Urban and territorial development with other Commission DGs: 4 meetings
- UrbaNet (internal DG REGIO network for urban and territorial matters): 4 meetings

5.1.3.4. Financial Instruments

Specific Objectives:		
• To support the development and implementation of financial instruments funded through cohesion policy programmes across all Member States. • To coordinate with other Commission services and with the EIB Group to ensure consistency with financial instruments implemented in other policy areas.		
Indicator 1: Ensure timely and effective monitoring on FEIs *Source: 2013 Summary of data on the progress made in implementation and financing of FEIs co-financed by the Structural Funds*		
Baseline	Target	
2014	Annual summary including information on all FEIs reported in the 2013 AIR, issued by 1st October 2014	
Indicator 2 (Member States): % of the FEI funds delivered to final recipients *Source: 2013 Summary of data on the progress made in implementation and financing of FEIs co-financed by the Structural Funds*		
Baseline	Milestones	Target
43% at 31/12/2012	60% by 31/12/2013	80% by 31/12/2014
Indicator 3: Setting up of a TA framework for the provision of methodological support and capacity enhancement services to Member States, managing authorities and relevant stakeholders for the full life-cycle of 2014-2020 financial instruments. *Source: Agreed contractual arrangements*		
Baseline	Target	
NA	Conclusion of the necessary contractual arrangement for the Horizontal Assistance and signature of first project agreements for the Multi-regional Assistance	

Main outputs 2014

- Annual summary on progress made in implementation and financing of FEIs co-financed by the Structural Funds;
- Guidance on financial instruments;
- Technical Assistance Platform kick-off and networking event.

5.1.3.5. Evaluation and contribution to European Semester

Specific Objective:	
• To reinforce the link between the EU economic governance and Cohesion Policy.	
Indicator 1: Council recommendations relevant to the policy objectives are taken into account in the 2014-2020 programmes *Source: Discussions with GU and MS*	
Baseline	Target
2014	100% of relevant recommendations addressed in OPs
Indicator 2: Input is provided to 2014 Member State Staff Working Documents, to the Country Specific recommendations and to the 2015 Annual Growth Survey *Source: Analysis from SFC and the formal negotiations of 2014-2020 PAs and OPs*	
Baseline	Target (input provided by)
2014	MS Staff WD: April 2014 CSR: May 2014 AGS: October 2014
Specific Objective:	
• To provide evidence and communicate on the results of Cohesion Policy programmes 2007-2013 and 2014-2020, improve the effectiveness of the policy and ultimately demonstrate its added value.	
Indicator 1: A synthesis of the updated core indicator data and categorisation data is carried out *Source: Synthesis of data from SFC 2007/2014*	
Baseline	Target
2014	By September 2014
Indicator 2: The ex-post evaluation exercise on 2007-2013 programmes is launched *Source: Follow-up of relevant procedures*	
Baseline	Target
2014	5 out of 13 calls published by spring 2014, additional 7 by summer 2014 (remaining one in 2015) Contractors selected by 31/12/2014
Indicator 3: The 6th Report on Economic, Social and Territorial Cohesion is adopted and include a section on ESIF ad EU economic governance *Source: Contribution of evaluation evidence*	
Baseline	Target
2014	Adoption within the first semester
Indicator 4: Analyses of expected results for thematic objectives based on result indicators in OPs are carried out *Source: Discussions with GU and MS*	
Baseline	Target
2014	2 pilots carried out in 2014 (remaining in 2015 if pilots deemed successful)

Main outputs 2014

- Screening of proposed Operational Programmes 2014-2020: assessment from the evaluation point of view of relevant OPs from 28 MS
- Screening of proposed Performance Frameworks 2014-2020
- Guidance on drafting evaluation plans for the 2014-2020 programming period
- Ex post evaluation exercise 2007-2013: publication of at least 12 calls for tenders, signature of contracts and monitoring of evaluation activity.
- Publication of the 6th Cohesion Report and organisation of the Cohesion Forum.

