



# **Study on the coordination and harmonisation of ESI Funds and other EU instruments**

Final Report

Contract No 2015CE16BAT064



## **EUROPEAN COMMISSION**

Directorate-General Regional and Urban Policy  
DGA1 Policy Performance and Compliance  
Unit DGA1.01 Policy Development, Strategic Management and Relations with the Council

*Contact:* Daniel Mouqué  
*E-mail:* REGIO-DGA1.01-HEAD-OF-UNIT@ec.europa.eu

*European Commission*  
*B-1049 Brussels*

# **Study on the coordination and harmonisation of ESI Funds and other EU instruments**

Final Report

Contract No 2015CE16BAT064

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

#### **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, 2018

ISBN: 978-92-79-85820-8  
doi: 10.2776/16737

© European Union, 2018  
Reproduction is authorised provided the source is acknowledged.

## **Study on the coordination and harmonisation of ESI Funds and other EU instruments**

This study was carried out for the Unit Policy Development, Strategic Management and Inter-Institutional Relations from DG Regional and Urban Policy, European Commission, through a call for tenders by open procedure N° 2015CE16BAT064. This report is based on the contract between the DG Regional and Urban Policy and KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG Germany) dated 18 December 2015. The evaluation team mainly comprises KPMG Germany as lead firm and the subcontractors KPMG Hungary and Prognos AG as well as KPMG Greece supported by the European network of KPMG and independent experts.

### **Authors:**

Engagement Partner: Olaf Buske (KPMG Germany)

Project Manager: Franziska Altmann (KPMG Germany)

Technical Lead: Jim Fitzpatrick (External Expert)

Lead Experts:

Paul Jeffrey (External Expert), András Kaszap (KPMG Hungary),  
Jan-Philipp Kramer (Prognos AG), Holger Bornemann (Prognos AG).

Core Project Team:

Laurence Genillard (KPMG Germany); Patrick Baldes (KPMG Germany); Anne-Sophie Brügggen (KPMG Germany); Daniel Adamy (KPMG Germany); Jasper Müllner (KPMG Hungary); Balázs Dobos (KPMG Hungary); Marcell Németh (KPMG Hungary); Dóra Vajai (KPMG Hungary); Vasiliki Papasouli (KPMG Greece); Konstantinos Dimos (KPMG Greece); Athanasios Apostolopoulos (KPMG Greece); Anda Berényi (KPMG EU Office); Andreas Diemer (KPMG EU Office); Kristina Stegner (Prognos AG); Mirjam Buck (Prognos AG); Anja Breuer (Prognos AG); Audrius Zabolka (External Expert).

The authors are grateful for the very helpful comments from the EC experts at DG REGIO, in particular to Daniel Mouqué (Policy Officer in charge), Moray Gilland, Peter Berkowitz and Nuria Tello Clusella.

The following Directorate Generals of the European Commission were represented in the Steering Group during the course of the study:

- DG AGRI
- DG CONNECT
- DG EAC
- DG EMPL
- DG ENV
- DG HOME
- DG JUST
- DG REGIO (several units)
- DG RTD
- DG TAXUD
- DG SANTE

The authors of this study would like to thank all stakeholders (representatives of member states, the EIB group, public sector entities and experts) who provided responses and valuable input through the series of 238 interviews and/or as participants in one of the 32 focus group meetings or the final two workshops.

The authors are responsible for any remaining errors or omissions.

Date: 28 February 2018

## **ABSTRACT**

The study assessed the coherence, complementarity and coordination (3Cs) within the European Structural and Investment (ESI) Funds, and between these funds and other EU instruments, covering grants and financial instruments, under central and shared management. The report presents a set of key findings and options for consideration as part of the impact assessment for the post-2020 period.

The report is based on evidence from some 238 interviews, 32 focus group meetings, over 250 documents<sup>1</sup> and two expert workshops.

The study concludes that there have been many positive results from reforms made to the design and operation of the 2014–20 funds, such as the introduction of the Common Provisions Regulation. Furthermore, the OMNIBUS Regulation plans to introduce further simplification measures and options for the Managing Authorities.

Three major strategies were identified that could improve the operation of the 3Cs. One strategy is to further harmonise financial and implementation rules to realise more complementarities between funds and simplify the implementation process. A second is to promote clearer demarcation between funds to increase coherence. A third is to improve clarity in the information on funding opportunities available to beneficiaries, Managing Authorities and other stakeholders, in order to improve coordination.

**Keywords:** Coherence, Complementarity, Coordination, Harmonisation, Demarcation, Information and Communication, Programming, Post-2020 Agenda, Common Provisions Regulation (CPR), Shared management, Central management, European structural and investment funds (ESIF), European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD), Cohesion Fund, Financial Instrument, European Investment Bank, Fi-Compass, Evaluation

---

<sup>1</sup> Such as programming documents (Operational Programmes, Rural Development Programmes and Partnership Agreements), legislation, reports and other secondary literature.

## RÉSUMÉ

Cette étude a évalué la cohérence, la complémentarité et la coordination (3C) au sein des Fonds européens structurels et d'investissement (FESI) et entre ces fonds et d'autres instruments de l'UE, couvrant des subventions et des instruments financiers, soumis à une gestion centrale et partagée. Le rapport présente une série de conclusions principales et d'options à considérer dans le cadre de l'évaluation d'impact pour la période post-2020.

Il repose sur les éléments mis en évidence sur la base de quelque 238 entretiens, 32 réunions avec des groupes de discussion, plus de 250 rapports<sup>2</sup> et deux ateliers d'experts.

L'étude conclut que les réformes apportées à la conception et à la mise en œuvre des fonds 2014–20, telles que l'introduction du Règlement portant dispositions communes, ont eu de nombreux résultats positifs. En outre, le Règlement OMNIBUS prévoit d'introduire de nouvelles mesures et options de simplification pour les autorités de gestion.

Trois principales stratégies susceptibles d'améliorer la mise en œuvre des 3C ont été identifiées. La première consiste à poursuivre l'harmonisation des règles financières et de mise en œuvre afin de favoriser les complémentarités entre les fonds et de simplifier le processus de mise en œuvre. La deuxième consiste à encourager une délimitation plus nette entre les fonds afin d'accroître la cohérence. La troisième consiste à améliorer la clarté des informations relatives aux possibilités de financement auxquelles les bénéficiaires, les autorités de gestion et d'autres parties prenantes peuvent avoir recours, afin d'améliorer la coordination.

**Mots clés :** cohérence, complémentarité, coordination, harmonisation, délimitation, information et communication, programmation, agenda post-2020, Règlement portant dispositions communes (RPDC), gestion partagée, gestion centrale, Fonds européens structurels et d'investissement (FESI), Fonds européen de développement régional (FEDER), Fonds social européen (FSE), Fonds européen agricole pour le développement rural (FEADER), Fonds de cohésion, instrument financier, Banque européenne d'investissement, fi-compass, évaluation

---

<sup>2</sup> Par exemple les documents de programmation (programmes opérationnels, programmes de développement rural et accords de partenariat), la législation, les rapports et d'autres publications secondaires.

## ZUSAMMENFASSUNG

In der Studie wurden die Kohärenz, Komplementarität und Koordinierung (3Ks) innerhalb der Europäischen Struktur- und Investitionsfonds (ESI-Fonds) und zwischen diesen Fonds und anderen EU-Instrumenten analysiert. Dies umfasst Beihilfen und Finanzinstrumente unter geteilter und zentralisierter Verwaltung. Der Bericht beinhaltet eine Reihe wesentlicher Feststellungen und Optionen zur Abwägung im Rahmen der Folgenabschätzung für den Zeitraum nach 2020.

Als Grundlage dienten 238 Interviews, 32 Treffen mit Fokusgruppen, mehr als 250 Dokumente<sup>3</sup> und zwei Experten-Workshops.

Die Studie kommt zu dem Schluss, dass die bisherigen Reformen der Ausgestaltung und Umsetzung der Fonds für 2014–20, wie zum Beispiel die Einführung der Verordnung mit gemeinsamen Bestimmungen, viele positive Ergebnisse erzielt haben. Zudem sollen mit der OMNIBUS-Verordnung weitere Maßnahmen zur Vereinfachung und Optionen für die Verwaltungsbehörden eingeführt werden.

Zur Verbesserung der 3Ks wurden drei Hauptstrategien identifiziert. Die erste Strategie sieht die weitere Harmonisierung der Finanz- und Umsetzungsbestimmungen vor, um die Komplementaritäten zwischen den Fonds besser zu nutzen und den Umsetzungsprozess zu vereinfachen. Die zweite Strategie dient einer klareren Abgrenzung zwischen den Fonds, um die Kohärenz zu erhöhen. Mithilfe der dritten Strategie sollen die Informationen zu Finanzierungsmöglichkeiten, die Begünstigten, Verwaltungsbehörden und sonstigen Stakeholdern zur Verfügung stehen, klarer gestaltet werden, um die Koordinierung zu verbessern.

**Schlagwörter:** Kohärenz, Komplementarität, Koordinierung, Harmonisierung, Abgrenzung, Information und Kommunikation, Programmgestaltung, Zeitraum nach 2020, Verordnung mit gemeinsamen Bestimmungen (CPR), geteilte Verwaltung, zentralisierte Verwaltung, Europäische Struktur- und Investitionsfonds (ESI-Fonds), Europäischer Fonds für regionale Entwicklung (EFRE), Europäischer Sozialfonds (ESF), Europäischer Landwirtschaftsfonds für die Entwicklung des ländlichen Raums (ELER), Kohäsionsfonds, Finanzinstrument, Europäische Investitionsbank, fi-compass, Bewertung

---

<sup>3</sup> Programmdokumente (operationelle Programme, Programme zur Entwicklung des ländlichen Raums und Partnerschaftsvereinbarungen), Gesetzestexte, Berichte und weitere Sekundärliteratur.



## TABLE OF CONTENTS

FIGURES .....	11
TABLES .....	13
GLOSSARY .....	14
EXECUTIVE SUMMARY.....	18
SYNTHÈSE.....	28
ZUSAMMENFASSUNG .....	39
1 INTRODUCTION .....	50
1.1 Purpose and Scope of the Study .....	50
1.2 Methodological Approach and Research Limitations .....	51
2 ESI FUNDS: COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN POLICY OBJECTIVES AND IMPLEMENTATION MECHANISMS IN THE CONTEXT OF ESI FUNDS .....	54
2.1 Introduction and Background .....	54
2.2 Problem Definition .....	55
2.2.1 Key finding 1: Variations in rules between the ESI Funds limit the potential for combining funds and increase administrative burdens especially for large and complex projects.....	55
2.2.2 Key finding 2: Problems resulting from overlaps between ESI Funds resulting in suboptimal allocation of resources.....	60
2.3 Option Mapping .....	63
2.3.1 Option 1: Further harmonisation of financial and implementation rules .	64
2.3.2 Option 2: Radical harmonisation – one ESI Fund, one set of rules .....	68
2.3.3 Option 3: Smart Demarcation of ESI Funds.....	70
3 ESI FUNDS AND OTHER EU INSTRUMENTS DELIVERED THROUGH GRANTS: COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN POLICY OBJECTIVES AND IMPLEMENTATION MECHANISMS .....	74
3.1 Introduction and Background .....	74
3.2 Problem Definition .....	75
3.2.1 Key finding 3: Different implementation rules of ESI Funds and other EU instruments delivered through grants can hamper complementarity	76
3.2.2 Key finding 4: Inefficiencies and inconsistencies between ESI Funds and certain other instruments arising from overlapping grant regimes..	84
3.2.3 Key finding 5: Difficulties in accessing user-friendly information and guidance hinders the leveraging of funding opportunities.....	89
3.3 Option Mapping .....	94
3.3.1 Option 4: Harmonise financial and implementation rules between selected combinations of ESI Funds and EU instruments .....	95
3.3.2 Option 5: Clearer demarcation and better coordination of EU instruments .....	97
3.3.3 Option 6: Improved joint information and advisory services on ESI Funds and other EU instruments .....	105
4 ESI FUNDS AND EU FIS OR INSTRUMENTS MANAGED BY THE EIB: ASSESSMENT OF THE COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN THE POLICY OBJECTIVES AND THE IMPLEMENTATION MECHANISMS .....	109
4.1 Background and Policy Context.....	109
4.2 Problem Definition .....	110
4.2.1 Key finding 6: There are different rules and regulatory frameworks which result in an increase of complexity .....	111
4.3 Option Mapping .....	118
4.3.1 Option 7: Improved demarcation and consolidation of the FI portfolio (EU level FIS) .....	120

5	CONCLUSIONS AND POST-2020 OUTLOOK.....	123
5.1	Headline Conclusions .....	123
5.2	Strategic outlook – post-2020 .....	129
6	BIBLIOGRAPHY .....	130
7	ANNEXES .....	146
7.1	Annex 1: Methodology and Analytical Framework .....	146
7.2	Annex 2: Consulted Stakeholders (interviews, focus groups, expert workshops) .....	148
7.3	Annex 3: Outcome of the expert workshops .....	156
7.4	Annex 4: Further information – ESI Funds under shared management .....	163
7.5	Annex 5: Further information – ESI Funds and Other Instruments Delivered through Grants.....	166
7.6	Annex 6: Further information – FIS .....	179

## FIGURES

Figure 1: Overview of Key Findings and Policy Options in the Context of the ESI Funds	.19
Figure 2: Overview of Key Findings and Policy Options in the Context of the ESI Funds and other EU Instruments Delivered through Grants	.....21
Figure 3: Linkages between ESI Funds and EU Instruments	.....23
Figure 4: Overview of Key Findings and Policy Options in the Context of the ESI Funds and EU financial instruments and Instruments Managed by the European Investment Bank	.....25
Figure 5: Main Differences between FIs under Shared Management and FIs under Centralised Management	.....26
Figure 6: The financial resources allocated to the ESI Funds and the YEI – distribution between the funds (2014–2020)	.....54
Figure 7: Factors impeding complementarity – the frequency of the most common issues mentioned by the representatives of coordinating- and Managing Authorities	.....57
Figure 8: Parallel development and delay of strategic documents.	.....58
Figure 9: Assessment of managing and coordinating authorities and beneficiaries on administrative burden for coordinated implementation. Source: KPMG/Prognos (2016), N=62	.....59
Figure 10: Assessment of managing and coordinating authorities on changes of monitoring and evaluation in the 2014-2020 programming period. Source: KPMG/Prognos (2016). N=52	.....63
Figure 11: Managing and coordinating authorities perceive great potential in ESI Funds reinforcing each other	.....65
Figure 12: Factors that Allow the Coherence of ESI Funds	.....71
Figure 13: Linkages between ESI Funds and EU Instruments	.....74
Figure 14: Outcome of interviews with Managing Authorities and EC representatives – Factors impeding coherence	.....77
Figure 15: Outcome of Interviews with Managing Authorities and EC Representatives – Factors that Allow for Coherence. Source: KPMG/Prognos (2016), based on semi-structured interviews with stakeholders from the European Commission and Managing Authorities (N=59).	.....98
Figure 16: Thematic cluster of Research, innovation and ICT	.....99
Figure 17: Thematic cluster of SME competitiveness	.....100
Figure 18: Thematic cluster of Climate change and environment	.....101
Figure 19: Thematic cluster of Transport and energy	.....102
Figure 20: Thematic cluster of Employment, social inclusion and education	.....103

Figure 21: ESI Funds FI Allocations (2014–2020) and Centrally Managed FIs including Relevant Potential Areas of Cooperation .....109

Figure 22: Percentage of Fund Allocations to FIs at the Programming Stage .....110

Figure 23: Main Differences between FIs under Shared Management and FIs under Central Management .....112

Figure 24: Identification of Key Findings.....146

Figure 25: General Concept of an Integrated Project.....167

Figure 26: Corridors of the TEN-T Network .....168

Figure 27: Funding Process for Applicants of H2020 .....169

## **TABLES**

Table 1: 'Common areas' of funding across TOs - Key links between ESI Funds, the Treaty objectives and the 11 TOs .....	61
Table 2: Overview of Options .....	64
Table 3: Thematic objectives in the 2014–2020 programming period .....	75
Table 4: ESI Funds and Other EU Instruments and TO Relevance. ....	85
Table 5: Options Overview.....	94
Table 6: Diverse Implementing Requirements Impeding Coordination and Complementarities of ESI Funds FIs and Centrally Managed FIs.....	113
Table 7: Overview of Options .....	119
Table 8: The distribution of funding allocated to the selected Operational Programmes across Funds.....	149
Table 9: The distribution of funding allocated to the focus thematic objectives of the selected Operational Programmes across Funds.....	150
Table 10: EC Units Involved in Scoping Interviews.....	152
Table 11: Overview of Sources Consulted regarding the 3Cs in ESI Funds .....	153
Table 12: Overview of Sources Consulted regarding the 3Cs in the ESI Funds and Instruments delivered through Grants .....	153
Table 13: Overview of Sources Consulted regarding the 3Cs in the ESI Funds and EU FI Managed by the EIB .....	154
Table 14: Workshop Participants .....	156
Table 15: Workshop Participants .....	156
Table 16: Allocation of ESI Funds under shared management .....	164
Table 17: Main Regulations Relevant for Each ESI Fund.....	164
Table 18: Examples for Differences of Selected Parts in the CPR.....	165
Table 19: Overview of the ESI Funds and other Instruments delivered through Grants.....	170
Table 20: Allocation of ESI Funds and other Instruments delivered through Grants.....	176
Table 21: Overview Table of the centrally managed FIs under focus.....	180
Table 22: Regulatory Changes Affecting FIs' Possible Coherence, Coordination and Complementarities.....	187

## GLOSSARY

<b>3Cs</b>	Coherence, complementarity, coordination <ul style="list-style-type: none"><li>• Coherence: the lack of contradictions between policy objectives and between implementation mechanisms at the EU, national and regional levels.</li><li>• Complementarity: if funds and instruments reinforce each other in achieving their objectives.</li><li>• Coordination: mechanisms that ensure that funds and instruments work together effectively during implementation at the EU, national and regional levels.</li></ul>
<b>AMIF</b>	Asylum, Migration and Integration Fund
<b>CAP</b>	Common Agriculture Policy
<b>CEF</b>	Connecting Europe Facility
<b>CF</b>	Cohesion Fund
<b>CFP</b>	Common Fisheries Policy
<b>CIP</b>	Competitiveness and Innovation Framework Programme
<b>CLLD</b>	Community-led Local Development
<b>COCOF</b>	Committee of the EU Structural Funds
<b>COSME</b>	Competitiveness of Enterprises and Small and Medium-sized Enterprises
<b>CPR</b>	Common Provisions Regulation (for the structural funds)
<b>CSF</b>	Common Strategic Framework
<b>CSG</b>	Community Strategic Guidelines
<b>DCI</b>	Development Cooperation Instrument
<b>DG</b>	Directorate-General
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EAGF</b>	European Agricultural Guarantee Fund
<b>EaSI</b>	EU Programme for Employment and Social Innovation
<b>EC</b>	European Commission
<b>EDF</b>	European Development Fund
<b>EEEF</b>	European Energy Efficiency Fund

<b>EFF</b>	European Fisheries Fund
<b>EFSI</b>	European Fund for Strategic Investments
<b>EGF</b>	European Globalisation Adjustment Fund
<b>EGTC</b>	European Group Territorial Cooperation
<b>EIB</b>	European Investment Bank
<b>EIF</b>	European Investment Fund
<b>ELENA</b>	European Local Energy Assistance
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ENI</b>	European Neighbourhood Instrument
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF</b>	European Structural and Investment Funds
<b>ESI Funds</b>	European Structural and Investment Funds
<b>ETC</b>	European Territorial Cooperation
<b>EU</b>	European Union
<b>ExACs</b>	Ex ante conditionalities
<b>FEAD</b>	Fund for European Aid to the Most Deprived
<b>FEI</b>	Financial Engineering Instrument
<b>FG</b>	Focus group
<b>FI</b>	Financial Instrument
<b>FP</b>	Framework Programme
<b>H2020</b>	Horizon 2020
<b>HDC</b>	Hungarian Development Centre
<b>ICT</b>	Information and Communication Technology
<b>InnovFin</b>	EU Finance for Innovators
<b>IPA</b>	Instrument for Pre-accession Assistance
<b>ISF</b>	Internal Security Fund
<b>ITI</b>	Integrated Territorial Investments
<b>JASPERS</b>	Joint Assistance to Support Projects in European Regions
<b>JAP</b>	Joint Action Plan

<b>JESSICA</b>	Joint European Support for Sustainable Investment in City Areas
<b>JP</b>	Joint Programming
<b>LAG</b>	Local Action Group
<b>LGF</b>	Loan Guarantee Facility
<b>LIFE</b>	Financial instrument for the Environment
<b>M&amp;E</b>	Monitoring and evaluation
<b>MA</b>	Managing Authority (in the case of AMIF this term is used to designate the responsible authority)
<b>MS</b>	Member States
<b>MTE</b>	Mid-term evaluation
<b>NCP</b>	National Contact Point
<b>NER</b>	New Entrants Reserve
<b>NSRF</b>	National Strategic Reference Frameworks
<b>OP</b>	Operational Programme
<b>OPDP</b>	Operational Programme Digital Poland
<b>PA</b>	Partnership Agreement
<b>PAF</b>	Prioritised Action Framework for Natura2000
<b>RA</b>	Responsible authority (in case of AMIF) <sup>4</sup>
<b>R&amp;D</b>	Research & Development
<b>R&amp;I</b>	Research & Innovation
<b>RECP</b>	Renewable Energy Cooperation Programme
<b>RDP</b>	Rural Development Programme
<b>RSFF</b>	Risk Sharing Financial Facility
<b>SCO</b>	Simplified Cost Option
<b>SEA</b>	Single European Act
<b>SME</b>	Small and medium-sized enterprises
<b>SRSP</b>	Structural Reform Support Programme
<b>TEN-T</b>	Trans- European Transport Network

---

<sup>4</sup> Please note that the terms 'Managing Authority' or 'MA' also include responsible authorities when these terms are used in a general way, referring to the authorities responsible for the management of the EU instruments covered by this study.



<b>TO</b>	Thematic objective
<b>TO1</b>	Thematic objective 1: Strengthening research, technological development and innovation
<b>TO2</b>	Thematic objective 2: Enhancing access to, and use and quality of information and communication technologies
<b>TO3</b>	Thematic objective 3: Enhancing the competitiveness of SMEs
<b>TO4</b>	Thematic objective 4: Supporting the shift towards a low-carbon economy in all sectors
<b>TO5</b>	Thematic objective 5: Promoting climate change adaptation, risk prevention and management
<b>TO6</b>	Thematic objective 6: Preserving and protecting the environment and promoting resource efficiency
<b>TO7</b>	Thematic objective 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures
<b>TO8</b>	Thematic objective 8: Promoting sustainable and quality employment and supporting labour mobility
<b>TO9</b>	Thematic objective 9: Promoting social inclusion, combating poverty and any discrimination
<b>TO10</b>	Thematic objective 10: Investing in education, training and vocational training for skills and lifelong learning
<b>TO11</b>	Thematic objective 11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

## EXECUTIVE SUMMARY

This is the Final Report of the 'Study on coordination and harmonisation of the ESI Funds<sup>5</sup> and other EU instruments'.

The study has assessed the coherence, complementarity and coordination (3Cs) within the European Structural and Investment (ESI) Funds and between these funds and other EU instruments in respect of both policy objectives and implementation mechanisms. The analysis covers the following three groups of funds or instruments:

- The ESI Funds in the framework of shared management rules;
- The ESI Funds and other EU instruments delivered through grants covering ESI policy areas;
- The ESI Funds and EU financial instruments (FIs) and instruments managed by the European Investment Bank (EIB).

The study has systematically analysed the experiences of the 2014–2020 programming period – to date – from all 28 EU Member States, based on 238 interviews, 32 focus group meetings, and more than 250 reports and documents from the existing literature. The work also includes insights from previous programming periods. Two expert workshops were held in Brussels to validate the findings and options developed through the course of the study.

### *EU reforms for the 2014–2020 programming period*

From the outset of the 2014–2020 period the new **regulatory framework has significantly strengthened the strategic links** of ESI Funds and other EU policies with the Europe 2020 Strategy, including a strong enhancement of the coordination principle.

In preparation for the 2014–2020 period, the Commission advocated a stronger focus on cross-cutting policy goals ('a pan-European logic') to foster potential synergies between funds and programmes. At the same time, a need for stronger coordination and coherence was acknowledged.

