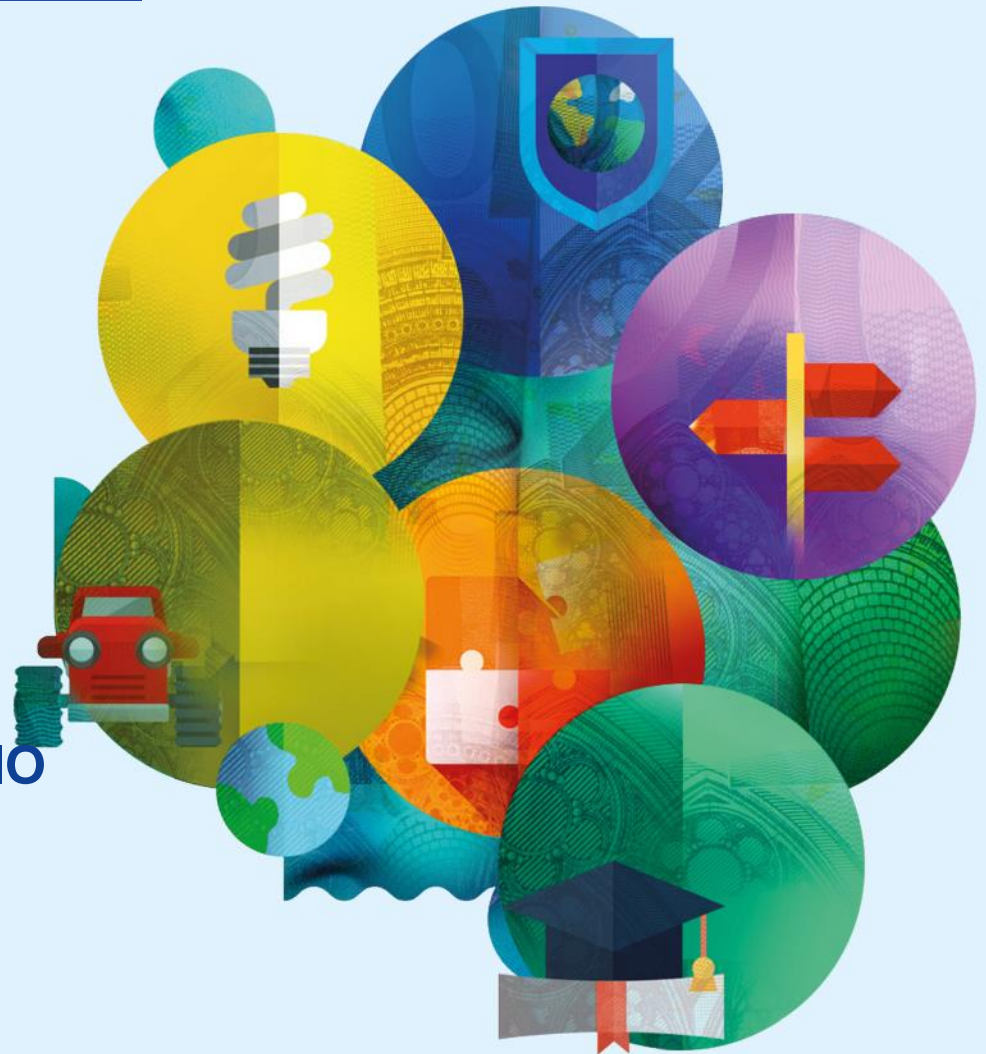


EU Budget for the future

Regional development and cohesion

Dimitra Kanellopoulou – DG REGIO
Chania 20 September 2018

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ERDF and CF specifics



Policy objectives

11 => 5 simplified & consolidated objectives

1. A **smarter** Europe (innovative & smart economic transformation)
2. A **greener**, low-carbon Europe (including energy transition, the **circular economy**, climate adaptation and risk management)
3. A more **connected** Europe (mobility and ICT connectivity)
4. A more **social** Europe (the European Pillar of Social Rights)
5. A Europe **closer to citizens** (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- **Administrative capacity building**
- **Co-operation** between regions and across borders (embeds co-operation in mainstream)

ERDF THEMATIC CONCENTRATION

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

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

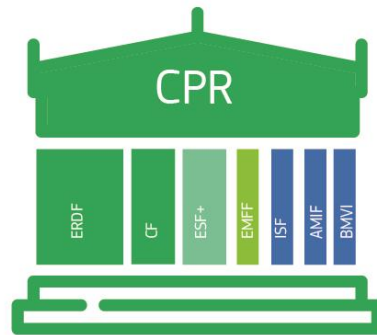
- 6% of budget to urban development, delivered through local development partnerships (can overlap with above)

Simplification and flexibility



General

- The architecture itself – 7 Funds, 1 rulebook



- Rulebook half as long
- Handbook of 80 key administrative simplifications

Programming

What's in?