5.1.3.6. Macro regional strategies

Specific Objective:	
• To develop the new macro regional strategy for the Adriatic and Ionian Region and coordinate the implementation of on-going macro-regional strategies and to assess the added value of the macro-regional approach.	
Indicator 1: Monitoring implementation of on-going macro regional strategies action plans for the Baltic Sea Region and the EU Strategy for the Danube Region *Source: Implementation reports for high level group meetings*	
Baseline	Target
2014	2014 Annual Forum per strategy 1 common High Level Group for Baltic and Danube by October 2014
Indicator 2: A screening is carried out to ensure that Cohesion Policy programmes (country-specific and ETC OPs) support the strategies *Source: ETC Competence Centre's replies to consultations*	
Baseline	Target
2014	By 31/12/2014 screening carried out on: all PAs, a sample of (50) most relevant country-specific OPs and the relevant ETC OPs
Indicator 3: Adoption of the EU Strategy for the Adriatic and Ionian Region (EUSAIR) and establishment of a communication and of an action plan *Source: Communication and action plan*	
Baseline	Target
2014	by 31/12/2014
Indicator 4: Preparation and adoption of the EU Strategy for the Alpine region *Source: Related communication and action plan*	
Baseline	Target
2014	Adoption by June 2015

5.1.3.7. Outermost regions

Specific Objective:	
• To coordinate the work of the Commission for the outermost regions (OR) in order to ensure that the specific characteristics and constraints these regions face are taken into account in the European policies, as foreseen in Article 349 of the TFEU and in the context of the renewed strategy for the OR adopted in 2012.	
Indicator 1: To have the Outermost Regions Working Groups set up and fully operational *Source: A5 monitoring data*	
Baseline	Target
2014	By March 2014
Indicator 2: The Working Groups have identified and agreed with the MS, partners and the concerned DGs the measures (necessary to support the implementation of the Action Plans) to be	

taken and related timetables *Source: A5 monitoring data*

Baseline	Target
2014	100% by end 2014

Specific Objective:
• To steer the implementation of the Commission strategy for the Outermost Regions on the basis of the OR's Action Plans with focus on the preparation of Regional Neighbourhood Plans.
Indicator 1: The responsible Working Group has identified the measures (necessary to support the implementation of the Action Plans) to be taken and related timetables as regards the regional neighbourhood plans *Source: A5 monitoring data*

Baseline	Target
2014	100% by end 2014

Main outputs 2014

- Third Edition of the Forum of the Outermost Regions to be held end of September 2014 (suggested main topic: Outermost Regions regional integration).
- Paper on the Regional Integration of the Outermost Regions: diagnosis and programme for actions.

5.1.3.8. Information and Communication

Specific Objectives:
External Communication • To develop, implement, monitor and adapt an external communication strategy to actively promote the main policies and initiatives of the DG, and making them more visible and understandable to different audiences and highlighting their concrete benefits to the citizens of the EU. *Internal Communication* • To develop, implement, monitor and adapt an internal communication strategy as an integrated part of the DG's policy and management activities and establish direct communication, consultation and feed-back channels between management and staff. Ensure that staff understand and share the vision and objectives of their department, are motivated to work towards them by building motivation and esprit de corps, and are able to work effectively together by sharing and having access to the information they need.
Indicator 1: Number of success stories shared (online project database, Regio stars awards, Panorama magazine…) in 2014 *Source: REGIO online project database*

Baseline	Target
2014	500
Indicator 2: Number of visits of Inforegio website in 2014 *Source: REGIO 02 monitoring data*	
Baseline	Target
2014	4.500.000
Indicator 3: Number of visits to intranet *Source: REGIO 02 monitoring data*	
Baseline	Target
2014	25.000

5.1.3.9. International relations

Specific Objectives:	
• To contribute to the cooperation on regional and urban policy between the EU and third countries, in particular, with the 10 third countries with which policy dialogues have been formalized and with EU strategic partners. • To take forward the European Union's flagship initiatives, notably the EU-China Urbanisation Partnership and the Eastern Partnership (the latter including the EU-Georgia and EU-Moldova Association Agreements as initialled in December 2013).	
Indicator 1: Respond appropriately, and taking into account the DG priorities, to requests for formalized policy dialogues from third countries *Source: Minutes Joint Committee meetings, letters and/or signature of non-binding instruments*	
Baseline	Target
2014	2 envisaged by 31/12/2014: Mexico; Central American Integration System (SICA)
Indicator 2: Number of technical information seminars arranged on the subject of EU regional policy in third countries *Source: Invitations and summary reports of the seminars*	
Baseline	Target
2014	Between 8 and 12 by 31/12/14