The Common Provisions Regulation (CPR) was applied to all five ESI Funds for the first time and specified how the coordination between ESI Funds, and other Union and national funding instruments, as well as the EIB was envisaged. Furthermore, the Common Strategic Framework (CSF) outlined the specific areas in which synergies between the ESI Funds and other EU policies and instruments should be achieved, and provided concrete arrangements and mechanisms for doing so. In the case of the ESI Funds this has included the joint design of schemes, multi-fund programmes, Joint Monitoring Committees and Integrated Territorial Investments (ITIs). Member States were also provided with specific 'synergy-enabling rules' (e.g. the cumulation of grants, the alignment of cost models, etc.)<sup>6</sup>. The CSF highlighted numerous areas in which synergies between the ESI Funds and other EU policies and instruments could be achieved.

---

<sup>5</sup> The ESI Funds are comprised by the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) as well as the Youth Employment Initiative (YEI) which is in part co-financed by the ESF.

<sup>6</sup> Art. 65 (11) CPR: possibility of cumulating grants from different EU funding instruments (or from ESI Funds) for the same beneficiary or project; Art. 67 (5) b and 68 (1) c: allow for an alignment of cost models for corresponding costs and similar types of operations and beneficiaries in Horizon 2020 and other EU programmes. See European Commission (2013): Common Provisions Regulation (1303/2013) (OJ 347/422, 20.12.2013).

Early evidence from the programming period suggested<sup>7</sup>, that coordination, coherence and complementarity was strongly improved in the Member States due to these new provisions, helping to prepare the necessary regulatory, institutional or strategic preconditions for effective programme implementation.






*Six key findings and corresponding policy options were identified*

The **six key findings and seven corresponding policy options**, designed to impact positively on the 3Cs, are presented organised below under the three groups of funds and instruments. They are designed to inform the forthcoming impact assessment for the post-2020 programming period. Options are not necessarily mutually exclusive. They could also be complementary and be implemented in tandem as part of a wider strategy of reform.

 **The five ESI Funds in the framework of shared management – key findings and policy options**

Among the many different areas of discussion around the harmonisation and coordination of the ESI Funds, two main findings (**Key Finding 1 and 2**) emerged from the research, which were complemented by three options (**Option 1, 2 and 3**).

Figure 1: Overview of Key Findings and Policy Options in the Context of the ESI Funds

 <b>Key Findings</b>	 <b>Policy Options</b>
<p><b>#1</b> Variations in rules between the ESI Funds limit the potential for combining funds and increase administrative burdens especially for large and complex projects</p>	<p><b>#1</b>  Further harmonisation of financial and implementation rules</p> <p><b>#2</b>  Radical harmonisation – one ESI Fund, one set of rules</p>
<p><b>#2</b> Problems resulting from overlaps between ESI Funds resulting in suboptimal allocation of resources</p>	<p><b>#3</b>  Smart demarcation of ESI Funds</p>

Source: KPMG/Prognos (2017).

*Variations in rules between the five ESI Funds*

The **variations in fund specific rules between the five ESI Funds** were found to reduce the possibilities for strong synergies between ESI Funds (especially between ERDF/CF/ESF and EAFRD/EMFF) and to add administrative burdens within Member States (*Key Finding 1*).

The effectiveness of harmonising rules that support the 3Cs appears not as far reaching as was intended by the introduction of the CPR and CSF for 2014–20, although the changes were positively received by most stakeholders working in the context of shared management. However, more than half of Managing Authorities consulted in the study supported further harmonisation and streamlining, a perspective echoed in the expert workshops.

<sup>7</sup> Altus Framework Consortium, The use of new provisions during the programming phase of the European Structural and Investment Funds (Brussels: 2016), p. 130 f.; Metis, The implementation of the provisions in relation to the ex ante conditionalities during the programming phase of the European Structural and Investment (ESI) Funds, study on behalf of DG REGIO. (Brussels: 2016), p. 93.

However, most stakeholders consulted, including beneficiaries, thought that the differences in the fund specific regulations have been a limitation to the effective combination of the different ESI Funds. In addition, the CPR and CSF were viewed by some those consulted as additional layers of regulation and rules, creating additional administrative burdens for the Member States.

Further **harmonisation of financial and other (implementation) rules** in the interests of simplification could be a viable solution (*Option 1*).<sup>8</sup> This could result in a reformed CPR for the post-2020 period, including the harmonisation of horizontal rules (such as state aid rules), the use of terminology, different aid intensities and the application of simplified cost options. The process could be extended to cover monitoring and evaluation rules by reviewing the common output and result indicators, or additional management and control rules (such as audit rules) through a revised CPR/CSF. A similar option was proposed in the 7th Cohesion Report<sup>9</sup> which states that '*coherence could [...] be improved by a single rule book for cohesion policy and other funding instruments with programmes or projects of the same type.*' However, the high costs of implementing harmonisation, especially at the level of the EC and in Member States, can already be anticipated.

#### *One ESI Fund, one set of rules*

More **radical harmonisation** could be achieved through 'one ESI Fund with one set of rules' (*Option 2*). This option envisages a single fund with a single set of rules which would replace the five ESI Funds. This approach would provide an opportunity to ease the current weaknesses and bottlenecks identified during the research, especially the harmonisation of the financial rules and the monitoring and evaluation process. Whilst finding favour with some stakeholders as 'an opportunity to start afresh' there were strong concerns over the practical reality in the available timescale, as well as the costs, of implementing this option. Furthermore, a 'one-size-fits-all' model implied by a single fund could diminish the (necessary) differentiation between the different funds even if the one fund is organised around thematic objectives and targets.

#### *(Undesired) overlaps between ESI Funds*

**Potential inefficiencies and reduced synergies can result from (undesired) overlaps between ESI Funds** (*Key Finding 2*). Although there have been important regulatory changes to increase coordination and complementarities in the 2014–2020 period (including joint design of schemes<sup>10</sup>, multi-fund programmes<sup>11</sup>, common approaches for project development and selection between ESI Funds<sup>12</sup>), some undesired overlaps remain between the ESI Funds.

Some examples of overlaps, either on a programme or project level, were identified. Overlaps can be found when a project or specific components of a project can potentially be financed by different ESI Funds. Whilst it can be argued the coordination and signposting mechanisms at the national level should direct beneficiaries to the appropriate funds, this does not always work in practice. The choice of funding route is often dependent on preferences and understanding of the project applicant. It is at this point that the overlaps between the ESI Funds can be problematic for beneficiaries and

---

<sup>8</sup> This option is largely supported by recent conclusions of the Council of the European Union and other research; see: Council of the European Union, *Synergies and simplification for cohesion policy post-2020: Council adopts conclusions* (15.11.2017); and EoRPA, *Evolution of Revolution? Exploring New Ideas for Cohesion Policy 2020+* (2016), in: EoRPA Research Reports, <http://www.eprc.strath.ac.uk/eorpa/reports.php> (last access: 23.01.2017).

Dijkstra, L., European Commission, *My region, my Europe, our future. Seventh report on economic, social and territorial cohesion*, (Brussels: 2017), p. xxvi.

<sup>10</sup> Regulation (EU) No 1303/2013, Annex I, *Common Strategic Framework*, Section 3.2, (a, c, f).

<sup>11</sup> *Ibid*, Section 3.2, (b).

<sup>12</sup> *Ibid*, Section 3.2, (c, g).






Managing Authorities alike, especially where the demarcation lines between the Funds are unclear.

To tackle undesired overlaps, **‘smart demarcation’ of ESI Funds** could serve as an alternative or complementary approach to harmonisation (*Option 3*). Both managing and coordinating authorities, and the Commission, generally favoured clearer demarcation between policies, funds and responsibilities, but drawing the right demarcation lines between policy objectives is rather complex. Therefore, ‘smart demarcation’ advocates the need for a responsive approach based on strong coordination and cooperation. Smart demarcation is intended as drawing a custom set of demarcation lines between policy objectives tailored to the needs and strategic priorities of programming areas. In this setup, Member States and regions would decide, eventually on a case-by-case basis, what demarcation strategy to apply (e.g. thematic priorities, along intervention types, policy sectors, community size). Smart demarcation has the potential to eliminate grey areas, reduce artificial separation and increase policy effectiveness by closing gaps in support coverage. However, besides the administrative costs resulting from such an approach, any demarcation strategy inherently faces the possible risk of creating of new ‘silos’, with a consequential negative impact on synergies between programmes and funds.

 **ESI Funds and other EU funding instruments delivered through grants covering ESI policy areas – key findings and policy options:**

While it can be acknowledged that the current regulatory framework provides a solid base for the coherent, complementary and coordinated use of the ESI Funds and other EU instruments delivered by grants, the study identified areas where significant improvements could be still achieved. Three key findings and three corresponding policy options are outlined below and relate to the lack of harmonisation, the presence of overlaps, and insufficient information on funding opportunities.

Figure 2: Overview of Key Findings and Policy Options in the Context of the ESI Funds and other EU Instruments Delivered through Grants

 <b>Key Findings</b>	 <b>Policy Options</b>
<b>#3</b> Different implementation rules of ESI Funds and other EU instruments delivered through grants can hamper complementarity	<b>#4</b>  Harmonise financial and implementation rules between selected combinations of ESI Funds and EU instruments
<b>#4</b> Inefficiencies and inconsistencies between ESI Funds and certain other instruments arising from overlapping grant regimes	<b>#5</b>  Clearer demarcation and better coordination of EU instruments
<b>#5</b> Difficulties in accessing user-friendly information and guidance hinders the leveraging of funding opportunities	<b>#6</b>  Improved joint information and advisory services on ESI Funds and other EU instruments

Source: KPMG/Prognos (2017).

*Different implementation rules hamper complementarity*

The **different implementation rules of ESI Funds and other EU instruments delivered through grants can hamper complementarity**. The research shows that while the CSF sets out provisions regarding strengthening the complementary use of ESI Funds and other centrally managed EU programmes, the potential complementary use of different grant based funding sources is limited. This is due to different regulatory and administrative requirements as well as different timings for funding calls and subsequent evaluation of applications. The instrument specific regulations can be difficult to reconcile with the CPR. The issue of state aid compliance was one of the most frequently mentioned problems in interviews and focus groups.

While the need for state aid compliance was not questioned, but it was judged problematic when it comes to the complementary use of funds and instruments (ESI Funds are subject to state aid rules and must respect regulations on aid intensities and notification thresholds, whilst centrally managed are exempt from these regulations). Another issue relates to the use of different cost categories in projects funded e.g. by H2020 and ESI Funds (different items are eligible for funding). These findings are not restricted to the current period nor do they apply to all policy fields in the same way. But several evaluations of the 2007–13 period concluded that for differences in implementation rules, hindered synergies between instruments (e.g. between the 7th Framework Programme (FP7) and Cohesion Policy<sup>13</sup>).

Altogether, the separate regulations for Funds and instruments imply considerable challenges to stakeholders which need '*specialised know-how and additional resources (IT systems, experts etc.) to guarantee the respect of all national and European rules of procedure (including those of the third parties involved)*' (Beneficiary, CEF) – an observation shared by the 7th Cohesion Report.<sup>14</sup> These challenges are further amplified by the large portfolio of different funding instruments with partially overlapping intervention areas (also part of *Key Finding 4*).

*Option 4* suggests **harmonising financial and implementation rules between selected combinations of ESI Funds and EU instruments** delivered through grants (an extension of *Option 1*). While a complete harmonisation of rules is not seen as necessary or indeed practical, a targeted harmonisation for certain combinations of funds and instruments could enhance coherence, complementarity and coordination between the ESI Funds and other EU instruments. Specific opportunities for stronger complementarities through harmonised rules were found for the following combinations:

- **ERDF:** H2020, CEF, LIFE, COSME, Creative Europe, AMIF, ISF
- **ESF:** Erasmus+, FEAD, AMIF, EGF, EaSI, RECP, Justice Programme, ISF
- **EAFRD, EMFF:** EAGF, LIFE

The harmonisation of financial (e.g. audits, eligibility rules, state aid rules) and implementation rules (e.g. timing of calls, required documentation for application, calculation of staff costs) would be especially advantageous for CEF and H2020 with ERDF, or ESF and the Fund for European Aid to the Most Deprived (FEAD).

#### *Inefficiencies resulting from the differences between ESI Funds and other EU instruments*

Furthermore, there appear **various inefficiencies and inconsistencies between the ESI Funds and other EU instruments** delivered through grants arising from **overlapping grant regimes**, as *Key Finding 4* concludes. Due to the overarching investment priorities of ESI Funds and other EU instruments, stakeholders perceive certain areas as 'overlapping' (e.g. in Finland, applicants for EAGF funding under EAFRD commenting on overlapping policy objectives in respect of environmental actions, with funding possibilities from different sources: cross compliance, greening, rural development programmes, LIFE etc. All of these have different requirements, control methods and sanctions, which poses difficulties for beneficiaries). These overlaps are different in the perception of the Commission, Managing Authorities and National Contact Points as well as beneficiaries. However, in all cases they bring about potential risk of inefficiencies due to suboptimal allocation of resources and could be mitigated by appropriate demarcation efforts.

---

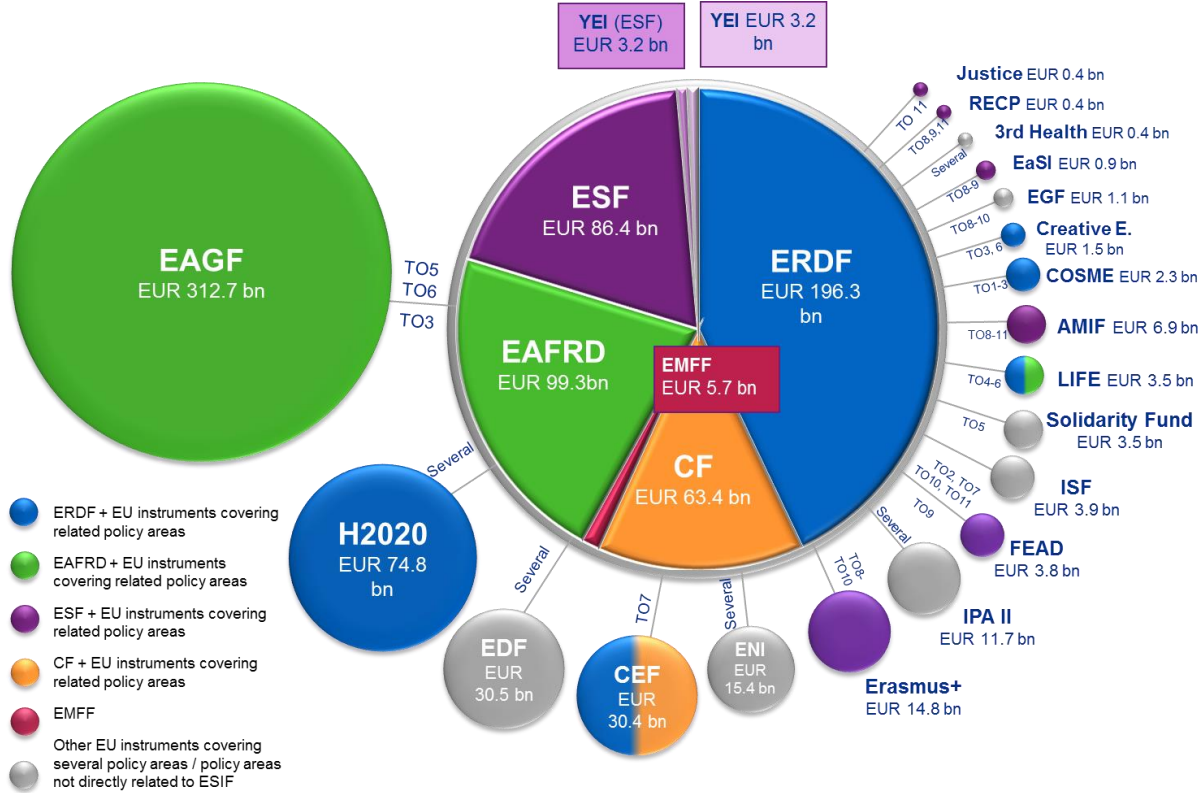
<sup>13</sup> Ferry M., Kah S., Bachtler J., Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals, Re-search for REGI Committee (2016).

<sup>14</sup> For similar arguments see also: Dijkstra, L., European Commission, *My region, my Europe, our future. Seventh report on economic, social and territorial cohesion*, (Brussels: 2017), p. XXVI.

Figure 4 below shows that in the current funding portfolio of ESI Funds and other EU instruments delivered through grants there are numerous cross-relationships and linkages due to corresponding thematic objectives. For instance, pictured in blue colours, the relationship of the ERDF and other EU instruments (H2020, CEF, LIFE, COSME, etc.) with corresponding thematic objectives (incl. TO1–3, TO7 etc.) is shown.

Similarly, the purple colours illustrate the various related policy areas of the ESF and other EU instruments (incl. Erasmus+, FEAD, AMIF, EaSI, etc.).

Figure 3: Linkages between ESI Funds and EU Instruments



Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 158, Annex 5.

The issue of undesired overlaps is not a new phenomenon in the 2014–20 programming period. As a former study argues the 'demarcation of tasks and responsibilities to avoid costly administrative overlaps, duplication or 'double financing'<sup>15</sup> was a dominant approach of the 2007–13 programming period.

Option 5 suggests a **clearer demarcation and better coordination of EU instruments delivered through grants, to avoid duplication**. Demarcation can be viewed at different levels. It could involve fewer instruments with clearer differentiation of policy objectives (using the thematic objectives or groupings of them), sectors and targets. Equally, it can allow funds to combine and co-exist if clear demarcation is in place to demonstrate the complementarity between funding instruments. The choice of strategies is the smart definition approach described above (Option 3).

Two approaches were identified during the research. The clearer demarcation and differentiation of policy objectives were suggested by Managing Authorities and National Contact Points, whereas stronger coordination was suggested in feedbacks received from

<sup>15</sup> M. Ferry, S. Kah, J. Bachtler, Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals, Re-search for REGI Committee (2016), p. 23.

EC representatives. Both can improve complementarity between ESI Funds and other EU instruments.

*Lack of a comprehensive centrally managed information and advisory service*

The **lack of a comprehensive centrally managed information and advisory service** appears to hinder stakeholders in accessing funding opportunities (*Key Finding 5*). Comprehensive information about EU funding instruments is currently not integrated in a single European site. By example, this study analysed 19 grant-based EU instruments. The relevant websites for these instruments generally provide basic information on single instruments including, the currently available calls for proposals, eligibility criteria of applicants, and the number of projects envisaged. These pieces of information are neither standardised nor evenly accessible on all the websites.

The challenges stemming from a lack of clarity are twofold. Beneficiaries are unsure which EU instrument or programme to select, that would best fit their investment needs as they do not have an overview of the opportunities. They also lack practical information on how the instruments could be combined with ESI Funds. This in turn can result in an unnecessary loss in opportunities for funding applications and also for combining funds.

**A review of information services on EU funding opportunities information provision** therefore is an important aspect and improved information and advisory service (*Option 6*) that could lead to a new 'one-stop-shop' EU portal, or enhancements to existing EU/national systems could be viable approaches, subject to costs of development and implementation and the practicalities involved in keeping such systems current. More precisely, this option provides three levels for consideration.

- The first is a technology based one-stop shop with algorithms to help signpost the user (as is common place in social media). There would be high development and implementation costs
- Secondly, a better use of existing EU-systems with enhanced access to and marketing of online information could be a partial option.
- And thirdly, the promotion of already existing 'one-stop shops' on regional and national level, of which there are several examples, could also be pursued. This would be the most practical route, especially if a consistency of service between Member States could be agreed and implemented (at present coverage and quality varies).

All could reasonably contribute to the better leverage of complementarities between ESI Funds and other EU instruments (potentially also including FIs). One of the main conclusions from the research was that many beneficiaries are not aware of the availability of funding and the associated rules. If this could be alleviated by the introduction and dissemination of intelligent information platforms, the overall complementarity of funding may be increased.






**ESI Funds and EU financial instruments and instruments managed by the European Investment Bank – key findings and policy options**

In the third research stream the study assessed the coherence, complementarity and coordination of policy objectives and implementation mechanisms of FIs of ESI Funds and centrally managed FIs, managed by the European Investment Bank (EIB). FIs have been developing since the 1994–1999 programming period and there is still a high level of evolution as Managing Authorities, financial intermediaries and beneficiaries have more experience. In the wake of some criticism levelled at the limited set of rules for FIs in 2007–2013, the legislators introduced more specific rules for 2014–2020, with the OMNIBUS Regulation introducing further reforms and refinements.



Figure 4: Overview of Key Findings and Policy Options in the Context of the ESI Funds and EU financial instruments and Instruments Managed by the European Investment Bank

 Key Findings	 Policy Options
<p><b>#6</b> There are different rules and regulatory frameworks which result in an increase of complexity</p>	<p><b>#7</b>  Improved demarcation and consolidation of the FI portfolio (EU level FIs)</p>

Source: KPMG/Prognos (2017).

*There are varying rules and regulatory frameworks which result in an increase of complexity for beneficiaries and MAs.*

In the context of FIs, the **different rules and regulatory frameworks applicable for centrally managed FIs and ESI Fund FIs respectively** were causing uncertainty, and potentially detracting from the development of FIs.<sup>16</sup> There are diverse regulatory frameworks governing centrally managed FIs and ESI Fund FIs and there are different regulations and rules for financial instruments under various funds and management levels, including the treatment of state aids. Where these concern the same stakeholders they created an overall complex regulatory environment of EU supported financial instruments that can serve to impede potential synergies and combinations between instruments.<sup>17</sup>

These differences can raise legal uncertainties for the stakeholders involved and may lead to conflict between applicable rules, due to different legal frameworks.<sup>18</sup> For instance, recent literature<sup>19</sup> has shown that more than half of the Managing Authorities that were users of FIs highlighted the need for additional advisory support on the main aspects of the implementation of ESI Funds FIs, due to their complexity (see also *Option 6* above). However, the evidence from interviews and focus groups pointed to the importance of experience, with officials well versed in FIs more accepting of the current situation and the level of explanatory guidance already available.

There are specific requirements that significantly diversify the implementation mechanisms of both ESI Funds and centrally managed FIs, and can create hurdles in combining funds. For example, differences regarding state aid rules and audit requirements were identified as factors impeding coordination and complementarity between FIs. Those consulted also raised, public procurement processes (i.e. relevant to the selection of financial intermediaries), reporting requirements, and requirements regarding ex ante assessments as additional administrative burdens.

<sup>16</sup> The complexity of the regulatory frameworks and diversification of implementing rules were repeatedly raised during both focus group discussions on FIs and in a significant number of interviews with various stakeholders (including interviews with MAs in Lithuania, Germany, Estonia, financial intermediaries from Greece, France, Hungary, the Netherlands and Belgium as well as two fi-compass group experts).

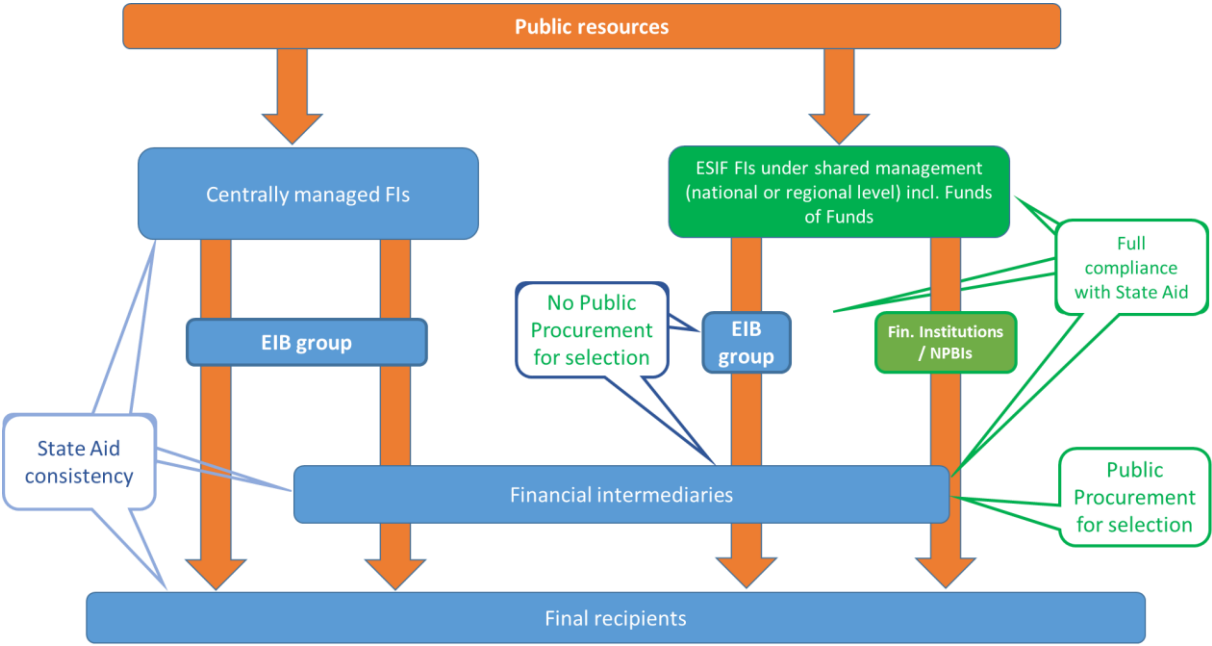
<sup>17</sup> Centrally managed FIs are governed by different 'Delegated Acts', 'Financial and Administrative Framework Agreements (FAFAs)' and 'Delegation Agreements'. The ESIF FIs are governed by the Common Provisions Regulation (CPR) and fund specific regulations, Delegated and Implementing Acts, topped-up with Public Procurement and State Aid rules.