- **Simplified**, more **focused** and more **strategic** programming in structured form
- **Performance-oriented**: Mid-term review in 2025
- **Synergies**: Closer link with the European Semester
- Annexes: to replace some 40 empowerments from 2014-2020

What's out?

- No more changes of the PA during period
- Eliminated overlaps between PA and programmes (e.g. enabling conditions only in programmes)
- **Fewer procedures**: combining technical adjustment with performance review

Enabling conditions

- **Water:** updated planning for required investments in drinking water and wastewater sector
- **Solid Waste:** updated planning for waste management
- **Nature – NEW:** prioritized action framework for the necessary conservation measures involving Union co-financing

Solidarity and responsibility

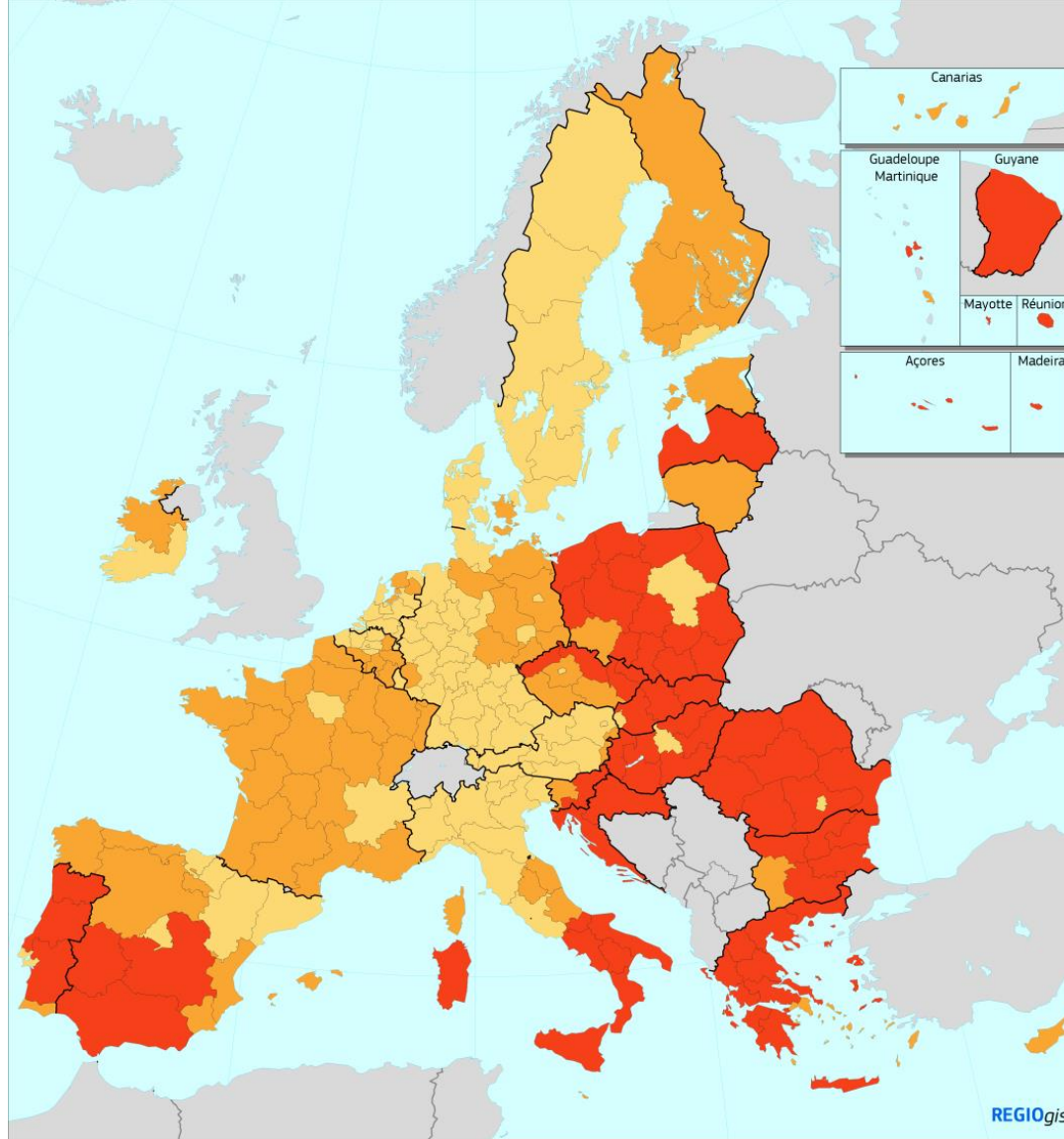
Lower EU co-financing ceilings

| Ceilings on EU contribution | |
|-----------------------------|--|
| 70% | Less developed regions Outermost regions Cohesion Fund Interreg |
| 55% | Transition regions |
| 40% | More developed regions |