Main outputs 2014

- Development of closer relations and cooperation in the field of regional policy dialogue with the EU's priority partner countries and organisations and contributing to political and commercial relations with them at the regional and urban level;
- Under the guidance of the competence centre, participation to World Urban Forum 2014; development of cooperation with UN Habitat with respect to shaping an urban agenda, coordinating a European contribution to the 2016 *Third United Nations Conference on Housing and Sustainable Urban Development* (HABITAT III) and strengthening the urban dimension of the UN Millenium Development Goals.
- Implementation of the European Parliament Preparatory Action “World cities: EU-third countries cooperation on urban development” and Association Agreements with third countries through activities which will contribute to promoting exchanges on EU regional and urban policy such as technical assistance, studies, study visits, training courses, events, conferences, network building and contacts between EU and non EU regions, including commercial relations;
- Contribute to the Partnership Instrument priorities through specific projects which, among other things, seek to promote new economic opportunities for EU regions and cities in the strategic partner countries.

5.1.3.10. Northern Ireland Task Force (NITF)

Specific Objective:
• To support, in the frame of the Northern Ireland Task Force (comprising 18 DGs and operating under the authority of the Commissioner responsible for Regional and Urban Policy) the devolved institutions and find ways to help the region to become more economically competitive, to deepen its dialogue with EU institutions and thus

to align its policies with Europe 2020, namely in the areas of innovation, employment, climate change/energy and social cohesion.	
Indicator 1: Technical seminars on EU policies 2014-2020 (EC/NI authorities) *Source: Invitations and summary reports of the seminars*	
Baseline	Target
2014	Up to 6 policy seminars in Northern Ireland

5.2. Administrative and Management Support

5.2.1. Description of the activity

The activity “Administrative support” includes actions that are necessary for the functioning of the organisation as such and are indirectly linked to the policies for which the DG/service is responsible.

This activity promotes and maintains sound and efficient management of human, financial and IT resources within the DG, and ensures that resources are allocated to achieve the policy objectives of the DG. It ensures the soundness of internal control established in the DG's operational management and its financial accounting and reporting systems and, and provides internal audit advice within the DG.

The Activity includes the following functions:

- Human resource management
- Financial management
- Management of information and communication technologies (ICT)
- Document management
- Internal audit
- Internal control and risk management, including all audit functions ensuring sound financial management of resources and the legality and regularity of operations, as well as the implementation of the anti-fraud strategy.

5.2.2. Available financial and human resources

Horizontal activity: Administrative support					
Financial resources (€) in commitment appropriations			**Human resources**		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	84.463.284*	84.463.284*	110	29	139

5.2.3. Medium and short term IT strategy in support of the business operations

Besides the business continuity support which is permanent, DG REGIO's medium and short term IT strategy in support of the business operations is mainly focused **on the start of the new programming period 2014-2020** in the **new systems Wave and SFC2014**.

The major business projects that will be conducted in 2014 include:

- the development of **2014-2020 first processes in Wave/SFC 2014** (among them Partnership agreement and ERDF-CF OP first decision and amendment, ERDF and IPA major projects first decisions, pre-financing and designation of authorities, interim and partial payments, generic document workflow procedures…). See above point 5.1.3.1

- Other projects such as the continuation of the IT implementation of DG REGIO **knowledge management** strategy, **reporting for 2014-2020 period**, **risk scoring tool** (Arachne), **Open data** (pilot project on publication of data from AIR)[24], the first phase of the **phasing-out of SysAudit replaced by MAPAR**.

On the other hand, as part of the DG general effort to improve and streamline working methods in order to be more efficient, the IT unit will dedicate efforts, in 2014 and later on, on a programme called "towards a more efficient IT unit". This programme will be set up in 2014 resulting in IT innovation projects planned for the next 3 years. These projects are currently aiming at increasing IT efficiency and delivery on time as well as reducing in the long run the workload of IT officials that are overloaded beyond their capacity.