<sup>18</sup> European Court of Auditors (2015) Opinion No. 11/2015 (pursuant to Article 287(4) of the Treaty on the Functioning of the European Union) concerning the proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No. 1291/2013 and (EU) No. 1316/2013, Luxembourg).

<sup>19</sup> EPRC, Wishlade, F., Michie, R., Robertson, P., Vernon, P, *Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017).

In the figure below, the main differences between FIs under shared management and FIs under centralised management are presented.

Figure 5: Main Differences between FIs under Shared Management and FIs under Centralised Management



Source: KPMG/Prognos (2017).

Various ideas were proposed in discussions from a common rule book to specific reforms of process and rules (e.g. common auditing rules), but also in the context of a stable regulatory environment<sup>20</sup>. To address the issues raised in the research *Option 7* proposes an **improved demarcation and consolidation of the FI portfolio**.

A clear demarcation of targeted recipients or sector could potentially lead to fewer FIs with bigger budgets and could also alleviate the issue of potential low impact of some FIs due to their small size. Consolidating some of the centralised FIs portfolios with a view to demarcating their policy focus areas could represent a solution. In fact, more than half of participants in focus groups, interviews and workshops supported the option for further demarcation and consolidation of the FI portfolio to improve synergies. Through this option, there is the potential to extend the possibility of combining funds, to enhance complementarities and foster stronger coherence once more effective complementarities are ensured. However, the costs and logistics of this level of change could prove prohibitive and would require additional learning by stakeholders.

**Strategic outlook – ESI Funds and other EU instruments post-2020**

The **changes that were made for the 2014–2020 programming period have generally added value and worked well**, once the learning curve process is complete. However, the evidence, and especially from the interviews and focus groups, supports further reforms across all three areas of investigation (ESI Funds under shared management, other grants and FIs), and in respect of complementarity and coordination at the implementation level.

<sup>20</sup> Ibid.

**Two general strategies** could be considered, separately or in tandem:

- The first is a set of further actions to **remove the bottlenecks that prevent or reduce the levels of complementarity and coordination**. This can include, as outlined above, harmonised financial and implementing rules, processes (especially audits and monitoring and evaluation) as well as investments in 'one-stop-shop' information and advisory services. It could also include a merging of funds (single funds) in some policy areas. All of this is arguably more 'straightforward' in the context of the ESI Funds, less so when other EU instruments are involved.
- The second approach accepts that there are some limitations to increased harmonisation and there are significant investment and time costs to consider. In this case a strategy of **clearer demarcation between funds** could be preferable, as an alternative or complementary approach, but with the potential to improve transparency and reduce transaction costs, whilst also making the process of managing and accessing EU funds simpler. This approach might also result in a streamlining of funds, both other grant regimes and FIs, to help reduce overlaps.

In both cases **clarity of communication and information** is an important condition and should be addressed as part of a third strategy. Communication remains a constant task in the whole programme cycle. It is an important means for information, motivation and accompanying implementation. With the strong improvements observed in the programming stage of the 2014–2020, many relevant developments such as the Structured Dialogue with ESI Funds Partners 2014–2020, the Stairway to Excellence initiative<sup>21</sup>, or the European Investment Advisory Hub could be initiated. Building upon this experience, for the future, additional work to further improve and specially to maintain communication levels throughout programme implementation, including improved information services for beneficiaries, need to be identified.

---

<sup>21</sup> See Annex 5 for further explanations on the Stairway to Excellence Initiative.

## SYNTHÈSE

Voici le rapport final de l'« Étude sur la coordination et l'harmonisation des Fonds ESI<sup>22</sup> et d'autres instruments de l'UE ».

Cette étude a évalué la cohérence, la complémentarité et la coordination (3C) au sein des Fonds européens structurels et d'investissement (FESI) et entre ces fonds et d'autres instruments de l'UE par rapport aux objectifs des politiques et aux mécanismes de mise en œuvre. L'analyse porte sur les trois groupes de fonds ou instruments suivants :

- Les FESI dans le cadre des règles de gestion partagée ;
- Les FESI et d'autres instruments de l'UE octroyés sous forme de subventions couvrant des domaines d'action des FESI ;
- Les FESI et instruments financiers (IF) de l'UE et les instruments gérés par la Banque européenne d'investissement (BEI).

L'étude a analysé de façon systématique – à ce jour – les expériences de la période de programmation 2014–2020 des 28 États membres de l'UE sur la base de 238 entretiens, 32 réunions avec des groupes de discussion et plus de 250 rapports et documents issus des publications actuelles. Ce travail comprend également des informations issues de périodes de programmation précédentes. Deux ateliers d'experts ont eu lieu à Bruxelles pour valider les résultats et options développés tout au long de l'étude.

### *Réformes de l'UE pour la période de programmation 2014–2020*

Dès le début de la période 2014–2020, le nouveau **cadre réglementaire a largement renforcé les liens stratégiques** des FESI et d'autres politiques de l'UE avec la stratégie Europe 2020, avec une forte amélioration du principe de coordination.

Dans le cadre de la préparation à la période 2014–2020, la Commission a prôné une plus grande attention aux objectifs de politique transversale (« une logique paneuropéenne ») afin d'encourager des synergies entre les fonds et programmes. Elle a également reconnu le besoin de renforcer la coordination et la cohérence.

Le Règlement portant dispositions communes (RPDC) a été appliqué aux cinq FESI pour la première fois et a précisé le projet de coordination entre les FESI, et d'autres instruments de financement de l'UE et nationaux, ainsi que la BEI. Par ailleurs, le cadre stratégique commun (CSC) a présenté les domaines spécifiques où l'on vise des synergies entre les FESI et d'autres instruments et politiques de l'UE. Pour ce faire, il a fourni des ententes et mécanismes concrets. Pour les FESI, ces derniers incluaient la conception commune de projets, des programmes multi-fonds, des comités mixtes de suivi et des investissements territoriaux intégrés (ITI). Les États membres ont également reçu des « règles propices à la synergie » précises (p. ex. : le cumul de subventions, l'alignement des modèles de coûts, etc.)<sup>23</sup>. Le CSC a mis en avant de nombreux domaines où des synergies entre les FESI et d'autres instruments et politiques de l'UE peuvent être réalisées.

---

<sup>22</sup> Les Fonds ESI (FESI) sont composés du Fonds européen de développement régional (FEDER), du Fonds social européen (FSE), du Fonds de cohésion, du Fonds européen agricole pour le développement rural (FEADER) et du Fonds européen pour les affaires maritimes et la pêche (FEAMP), ainsi que de l'initiative pour l'emploi des jeunes (IEJ) en partie financée par le FSE.

<sup>23</sup> Art. 65 (11) RPDC : possibilité de cumuler des subventions de différents instruments de financement de l'UE (ou des FESI) pour un même bénéficiaire ou projet ; Art. 67 (5) b et 68 (1) c : permet un alignement des modèles de coûts pour les coûts correspondant et mêmes types d'opérations et de bénéficiaires dans le cadre de l'Horizon 2020 et d'autres programmes de l'UE. Voir Commission européenne (2013) : Règlement portant dispositions communes (1303/2013) (JO 347/422, 20/12/2013).

D'après les premiers éléments de la période de programmation<sup>24</sup>, la coordination, la cohérence et la complémentarité ont connu une nette amélioration au sein des États membres grâce à ces nouvelles dispositions. Le tout en vue de l'instauration des conditions préalables stratégiques, institutionnelles et réglementaires pour une mise en œuvre efficace du programme.

*Six conclusions principales et options stratégiques correspondantes ont été identifiées*

Les **six conclusions principales et sept options stratégiques correspondantes**, conçues pour améliorer les 3C, sont présentées plus loin sous les trois groupes de fonds et instruments. Elles sont destinées à informer la prochaine évaluation d'impact pour la période de programmation post-2020. Les options ne s'excluent pas forcément mutuellement. Elles peuvent aussi être complémentaires et appliquées en parallèle dans le cadre d'une stratégie plus large de réforme.



### Les cinq FESI dans le cadre de la gestion partagée – conclusions principales et options stratégiques

Parmi les différents sujets d'étude concernant l'harmonisation et la coordination des FESI, deux grandes conclusions (**Conclusion principale 1 et 2**) sont ressorties de la recherche et ont été complétées par trois options (**Option 1, 2 et 3**).

Figure 6: aperçu des Conclusions principales et Options stratégiques dans le cadre des FESI

 Conclusions principales	 Options stratégiques
<p><b>#1</b> Les variations de règles entre les FESI limitent la possibilité de combiner des fonds et augmentent les contraintes administratives, surtout pour les projets importants et complexes</p>	<p><b>#1</b>  Meilleure harmonisation des règles financières et de mise en œuvre</p> <p><b>#2</b>  Harmonisation radicale – un seul FESI, un seul ensemble de règles</p>
<p><b>#2</b> Problèmes dus à des recoupements entre les FESI et entraînant une allocation sous-optimale des ressources</p>	<p><b>#3</b>  Délimitation intelligente des FESI</p>

Source : KPMG/Prognos (2017).

#### *Variations de règles entre les cinq FESI*

Les **variations de règles propres au fonds entre les cinq FESI** réduisent les possibilités de fortes synergies entre les FESI (notamment entre les FEDER/FC/FSE et FEADER/FEAMP) et rajoutent des contraintes administratives au sein des États membres (*Conclusion principale 1*).

L'efficacité de l'harmonisation des règles appuyant les 3C semble moins profonde que prévu par l'introduction des RPDC et CSC pour 2014–20, bien que les changements ont été bien accueillis par la plupart des parties prenantes travaillant dans le cadre d'une gestion partagée. Cependant, plus de la moitié des autorités de gestion consultées dans l'étude se sont déclarées en faveur d'une plus grande harmonisation et rationalisation ; une perspective que l'on retrouve dans les ateliers d'experts.

<sup>24</sup> Altus Framework Consortium, L'utilisation de nouvelles dispositions pendant la phase de programmation des Fonds européens structurels et d'investissement (Bruxelles : 2016), p. 130 sq. ; Metis, La mise en œuvre des dispositions par rapport aux conditionnalités ex ante pendant la phase de programmation des Fonds européens structurels et d'investissement (FESI), étude pour le compte de DG REGIO. (Bruxelles : 2016), p. 93.

Cependant, d'après la plupart des parties prenantes consultées, dont les bénéficiaires, les différences de règlements propres au fonds ont limité la combinaison efficace des différents FESI. Par ailleurs, certaines personnes consultées ont déclaré que les RPDC et CSC représentaient pour elles des strates supplémentaires de règles, créant par là des contraintes administratives supplémentaires pour les États membres.

Par souci de simplification, une meilleure **harmonisation des règles financières et autres règles (de mise en œuvre)** pourrait constituer une solution viable (*Option 1*).<sup>25</sup> Ce qui pourrait engendrer une réforme du RPDC pour la période post-2020, avec l'harmonisation des règles horizontales (comme les règles en matière d'aides d'État), l'usage de la terminologie, des intensités d'aide différentes et l'application d'options simplifiées en matière de coûts. Le processus pourrait être élargi afin de couvrir les règles de gestion et d'évaluation en revoyant les indicateurs communs de réalisation et de résultat, ou les règles de contrôle et de gestion supplémentaires (comme les règles d'audit) via un RPDC/CSC remanié. Une option similaire avait été proposée dans le 7<sup>ème</sup> rapport sur la cohésion<sup>26</sup> stipulant que « la *cohérence pourrait [...] être améliorée grâce à un règlement uniforme pour la politique de cohésion et d'autres instruments de financement avec des programmes et projets du même type* ». Cependant, on peut déjà anticiper des coûts élevés pour la mise en place de l'harmonisation, notamment au niveau de la CE et des États membres.

#### *Un seul FESI, un seul ensemble de règles*

Il est possible de réaliser une **harmonisation plus radicale** grâce à « un seul FESI avec un seul ensemble de règles » (*Option 2*). Avec cette option, il y aurait un fonds unique avec un ensemble unique de règles au lieu des cinq FESI. Cette méthode permettrait de simplifier les faiblesses et obstacles actuels identifiés pendant la recherche, en particulier l'harmonisation des règles financières et du processus de gestion et d'évaluation. Même si certaines parties prenantes ont considéré cette option comme « une opportunité pour tout recommencer à zéro », de vives inquiétudes se sont manifestées quant à sa concrétisation dans les temps disponibles et à son coût de mise en œuvre. Par ailleurs, un modèle uniforme lié à un fonds unique pourrait diminuer la différenciation (nécessaire) entre les différents fonds, même si ce fonds unique est organisé autour d'objectifs thématiques.

#### *Recoupements (indésirables) entre FESI*

**Les éventuels manques d'efficacité et réductions de synergies peuvent provenir de recoupements (indésirables) entre FESI** (*Conclusion principale 2*). Même si d'importantes modifications réglementaires ont eu lieu afin d'améliorer la coordination et les complémentarités pour la période 2014–2020 (conception commune de projets<sup>27</sup>, programmes multi-fonds<sup>28</sup>, stratégies communes pour le développement de projet et la sélection entre FESI<sup>29</sup>), il reste des recoupements indésirables entre les FESI.

Certains exemples de recoupements, au niveau du programme ou du projet, ont été identifiés. Les recoupements peuvent survenir lorsqu'un projet ou certains de ses aspects spécifiques sont potentiellement financés par différents FESI. Même si les mécanismes de coordination et d'orientation au niveau national sont censés diriger les bénéficiaires vers les fonds appropriés, ça n'est pas toujours le cas dans les faits. Le choix du financement

---

<sup>25</sup> Cette option est largement appuyée par les conclusions récentes du Conseil de l'Union européenne et par d'autres recherches ; voir : Conseil de l'Union européenne, *Synergies et simplification pour la politique de cohésion post-2020 : le Conseil adopte des conclusions* (15/11/2017) ; et EoRPA, *Évolution de la Révolution ? Explorer de nouvelles idées pour la politique de cohésion 2020+* (2016), dans : Rapports de recherche de l'EoRPA, <http://www.eprc.strath.ac.uk/eorpa/reports.php> (dernier accès : 23/01/2017).

Dijkstra, L., La Commission européenne, *Ma région, mon Europe, notre avenir. Septième rapport sur la cohésion économique, sociale et territoriale*, (Bruxelles : 2017), p. xxvi.

<sup>27</sup> Règlement (UE) N° 1303/2013, Annexe I, *Cadre stratégique commun*, Section 3.2, (a, c, f).

<sup>28</sup> Ibid., Section 3.2, (b).

<sup>29</sup> Ibid., Section 3.2, (c, g).

dépend souvent des préférences et connaissances de la personne qui présente son projet. C'est à ce moment-là que les recouvrements entre les FESI peuvent poser problème à la fois pour les bénéficiaires et les autorités de gestion, surtout lorsque les lignes de délimitation entre les fonds n'est pas nette.






La « **délimitation intelligente** » des FESI peut constituer une méthode alternative ou complémentaire à l'harmonisation (*Option 3*) afin de lutter contre les recouvrements indésirables. Les autorités de gestion et de coordination ainsi que la Commission se sont généralement montrées en faveur d'une délimitation plus nette entre les politiques, les fonds et les responsabilités. Mais il est plutôt complexe de tracer les bonnes lignes de délimitation entre les objectifs des politiques. C'est pourquoi la « délimitation intelligente » défend une méthode adaptée, fondée sur une forte coordination et coopération. La délimitation intelligente vise à tracer un ensemble personnalisé de lignes de délimitation entre les objectifs des politiques adaptées aux besoins et priorités stratégiques des domaines de programmation. Dans ce contexte, les États membres et régions décideraient, finalement au cas par cas, de la stratégie de délimitation à appliquer (p. ex. : les priorités thématiques, les types d'intervention, les domaines d'action, la taille de la collectivité). La délimitation intelligente a la capacité d'éliminer les zones d'ombre, de réduire la séparation artificielle et d'augmenter l'efficacité des politiques en comblant les écarts en matière d'aide. Cependant, en plus des coûts administratifs engendrés par une telle méthode, toute stratégie de délimitation risque naturellement de créer de nouveaux « silos », avec des incidences sur les synergies entre les programmes et les fonds.



**FESI et autres instruments de financement de l'UE octroyés sous forme de subventions couvrant des domaines d'action des FESI – conclusions principales et options stratégiques :**

Certes le cadre réglementaire actuel fournit une base solide en vue d'une utilisation cohérente, complémentaire et coordonnée des FESI et autres instruments de l'UE octroyés par subventions, mais l'étude a identifié des domaines comportant encore une forte marge de progression. Trois conclusions principales et trois options stratégiques correspondantes sont décrites ci-dessous. Elles traitent du manque d'harmonisation, de la présence de recouvrements et des informations insuffisantes sur les possibilités de financement.

Figure 7: aperçu des Conclusions principales et Options stratégiques dans le cadre des FESI et autres instruments de l'UE octroyés sous forme de subventions

 <b>Conclusions principales</b>	 <b>Options stratégiques</b>
<b>#3</b> Des règles de mise en œuvre différentes pour les FESI et les autres instruments de l'UE octroyés sous forme de subventions peuvent entraver la complémentarité	<b>#4</b>  Harmoniser les règles financières et de mise en œuvre entre des combinaisons sélectionnées de FESI et d'instruments de l'UE
<b>#4</b> Manques d'efficacité et incohérences entre les FESI et certains autres instruments dus au recouvrement de régimes de subventions	<b>#5</b>  Délimitation plus nette et meilleure coordination des instruments de l'UE
<b>#5</b> Les difficultés d'accès à des informations et conseils faciles à comprendre entravent l'exploitation des possibilités de financement	<b>#6</b>  De meilleurs services communs de conseil et d'information sur les FESI et autres instruments de l'UE

Source : KPMG/Prognos (2017).

*Des règles de mise en œuvre différentes entravent la complémentarité*

**Les règles de mise en œuvre différentes des FESI et autres instruments de l'UE octroyés sous forme de subventions peuvent entraver la complémentarité.** D'après la recherche, même si le CSC contient des dispositions relatives au renforcement de l'utilisation complémentaire des FESI et autres programmes de l'UE faisant l'objet

d'une gestion centrale, l'utilisation complémentaire de sources de financement différentes basées sur des subventions est limitée. Ce problème résulte d'exigences administratives et réglementaires différentes, mais aussi des différences de dates pour les appels en vue du financement et pour l'évaluation ultérieure des candidatures. Il peut s'avérer difficile de réconcilier les règlements propres à l'instrument avec le RPDC. La question de la conformité aux aides d'État était l'un des problèmes les plus fréquemment abordés dans les entretiens et groupes de discussion.

Même si la nécessité de conformité aux aides d'État n'a pas été contestée, celle-ci a été jugée problématique pour l'utilisation complémentaire de fonds et instruments (les FESI sont soumis aux règles des aides d'État et doivent respecter les règlements sur les intensités d'aide et seuils de notification, tandis que les fonds à gestion centrale sont exempts de ces règlements). Un autre problème concerne l'utilisation de catégories de coûts différentes dans les projets financés, notamment par H2020 et les FESI (des éléments différents sont éligibles au financement). Ces conclusions ne sont pas limitées à la période actuelle et ne s'appliquent pas de la même manière à tous les domaines d'action. Mais plusieurs évaluations de la période 2007–13 ont conclu que les différences de règles de mise en œuvre ont entravé les synergies entre instruments (p. ex. : entre le 7<sup>ème</sup> programme-cadre (7<sup>ème</sup> PC) et la Politique de cohésion<sup>30</sup>).

En fin de compte, les règlements séparés des Fonds et instruments impliquent des défis considérables pour les parties prenantes qui ont besoin d'un « savoir-faire spécialisé et de ressources supplémentaires (systèmes informatiques, experts, etc.) pour garantir le respect de toutes les règles de procédure nationales et européennes (y compris celles des tiers concernés) » (Bénéficiaire, CEF) – une observation confirmée par le 7<sup>ème</sup> rapport sur la cohésion.<sup>31</sup> These challenges are further amplified by the large portfolio of different funding instruments with partially overlapping intervention areas (also part of *Key Finding 4*).

L'Option 4 propose d'**harmoniser les règles financières et de mise en œuvre entre des combinaisons sélectionnées de FESI et d'instruments de l'UE** octroyés sous forme de subventions (prolongement de l'Option 1). Tandis qu'une harmonisation totale des règles n'est pas perçue comme nécessaire, ni même pratique, une harmonisation ciblée de certaines combinaisons de fonds et d'instruments pourrait améliorer la cohérence, la complémentarité et la coordination entre les FESI et d'autres instruments de l'UE. On a identifié des possibilités de complémentarités renforcées via des règles harmonisées pour les combinaisons suivantes :

- **FEDER** : H2020, CEF, LIFE, COSME, Europe créative, FAMI, FSI
- **FSE** : Erasmus+, FEAD, FAMI, FEM, EaSI, RECP, Programme Justice, FSI
- **FEADR, FEAMP** : FEAGA, LIFE

L'harmonisation des règles financières (p. ex. : audits, règles d'éligibilité, règles sur les aides d'État) et de mise en œuvre (p. ex. : date des appels, documentation exigée pour les candidatures, calcul des coûts de personnel) serait particulièrement avantageuse pour le CEF et le H2020 avec le FEDER, ou pour le FSE et le Fonds européen d'aide aux plus démunis (FEAD).

*Manques d'efficacité à cause des différences entre les FESI et d'autres instruments de l'UE*

---

<sup>30</sup> Ferry M., Kah S., Bachtler J., Maximisation des synergies entre les Fonds européens structurels et d'investissement et les Fonds d'investissement et autres instruments de l'UE pour atteindre les objectifs d'Europe 2020, Recherche pour la commission REGI (2016).

<sup>31</sup> Pour des arguments similaires, voir également : Dijkstra, L., La Commission européenne, *Ma région, mon Europe, notre avenir. Septième rapport sur la cohésion économique, sociale et territoriale*, (Bruxelles : 2017), p. XXVI.