"Quid pro quo": VAT eligibility

No specific rules for revenue generating projects

New regional eligibility map 2021-2027

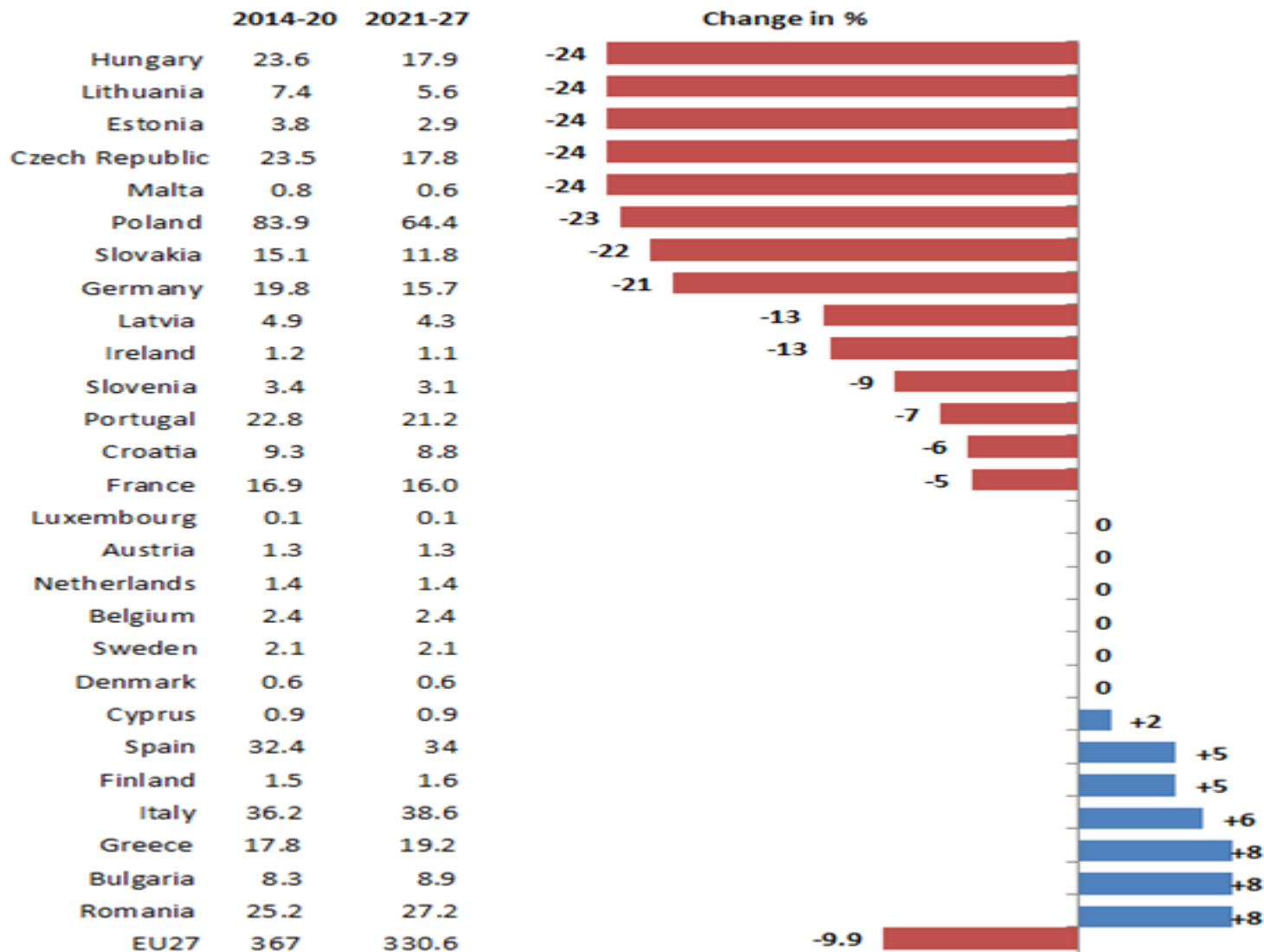


GDP/head (PPS) by NUTS2 region, average 2014-2015-2016

- Index, EU-27 = 100
- < 75% (less developed regions)
 - 75% - 100% (transition regions)
 - >= 100% (more developed regions)