DG REGIO's IT afore-mentioned vision for 2014 is in line with Commission's vision for IT[25] and the IT corporate governance together with long-standing efforts on rationalisation (i.e. IT rationalisation[26] and EC staff and budgetary constraints[27]).

- ✓ A great deal of work has already been done as regards the rationalisation of the IT in DG REGIO: This DG was the first DG in ITIC and it has no local data center since 2007.
- ✓ Moreover**,** first steps of convergence of Information Systems have taken place already. DG REGIO in closed cooperation with the DGs from the "Shared management family[28]" has contributed to the drafting of a **convergence plan towards a common solution for all DGs managing programmes under "shared management" mode**. This corporate or multi-DG solution should cover all the aspects of the Programme management (front-office, internal workflow system and the financial back-office).The first step of implementation of this convergence plan[29] has been finalised in 2013 with DG AGRI successfully.

As from 2014 onwards the matching between REGIO business expectations and corporate requirements will be much more challenging, as all DG REGIO major

[24] In line with the reinforced focus on results for the 2014-2020 programming period, REGIO will improve the way it publishes data concerning the impact and results of operational programmes. It will launch a pilot project in 2014 to visualise programme data from the Annual Implementation Reports (AIR). This pilot will form the basis of a fully-fledged performance management system based on open data principles to be implemented as of 2015.

[25] The vision for IT in the Commission for the next years, recently defined by the communication "e- Commission 2012-2015: delivering user-centric digital services" - SEC(2012)492 - 01/08/2012

[26] The Secretariat-General has launched an IT rationalisation process to develop a more strategic approach to IT in the EC, following the Communication "Getting the Best from IT in the Commission" from Vice-President Šefčovič - SEC(2010)1182.

[27] The Commission has proposed a set of provisional changes to the Staff regulations, including reduction of the staff in each EU Institution, body and agency by 5 % during the period 2013 to 2017 (by 2018).

[28] The DGs from the "Shared management family" gather the following Structural Funds:
- •DG AGRI: European Agricultural Fund for Rural Development (EAFRD), 2nd pillar of the Common Agricultural Policy (CAP),
- •DG EMPL: European Social Fund (ESF),
- •DG MARE: European Maritime and Fisheries Fund (EMFF),
- •DG HOME: Asylum and Migration Fund (AMF), Internal Security Fund (ISF),
- •DG REGIO: European Regional Development Fund (ERDF), Cohesion Fund (CF), Instrument for Pre-Accession Assistance (IPA),

[29] 2013 – integration phase: DG AGRI has developed a Proof of Concept (PoC) with DG REGIO in order to validate the integration of their financial management within SFC2014 Financial Back-Office

Information Systems dealing with 214-2020 period will be shared with other DGs, increasing the complexity of their management.

- ✓ Programme management domain:
  - o SFC2014 Back Office will be governed fully by 5 DGs on an equal footing, aligning its governance with SFC2014 Front Office
  - o DGs that do not have internal business workflow systems can be taken on board by WAVE: DG EMPL has signed with DG REGIO in 2013 a Memorandum of Understanding to roll-out WAVE.

    Further convergence of AGRI-RDIS II and WAVE (respecting a series of conditions) could start as from 215 onwards after the choice of the final technical platforms following the results of an IT architecture study to run in 2014.
- ✓ Audit domain:
  - o **WAVE** will support DG REGIO and DG EMPL shared desk-review audit procedures linked to 2014-2020 programming period regulation.
  - o Besides regulatory desk-review audit procedures, the IT support for audit field-work will be supported by a new ESIF[30] shared IT tool to be launched in the context of IT rationalisation (**MAPAR**[31]) for the new programming period.