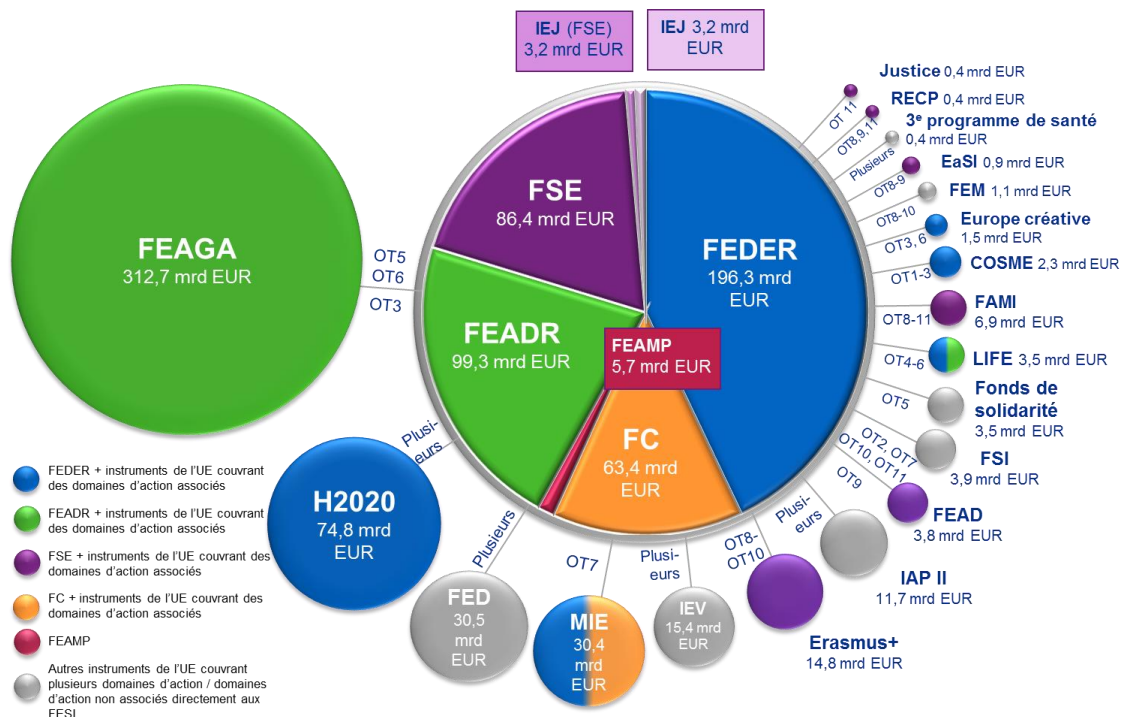


Par ailleurs, il existe apparemment **divers manques d'efficacité et incohérences entre les FESI et d'autres instruments de l'UE** octroyés sous forme de subventions à cause du **chevauchement de régimes de subventions**, comme l'indique la *Conclusion principale 4*. À cause des grandes priorités d'investissement des FESI et d'autres instruments de l'UE, les parties prenantes estiment que certains domaines « se chevauchent » (p. ex. : en Finlande, des candidats pour un financement FEAGA dépendant du FEADR ont parlé de chevauchement des objectifs des politiques en matière d'actions environnementales, avec des possibilités de financement de sources différentes : conditionnalité, écologisation, programmes de développement durable, LIFE, etc. Toutes ont des exigences, méthodes de contrôle et sanctions différentes, ce qui entraîne des difficultés pour les bénéficiaires). Ces recouvrements sont différents selon la perception de la Commission, des autorités de gestion et points de contact nationaux ainsi que des bénéficiaires. Mais dans tous les cas ils entraînent un risque de manques d'efficacité à cause de l'allocation sous-optimale des ressources et pourraient être atténués par une délimitation appropriée.

La Figure 4 ci-dessous montre que dans le portefeuille de financement actuel des FESI et d'autres instruments de l'UE octroyés sous forme de subventions, il existe de nombreux liens et relations croisées du fait d'objectifs thématiques correspondants. Par exemple, la relation du FEDER et d'autres instruments de l'UE (H2020, CEF, LIFE, COSME, etc.) avec des objectifs thématiques correspondants (dont OT1-3, OT7 etc.) est représentée en bleu.

Le violet montre les divers domaines d'action associés du FSE et d'autres instruments de l'UE (dont Erasmus+, FEAD, FAMI, EaSI, etc.).

Figure 8: liens entre les FESI et d'autres instruments de l'UE



Source : KPMG/Prognos (2017). À partir de sources présentées dans Table 16, p. 164, Annexe 4 et Table 20, p. 176, Annexe 5.

La question des recoupements indésirables n'est pas un phénomène nouveau dans la période de programmation 2014–20. Comme le soutient une étude précédente, la « *délimitation des tâches et responsabilités pour éviter des recoupements administratifs coûteux, les dédoublements ou le « double financement »* »<sup>32</sup> était une méthode dominante de la période de programmation 2007–13.

L'Option 5 propose une **délimitation plus nette et une meilleure coordination des instruments de l'UE octroyés sous forme de subventions pour éviter les dédoublements**. La délimitation peut être observée à différents niveaux. Elle peut comporter un nombre plus restreint d'instruments avec une différenciation plus nette des objectifs des politiques (en utilisant les objectifs thématiques ou en les regroupant), des secteurs et des cibles. Elle peut aussi permettre à des fonds de s'associer et de coexister si une nette délimitation est en place afin de montrer la complémentarité entre les instruments de financement. Le choix des stratégies est la méthode de définition intelligente décrite ci-dessus (*Option 3*).

Deux méthodes ont été identifiées pendant la recherche. Les autorités de gestion et les points de contact nationaux ont proposé une délimitation plus nette et une différenciation des objectifs des politiques, tandis que les remarques des représentants de la CE ont suggéré une coordination renforcée. Ces deux propositions peuvent améliorer la complémentarité entre les FESI et d'autres instruments de l'UE.

*Absence de service cohérent de conseil et d'information faisant l'objet d'une gestion centrale*

L'**absence de service cohérent de conseil et d'information faisant l'objet d'une gestion centrale** semble entraver l'accès des parties prenantes aux possibilités de financement (*Conclusion principale 5*). Aucune information cohérente en matière de financement de l'UE n'est actuellement intégrée dans un site européen unique. Par exemple, cette étude a analysé 19 instruments de l'UE basés sur des subventions. Les sites Internet pertinents à propos de ces instruments fournissent en général des informations basiques sur certains instruments, comme les appels à propositions actuels, les critères d'éligibilité des candidats et le nombre de projets prévus. Ces informations ne sont pas standardisées ni même accessibles sur tous les sites Internet.

Les défis résultant d'une absence de clarté sont doubles. Les bénéficiaires ne savent pas quel instrument ou programme de l'UE choisir, lequel correspondrait le mieux à leurs besoins en investissement puisqu'ils n'ont aucun aperçu des possibilités. Il leur manque aussi des informations pratiques sur les possibilités de combinaison des instruments avec les FESI. Ceci peut donc entraîner une perte inutile de possibilités pour des candidatures au financement et également pour des combinaisons de fonds.

C'est pourquoi une **révision des services d'information sur la transmission d'information concernant les possibilités de financement de l'UE** constitue un aspect important et un meilleur service de conseil et d'information (*Option 6*) qui pourrait mener à un nouveau portail UE « guichet unique », ou des améliorations apportées aux systèmes actuels UE/nationaux apparaissent comme des méthodes viables, sous réserve des coûts de développement et de mise en œuvre et des détails pratiques en vue de l'actualisation de ces systèmes. Plus précisément, cette option est à considérer à trois niveaux.

- Le premier est un guichet unique technologique avec des algorithmes pour mieux orienter l'utilisateur (chose courante sur les réseaux sociaux). Ce qui serait synonyme de coûts de développement et de mise en œuvre élevés

---

<sup>32</sup> M. Ferry, S. Kah, J. Bachtler, Maximisation des synergies entre les Fonds européens structurels et d'investissement et les Fonds d'investissement et autres instruments de l'UE pour atteindre les objectifs d'Europe 2020, Recherche pour la commission REGI (2016), p. 23.

- Ensuite, une meilleure utilisation des systèmes UE actuels avec un marketing et un accès amélioré à l'information en ligne pourrait représenter une option partielle.
- Enfin, on pourrait continuer la promotion des « guichets uniques » déjà en place au niveau régional et national et dont il existe plusieurs exemples. Ce serait le moyen le plus pratique, surtout s'il y a possibilité de s'accorder sur et de mettre en œuvre une cohérence de service entre les États membres (à l'heure actuelle, la couverture et la qualité varient).




L'ensemble pourrait raisonnablement contribuer à une meilleure exploitation des complémentarités entre les FESI et autres instruments de l'UE (y compris éventuellement les IF). L'une des principales conclusions de la recherche était que de nombreux bénéficiaires ignorent la disponibilité du financement et les règles associées. Si l'introduction et la diffusion de plateformes d'informations intelligentes pouvait alléger ce problème, cela entraînerait une meilleure complémentarité de financement.



### FESI et instruments financiers de l'UE et autres instruments gérés par la Banque européenne d'investissement – conclusions principales et options stratégiques

Dans le troisième volet de recherche, l'étude a évalué la cohérence, la complémentarité et la coordination des objectifs des politiques et des mécanismes de mise en œuvre des IF de FESI et des IF à gestion centrale, gérés par la Banque européenne d'investissement (BEI). Les IF se sont développés depuis la période de programmation 1994–1999 et le niveau d'évolution reste élevé car les autorités de gestion, intermédiaires financiers et bénéficiaires ont plus d'expérience. Suite aux critiques émises par rapport à l'ensemble de règles limitées pour les IF en 2007–2013, les législateurs ont introduit des règles plus spécifiques pour 2014–2020, avec le Règlement OMNIBUS comprenant de nouvelles réformes et améliorations.

Figure 9: aperçu des Conclusions principales et Options stratégiques dans le cadre des FESI et autres instruments financiers de l'UE et des Instruments gérés par la Banque européenne d'investissement

 Conclusions principales	 Options stratégiques
<p><b>#6</b> Il existe des règles et cadres réglementaires différents, ce qui augmente la complexité</p>	<p><b>#7</b>  Meilleure délimitation et renforcement du portefeuille des IF (IF de l'UE)</p>

Source : KPMG/Prognos (2017).

*Il existe des variations de règles et cadres réglementaires, ce qui augmente la complexité pour les bénéficiaires et autorités de gestion.*

Pour les IF, les **règles et cadres réglementaires différents applicables pour** les IF à gestion centrale et IF de FESI engendraient de l'incertitude et risquaient de compromettre le développement des IF.<sup>33</sup> Il existe divers cadres réglementaires afférents aux IF à gestion centrale et aux IF de FESI et il existe des règlements et règles différents pour les instruments financiers dépendant de différents fonds et niveaux de gestion, y compris le traitement des aides d'État. Lorsqu'ils relèvent des mêmes parties prenantes, ils ont engendré une réglementation générale complexe des instruments financiers

<sup>33</sup> La complexité des cadres réglementaires et la diversification de la mise en œuvre des règles ont été soulevées à plusieurs reprises pendant les réunions de groupes de discussion sur les IF et dans un grand nombre d'entretiens de diverses parties prenantes (y compris les entretiens avec des autorités de gestion en Lituanie, Allemagne, Estonie, des intermédiaires financiers de Grèce, de France, de Hongrie, des Pays-Bas et de Belgique et avec deux experts du groupe fi-compass).

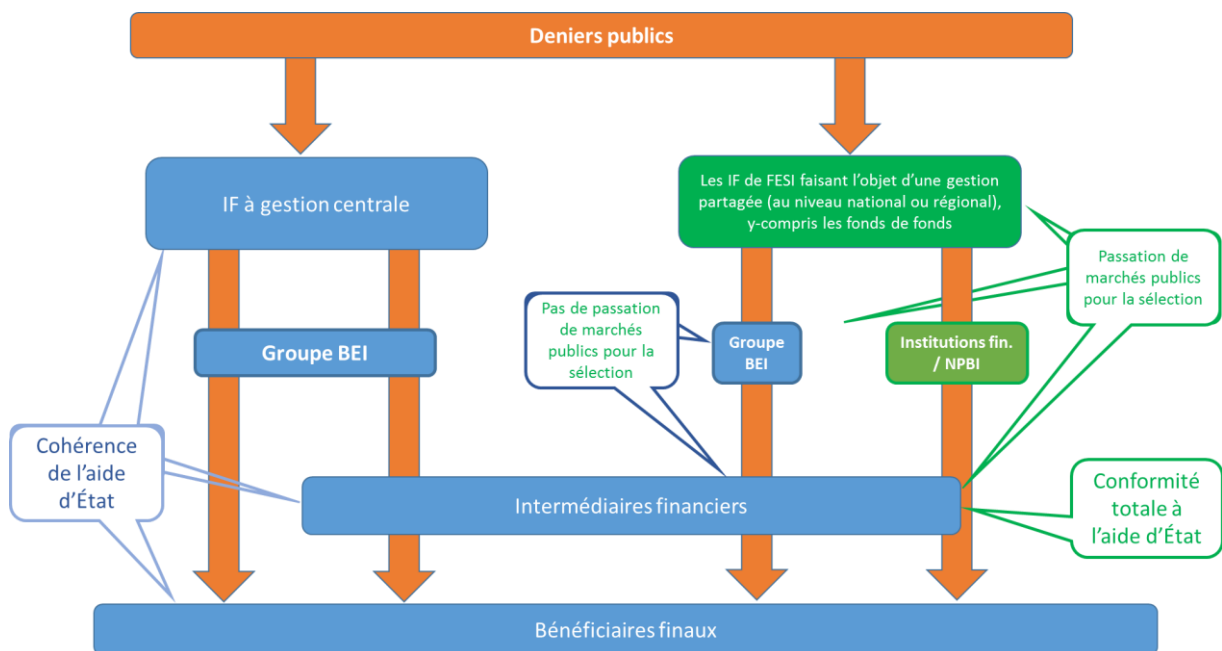
appuyés par l'UE qui risque d'entraver d'éventuelles synergies et combinaisons entre les instruments.<sup>34</sup>

Ces différences peuvent soulever des incertitudes juridiques pour les parties prenantes et engendrer des conflits entre les règles applicables pour cause de cadres juridiques différents.<sup>35</sup> Par exemple, les documents récents<sup>36</sup> ont montré que plus de la moitié des autorités de gestion utilisatrices d'IF ont souligné le besoin de conseils supplémentaires sur les principaux aspects de la mise en œuvre des IF de FESI, de par leur complexité (voir également l'Option 6 ci-dessus). Cependant, les entretiens et groupes de discussion ont fait ressortir l'importance de l'expérience, avec des fonctionnaires très au fait des IF qui acceptent mieux la situation actuelle et le niveau d'explications déjà disponibles.

Certaines exigences spécifiques diversifient fortement la mise en œuvre des mécanismes des FESI et des IF à gestion centrale. Elles peuvent alors engendrer des obstacles à la combinaison de fonds. Par exemple, les différences relatives aux règles sur les aides d'État et aux exigences en matière d'audit ont été identifiées comme facteurs d'entrave à la coordination et à la complémentarité entre les IF. Selon les personnes consultées, les processus de passation de marchés publics (notamment sur la sélection des intermédiaires financiers), les exigences en matière de rapport et d'évaluations ex ante constituent des contraintes administratives supplémentaires.

La figure ci-dessous présente les principales différences entre les IF à gestion partagée et les IF soumis à une gestion centrale.

Figure 10: principales différences entre les IF à gestion partagée et les IF soumis à une gestion centrale



Source : KPMG/Prognos (2017).

<sup>34</sup> Les IF à gestion centrale sont régis par différents « actes délégués », « accords-cadres financiers et administratifs (ACFA) » et « accords de délégation ». Les IF de FESI sont régis par le Règlement portant dispositions communes (RPDC) et les règlements propres au fonds, les actes délégués et actes d'exécution, complétés par les règles de passation de marchés publics et sur les aides d'État.

<sup>35</sup> Cour des comptes européenne (2015) Opinion n° 11/2015 (en vertu de l'Article 287(4) du traité sur le fonctionnement de l'Union européenne) au sujet de la proposition de règlement du Parlement européen et du Conseil relatif au Fonds européen pour les investissements stratégiques et règlements modificatifs (UE) n° 1291/2013 et (UE) n° 1316/2013, Luxembourg).

<sup>36</sup> EPRC (Centre de recherche sur les politiques européennes), Wislade, F., Michie, R., Robertson, P., Vernon, P., *Améliorer l'adoption et l'efficacité des instruments financiers – Rapport final* (Luxembourg : mai 2017).

Différentes idées ont été proposées lors des discussions, allant d'un règlement commun à des réformes spécifiques des processus et règles (p. ex. : règles d'audit communes), mais aussi dans le cadre d'une réglementation stable<sup>37</sup>. Afin de répondre aux problèmes évoqués dans la recherche, l'*Option 7* propose une **meilleure délimitation et une consolidation du portefeuille d'IF**.

Une nette délimitation des bénéficiaires ou secteurs ciblés pourrait faire diminuer le nombre d'IF avec des budgets plus importants et atténuer l'un éventuel impact restreint de certains IF à cause de leur petite taille. La solution pourrait résider dans le renforcement de certains portefeuilles d'IF centralisés dans le but de délimiter leurs domaines d'action prioritaires. En réalité, plus de la moitié des participants aux groupes de discussion, entretiens et ateliers étaient favorables à une meilleure délimitation et consolidation du portefeuille d'IF afin d'améliorer les synergies. Cette option peut permettre d'étendre la possibilité de combiner des fonds, d'améliorer les complémentarités et de favoriser une cohérence renforcée après avoir garanti des complémentarités plus efficaces. Cependant, les coûts et la logistique de ce niveau de changement pourrait s'avérer prohibitifs et exigeraient un apprentissage supplémentaire de la part des parties prenantes.



#### Vision stratégique – FESI et autres instruments de l'UE post-2020

Les **changements effectués pour la période de programmation 2014–2020 ont globalement ajouté de la valeur et bien fonctionné** une fois le processus d'apprentissage terminé. Cependant, les entretiens et groupes de discussions ont largement fait ressortir un soutien pour de nouvelles réformes dans les trois domaines d'investigation (FESI soumis à une gestion partagée, autres subventions et IF), et pour la complémentarité et la coordination au niveau de la mise en œuvre.

**Deux stratégies générales** peuvent être considérées, ensemble ou séparément :

- La première est un ensemble de nouvelles actions afin d'**éliminer les obstacles qui empêchent ou réduisent les niveaux de complémentarité et de coordination**. Elle peut comprendre, comme évoqué plus haut, des règles financières et de mise en œuvre harmonisées, des processus (notamment des audits, de suivi et d'évaluation) ainsi que des investissements dans des services de conseil et d'information « guichet unique ». Elle peut aussi inclure une fusion de fonds (fonds unique) dans certains domaines d'action. Le tout est sans doute plus « simple » dans le cadre des FESI, mais l'est moins lorsqu'il s'agit d'autres instruments de l'UE.
- La deuxième méthode accepte le fait qu'il y ait des limites à l'harmonisation accrue et des coûts importants en matière de temps et d'investissement à prendre en compte. Dans ce cas, une stratégie de **délimitation plus nette entre les fonds** serait préférable, en tant que méthode alternative ou complémentaire, mais avec le potentiel d'améliorer la transparence et de réduire les coûts de transaction tout en facilitant le processus de gestion et d'accès aux fonds de l'UE. Cette méthode pourrait donc entraîner une rationalisation des fonds, à la fois des autres régimes de subvention et des IF, pour permettre la réduction des recouvrements.

Dans les deux cas, la **clarté de la communication et de l'information** est une condition importante et devrait être traitée comme faisant partie d'une troisième stratégie. La communication reste un devoir permanent dans l'ensemble du cycle de

<sup>37</sup> Ibid.

programme. C'est un moyen important d'information, de motivation et d'accompagnement de la mise en œuvre. Grâce aux fortes améliorations observées dans la phase de programmation de 2014–2020, de nombreux développements pertinents comme le Dialogue structuré avec les partenaires des FESI 2014–2020, l'Initiative de l'échelle d'excellence<sup>38</sup>, ou la Plate-forme européenne de conseil en investissement ont pu être lancés. À partir de cette expérience, pour l'avenir, il faut identifier un travail supplémentaire pour poursuivre l'amélioration et surtout pour conserver les niveaux de communication tout au long de la mise en œuvre du programme, y compris de meilleurs services d'informations pour les bénéficiaires.

---

<sup>38</sup> Voir Annexe 5 pour plus d'explications sur l'Initiative de l'échelle d'excellence.

## ZUSAMMENFASSUNG

Dies ist der Abschlussbericht zur „Studie zur Koordinierung und Harmonisierung der ESI-Fonds<sup>39</sup> und anderer Instrumente der EU“.

In der Studie wurden die Kohärenz, Komplementarität und Koordinierung (3Ks) innerhalb der Europäischen Struktur- und Investitionsfonds (ESI-Fonds) und zwischen diesen Fonds und anderen Instrumenten im Hinblick auf sowohl die politischen Zielsetzungen als auch die Umsetzungsmechanismen analysiert. Die Analyse deckt die folgenden drei Gruppen von Fonds oder Instrumenten ab:

- Die ESI-Fonds im Rahmen von Bestimmungen für die geteilte Verwaltung;
- Die ESI-Fonds und andere EU-Instrumente, die über Beihilfen für politische Bereiche, die von den ESI-Fonds abgedeckt werden, bereitgestellt werden;
- Die ESI-Fonds und EU-Finanzinstrumente (FIs) und Instrumente, die von der Europäischen Investitionsbank (EIB) verwaltet werden

Die Studie hat systematisch die Erfahrungen aus dem Programmzeitraum 2014–2020 – bis heute – aller 28 EU-Mitgliedstaaten analysiert. Als Grundlage dienten 238 Interviews, 32 Treffen mit Fokusgruppen und mehr als 250 Berichte und Dokumente der bestehenden Literatur. Die Studie enthält auch Erkenntnisse aus früheren Programmzeiträumen. In Brüssel fanden zwei Experten-Workshops statt, um die Ergebnisse und Optionen zu validieren, die im Laufe der Studie herausgearbeitet wurden.

### *EU-Reformen für den Programmzeitraum 2014–2020*

Von Beginn des Zeitraums 2014–2020 an, hat der neue **regulatorische Rahmen eine deutliche Stärkung der strategischen Verbindungen** der ESI-Fonds und anderer politischer Maßnahmen der EU mit der Strategie Europa 2020, unter anderem auch eine deutliche Verbesserung des Grundsatzes der Koordinierung, ermöglicht.

Als Vorbereitung auf den Zeitraum 2014–2020 sprach sich die Kommission dafür aus, den Fokus verstärkt auf politische Querschnittsziele („eine gesamteuropäische Logik“) zu richten, um potenzielle Synergien zwischen den Fonds und den Programmen zu unterstützen. Gleichzeitig wurde das Bedürfnis nach stärkerer Koordinierung und Kohärenz anerkannt.

Erstmals wurde die Verordnung mit gemeinsamen Bestimmungen (Common Provisions Regulation, CPR) auf alle fünf ESI-Fonds angewandt und es wurde spezifiziert, wie die Koordinierung zwischen den ESI-Fonds und anderen Finanzierungsinstrumenten der Europäischen Union und der einzelnen Mitgliedstaaten sowie der EIB ausgestaltet sein sollte. Zudem skizzierte der Gemeinsame Strategische Rahmen (GSR) die genauen Bereiche, in denen Synergien zwischen den ESI-Fonds und anderen EU-Politiken und -Instrumenten erreicht werden sollten, und nannte dafür konkrete Regelungen und Mechanismen. Im Fall der ESI-Fonds betraf dies unter anderem die gemeinsame Konzipierung von Vorhaben, Multifonds-Programme, Gemeinsame Überwachungsausschüsse sowie Integrierte Territoriale Investitionen (ITIs). Darüber hinaus wurden für die Mitgliedstaaten spezifische „Bestimmungen zur Ermöglichung von Synergien“ festgelegt (z. B. die Kumulierung von Beihilfen, die Anpassung von

---

<sup>39</sup> Zu den ESI-Fonds gehören der Europäische Fonds für regionale Entwicklung (EFRE), der Europäische Sozialfonds (ESF), der Kohäsionsfonds, der Europäische Landwirtschaftsfonds für die Entwicklung des ländlichen Raums (ELER) sowie der Europäische Meeres- und Fischereifonds (EMFF) sowie die Beschäftigungsinitiative für junge Menschen (Youth Employment Initiative, YEI) die zum Teil vom ESF kofinanziert wird.

Kostenmodellen, usw.)<sup>40</sup>. Der GSR betonte zahlreiche Bereiche, in denen sich Synergien zwischen den ESI-Fonds und anderen EU-Politiken und -Instrumenten erreichen ließen.

Die ersten Anzeichen aus dem Programmzeitraum deuteten darauf hin<sup>41</sup>, dass sich aufgrund dieser neuen Bestimmungen die Koordinierung, die Kohärenz und die Komplementarität in den Mitgliedstaaten deutlich verbessert hatten. Dies trug dazu bei, die erforderlichen regulatorischen, institutionellen oder strategischen Voraussetzungen für eine effektive Umsetzung des Programms zu schaffen.

*Sechs wesentliche Feststellungen und entsprechende politische Optionen wurden identifiziert*






Die **sechs wesentlichen Feststellungen und sieben entsprechenden politischen Optionen**, die sich positiv auf die 3Ks auswirken sollen, werden nachfolgend unter den drei Gruppen der Fonds und Instrumente vorgestellt. Sie sollen in die bevorstehende Folgenabschätzung für den Programmzeitraum nach 2020 einfließen. Die Optionen schließen sich nicht notwendigerweise gegenseitig aus. Sie könnten sich auch ergänzen und parallel im Rahmen einer umfassenderen Reformstrategie umgesetzt werden.



### Die fünf ESI-Fonds im Rahmen der geteilten Verwaltung – wesentliche Feststellungen und politische Optionen

Unter den vielen verschiedenen Diskussionsbereichen rund um die Harmonisierung und Koordinierung der ESI-Fonds kristallisierten sich zwei wesentliche Feststellungen (**wesentliche Feststellung 1 und 2**) aus den Untersuchungen heraus. Diese wurden von drei Optionen ergänzt (**Option 1, 2 und 3**).