Cohesion policy allocations

in billions of 2018 euros

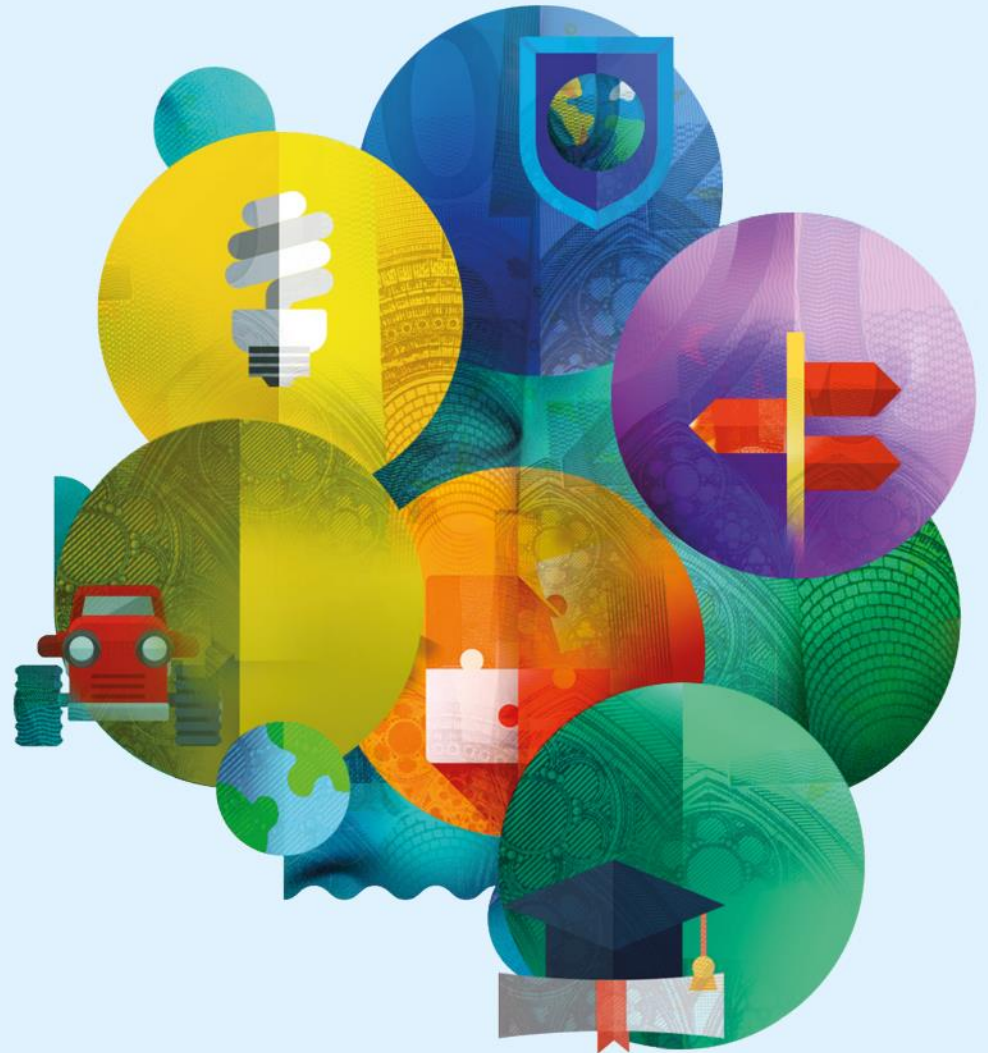


Source: DG REGIO

Continued concentration on less developed and transition

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

Thank you for your attention



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