    At DG REGIO, since this IT tool will replace a part of **SysAudit**[32] for the new programming period and integrate all the activities of the audit cycle (risk assessment, audit planning, execution, reporting, follow-up and financial corrections), investments on SysAudit in 2014 will be reduced to the maximum. SysAudit should be progressively replaced by MAPAR leading in 2016 to its decommissioning.
- ✓ Financial domain: Direct payments and the programming period 2000-2006 are currently sustained by **SysRegio**[33] **(SysFin)**. As DG BUDG will make substantial changes to the IT architecture of ABAC, some substantial modifications of SysFin seem necessary. Given the obsolete technology of this application, it will most likely not be possible to maintain this tool in the long-run. A solution must be found through corporate or shared tools that would allow the continuation of service for both direct payments and possibly 2000-2006 ERDF/CF closure. The 1st iteration for SysFin phasing-out will be run in 2014 and should lead in 2016 to its decommissioning. This planning is subject to availability of corporate tools able to replace SysRegio.

The matching of REGIO business expectations and corporate requirements will require enhanced upstream coordination efforts with other DGs, convergence of processes where possible, and streamlining of IT governance mechanisms as from 2014 onwards.

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[30] European Structural and Investment Funds

[31] On 24/10/2013 the ISPMB has given the green light to implement MAPAR at DG REGIO..

[32] SysAudit is a tool for management and follow-up of audit activities. All external audits conducted by DG REGIO audit units are entered, stored and processed in this system.

[33] SysRegio is a system for administrative and financial management of direct expenditures and operational programmes from the programming periods prior to the year 2007.

In order to ensure that DG REGIO IT unit's objectives for 2014 are reached, the following indicators have been identified: (see also point 5.1.3.1)

Specific Objectives:	
• To maintain a high level of service related to Information Technology (IT) infrastructures, tools and services so that the staff is adequately supported in its work. • To integrate REGIO IT strategy with corporate IT entities and policies.	
Indicator 1: Information Systems Servers' availability *Source: A4 data*	
Baseline	Target
2014	≥ 98% on opening hours
Indicator 2: IT Help Desk Call Answer time (averaged over one year) – DIGIT services (ITIC) *Source: A4 data*	
Baseline	Target
2014	> 80% of calls answered in <30 sec
Indicator 3: Incidents' resolution time (average over one year) *Source: A4 data*	
Baseline	Target
2014	> 90% within 4 hours for incidents which remained within the ITIC group and which have been attributed a "normal" (not urgent) level
Indicator 4: Staff satisfaction expressed in the end of year survey on the quality of IT support service *Source: A4 data*	
Baseline	Target
2014	80% "satisfied" and above comments on average, with results taken into account only if at least 20% of IT users have replied
Indicator 5: Active participation of DG REGIO to IT Governance corporate instances; Progress made on the flexibility and re-usability of WAVE system *Source: A4 data*	
Baseline	Target
2014	Publication of a report on flexibility and reusability (metrics, conditions and comparison between the previous system WFS and the next one WAVE) at the latest end of Q4.
Indicator 6: Active participation of DG REGIO to corporate IT rationalisation on the "Programme management" domain *Source: A4 data*	
Baseline	Target
2014	Publication of a possible convergence between REGIO and AGRI workflow systems (respectively WAVE and RDIS II) at the latest end of Q4.

5.2.4. Areas of emphasis and main operational objectives for 2014

The specific objectives and accompanying indicators DG Regional Policy will focus its attention on in 2014 are presented below.

5.2.4.1. *Human Resources management*

Specific Objectives:	
• To ensure optimal allocation of staff, aligned, as much as possible, with priorities of the Management Plan, as well as search for other efficiency gains. • To offer a quality service; maintain a high level of competence; promote cooperation; favour conformity with relevant rules of the Commission related to human resources policy and management of premises and furniture, provide trainings in order to enhance skills and improve the staff's and organisation's efficiency.	
Indicator 1: Design and launching of the next workload assessment (WLA) *Source: A2 data*	
Baseline	Target
2014	By 31/12/2014
Indicator 2: Setting up of working groups (as per strands of Change REGIO Roadmap - 1: Definition of core competences of geo units and competence centres post 2014; 2: Optimise HR quality services and meeting/mission culture) *Source: A2 data*	
Baseline	Target
2014	The two main working groups are set up and deliver recommendations by end first semester 2014
Indicator 3: % of redeployment of positions in line with conclusions drawn (WLA exercise and other working groups) *Source: A2 data*	
Baseline	Target
2014	1% (indicative: exact target to be defined)