Abbildung 11: Überblick über wesentliche Feststellungen und politische Optionen im Kontext der ESI-Fonds

 <b>Wesentliche Feststellungen</b>	 <b>Politische Optionen</b>
<p><b>1.</b> Unterschiedliche Bestimmungen für die einzelnen ESI-Fonds schränken die Möglichkeit zur Kombination von Mitteln ein und erhöhen den Verwaltungsaufwand, insbesondere bei großen und komplexen Projekten</p>	<p><b>1.</b>  Weitere Harmonisierung der Finanz- und Umsetzungsbestimmungen</p>
<p><b>2.</b> Probleme aufgrund von Überschneidungen zwischen ESI-Fonds mit der Folge einer suboptimalen Ressourcenallokation</p>	<p><b>2.</b>  Radikale Harmonisierung – ein ESI-Fonds, ein Katalog von Bestimmungen</p> <p><b>3.</b>  Intelligente Abgrenzung der ESI-Fonds</p>

Quelle: KPMG/Prognos (2017).

<sup>40</sup> Art. 65 (11) CPR: Möglichkeit der Kumulierung von Beihilfen von unterschiedlichen EU-Finanzierungsinstrumenten (oder aus den ESI-Fonds) für den gleichen Begünstigten oder das gleiche Vorhaben; Art. 67 (5) b und 68 (1) c: Möglichkeit einer Anpassung der Kostenmodelle für entsprechende Kosten und ähnliche Arten von Vorhaben und Begünstigten in Horizont 2020 und anderen EU-Programmen. Siehe Europäische Kommission (2013): Verordnung mit gemeinsamen Bestimmungen (1303/2013) (ABl. 347/422, 20.12.2013).

<sup>41</sup> Altus Framework Consortium, „The use of new provisions during the programming phase of the European Structural and Investment Funds“ (Brüssel: 2016), S. 130 f.; Metis, „The implementation of the provisions in relation to the ex ante conditionalities during the programming phase of the European Structural and Investment (ESI) Funds“, Studie im Namen der GD REGIO. (Brüssel: 2016), S. 93.



### *Unterschiedliche Bestimmungen für die fünf ESI-Fonds*

Es stellte sich heraus, dass die **Unterschiede bei den fondsspezifischen Bestimmungen für die fünf ESI-Fonds** die Möglichkeiten für erhebliche Synergien zwischen den ESI-Fonds verringern (insbesondere zwischen EFRE/KF/ESF und ELER/EMFF) und den Verwaltungsaufwand in den Mitgliedstaaten erhöhen (*wichtige Feststellung 1*).

Die Harmonisierung von Bestimmungen, die die 3Ks unterstützen, scheint nicht so effektiv zu sein wie mit der Einführung der CPR und des GSR für 2014–20 beabsichtigt, auch wenn die Veränderungen von den meisten Stakeholdern, die im Bereich der geteilten Verwaltung tätig sind, positiv aufgenommen wurden. Allerdings sprach sich mehr als die Hälfte der in der Studie befragten Verwaltungsbehörden für eine weitere Harmonisierung und Rationalisierung aus, und diese Einstellung zeichnete sich auch in den Experten-Workshops ab.

Doch die meisten befragten Stakeholder, darunter auch die Begünstigten, betrachteten die Unterschiede der fondsspezifischen Bestimmungen als Hindernis für eine effektive Kombination der unterschiedlichen ESI-Fonds. Darüber hinaus wurden die CPR und der GSR von einigen Befragten als zusätzliche Verordnungs- und Bestimmungsebenen eingestuft, die einen zusätzlichen Verwaltungsaufwand für die Mitgliedstaaten bedeuten.

Im Interesse der Vereinfachung könnte eine weitere **Harmonisierung der Finanz- und anderen (Durchführungs-)Bestimmungen** eine praktikable Lösung sein (*Option 1*).<sup>42</sup> Dies könnte zu einer reformierten CPR für den Zeitraum nach 2020 führen, unter anderem auch zur Harmonisierung der horizontalen Bestimmungen (beispielsweise Bestimmungen zu staatlichen Beihilfen), der verwendeten Terminologie, der unterschiedlichen Beihilfeintensität und der Anwendung vereinfachter Kostenoptionen. Der Prozess könnte auf die Überwachungs- und Auswertungsbestimmungen ausgeweitet werden, indem die gemeinsamen Output- und Ergebnisindikatoren geprüft werden, oder durch eine Überarbeitung der CPR / des GSR mit zusätzlichen Verwaltungs- und Kontrollbestimmungen (beispielsweise Prüfungsbestimmungen). Eine ähnliche Option war im 7. Kohäsionsbericht<sup>43</sup> vorgeschlagen worden. Darin heißt es: „Der Zusammenhalt könnte [...] durch ein einheitliches Regelwerk für die Kohäsionspolitik und andere Finanzierungsinstrumente mit gleichartigen Programmen oder Projekten verbessert werden.“ Allerdings ist absehbar, dass eine Umsetzung der Harmonisierung mit hohen Kosten verbunden ist, insbesondere auf Ebene der Europäischen Kommission und in den Mitgliedstaaten.

### *Ein ESI-Fonds, ein Katalog von Bestimmungen*

Eine **radikalere Harmonisierung** ließe sich mit dem Grundsatz „ein ESI-Fonds mit einem Katalog von Bestimmungen“ (*Option 2*) erreichen. Diese Option sieht vor, dass ein einziger Fonds mit einem einzigen Katalog von Bestimmungen die fünf ESI-Fonds ersetzen würde. Dieser Ansatz würde die Möglichkeit schaffen, die aktuellen Schwächen und Engpässe zu verringern, die bei den Untersuchungen zutage getreten sind, insbesondere bei der Harmonisierung der Finanzbestimmungen und des Überwachungs- und Auswertungsprozesses. Zwar fanden einige Stakeholder Gefallen an diesem Ansatz und bezeichneten ihn als „eine Möglichkeit für einen Neuanfang“, doch es wurden auch große Bedenken hinsichtlich der praktischen Umsetzung im verfügbaren Zeitrahmen sowie hinsichtlich der Kosten einer Umsetzung dieser Option geäußert. Zudem könnte ein

---

<sup>42</sup> Diese Option erhält breite Unterstützung von den jüngsten Schlussfolgerungen des Rats der Europäischen Union und anderen Untersuchungen, siehe dazu: Rat der Europäischen Union, „*Synergien und Vereinfachung für die Kohäsionspolitik nach 2020: Rat verabschiedet Schlussfolgerungen*“ (15.11.2017); und EoRPA, *Evolution or Revolution? Exploring New Ideas for Cohesion Policy 2020+* (2016), in: EoRPA Research Reports, <http://www.eprc.strath.ac.uk/eorpa/reports.php> (letzter Zugriff: 23.01.2017).  
Dijkstra, L., Europäische Kommission, „*Meine Region, mein Europa, unsere Zukunft. Siebter Bericht über den wirtschaftlichen, sozialen und territorialen Zusammenhalt*“, (Brüssel: 2017), S. xxvi.

„Pauschalmodell“, wie es ein einzelner Fonds impliziert, die (erforderliche) Differenzierung zwischen den einzelnen Fonds verringern, selbst wenn der eine Fonds anhand von thematischen Zielsetzungen und Zielen organisiert wird.

*(Unerwünschte) Überschneidungen zwischen den ESI-Fonds*

**(Unerwünschte) Überschneidungen zwischen den ESI-Fonds können zu Ineffizienzen und zu geringeren Synergien führen** (*wesentliche Feststellung 2*). Zwar wurden wichtige regulatorische Veränderungen vorgenommen, um die Koordinierung und die Komplementaritäten im Zeitraum 2014–2020 zu erhöhen (darunter die gemeinsame Konzipierung von Vorhaben<sup>44</sup>, Multifonds-Programme<sup>45</sup>, gemeinsame Ansätze für die Projektentwicklung und -auswahl zwischen ESI-Fonds<sup>46</sup>), doch trotzdem existieren noch einige Überschneidungen zwischen den ESI-Fonds.

Es wurden einige Beispiele für Überschneidungen, entweder auf Programm- oder auf Projektebene, festgestellt. Überschneidungen ergeben sich, wenn ein Projekt oder bestimmte Komponenten eines Projekts von unterschiedlichen ESI-Fonds finanziert werden können. Man könnte das Argument vorbringen, dass die Koordinierungs- und Kennzeichnungsmechanismen auf nationaler Ebene die jeweiligen Begünstigten zu den entsprechenden Fonds führen sollten, aber in der Praxis funktioniert das nicht immer. Die Wahl des Finanzierungssystems hängt oft von den Präferenzen und dem Verständnis des Projektbewerbers ab. In diesem Fall können die Überschneidungen zwischen den ESI-Fonds sowohl für die Begünstigten als auch für die Verwaltungsbehörden zu einem Problem werden, insbesondere dann, wenn die Abgrenzungen zwischen den Fonds unklar sind.

Um unerwünschte Überschneidungen anzugehen, könnte eine **„intelligente Abgrenzung“ der ESI-Fonds** als Alternative oder Ergänzung zur Harmonisierung dienen (*Option 3*). Sowohl die Verwaltungs- und Koordinierungsbehörden als auch die Kommission sprachen sich generell für eine klarere Abgrenzung zwischen Politiken, Fonds und Verantwortlichkeiten aus. Die richtige Abgrenzung zwischen politischen Zielsetzungen ist jedoch eine eher komplexe Aufgabe. Daher wird mit einer „intelligenten Abgrenzung“ die Notwendigkeit eines reaktiven Ansatzes auf der Basis einer soliden Koordinierung und Kooperation betont. Bei einer intelligenten Abgrenzung sollen individuelle Trennlinien zwischen politischen Zielsetzungen gezogen werden, die genau auf die Erfordernisse und strategischen Prioritäten von Programmbereichen zugeschnitten sind. In diesem Szenario würden die Mitgliedstaaten und Regionen letztlich auf Einzelfallbasis entscheiden, welche Abgrenzungsstrategie anzuwenden ist (beispielsweise thematische Prioritäten, entlang von Interventionsarten, politischen Sektoren, Größe der betreffenden Gemeinschaft). Eine intelligente Abgrenzung könnte Grauzonen beseitigen, künstliche Trennungen verringern und die politische Effektivität steigern, indem Lücken in der Förderabdeckung geschlossen werden. Doch neben den Verwaltungskosten, die ein derartiger Ansatz mit sich bringt, birgt jede Abgrenzungsstrategie das mögliche Risiko der Erschaffung neuer „Silos“, die negative Auswirkungen auf Synergien zwischen Programmen und Fonds nach sich ziehen.



**ESI-Fonds und andere EU-Finanzierungsinstrumente, die über Beihilfen für politische Bereiche, die von den ESI-Fonds abgedeckt werden, bereitgestellt werden – wesentliche Feststellungen und politische Optionen:**

Es kann zwar bestätigt werden, dass die derzeitigen regulatorischen Rahmenbedingungen eine solide Grundlage für die kohärente, komplementäre und koordinierte Verwendung der ESI-Fonds und anderer EU-Instrumente, die über Beihilfen bereitgestellt werden, bilden. Allerdings hat die Studie Bereiche mit erheblichem Verbesserungspotenzial identifiziert. Drei wesentliche Feststellungen und drei entsprechende politische Optionen





<sup>44</sup> Verordnung (EU) Nr. 1303/2013, Anhang I, *Gemeinsamer Strategischer Rahmen*, Abschnitt 3.2, (a, c, f).

<sup>45</sup> *Ibid*, Abschnitt 3.2, (b).

<sup>46</sup> *Ibid*, Abschnitt 3.2, (c, g).

sind nachfolgend dargelegt. Sie beziehen sich auf mangelnde Harmonisierung, vorhandene Überschneidungen und unzureichende Informationen zu Finanzierungsmöglichkeiten.

Abbildung 12: Überblick über wesentliche Feststellungen und politische Optionen im Kontext der ESI-Fonds und anderer EU-Instrumente, die über Beihilfen bereitgestellt werden

 <b>Wesentliche Feststellungen</b>	 <b>Politische Optionen</b>
<b>3.</b> Unterschiedliche Umsetzungsbestimmungen für ESI-Fonds und andere EU-Instrumente, die über Beihilfen bereitgestellt werden, können die Komplementarität behindern	<b>4.</b>  Harmonisierung der Finanz- und Umsetzungsbestimmungen zwischen ausgewählten Kombinationen von ESI-Fonds und EU-Instrumenten
<b>4.</b> Ineffizienzen und Inkonsistenzen zwischen ESI-Fonds und bestimmten anderen Instrumenten aufgrund von Überschneidungen der Fördersysteme	<b>5.</b>  Klarere Abgrenzung und bessere Koordinierung von EU-Instrumenten
<b>5.</b> Schwierigkeiten beim Zugang zu benutzerfreundlichen Informationen und Leitfäden behindern die Nutzung von Finanzierungsmöglichkeiten	<b>6.</b>  Verbesserte gemeinsame Informations- und Beratungsdienste zu ESI-Fonds und anderen EU-Instrumenten

Quelle: KPMG/Prognos (2017).

#### *Unterschiedliche Umsetzungsbestimmungen behindern die Komplementarität*

Die **unterschiedlichen Umsetzungsbestimmungen für ESI-Fonds und andere EU-Instrumente, die über Beihilfen bereitgestellt werden, können die Komplementarität behindern**. Die Untersuchungen zeigen, dass der GSR zwar Vorschriften zur Stärkung der komplementären Nutzung von ESI-Fonds und anderen zentral verwalteten EU-Programmen festlegt, die mögliche komplementäre Nutzung unterschiedlicher beihilfebasierter Finanzierungsquellen jedoch begrenzt ist. Die Ursachen hierfür sind unterschiedliche regulatorische und administrative Anforderungen sowie unterschiedliche Zeiträume für Finanzierungsanträge und die anschließende Bewertung der Anträge. Die Instrument spezifischen Vorschriften lassen sich manchmal nur schwer mit der CPR in Einklang bringen. Das Thema der Einhaltung der Vorschriften für staatliche Beihilfen gehörte zu den in Interviews und Fokusgruppen am häufigsten genannten Problemen.

Zwar wurde nicht in Frage gestellt, dass die Vorschriften für staatliche Beihilfen eingehalten werden müssen. Allerdings wurde der Punkt als problematisch eingestuft, wenn es um die komplementäre Nutzung von Mitteln und Instrumenten geht (die ESI-Fonds unterliegen den Bestimmungen für staatliche Beihilfen, daher müssen die Vorschriften zur Beihilfeintensität und zu den Benachrichtigungsschwellen eingehalten werden, zentral von der EU Kommission verwaltete Gelder sind dagegen von diesen Vorschriften befreit). Ein weiterer Punkt betrifft die Nutzung unterschiedlicher Kostenkategorien in Projekten, die beispielsweise über H2020 und die ESI-Fonds finanziert werden (unterschiedliche Posten sind finanzierungsfähig). Diese Feststellungen sind nicht auf den aktuellen Zeitraum beschränkt und gelten nicht in gleicher Art und Weise für alle politischen Bereiche. Allerdings kamen verschiedene Bewertungen des Zeitraums 2007–13 zu dem Schluss, dass Unterschiede bei den Umsetzungsbestimmungen die Synergien zwischen den Instrumenten behinderten (beispielsweise das 7. Rahmenprogramm (RP7) und die Kohäsionspolitik<sup>47</sup>).

Insgesamt stellen die separaten Vorschriften für die Fonds und die Instrumente die Stakeholder vor erhebliche Herausforderungen. Sie benötigen „*spezielles Know-how und zusätzliche Ressourcen (IT-Systeme, Experten, usw.)*, um die Einhaltung aller nationalen

<sup>47</sup> Ferry M., Kah S., Bachtler J., „Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals“, Research for REGI Committee (2016).

und europäischen Verfahrensregeln zu gewährleisten (darunter auch diejenigen beteiligter Dritter)" (Begünstigter, CEF) – eine Feststellung, die vom 7. Kohäsionsbericht geteilt wird.<sup>48</sup> Diese Herausforderungen werden durch das große Portfolio unterschiedlicher Finanzierungsinstrumente mit sich teilweise überlappenden Interventionsbereichen weiter verschärft (ebenfalls Teil der *wesentlichen Feststellung 4*).

*Option 4* schlägt die **Harmonisierung der Finanz- und Umsetzungsbestimmungen zwischen ausgewählten Kombinationen von ESI-Fonds und EU-Instrumenten**, die über Beihilfen bereitgestellt werden, vor (eine Erweiterung von *Option 1*). Eine vollständige Harmonisierung der Bestimmungen wird nicht als erforderlich und auch gar nicht als praktikabel angesehen. Eine gezielte Harmonisierung für bestimmte Kombinationen von Fonds und Instrumenten könnte jedoch die Kohärenz, Komplementarität und Koordinierung zwischen den ESI-Fonds und anderen EU-Instrumenten verbessern. Spezifische Möglichkeiten für stärkere Komplementaritäten durch harmonisierte Bestimmungen fanden sich bei folgenden Kombinationen:

- **EFRE:** H2020, CEF, LIFE, COSME, Creative Europe, AMIF, ISF
- **ESF:** Erasmus+, EHAP, AMIF, EGF, EaSI, RECP, Justice Programme, ISF
- **ELER, EMFF:** EGFL, LIFE

Die Harmonisierung der Finanzbestimmungen (beispielsweise Prüfungen, Förderbestimmungen, Bestimmungen zu staatlichen Beihilfen) und der Umsetzungsbestimmungen (beispielsweise Zeitraum von Anträgen, erforderliche Antragsunterlagen, Berechnung des Personalaufwands) wäre besonders vorteilhaft für die Kombination von CEF und H2020 mit EFRE, oder von ESF und dem Europäischen Hilfsfonds für die am stärksten benachteiligten Personen (EHAP).

*Ineffizienzen aufgrund der Unterschiede zwischen den ESI-Fonds und anderen EU-Instrumenten*

Zudem zeigen sich **verschiedene Ineffizienzen und Inkonsistenzen zwischen den ESI-Fonds und anderen EU-Instrumenten**, die über Beihilfen bereitgestellt werden, aufgrund von **Überschneidungen der Fördersysteme**, so die Schlussfolgerung der *wesentlichen Feststellung 4*. Aufgrund der übergeordneten Investitionsprioritäten der ESI-Fonds und anderer EU-Instrumente nehmen die Stakeholder bei bestimmten Bereichen „Überschneidungen“ wahr (beispielsweise äußerten sich in Finnland Antragsteller einer EGFL-Finanzierung im Rahmen von ELER zu Überschneidungen bei den politischen Zielsetzungen im Hinblick auf ökologische Maßnahmen, sodass eine Finanzierung über unterschiedliche Quellen möglich war: Cross-Compliance, Greening, Programm zur Entwicklung des ländlichen Raums, LIFE usw. Sie alle haben unterschiedliche Anforderungen, Kontrollmethoden und Sanktionen, woraus sich Schwierigkeiten für die Begünstigten ergeben). Diese Überschneidungen werden von der Kommission, den Verwaltungsbehörden und den nationalen Kontaktstellen sowie den Begünstigten unterschiedlich wahrgenommen. Doch in allen Fällen bringen sie das potenzielle Risiko von Ineffizienzen aufgrund der suboptimalen Ressourcenallokation mit sich und könnten durch eine adäquate Abgrenzung verringert werden.

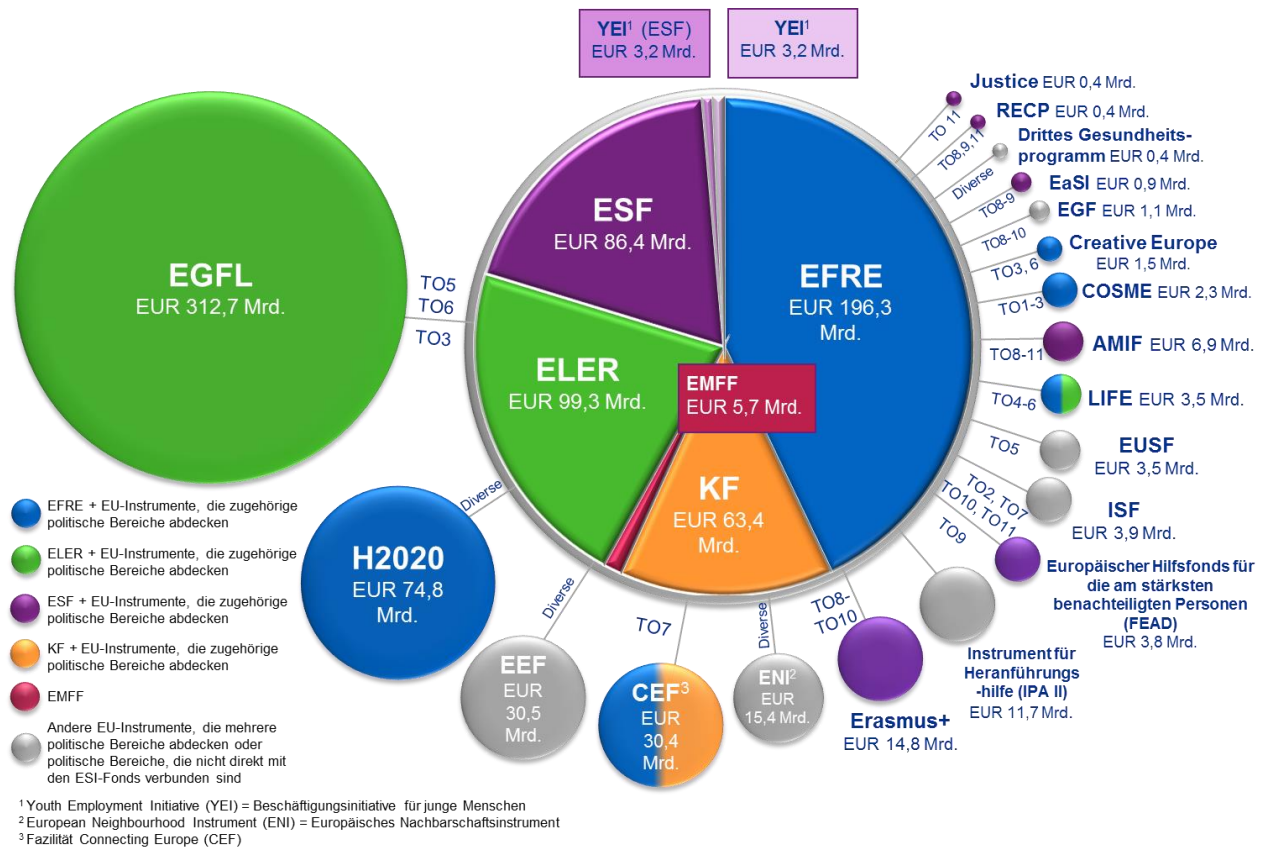
Die folgende Abbildung 4 zeigt, dass es im aktuellen Finanzierungsportfolio der ESI-Fonds und anderer EU-Instrumente, die über Beihilfen bereitgestellt werden, zahlreiche Überkreuzbeziehungen und Verbindungen aufgrund von entsprechenden thematischen Zielsetzungen gibt. Als Beispiel wird in Blau die Beziehung des EFRE und anderer EU-Instrumente (H2020, CEF, LIFE, COSME, usw.) mit den entsprechenden thematischen Zielen (einschl. TO1–3, TO7 usw.) gezeigt.

---

<sup>48</sup> Ähnliche Argumente siehe auch: Dijkstra, L., Europäische Kommission, „*Meine Region, mein Europa, unsere Zukunft. Siebter Bericht über den wirtschaftlichen, sozialen und territorialen Zusammenhalt*“, (Brüssel: 2017), S. XXVI.

In ähnlicher Weise veranschaulichen die lilafarbenen Darstellungen die verschiedenen zugehörigen politischen Bereiche des ESF und anderer EU-Instrumente (einschl. Erasmus+, EHAP, AMIF, EaSI, usw.).

Abbildung 13: Verbindungen zwischen ESI-Fonds und anderen EU-Instrumenten



Quelle: KPMG/Prognos (2017). Basierend auf den in Tabelle 16, S. 164, Anhang 4 und Tabelle 20, S. 176, Anhang 5 genannten Quellen.

Das Thema ungewünschter Überschneidungen im Programmzeitraum 2014–20 ist kein neues Phänomen. Wie eine frühere Studie argumentiert, war die „Abgrenzung von Aufgaben und Verantwortlichkeiten zur Vermeidung von kostspieligen administrativen Überschneidungen, Duplizierung oder ‚Doppelfinanzierung‘“<sup>49</sup> ein vorherrschender Ansatz des Programmzeitraums 2007–13.

Option 5 schlägt eine **klarere Abgrenzung und bessere Koordinierung von EU-Instrumenten vor, die über Beihilfen bereitgestellt werden, um eine Duplizierung zu vermeiden**. Eine Abgrenzung lässt sich auf unterschiedlichen Ebenen sehen. Sie könnte weniger Instrumente mit einer klareren Differenzierung der politischen Zielsetzungen (anhand der thematischen Zielsetzungen oder Gruppierungen dieser Zielsetzungen), der Sektoren und der Ziele beinhalten. Genauso können Fonds kombiniert werden und nebeneinander existieren, falls eine klare Abgrenzung gegeben ist, um die Komplementarität zwischen den Finanzierungsinstrumenten zu beweisen. Die Wahl der Strategien ist der vorstehend beschriebene intelligente Definitionsansatz (Option 3).

Während der Untersuchung wurden zwei Ansätze identifiziert. Die klarere Abgrenzung und Differenzierung politischer Zielsetzungen wurde von den Verwaltungsbehörden und

<sup>49</sup> M. Ferry, S. Kah, J. Bachtler, „Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals“, Research for REGI Committee (2016), S. 23.

den nationalen Kontaktstellen vorgeschlagen, während eine stärkere Koordinierung in Rückmeldungen von Vertretern der Europäischen Kommission angeregt wurde. Beide Punkte können die Komplementarität zwischen den ESI-Fonds und anderen EU-Instrumenten verbessern.

*Mangel an einem umfassenden, zentral verwalteten Informations- und Beratungsdienst*

Der **Mangel an einem umfassenden, zentral verwalteten Informations- und Beratungsdienst** scheint Stakeholder am Zugang zu Finanzierungsmöglichkeiten zu hindern (*wesentliche Feststellung 5*). Umfassende Informationen über EU-Finanzierungsinstrumente sind derzeit nicht auf einer einzigen Website der Europäischen Union integriert. Beispielsweise wurden in dieser Studie 19 beihilfebasierte EU-Instrumente analysiert. Die entsprechenden Websites für diese Instrumente enthalten in der Regel grundlegende Informationen zu einzelnen Instrumenten, darunter die aktuell verfügbaren Aufforderungen zur Einreichung von Vorschlägen, die Förderkriterien für Antragsteller sowie die geplante Zahl von Projekten. Diese Informationen sind weder standardisiert, noch können sie auf allen Websites auf die gleiche Weise abgerufen werden.

Die mangelnde Klarheit bringt zwei Herausforderungen mit sich. Begünstigte sind unsicher, welches EU-Instrument oder EU-Programm sie für ihren Investitionsbedarf am besten wählen sollen, denn sie haben keinen Überblick über die verschiedenen Möglichkeiten. Außerdem fehlt es ihnen an praktischen Informationen darüber, wie die Instrumente mit den ESI-Fonds kombiniert werden könnten. Dies kann wiederum dazu führen, dass Möglichkeiten zur Finanzierung von Anträgen und zur Kombination von Fonds unnötigerweise nicht genutzt werden.

Eine **Prüfung der Informationsdienste zur Bereitstellung von Informationen über EU-Finanzierungsmöglichkeiten** ist daher ein wichtiger Aspekt. Ein besserer Informations- und Beratungsdienst (*Option 6*), der zu einem neuen „One-Stop-Shop“-EU-Portal führen könnte, oder Optimierungen bestehender EU-/nationaler Systeme könnten praktikable Ansätze sein, vorbehaltlich des Kostenaufwands für die Entwicklung und Umsetzung und der praktischen Fragen in Verbindung mit der kontinuierlichen Aktualisierung solcher Systeme. Genauer gesagt ergeben sich aus dieser Option drei Betrachtungsebenen.

- Die erste ist eine technologiebasierte „One-Stop-Shop“-Lösung, bei der die Nutzer mithilfe von Algorithmen geleitet werden (die gängige Praxis in sozialen Netzwerken). Diese Möglichkeit wäre mit hohen Entwicklungs- und Umsetzungskosten verbunden.
- Zweitens könnte eine bessere Nutzung bestehender EU-Systeme mit optimiertem Zugang zu und Vertrieb von Informationen eine Teilloption sein.
- Und drittens könnte auch die Förderung bereits bestehender „One-Stop-Shop“-Lösungen auf regionaler und nationaler Ebene, für die es mehrere Beispiele gibt, verfolgt werden. Dies wäre die praktikabelste Lösung, insbesondere, wenn die Mitgliedstaaten konsistente Dienstleistungen vereinbaren und umsetzen könnten (derzeit variieren Abdeckung und Qualität).


All diese Punkte könnten durchaus zu einer besseren Nutzung der Komplementaritäten zwischen den ESI-Fonds und anderen EU-Instrumenten (möglicherweise auch FIs) beitragen. Eine der zentralen Schlussfolgerungen aus den Untersuchungen lautete, dass sich viele Begünstigte nicht der Verfügbarkeit von Finanzierungsmöglichkeiten und der damit verbundenen Bestimmungen bewusst sind. Wenn hier durch die Einführung und Verbreitung intelligenter Informationsplattformen Abhilfe geschaffen werden könnte, dann könnte die Komplementarität der Finanzierungsmöglichkeiten insgesamt steigen.



## ESI-Fonds und EU-Finanzinstrumente und Instrumente, die von der Europäischen Investitionsbank verwaltet werden – wesentliche Feststellungen und politische Optionen

Im dritten Forschungsschwerpunkt beurteilte die Studie die Kohärenz, Komplementarität und Koordinierung politischer Zielsetzungen und Umsetzungsmechanismen von FIs der ESI-Fonds und zentral verwalteter FIs, die von der Europäischen Investitionsbank (EIB) verwaltet werden. FIs haben sich seit dem Programmzeitraum 1994–1999 entwickelt, und ihre Weiterentwicklung dauert immer noch an, denn die Verwaltungsbehörden, Finanzintermediäre und Begünstigten haben mehr Erfahrung. Nachdem 2007–2013 eine gewisse Kritik am begrenzten Bestimmungskatalog für FIs geäußert worden war, führten die Gesetzgeber für 2014–2020 spezifischere Bestimmungen ein. Mit der OMNIBUS-Verordnung traten weitere Reformen und Verfeinerungen in Kraft.

Abbildung 14: Überblick über wesentliche Feststellungen und politische Optionen im Kontext der ESI-Fonds und EU-Finanzinstrumente sowie von Finanzinstrumenten, die von der Europäischen Investitionsbank verwaltet werden

🔍 Wesentliche Feststellungen	📌 Politische Optionen
<p>6. Es existieren unterschiedliche Bestimmungen und regulatorische Rahmenbedingungen, und dies führt zu einer erhöhten Komplexität</p>	<p>7.  Verbesserte Abgrenzung und Konsolidierung des FI-Portfolios (FIs auf EU-Ebene)</p>

Quelle: KPMG/Prognos (2017).

*Es existieren unterschiedliche Bestimmungen und regulatorische Rahmenbedingungen, und dies führt zu einer erhöhten Komplexität für Begünstigte und Verwaltungsbehörden.*

Im Kontext der FIs führten die **unterschiedlichen Bestimmungen und regulatorischen Rahmenbedingungen**, die für zentral verwaltete FIs bzw. FIs von ESI-Fonds gelten, zu Unsicherheit und behinderten möglicherweise die Entwicklung von FIs.<sup>50</sup> Es gibt verschiedene regulatorische Rahmenbedingungen für zentral verwaltete FIs und FIs von ESI-Fonds, und auf unterschiedlichen Fonds- und Verwaltungsebenen gelten unterschiedliche Vorschriften und Bestimmungen für Finanzinstrumente, darunter auch im Hinblick auf die Behandlung staatlicher Beihilfen. Sofern diese die gleichen Stakeholder betreffen, schufen sie ein insgesamt komplexes regulatorisches Umfeld von EU-unterstützten Finanzinstrumenten; dies kann mögliche Synergien und Kombinationen zwischen Instrumenten behindern.<sup>51</sup>

Diese Unterschiede können bei den beteiligten Stakeholdern für Rechtsunsicherheit sorgen und könnten aufgrund unterschiedlicher rechtlicher Rahmenbedingungen zu Konflikten zwischen den anwendbaren Bestimmungen führen.<sup>52</sup> Beispielsweise hat die neuere Literatur<sup>53</sup> gezeigt, dass mehr als die Hälfte der Verwaltungsbehörden, die FIs nutzten, betonten, dass sie zusätzliche unterstützende Beratung bezüglich der Hauptaspekte der Umsetzung der FIs von ESI-Fonds benötigen, bedingt durch deren

<sup>50</sup> Die Komplexität der regulatorischen Rahmenbedingungen und die Diversifizierung der Umsetzungsbestimmungen wurden wiederholt in den Gesprächen beider Fokusgruppen über FIs sowie in zahlreichen Interviews mit verschiedenen Stakeholdern angesprochen (darunter Interviews mit Verwaltungsbehörden in Litauen, Deutschland, Estland, Finanzintermediären aus Griechenland, Frankreich, Ungarn, den Niederlanden und Belgien sowie zwei Experten der fi-compass-Gruppe).

<sup>51</sup> Zentral verwaltete FIs unterliegen unterschiedlichen „Delegierten Akten“, „Rahmenabkommen über die Zusammenarbeit im Finanz- und Verwaltungsbereich (FAFAs)“ und „Übertragungsvereinbarungen“. Die FIs der ESI-Fonds unterliegen der Verordnung mit gemeinsamen Bestimmungen (CPR) und fondsspezifischen Vorschriften, Delegierten und Durchführungsakten, sowie zusätzlich Vorschriften für die öffentliche Auftragsvergabe und Bestimmungen zu staatlichen Beihilfen.

<sup>52</sup> Stellungnahme Nr. 11/2015 des Europäischen Rechnungshofs (2015) (gemäß Artikel 287 Absatz 4 des Vertrags über die Arbeitsweise der Europäischen Union) zu dem Vorschlag für eine Verordnung des Europäischen Parlaments und des Rates über den Europäischen Fonds für strategische Investitionen und zur Änderung der Verordnungen (EU) Nr. 1291/2013 und (EU) Nr. 1316/2013, Luxemburg).

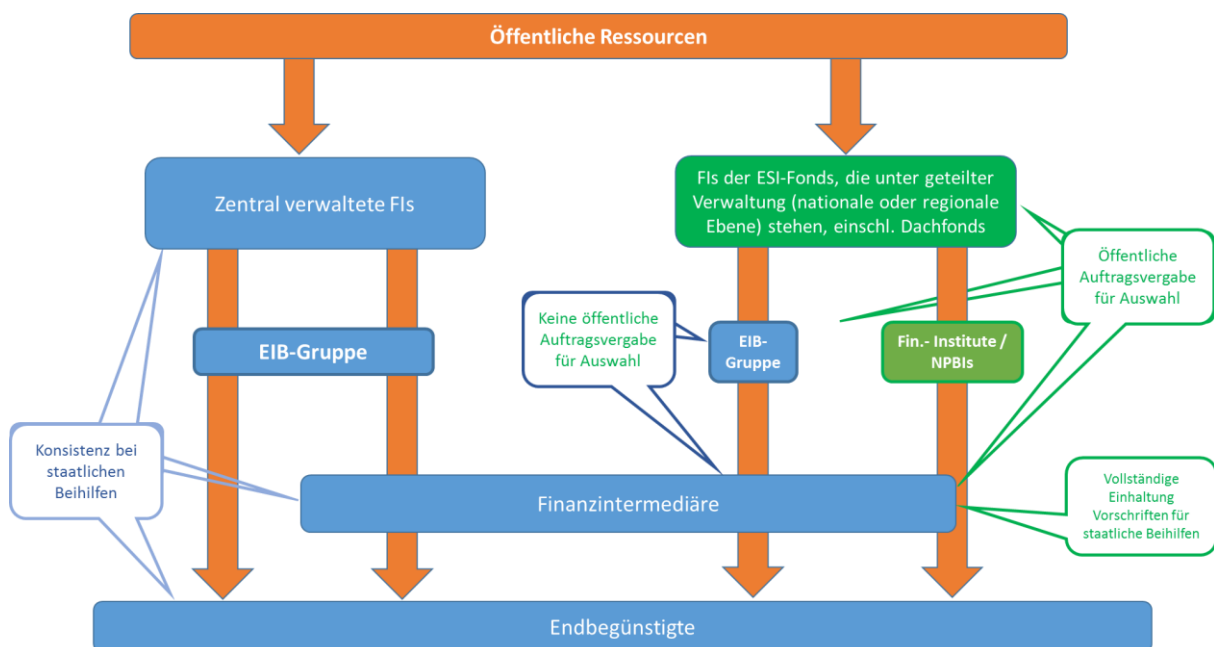
<sup>53</sup> EPRC, Wishlade, F., Michie, R., Robertson, P., Vernon, P., „Improving the take-up and effectiveness of financial instruments – Final Report“ (Luxemburg: Mai 2017).

Komplexität (siehe auch vorstehende *Option 6*). Allerdings zeigten Interviews und Fokusgruppen ganz deutlich, wie wichtig Erfahrung ist. Mit FIs gut vertraute Personen akzeptierten eher die aktuelle Situation und das Niveau der bereits verfügbaren erläuternden Leitfäden.

Spezifische Anforderungen sorgen für erhebliche Unterschiede bei den Umsetzungsmechanismen für FIs von ESI-Fonds und zentral verwalteten FIs und können die Kombination von Mitteln erschweren. Beispielsweise wurden Unterschiede bei den Bestimmungen zu staatlichen Beihilfen und Prüfungsanforderungen als Faktoren genannt, die die Koordinierung und Komplementarität von FIs behindern. Die Befragten nannten als zusätzliche administrative Belastungen auch öffentliche Auftragsvergabeprozesse (d. h. relevant für die Auswahl von Finanzintermediären), Berichtsanforderungen und Anforderungen bezüglich Ex-ante-Beurteilungen.

In der folgenden Abbildung werden die wesentlichen Unterschiede zwischen FIs, die einer geteilten Verwaltung unterliegen, und FIs, die einer zentralisierten Verwaltung unterliegen, dargestellt.

Abbildung 15: Wesentliche Unterschiede zwischen FIs unter geteilter Verwaltung und FIs unter zentralisierter Verwaltung



Quelle: KPMG/Prognos (2017).

In den einzelnen Gesprächen wurden verschiedene Ideen diskutiert, von einem einheitlichen Regelwerk bis hin zu spezifischen Reformen der Prozesse und Vorschriften (z. B. einheitliche Prüfungsbestimmungen), aber auch im Kontext eines stabilen regulatorischen Umfelds<sup>54</sup>. Zur Bearbeitung der in den Untersuchungen vorgebrachten Punkte schlägt *Option 7* eine **verbesserte Abgrenzung und Konsolidierung des FI-Portfolios** vor.

Eine klare Abgrenzung der Zielbegünstigten oder Zielsektoren könnte möglicherweise zu weniger FIs mit größeren Budgets führen. Außerdem könnte dadurch auch das Problem angegangen werden, dass einige FIs aufgrund ihrer geringen Größe unter Umständen nur eine geringe Wirkung erzielen. Eine Lösung könnte die Konsolidierung einiger zentralisierter FI-Portfolios zur Abgrenzung ihrer politischen Schwerpunktbereiche sein. Tatsächlich unterstützte mehr als die Hälfte der Teilnehmer in Fokusgruppen, Interviews

<sup>54</sup> Ibid.



und Workshops die Option einer weiteren Abgrenzung und Konsolidierung des FI-Portfolios zur Verbesserung der Synergien. Mit dieser Option könnte die Möglichkeit zur Kombination von Fonds ausgeweitet werden. Auf diese Weise ließen sich die Komplementaritäten steigern und eine bessere Kohärenz fördern, wenn effektivere Komplementaritäten gewährleistet sind. Allerdings könnte eine derartig starke Veränderung extrem kostspielig sein und würde eine zusätzliche Fortbildung der Stakeholder erfordern.



Die **für den Programmzeitraum 2014–2020 vorgenommenen Veränderungen haben generell Mehrwert geschaffen und gut funktioniert**, sobald der Lernkurvenprozess abgeschlossen war. Allerdings wurde sich, insbesondere in den Interviews und Fokusgruppen, für weitere Reformen in allen drei untersuchten Bereichen (ESI-Fonds unter geteilter Verwaltung, sonstige Beihilfen und FIs) und im Hinblick auf Komplementarität und Koordinierung auf Umsetzungsebene ausgesprochen.

**Zwei allgemeine Strategien** könnten – entweder separat oder parallel – in Betracht gezogen werden:

- Die erste betrifft einen weiteren Maßnahmenkatalog zur **Beseitigung der Engpässe, die das Niveau der Komplementarität und Koordinierung verhindern oder senken**. Dazu können, wie oben dargelegt, harmonisierte Finanz- und Umsetzungsbestimmungen, Prozesse (insbesondere Prüfungen und Überwachung und Auswertung) sowie Investitionen in Informations- und Beratungsdienste, die „One-Stop-Shop“-Lösungen bieten, gehören. In einigen politischen Bereichen könnte dies auch eine Zusammenlegung von Fonds (einzelne Fonds) beinhalten. All dies ist möglicherweise „einfacher“ im Kontext der ESI-Fonds und weniger einfach, wenn andere EU-Instrumente hinzukommen.
- Der zweite Ansatz akzeptiert, dass eine verstärkte Harmonisierung gewissen Beschränkungen unterliegt und dass ein erheblicher Investitions- und Zeitaufwand zu berücksichtigen ist. In diesem Fall könnte eine Strategie einer **klarerer Abgrenzung zwischen den Fonds** als alternativer oder ergänzender Ansatz zu bevorzugen sein. Dies könnte die Transparenz steigern und die Transaktionskosten senken und gleichzeitig die Verwaltung und den Zugang zu EU-Fonds vereinfachen. Dieser Ansatz könnte auch zu einer Rationalisierung der Fonds führen, sowohl anderer Beihilfesysteme als auch von FIs, und so dazu beitragen, Überschneidungen zu verringern.

In beiden Fällen **ist klare Kommunikation und Information** eine wichtige Voraussetzung; dieser Punkt sollte im Rahmen einer dritten Strategie angegangen werden. Kommunikation bleibt im gesamten Programmzyklus eine konstante Aufgabe. Sie ist ein wichtiges Mittel für Information, Motivation und die zugehörige Umsetzung. Angesichts der deutlichen Verbesserungen, die im Programmzeitraum 2014–2020 zu beobachten waren, könnten viele relevante Entwicklungen, beispielsweise der Strukturierte Dialog mit ESI-Fonds-Partnern 2014–2020, die Stairway to Excellence-Initiative<sup>55</sup> oder die Europäische Plattform für Investitionsberatung, in die Wege geleitet werden. Auf Grundlage dieser Erfahrungen müssen zukünftig weitere Maßnahmen zur kontinuierlichen Verbesserung und insbesondere zur Beibehaltung des Kommunikationsniveaus während der Programmumsetzung, darunter auch verbesserte Informationsdienste für Begünstigte, identifiziert werden.

<sup>55</sup> Siehe Anhang 5 für weitere Erklärungen zur Stairway to Excellence-Initiative.

# 1 INTRODUCTION

## 1.1 Purpose and Scope of the Study

The overall objective of the study is to assess the coherence, complementarity and coordination (3Cs) of the European Structural and Investment (ESI) Funds and other EU instruments. This assessment was done in respect of both policy objectives and implementation mechanisms, and to identify strengths, weaknesses and bottlenecks in delivering EU instruments (including the ESI Funds) in a coherent, complementary and co-ordinated manner. Subsequently, of the research and subsequent analysis several options were developed that could address weaknesses and bottlenecks in advance of the preparation of the impact assessment of the Commission's proposal for the post-2020 regulatory framework which in turn inform the drafting and negotiation of proposals for the next programming period.

### Definition of Coherence, Coordination and Complementarity<sup>56</sup>

**Coherence** is defined as the lack of contradictions between policy objectives and between implementation mechanisms at the EU, national and regional levels. There are some policy areas where potentially conflicting objectives (e.g. between economic and environmental policies) need to be resolved to deliver coherent programmes and projects.

**Coordination** refers to mechanisms that ensure that funds and instruments work together effectively during implementation at the EU, national and regional levels. Effective coordination can enhance the impacts of EU funding.

**Complementarity** is achieved if funds and instruments reinforce each other in achieving their objectives as well as supporting the achievement of common policy objectives and targets, such as those set out in Europe 2020.

In its analysis of the 3Cs the study focuses mainly on the experiences of the 2014–2020 programming period, but also the previous programming periods, based on the literature and the recollection of EU officials and key stakeholders. The analysis covered the following three groups of funds and FIs:

- The five ESI Funds<sup>57</sup> in the framework of shared management rules;
- The ESI Funds and other EU funding instruments delivered through other grants covering ESI policy areas;
- The ESI Funds and European Union financial instruments (FIs) and instruments managed by the European Investment Bank.

A breakdown of the funds and FIs covered by this study is provided in the introductions of Chapter 2, 3 and 4.

---

<sup>56</sup> Two other terms are frequently used in this report, synergy and demarcation (between funds and programmes). They are defined as follows.

Synergy is also used in the documentation and in the primary research (interviews and focus groups). Here we use the definition from Ferry and Kah (2016) who define synergy as 'The interaction of activities, policy measures, projects etc. results in a product which is worth greater than the sum of the two component parts ( $1+1 > 2$ )'.

Demarcation was a term that was frequently used in interviews, focus groups and discussions with the Commission. It refers to dividing lines and boundaries and was most often used in discussions concerning overlaps between policies and funds (but also geography, targets and sectors).

<sup>57</sup> European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.

This report was written at a crucial time as the impact of smart, inclusive and sustainable growth strategy of the European Commission is being evaluated and the debate about the future of post-2020 EU spending is intensifying. The fieldwork for this report was largely concluded in early 2017 and reflects the state of affairs at that point in time.

Our report intends to inform the impact assessment for the post-2020 reforms on matters regarding the coherence, coordination and complementarity of grant based funding instruments and financial instruments, both ESI Funds and instruments covering EU policy objectives.

As the mid-term review of the current multiannual financial framework (MFF) highlights, the debate over the post-2020 period will likely focus on providing targeted additional means for the Union to address the creation of jobs and growth. At the same time, managing migration and security related challenges, and securing the sufficiency of payment ceiling whilst ensuring enough flexibility for the budget to react to unforeseen circumstances, will also be priorities.<sup>58</sup> A debate about 'own resources' is also gaining traction and a report by the High Level Group on Own Resources published in December 2016 discusses the merits of new own resources of the European Commission such as a CO<sub>2</sub> levy and a financial transaction tax.<sup>59</sup> The recently published Seventh Cohesion Report further highlights the importance of the COP21<sup>60</sup> agreement on climate change and the UN Sustainable Development Goals for the discourse on the post-2020 agenda. The report also proposes a series of options such as introducing a single set of rules for the ESI Funds, revising the system of allocating funds in order to better react to new emerging challenges and to increase the levels of national co-financing in order to increase the sense of ownership of the national institutions involved. Other recommendations in the report echo the work for the High Level Group on Simplification, established to simplify rules and processes and reduce the administrative burden. The recommendations of the Group were adopted by the European Council on 15.11.2017.<sup>61</sup>

## 1.2 Methodological Approach and Research Limitations

This report set out the development of policy options for the key findings identified by focusing on the strengths, weaknesses and bottlenecks in delivering Europe 2020 priorities in a coherent, complementary and co-ordinated manner. The policy options are described in detail along with the key findings in Chapters 2–4. This report is based on six unpublished interim reports and a methodological approach described in more detail in Annex 1. The options presented in this report are related to key findings, which have been identified via desk research, key informant interviews and focus group meetings since the study started in early 2016. Two issues papers were prepared to facilitate discussion at workshops undertaken on July 11<sup>th</sup> and 12<sup>th</sup> in Brussels where selected experts debated the suggested options. The outcome of the workshops is summarised in Annex 3.

While the report triangulates findings from desk research, interviews and focus group discussions there are limitations to the evidence base. Such is the pace of change in the way EU funding is implemented (including the trend towards a greater percentage of funding delivered through FIs), some of the literature is a little dated.

---

<sup>58</sup> European Commission, Communication from the Commission to the European Parliament and the Council, *Mid-term review/revision of the multiannual financial framework 2014-2020. An EU budget focused on results* (2016), COM (2016) 603 final, [http://ec.europa.eu/budget/mff/lib/COM-2016-603/COM-2016-603\\_en.pdf](http://ec.europa.eu/budget/mff/lib/COM-2016-603/COM-2016-603_en.pdf), p.13.