5.2.4.2. *Financial management*

Specific Objectives:	
• To plan, perform, monitor and report on the spending of financial resources so that sound and regular management of them is assured throughout the DG's activities. • To provide advice and support for the smooth implementation of Technical Assistance expenditure • To provide regular advice to the units and hierarchy on budgetary execution with a view to ensuring a good absorption, respect of N+2 / N+3 rules and sound use of financial resources	
Indicator 1: Respect of new regulatory deadlines for direct payments established by the new financial framework *Source: REGIO financial data*	
Baseline	Target
2014	90% of direct payments to the beneficiaries, contractors completed within the deadline provided in the Financial Regulation
Indicator 2: Absence of material errors in REGIO accounts *Source: ECA reports*	
Baseline	Target
2014	No critical recommendations reported by internal and external auditors
Indicator 3: Number of advice / training/ coaching sessions and guidance organised by Unit in charge of financial management *Source: A3 monitoring data*	
Baseline	Target

2014	5 Training sessions Coaching sessions under request Regular update of Intracomm
Indicator 4: Budgetary execution and cash availability monitored monthly *Source: Infoview/dashboard reports*	
Baseline	Target
2014	Reports issued monthly Flash reports to the hierarchy on ad hoc basis

5.2.4.3. Internal control

Specific Objective:	
• To implement and maintain an effective internal control system so that reasonable assurance can be given that resources assigned to the activities are used according to the principles of sound financial management and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.	
Indicator 1: Respect of deadlines for the key internal processes *Source: Internal monitoring data regarding: payments (33%), AIRs, major projects adoption, OP adoptions, OP modifications (33%), Interruption/pre-suspension notifications (33%)*	
Baseline	Target
2014	80%
Indicator 2: timely implementation of the Internal Audit recommendations *Source: GRC system*	
Baseline	Target
2014	90% of the internal audit recommendations implemented on time
Specific Objective:	
• To ensure an efficient and timely use of a rigorous policy on interruption and suspension of payments in order to safeguard the EU funds and ultimately to improve the management and control systems.	
Indicator 1: % of initial interruption letters issued within 2 months of discovery of issue *Source: F1 monitoring data*	
Baseline	Target
2014	85%
Indicator 2: % of pre-suspension letters issued within 4 months of discovery of issue *Source: F1 monitoring data*	
Baseline	Target
2014	85%

5.2.4.4. Audit Strategy

Specific Objective:	
• To obtain reasonable assurance that the expenditure declared to the Commission is legal and regular by ensuring that the audit authorities can be relied upon (single audit approach) and by focusing DG resources on identified risks	
Indicator 1: Residual error rate for ERDF/CF expenditure certified in 2013 *Source: ACR, Report Annex XI on Withdrawals/ Recoveries, the Cumulative residual risk table managed by C1*	
Baseline	Target
2014	Less than 2%

Indicator 2: Number of audits on the audit authorities carried out *Source: Sysaudit, Infoview*	
Baseline	Target
2014	90% of audits in the audit plan approved by the Board carried out by 31/12/2014
Indicator 3: Number of bridging the assurance gap audits on high risk programmes *Source: Sysaudit; Infoview*	
Baseline	Target
2014	90% of audits in the audit plan approved by the Board carried out by 31/12/2014
Indicator 4 (MS level): Number of annual control reports received from audit authorities with error rate that can be relied upon for the AAR *Source: ACR, SFC, Sysaudit, Annexes to the country fiches issued by Directorate C*	
Baseline	Target
2014	85%
Indicator 5: Number of draft audit reports sent within 3 months after the end of the on-the-spot audit *Source: Sysaudit, KPIs report managed by C1*	
Baseline	Target
2014	75%
Specific Objective:	
• To ensure a robust DAS contradictory procedure and follow-up process and to contribute to obtaining budgetary discharge by providing evidence to the Discharge Authority of sound and efficient use of the EU funds	
Indicator 1: Obtainment of budgetary discharge *Source: The EP's discharge resolution*	
Baseline	Target
2014	Budgetary discharge obtained for the year 2012
Indicator 2: Follow-up of DAS cases *Source: ECA Audit reports sent to MS/EC, Follow-up letters by Directorate C, Table managed by C1 on follow-up of DAS cases*	
Baseline	Target
2014	> 80% of cases closed within 2 years after the publication of the report