<sup>59</sup> European Commission, *Future Financing of the EU - Final report and recommendations of the High Level Group on Own Resources* (Brussels: December 2016).

<sup>60</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change first held in 1992.

<sup>61</sup> Council of the European Union, *Synergies and simplification for cohesion policy post-2020: Council adopts conclusions* (15.11.2017), <http://www.consilium.europa.eu/en/press/press-releases/2017/11/15/council-conclusions-on-synergies-and-simplification-for-cohesion-policy-post-2020/pdf>.

For the analysis of the 3Cs between the ESI Funds in the framework of the shared management rules (Chapter 2) 60 interviews were foreseen in the terms of reference (approximately 12 interviews per ESI Fund on average) and 65 interviews were ultimately carried out<sup>62</sup>. However, given that the study tried to have a balanced coverage of different stakeholders and geographic coverage, this means that some findings are based on a limited number of interviews although we have omitted or qualified statements only made by a very small number of stakeholders. This limitation should be kept in mind when reading this report.

Findings for the analysis of the 3Cs between the ESI Funds and other EU funding instruments delivered through grants (Chapter 3) are based on more than 100 interviews but covered 19 additional funds in addition to the five ESI Funds. This means that to prioritise the most relevant funds, some of the funds with relatively lower levels of synergy with the ESI Funds (e.g. the Development Cooperation Instrument (DCI) and the European Development Fund (EDF)) are covered by a limited number of interviews and our findings should be caveated accordingly.

For the analysis of the 3Cs in the context of ESI Funds FIs and EU FIs and instruments managed by the EIB (Chapter 4), sixty interviews were originally foreseen and 61 interviews were ultimately carried out. These covered 13 FIs in addition to FIs financed by the ESI Funds.

The study reports a number of examples that underpin the findings of the different parts. If these are only references to specific cases they are included in the body text. Alternatively, if these are more expanded then they are put in separate and numbered example boxes throughout the Chapters.

There are some specific points to be made in respect of research concerning the FIs. Stakeholders consulted had different levels of experience in implementing FIs as well as diverse backgrounds, i.e. while some are experienced with ESI Funds FIs, others are solely involved in centrally managed FIs. Stakeholders' views generally tended to focus on the regulatory framework and implementation mechanisms for ESI Funds. As a result, their main experience was the detailed regulatory framework governing FIs under shared management. In addition, interviewees and focus group participants come from different Member States and regions with different market conditions, which greatly affected the need for and method of implementation of FIs on the ground. They also came from a much-diversified range of organisations and organisation types (national/regional authorities, EC, EIB Group, fund managers, banks and enterprises) and therefore represent different, and sometimes even contradicting, interests.

Furthermore, the implementation of many of the FIs under consideration was still at an evolving stage at the time the research was conducted. Some evaluations of these instruments have just started to emerge while for some FIs under consideration, ex ante assessments and investment strategies were still in progress (ESI Funds FIs) and negotiations on funding agreements and selection/procurement of financial intermediaries were still underway.

---

<sup>62</sup> Out of the overall 65 interviews 55 were conducted with public institutions (Coordinating Authorities and Managing Authorities) and 10 with beneficiaries of the 39 programmes (OPs and RDPs) that had been selected for the part of the study focussing on the ESI Funds.

## Outline of the Final Report

The report is structured as follows:

Chapter	Title	Description
<b>Chapter 2</b>	ESI Funds: Coherence, Complementarity and Coordination between Policy Objectives and Implementation Mechanisms in the Context of Shared Management	This section focuses on the five ESI Funds in the context of shared management and has a particular focus on the various implementation levels: Programming, Management & Control, Monitoring & Evaluation and Information & Communication.
<b>Chapter 3</b>	ESI Funds and Other EU Instruments Delivered Through Grants: Coherence, Complementarity and other Coordination between Policy Objectives and Implementation Mechanisms	This section deals with the interaction between the five ESI Funds and other grant based funds both under central and shared management. The analysis is structured according to groupings of thematic objectives.
<b>Chapter 4</b>	ESI Funds and EU financial instruments and FIs managed by the EIB: Assessment of the Coherence, Complementarity and Coordination between the Policy Objectives and the Implementation Mechanisms	This section deals with the centrally managed FIs and ESI Funds FIs under shared management.
<b>Chapter 5</b>	Conclusions	The conclusions provide a summary of the findings of overarching issues that were identified in the research for this report.
<b>Annex</b>	Annex 1-6	The annexes contain information from interim reports that contextualise findings presented in the main body of the report as well as material that is relevant on its own but was not included in the report in order to limit its length. There are also workshops that give details of the bibliography, participants in the research process and the methodology, as well a summary of the workshop findings.

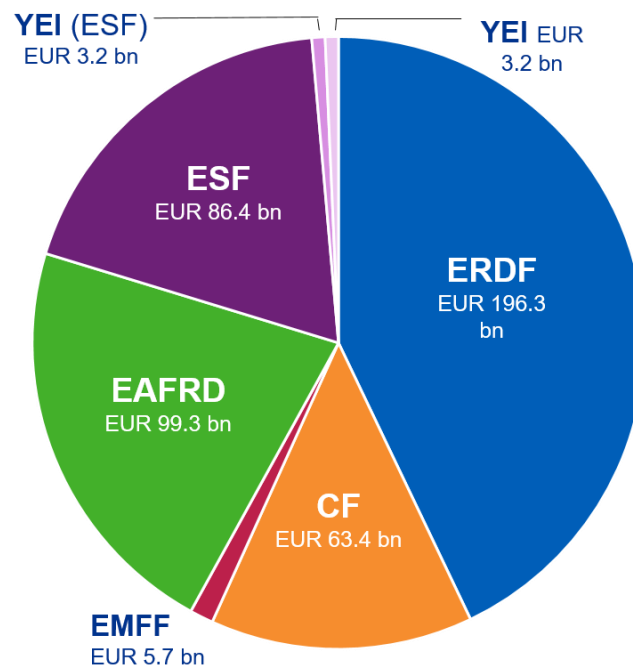
## 2 ESI FUNDS: COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN POLICY OBJECTIVES AND IMPLEMENTATION MECHANISMS IN THE CONTEXT OF ESI FUNDS

### 2.1 Introduction and Background

The objective of this chapter is to assess the overall 'coherence, complementarity and coordination (3Cs)' of the policy objectives and implementation mechanisms of the five ESI Funds together with the Youth Employment Initiative (YEI) in the 2014–2020 programming period and their relationship to each other (outline descriptions of the ESI Funds are provided in Annex 4). The Chapter presents a set of options for reform of policy and implementation mechanisms.

The financial allocation of the five ESI Funds and that of the Youth Employment Initiative are illustrated in Figure 16.<sup>63</sup>

Figure 16: The financial resources allocated to the ESI Funds and the YEI – distribution between the funds (2014–2020)<sup>64</sup>



Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164. Annex 4.

The findings and suggested options presented in this Chapter are based on comprehensive empirical research which involved a review of literature, interviews with 65 EU officials and stakeholders (including academics, Member State Managing authorities for ESI Funds, and non-governmental organisations), and five focus groups involving 46 participants coming from similar backgrounds as the interviewee. The focus groups were organised around the three elements of the ESI Funds delivery system: **Programming; Management and Control; Monitoring and Evaluation**. The discussions helped validate research findings and shed the light on eventual new findings. Accordingly, the focus groups and interviews triangulated the results of the desk

<sup>63</sup> For further and descriptive information on ESI Funds, please refer to Annex 4.

<sup>64</sup> The figures include only the EU amount of funding. YEI is shown in the initial figure, however it was not in the scope of the study.

research, the combined outcomes feeding into the option development process carried out by KPMG and Prognos in dialogue with the Commission.

## 2.2 Problem Definition

In the context of ESI Funds two main findings were identified.

Firstly, the Common Provisions Regulation (CPR) offers a common strategic framework (the Partnership Agreements) and common minimum requirements as regards the content of the programmes. This is important basis for implementing programmes using the same standards while still leaving scope for Member State initiatives. However, it still leaves room for further harmonisation and simplification of rules. Variations in rules between funds, especially between ERDF/CF/ESF and ERDF/EMFF can limit opportunities to combine funds and can generate additional administrative burdens. These issues are already on the EU's agenda (e.g. the Better Regulation Package<sup>65</sup>, High Level Group on Simplification). The study suggests the revision of the current set of rules and proposes further harmonisation or, as a radical option, one ESI Fund to substitute the current five.

The second finding is related to overlaps identified between some of the policy areas. The overlapping areas are the natural consequence of the EU's overarching investment policy. The study suggests these overlaps could be limited by setting up demarcation lines based on a thorough review of the policy objectives concerned.

### **2.2.1 Key finding 1: Variations in rules between the ESI Funds limit the potential for combining funds and increase administrative burdens especially for large and complex projects**

The harmonisation of rules achieved through the CPR and subsequent changes were positively received by stakeholders working in the context of shared management. However, most of them, along with beneficiaries, highlighted differences in the fund specific regulations as a restraint to efficiently combining ESI Funds in their investments.

#### **a) Baseline situation**

The 2014–2020 programming period brought forward a new legislative framework for the five ESI Funds, which fall under the EU's Cohesion Policy, the Common Agricultural Policy and the Common Fisheries Policy. Nevertheless, the harmonisation was only partial and our empirical research revealed some areas where further harmonisation can enable complementarities between funds. Figure 17 below shows that the most frequently mentioned factors limiting complementarities are closely related to the differences in the fund specific regulations (e.g. references were made to perceived incoherent regulatory frameworks, etc.).

Our review of Commission, Council<sup>66</sup> and Member State documents<sup>67</sup> along with the focus groups suggest that there have been significant improvements as regards harmonisation of a great part of the rules governing the ESI Funds. The new regulatory framework offers tools that allow for a combination of support from different ESI Funds, with a view to accommodating the needs of each territory, at national, regional, local or cross-border level.

---

<sup>65</sup> The European Commission adopted its Better Regulation Agenda in 2015. This comprehensive package of reforms covers the entire policy cycle and aims to boost openness and transparency in the EU decision-making process.

<sup>66</sup> E.g. thematic objective guidance fiches, country-specific recommendations, etc.

<sup>67</sup> Operational Programmes/RDPs and Partnership Agreements.

## **b) Scale and drivers of the problem**

The differences in the details of the fund-specific regulations are rooted in legal reasons and historical explanations. Divergences can be traced back to different policy objectives, types of support and the typical size of projects under the various funds. In the case of sectoral policies, such as rural development, these differences are especially important. Rural development is linked to the Common Agricultural Policy (CAP) and its measures are to achieve the overall policy goals of the CAP. In other cases, some fund-specific rules have been initiated under one fund and are now inspiring others. An example of the latter is the use of simplified cost options first time in the ESF, which was later extended to the ERDF.<sup>68</sup>

The challenges stemming from the different regulations are large scale and affect both institutional and private stakeholders. They are also not a new feature of the current programming period: earlier policy analysis and former evaluation reports also pointed out inefficiencies and room for improvement concerning the regulatory framework.

Most of the public stakeholders consulted saw further potential of the ESI Funds to reinforce each other if there was additional consolidation and simplification of the rules set up at the EU level (e.g. eligibility, reporting requirements).<sup>69</sup> From a Commission perspective, the more funds are involved in the project being implemented the more coordination is required, potentially involving different Directorate-Generals (DGs) of the Commission. This could lead to inter-service working groups, ad-hoc meetings or other platforms where fund-specific issues may be discussed, all adding to administrative burden of the Commission.

From the beneficiaries' point of view, the source of the funding is less relevant, hence they are less concerned about high level policy objectives. Management and control rules are fund-specific, therefore, in the planning phase, the project must be adjusted to the eligibility rules of one specific fund. Once the project is tailored to one fund, beneficiaries do not see much room for making it compliant to another regulation.<sup>70</sup> By way of example, Local Action Groups noted that the combination of EAFRD resources with ESF funding is in prospective, but very few LAGs have utilised this opportunity so far. The main underlying reason is that the principles of the ESF do not apply to LAGs actions that are focused on the implementation of LEADER programmes. Taken together, these results show that, at the level of beneficiaries, the difficulties of combining funds go beyond the problem of coordination and include an additional layer of administrative burden.

## **c) Impact on the 3Cs in the context of programming, Management and Control and Monitoring and Evaluation**

### ***Programming***

Concerning the variations of rules between the ESI Funds, the point mentioned most by the representatives of coordinating and Managing authorities was the parallel use of the six Union priorities (in the case of the EAFRD and the EMFF) and eleven thematic objectives (in the case of the other ESI Funds). The use of Union priorities over thematic objectives (TOs) was identified by managing and coordinating authorities as a hindering factor for achieving the 3Cs in the case of the EAFRD and the EMFF. In this case managing and coordinating authorities reported that even though there is a clear link between thematic objectives and Union priorities, thematic objectives have had much

---

<sup>68</sup> Background Fiche: High Level Group Monitoring Simplification for Beneficiaries of ESI Funds (HLG), *Aligned Rules for ESI Funds. 9th Meeting of the High Level Group* (Brussels: 16.5.2017).

<sup>69</sup> The statements reflect the views of the 52 Managing and Coordinating Authorities interviewed during the research on Funds under shared management.

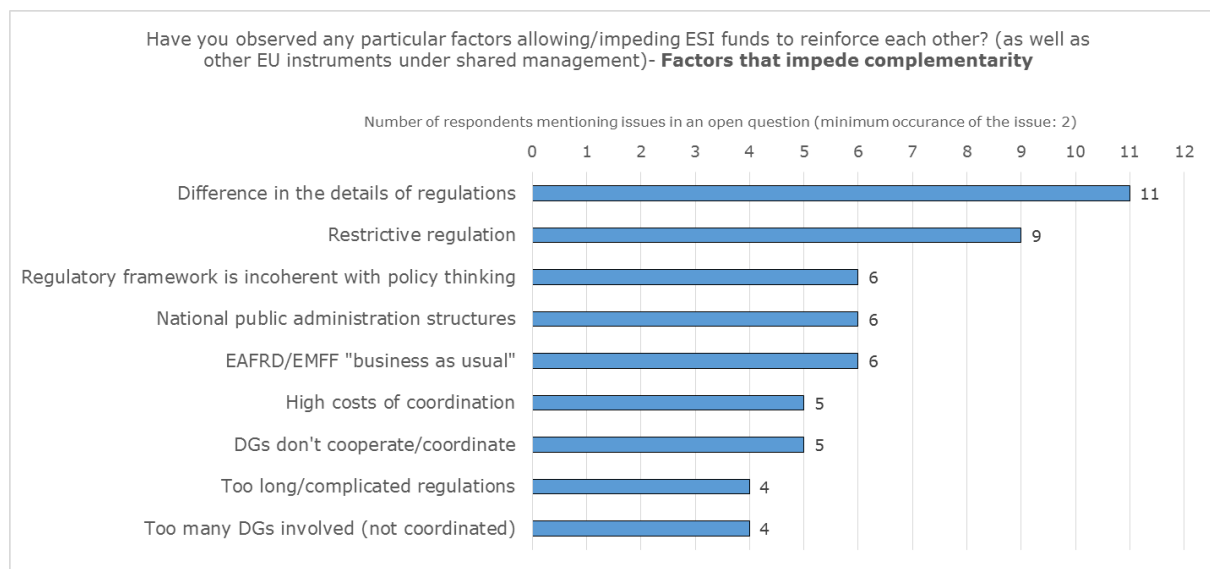
<sup>70</sup> Overall view of the 10 interviewees in the beneficiary interviews conducted during the research on Funds under shared management.



less of a guiding role in the planning of RDPs and EMFF Operational Programmes than in the case of Cohesion Policy programmes.

During the interviews, representatives of coordinating and Managing Authorities were asked about their views regarding factors that impede complementarity. The following figure provides an overview of their opinions.

Figure 17: Factors impeding complementarity – the frequency of the most common issues mentioned by the representatives of coordinating- and Managing Authorities



Source: KPMG/Prognos (2016), based on semi-structured interviews with managing and coordinating authorities (N=32).

Restrictive regulations were mentioned by nine interviewees. One of these, who was involved mainly in the implementation of policies aiming to facilitate sustainable and quality employment and labour mobility, noted that *'cross-financing has strict requirements towards potential beneficiaries (e.g. regarding the size of the company)'*.

An interviewee representing a coordinating authority highlighted pragmatic approaches noting that *'stakeholders dealing with the EAFRD and the EMFF just did 'business as usual' [i.e. the new arrangements set out in the CPR were not reflected] during the Partnership Agreement negotiations, only small modifications were made in order to comply with CPR'*.

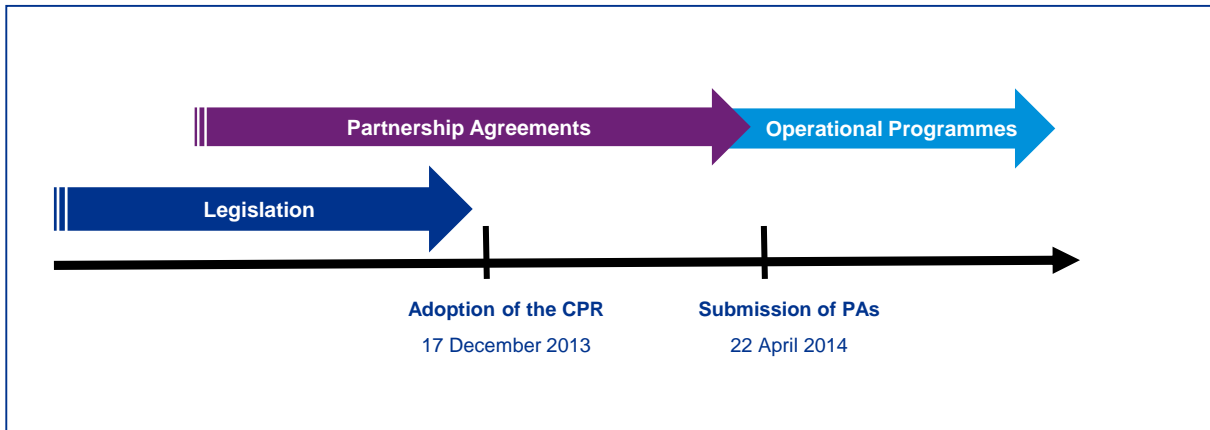
Essentially, as has been stated above, the regulatory framework remained largely fund-specific, with particularly significant differences existing between the ERDF/ESF/CF and the EAFRD/EMFF. Significant obstacles relate to the perceived high administrative burden and the differences in regulations concerning eligibility rules or monitoring and reporting obligations. As a coordinating authority reported *'the Rural Development Fund [i.e. the EAFRD] is more far away from the ESF and the ERDF than those two are from each other. [The EAFRD] has retained the main parts of the 2007–2013 regulation; it is much more complicated than the ERDF and ESF regulations.'*

Overlaps in the schedule of the phases of the programming process were also mentioned frequently by the representatives of coordinating and Managing Authorities. The issue can be explained as follows. Agreement on the 2014-2020 Multiannual Financial Framework was reached behind schedule, which delayed the adoption of the CPR.<sup>71</sup> This in turn delayed drafting the national and regional programmes. Despite the

<sup>71</sup> European Parliament, *European Parliament Briefing – How the EU budget is spent* (July 2015). [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/565873/EPRS\\_BRI%282015%29565873\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/565873/EPRS_BRI%282015%29565873_EN.pdf).

postponement, Partnership Agreements were signed prior to the deadline set in the provisions, which was achieved by developing subordinated strategic planning documents<sup>72</sup> in parallel (see also Figure 18). Furthermore, as a result of this simultaneous planning process, it was more difficult to allocate resources to certain policy objectives by one fund considering that other ESI Funds would also intervene in that area.

Figure 18: Parallel development and delay of strategic documents.



Source: KPMG/Prognos (2017).

The differences in the fund specific regulations can result in potential gaps in the regulatory framework, which in turn can make it difficult to combine funds<sup>73</sup>. While the CPR has harmonised the rules for the ESI Funds and has established a set of common indicators under Article 27 of the CPR, some differences remain e.g. in Part III and IV.<sup>74</sup>

As it was described in a very concise manner by one of the representatives of coordinating authorities 'The main reason behind the lack of potential for the ESI Funds to reinforce each other is that even though some harmonisation took place, the regulations of the various funds are still very different.'<sup>75</sup>

### **Management and Control**

The management and control systems of the ESI Funds differ, especially that of the EAFRD compared to the other funds.<sup>76</sup> In the subsequent section, we list the areas where the representatives of managing and coordinating authorities in interviews or during focus groups, mentioned restrictions caused by the differences in the fund specific regulations:

- **Audit rules and requirements** that determine how in relation to the funds, Managing authorities should plan their audits, are different between the ESI Funds. The interviewed representatives of coordinating and Managing Authorities were asked to share their views on the administrative burden caused by coordination tasks. In Figure 19, we present the most frequently mentioned issues.

<sup>72</sup> Both the Partnership Agreement and the Operational Programmes/RDPs can be considered as strategic documents in the sense that they set out the future goals in view of the present situation, describe the manner of achieving it, and define the measurement of progress.

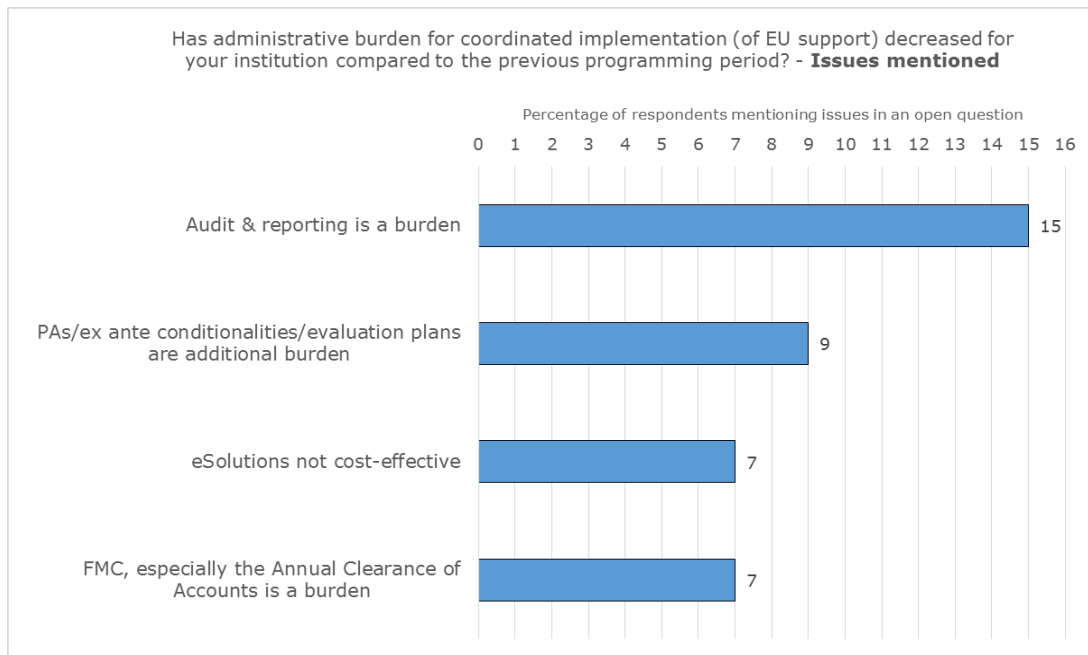
<sup>73</sup> M. Ferry, S. Kah, J. Bachtler, Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals, Re-search for REGI Committee (2016).

<sup>74</sup> Please refer to Annex 4 for details.

<sup>75</sup> Interview with Coordinating Authority

<sup>76</sup> Background Fiche: High Level Group, Aligned Rules for ESI Funds. 9th Meeting of the High Level Group (Brussels: 16.5.2017).