Main outputs 2014

- Annual audit opinion on all operational programmes based on the analysis of all available national and EU audit results, in view of the assurance of the Director General in the AAR 2013
- Contribution to the delegated/ implementing acts for 2014-2020 programming period; organisation of trainings and seminars on the new requirements for 2014-2020
- Preparation of guidance notes for the programming period 2014-2020 for the attention of audit authorities
- Contribution to DGs' decisions on interruption and suspension of payments, through timely preparation of draft interruption and suspension letters
- Issuance of Article 73 letters for additional AAs
- Commission replies and follow-up to the ECA audit reports (SPFs), special reports and the ECA Annual Report, as well as EP and Council Discharge resolutions and recommendations
- Follow-up to ECA and discharge recommendations.

5.2.4.5. *Implementation of the Anti-Fraud Approach*

Specific Objective:	
• To implement the actions under the Joint Anti-Fraud Strategy and thereby seeking to mitigate the risk that fraudulent expenditure is declared to the Commission	
Indicator 1: Risk-based assessment of the quality of the managing authorities' fraud risk assessments and anti-fraud measures at the designation stage for the riskiest OPs *Source: Description of the functions and procedures in place for the managing authority in relation to fraud risk assessment and effective and proportionate anti-fraud measures (designation process)*	
Baseline	Target
2014	Up to 15 OPs reviewed (based on risk assessment)
Indicator 2: Number of cases of suspected fraud detected by/brought to the attention of the DG transmitted to OLAF for evaluation *Source: C1's database*	
Baseline	Target
2014	100% of cases detected by/brought to the attention of the DG
Indicator 3: Number of OLAF Final Case Reports for which financial follow-up has been finalised *Source: C1's database*	
Baseline	Target
2014	> 80% within 2 years of submission of Final Case Report from OLAF
Indicator 4: Internal/external training *Source: Dir. C training information*	
Baseline	Target
2014	2 internal trainings/fraud-awareness events per year 3 external training/fraud-awareness events per year
Indicator 5: Promotion of the Arachne tool by Member States *Source: Dir. C audit information*	
Baseline	Target
2014	5 to 7 Member States using Arachne tool (pilot) by end 2014

Main outputs 2014

- in-depth analysis of the managing authorities' fraud risk assessment and anti-fraud measures at the designation stage on the basis of a risk-assessment
- follow-up of the recommendations resulting from OLAF's Final Case Reports
- transmission of suspected fraud cases to OLAF
- a higher level of fraud awareness in the DG
- a higher level of fraud awareness in the Member States, including on anti-corruption.

5.2.4.6. *Legal Affairs*

Specific Objective:	
• To advise the DG on all questions related to legal analysis and legal interpretation of the regulations relating to cohesion policy including closures of interventions and financial corrections	
Indicator 1: % of response given on legal questions and issues within 10 working days (provided another DG or service is not consulted on the issue or question) *Source: B4 workflow table*	
Baseline	Target

2014	90%

5.2.4.7. Document Management

Specific Objective:	
• To put in place and maintain an effective document management system so that any document connected with the DG's official functions can be electronically filed, stored and retrieved at any moment, irrespective of its original form and of the document management system in place	
Indicator 1: % of not filed documents compared to the total number of registered documents *Source: DIGIT/SG annual report on Ares statistical data*	
Baseline	Target
2014	1,5%
Indicator 2: % of documents with e-signatory compared to the total number of documents registered in Ares *Source: DIGIT/SG annual report on Ares statistical data*	
Baseline	Target
2014	Higher than the standard target fixed by the e-Domec steering committee (80%)

Main outputs 2014

- Revision of DG REGIO official Filing Plan according to the new regulations in force and following the prioritised changes to processes and functionalities for the 2014-2020 period and their implementation in information systems.