Figure 19: Assessment of managing and coordinating authorities and beneficiaries on administrative burden for coordinated implementation. Source: KPMG/Prognos (2016), N=62



- The interviewed representatives of the authorities also emphasised the need for *'the EC to implement changes to better align the regulations and to ease audit and reporting requirements.'* It was argued that the *'complexity of audit system needs to be reduced.'* In respect of ERDF/CF/ESF cross-financed projects focus group participants highlighted *'audit risk from using more than one fund as a major hindering factor for the realisation of cross-financed projects.'*
- **Risk avoidant behaviour** – a general *'fear of non-compliance'* with the regulations. This behaviour is rooted in the experience of perceived *'control focus'* in past programmes and priority given to avoiding errors.<sup>77</sup> As the combined use of funds imposes additional norms, rules and procedures on Managing Authorities usually took extra care to be compliant with the rules. This behaviour often ended up in compliance with more rules than the necessary minimum. This was especially strong in Member States with less experience in applications for EU funding, as well as in areas which are characterised as having a higher probability of errors occurring (e.g. during public procurement).
- **Simplified cost options**, per se, contributed to achieve less errors in reporting. However, the related guidance provides only general information on the application of SCOs in relation to *'cross-financed'* projects<sup>78</sup>, whereas Managing Authorities of multi-fund operational programmes noted the complexity of running a programme combining different levels<sup>79</sup> of rules.<sup>80</sup> In addition, public stakeholders frequently noted that the SCOs are not

<sup>77</sup> KPMG, Prognos, Work Package 12: Delivery system of the ex post evaluation of Cohesion Policy programmes 2007-2013 (2016).

<sup>78</sup> European Commission, *Guidance on Simplified Cost Options (SCOs)* (2014). The guidance provides information on cross financing in relation to ESF and ERDF.

<sup>79</sup> The Common Provisions Regulation and the Commission Delegated Regulation relating to flat rates for indirect costs.

<sup>80</sup> A study on the adoption of SCOs by the ERDF and ESF commissioned by the European Parliament came to a similar conclusion. Blomeyer, R., Sanz, A., *Research for REGI Committee - Simplified Cost Options in Practice* (2016), [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573447/IPOL\\_STU\(2016\)573447\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573447/IPOL_STU(2016)573447_EN.pdf).

equally permissive across the five funds. Notably, they referred to the European Territorial Cooperation, which was perceived to have a more flexible approach regarding not only in relation to the simplified cost options, but also to the eligibility of expenditures.

- **Different eligibility rules** hamper the coordination of projects funded by several ESI Funds. Both public and private stakeholders noted that *'eligibility rules are one of the main factors impeding coordination on the ground'*. Eligibility rules were also mentioned in relation to administrative burden, arguing that *'the main factor for administrative burden for the Managing Authority were the eligibility rules and there was no perceived improvement in the 2014–2020 period'*. An example from Spain provides some further details: *'there would be a potential to combine the EAFRD and the ERDF under TO4, however, there are certain limits, and different eligibility criteria for the ERDF and EAFRD, which is a burden.'*<sup>81</sup>

One example from a Managing Authority concerned difficulties related to their waste water management project where investments necessary for compliance with EU Directives in the waste and water sectors were financed by the Cohesion Fund, while the ERDF funded the development of energy efficiency, within a single Operational Programme. The Managing Authority reported that *'[it is] very difficult to combine funds in a [single] project (especially ERDF and CF resources, because financial management has to be done twice (payment forecasts, reports, calculation of commitment targets).'*

### **Monitoring and evaluation**

Our research confirmed our original hypothesis that the main shortcoming hindering the effective implementation of the new result-oriented intervention logic is the different understanding, interpretation and use of both 'result' and 'impact' concepts across the five ESI Funds. The example of the European Social Fund illustrates this case. ESF programmes concentrate on the direct effects of intervention. 'Results' are interpreted as positive changes related to beneficiaries of programmes. This perspective makes the identification and assessment of wider and socio-economic changes difficult. In contrast to that, in ERDF programmes 'results' are used to capture a change in a sector or a socio-economic situation in a given area and give too little attention to direct net effects for beneficiaries.

### **2.2.2 Key finding 2: Problems resulting from overlaps between ESI Funds resulting in suboptimal allocation of resources**

The research identified examples of overlaps either at programme or project level. Overlaps can be found when a project or specific components of a project can be financed by more than one fund and the choice of the instrument and funding sought is heavily dependent on the understanding of the project implementer.

During the research, various interpretations arose in relation to overlaps. Most commonly, they were associated to cases when applicants were unsure about which fund to opt for between the alternatives. Furthermore, from the beneficiaries' point of view, the concept of overlaps was also related to the cautiously avoided 'double funding', i.e. that 'expenditure co-financed by the Funds shall not receive assistance from another Community financial instrument'<sup>82</sup>. Yet, these overlaps do not mean inconsistent fund delivery or contradictions of policy objectives. They can rather be interpreted as practical consequence of the overarching investment policy of the EU.

---

<sup>81</sup> The quotations originate from interviews conducted during the research.

<sup>82</sup> Article 54 of Council Regulation (EC) No 1083/2006.

## a) Baseline situation

The 'thematic concentration of funds' and the delineation of 11 thematic objectives and of six Union priorities (in the case of the EAFRD and EMFF) on the basis of Europe 2020 (Art. 9 of the CPR) strategy represents a key element in the reform of the ESI Funds. This principle, and the related regulatory requirements had the purpose of aligning the ESI Funds with the Europe 2020 Strategy, so as to integrate the ESI Funds with the larger policy framework of the EU. It also aimed to increase added value by concentrating the funds on a limited number of priorities in all Member States and regions (i.e. contributing to complementarity).<sup>83</sup> The increased focus on complementarity and coordination with regard to the thematic objectives was also underlined by the preparatory work of the European Commission, which prepared guidance in a series of staff working documents in relation to the CSF.<sup>84</sup>

## b) Scale and drivers of the problem

Due to the overarching funding priorities of the EU, some policy areas inevitably cut across each other, leaving 'common areas' of funding. This may happen either in the context of thematic objectives or in the context of the funds themselves. The table below visualises these areas, i.e. where the specific thematic objectives are delivered by multiple ESI Funds leaving room for eventual overlaps and where our research was focused.

Considering that all ESI Funds operate under the Europe 2020 Strategy, such 'common areas' of funding per se do not imply necessarily overlaps. However, at the very least, they do increase the risk of overlaps.

Table 1: 'Common areas' of funding across TOs - Key links between ESI Funds, the Treaty objectives and the 11 TOs

thematic objectives												
	Treaty Base	TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11
<b>ERDF</b>	Art. 178, 349 TFEU											
<b>ESF</b>	Art. 164 TFEU											
<b>Cohesion Fund</b>	Art. 177 TFEU											
<b>EAFRD</b>	Art. 38, 39, 42,43(2) TFEU											
<b>EMFF</b>	Art. 38, 42, 43(2), 91(1), 100(2), 173(3), 175, 188, 192(1), 194(2), 195(2) and Art. 349											

Source: KPMG/Prognos (2016).<sup>85</sup>

At times, funds support the same types of activity even though they are supposed to finance different policy interventions. This issue is especially relevant in the case of broadband infrastructure, renewable energy, wastewater treatment infrastructure and

<sup>83</sup> At the same time, the scope of interventions from the ESI Funds is no longer differentiated by categories of regions, allowing the same types of investments in all regions (except for support under TO 11 (i), which is limited to Member States eligible for the Cohesion Fund).

<sup>84</sup> European Commission, COMMISSION STAFF WORKING DOCUMENT. Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund (Brussels: 2012), SWD(2012) 61 final.

<sup>85</sup> Data from European Commission, *Guidance for Beneficiaries* (2014); The European Neighbourhood Instrument (2014), retrieved from [http://www.enpi-info.eu/main.php?id\\_type=2&id=402#Priorityareas](http://www.enpi-info.eu/main.php?id_type=2&id=402#Priorityareas); European Neighbourhood Policy (2015), retrieved from [http://ec.europa.eu/enlargement/instruments/overview/index\\_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm); and the Internal Security Fund 2014-2020 (2015), retrieved from [http://eeas.europa.eu/enp/eu-programmes/pdf/15-internal-security-fund\\_en.pdf](http://eeas.europa.eu/enp/eu-programmes/pdf/15-internal-security-fund_en.pdf); and from scoping interviews with Steering Group members.

environmental issues, because these intervention areas can be financed both by the EAFRD and the ERDF<sup>86</sup>. The problem was identified more by public stakeholders than by beneficiaries, as the following quote from the interviews conducted for this study shows below.

*'[The coordinating authority] wanted to avoid overlaps, but they have a lot of Managing Authorities solving similar objectives (five programmes for energy efficiency – housing, public sector, etc.)' (Interview, coordinating authority)*

Our findings on overlaps are in line with the argumentation of a recent study on possible simplifications within the ESI Funds that concludes as follows: *'currently, the overlap of policy objectives and gaps that remain between the funds are reducing the possibilities for real integration and synergies between them'*. At the same time, the study argues that these overlapping responsibilities do not stem from intrinsic bottleneck of the system.<sup>87</sup>

### **c) Impact on the 3Cs in the context of Programming, Management and Control and Monitoring and Evaluation**

The potential overlaps affect to various extent the different fields of the ESI Funds delivery system and shared management.

#### ***Programming***

The question of overlaps between the ESI Funds is particularly relevant when policy objectives are prescribed in the Partnership Agreements, operational- and co-operation programmes and integrated territorial investments. Participants of the focus group on programming agreed that the new legislative framework did not require the establishment of strict boundaries between ESI Funds with a view to promoting complementarity among them. The risk of overlaps was instead mitigated by increased coordination efforts, when drafting the Partnership Agreements and operational programmes, and was mainly achieved by applying demarcation criteria based on population size or project size thresholds between the EAFRD and the ERDF.<sup>88</sup>

#### ***Management and Control***

Concerning Management and Control the impact of the above outlined overlaps are reflected. Due to the above described flexible regulatory framework, the fear of double funding and non-compliance with the regulations was still observed as a priority during implementation. As findings from focus groups and interviews indicated, Member States and regions still applied demarcation as a primary tool to ensure the coherence of ESI Funds. This behaviour (rooted in past experience of 'control focus' and priority to avoiding error rates<sup>89</sup>) probably helps achieve the aims of regular programme implementation, but it is counter-productive to achieving complementarities through preventing the combination of funds, implementation of cross-financed projects, use multi-fund CLLDs and implementation of ITIs on a wider scale.<sup>90</sup>

---

<sup>86</sup> Although funding allocations by the EAFRD to the abovementioned policy areas are usually lower than allocations by the ERDF.

<sup>87</sup> High Level Group Monitoring Simplification for Beneficiaries of ESI Funds, Final conclusions and recommendations of the High Level Group on simplification for post 2020 (2017).

<sup>88</sup> According to an interview with a MA implementing in Germany the EAFRD and the ERDF are complementary and there is a clear rule to determine which fund applies: in a village with less than 5 000 inhabitants ERDF and for villages/towns with more than 5 000 inhabitants EAFRD funding will be used.

<sup>89</sup> KPMG, Prognos, Work Package 12: Delivery system of the ex post evaluation of Cohesion Policy programmes 2007-2013 (2016).

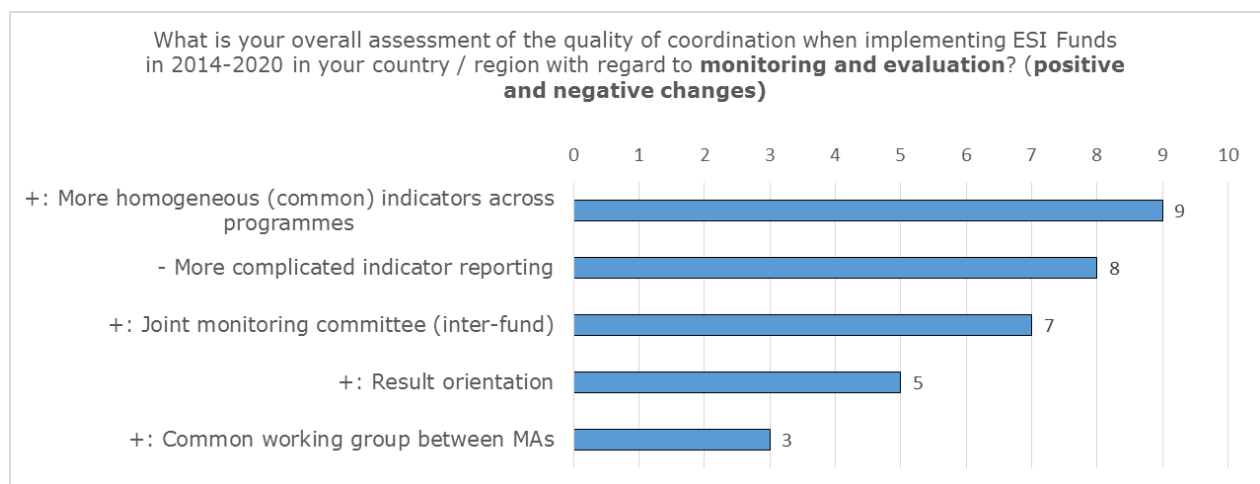
<sup>90</sup> Based on interviews with representatives of Managing and Coordinating Authorities.

## Monitoring and Evaluation

Finally, the presence of overlaps affects the field of Monitoring and Evaluation as well. The various programmes financed by the ESI Funds differ in their information needs to be met by monitoring. The issues around the use of common indicators are complex and not yet resolved due to technical challenges (common definitions, data sources and collection, the utility of individual indicators) and potential trade-offs (loss of fine grain detail with common indicators<sup>91</sup> and the loss of the programme specific perspective by standardising).

Managing and coordinating authorities had a mixed view on the above. As Figure 20 shows, on the one hand they acknowledged the use of more homogenous common indicators as a positive change of the current programming period. On the other hand, a number of them also noted that the reporting process became more complicated.

Figure 20: Assessment of managing and coordinating authorities on changes of monitoring and evaluation in the 2014-2020 programming period. Source: KPMG/Prognos (2016). N=52



### 2.3 Option Mapping

Below, we present a set of policy options for the post-2020 regulatory framework, which are based on the conclusions from interviews, focus groups and expert workshops and which are, moreover, closely linked to the key findings described in the previous chapter.

The options are not necessarily mutually exclusive. In many cases, they could be complementary and can be implemented in tandem as part of a wider strategy of reform. Options concern common rules and simplified processes, improved information and advice for prospective applicants, and a greater clarity between funding programmes, which could potentially be achieved by a greater demarcation between funds and/or a consolidation of funds, to eliminate overlaps. Furthermore, a separate section analyses whether and to what extent the given option relates or contributes to harmonisation, simplification or communication.

<sup>91</sup> Member States can add their own indicators to reflect the circumstances that their programmes operate in and targets they seek to meet.

Table 2: Overview of Options

<b>Overview of options and their relation to ...</b>			
	<i>Harmonisation</i>	<i>Demarcation</i>	<i>Communication</i>
Option 1: Further harmonisation of financial and implementation rules.	+	+	0
Option 2: Radical harmonisation – One ESI Fund, one set of rules	++	+	+
Option 3: Smart Demarcation of ESI Funds	+	++	+

Scale: ++ = strong relation, + = medium, 0 = low.



### **2.3.1 Option 1: Further harmonisation of financial and implementation rules**

<b>Option Description</b>	
<p>The option proposes a revised CPR for the post-2020 period to include further harmonisation and simplification of financial and implementation rules across the ESI Funds. This would include the streamlining of horizontal rules (such as state aid rules), terminology and aid intensities along with the application of simplified cost options. The process could be extended to cover monitoring and evaluation rules by reviewing the common output indicators, or additional rules through a revised CPR.</p>	
<b>Expected contribution of option</b>	
<ul style="list-style-type: none"> <li>• extension of the possibility of combining funds</li> <li>• enhancing complementarities</li> <li>• stronger coherence once more effective complementarities are ensured</li> </ul>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Simplification</li> <li>• Higher regularity due to the fewer number of rules, aligned terminology, clear description of rules</li> <li>• Focus on results</li> <li>• Consistency with current EU reforms</li> </ul>	<ul style="list-style-type: none"> <li>• A 'one-size-fits-all' model could diminish the differentiation between different programmes</li> <li>• High anticipated costs of harmonisation</li> </ul>

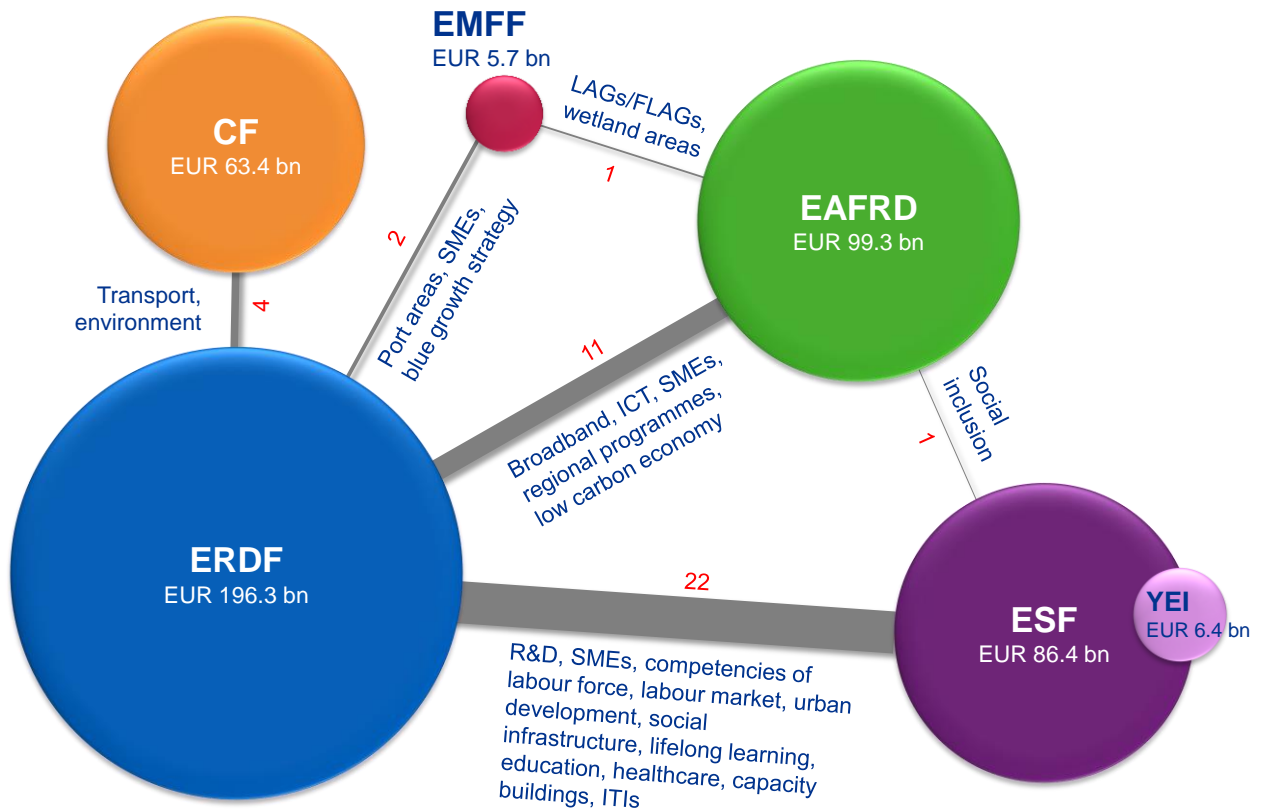
#### **a) Description of the option**

A desire to further harmonise the financial and implementation rules of the five ESI Funds was strongly emphasised by Managing Authorities, academics and experts during the interviews, focus groups and workshops. Opinions differed on how far to go, especially given the complexities of changing rules and the general desire not to have additional layers of rules (which was one criticism of the CPR, including the Common Strategic Framework, even if the principles were generally supported). However, there was a desire to preserve the links between the ESI Funds, notwithstanding difficulties arising from overlaps.

The complexity, which has been developing over the years within Cohesion Policy, should not be seen as an inherent or unavoidable feature of shared management. A more aligned and simpler delivery system is a feasible option. Public stakeholders would generally welcome further harmonisation and streamlining of the financial rules, to facilitate the synergetic working of the funds. Figure 21 shows the combination of funds in case of which managing and coordinating authorities typically see the potential for synergies at the strategic level. The most frequently mentioned linkages are between the ERDF and the ESF (22) and the ERDF and the EAFRD (11).



Figure 21: Managing and coordinating authorities perceive great potential in ESI Funds reinforcing each other



Legend: **N**: frequency in the open answers of the interviewees to the question 'What do you see as the largest potentials for different ESI Funds to reinforce each other, or between ESI Funds and other EU instruments to do the same?' Areas of circles are proportionate to the total budget, grey lines are proportionate to **N**.

Source: KPMG/Prognos (2016), based on interviews with Managing- and coordinating authorities (N=52). Allocations based on sources outlined in Table 16, p. 164.

Based on the challenges identified in the Chapter on Key Finding 1, harmonisation could cover simplified cost options and horizontal rules such as audit rules and eligibility rules. Consistent terminology within the different parts of the same regulation (e.g. priority axis/priority, operational programme/programme) support a better understanding and applicability of regulations. Besides the key issues mentioned above, harmonisation and simplification should also be facilitated to other areas such as monitoring and evaluation in the future.<sup>92</sup>

### **b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs**

Better harmonisation of rules could have a large impact at the level of implementation when it comes to 3Cs, e.g. in terms of more opportunities for implementing subsequent projects financed by different funds, less administrative work for the implementation of integrated projects. One of the main outcomes of a harmonisation would lie in increasing the possibility of combining funds and as such, it would also result in achieving more complementarities compared to the baseline situation.

The interviewees and focus group participants equally acknowledged the success of Community-led Local Development, in which a single methodology is applied for all ESI

<sup>92</sup> These findings stem from the desk research, interviews and focus group discussions that were conducted for the 2nd Interim Report, which this report is partly based upon within the scope of this study.

Funds. This single methodology is applicable across all ESI Funds and regions- it focuses on specific sub-regional areas and is led by local action groups, which carry out integrated and multi-sectoral area-based local development strategies, taking into consideration local needs and potentials, further including innovative features, networking and cooperation. These local development strategies must be coherent with the relevant programmes of the ESI Funds through which they are supported, to allow for a connected and integrated use. As the representatives of Managing authorities noted *'With regard to the environmental measures [...] there is not much room to manoeuvre on the policy level. The notable exception from this is CLLD, which represents a best practice for coordinating different funds and creating synergies'* and *'CLLD works really good with EAFRD'* Furthermore they noted also that *'it would be good to have this obligation [CLLD for EAFRD] in other funds as well'*.

Concerning coordination, harmonised rules per se would not alter existing mechanisms in place to ensure that funds could work together effectively at all levels. However, if harmonised rules result in alleviated administrative burden, then coordination would probably become less resource intensive.

Regarding coherence, the expected contribution of harmonised rules is high. Based on the research on funds under shared management<sup>93</sup> in the perception of the representatives of managing and coordinating authorities, the main factor impeding coherence were the differences of fund-specific regulations (see Key Finding 1 above). These differences were also an important trigger for authorities to establishing lines of demarcation between funds.

### **c) Advantages and disadvantages of the option**

Assessing whether Option 1 would deliver stronger harmonisation, one has to take into consideration the criticism from some stakeholders of the CPR, including the CSF. The regulation was designed to provide stakeholders with a common set of rules, alongside fund specific rules. Yet, as expert workshop conclusions highlighted, some perceive this as an extra layer on top of the already existing regulations, outweighing the advantages of enhanced harmonisation. The possibilities of a fundamentally new set of rules – as an alternative solution - are discussed in the subsection of *'Option 2: Radical harmonisation – One ESI Fund, one set of rules'* (see Option 2 below).

- ↑ **Simplification:** compliance with financial rules requires considerable resources from beneficiaries. They lack the capacity to follow up the changes in the different sets of financial rules in parallel. Harmonised regulation and reduced administrative burden would allow stakeholders to focus their efforts on achieving results by the coordinated and complementary use of funds and less on compliance with different sets of rules. Furthermore, the harmonised rules would feed into the EU's simplification agenda.
- ↑ **Better alignment between ESI Funds:** continuing the harmonisation and making all rules applicable to all five ESI Funds would have the advantage of streamlining many processes into one e.g. aligning monitoring and evaluation requirements, the terminology and description of responsibilities of Monitoring Committees and the requested content of annual implementation reports. Improved alignment between funds is expected with fewer (different) rules to comply with for project implementers. In addition, the harmonised rules imply standardised audit processes, which also result in a more systematic control and lower error rates.

---

<sup>93</sup> Ibid.

- ↑ **Better delivery of results:** the simplified processes and the higher regularity would facilitate a better delivery of results. If there are simpler and less rules to comply with, then Member States may abandon the control-focused behaviours of the past and concentrate more on results. More specifically, as every stakeholder would be operating to similar rules the discussion and management of multi-fund programmes should be easier. The same applies to the coordination of evaluation processes, i.e. similar monitoring rules would facilitate the discussions on coordination and strategic policy making within the Joint Monitoring Committees.
- ↑ **Consistency with the need for simplification:** including the ongoing simplification process and the work of the inter-service group to review the potential extension of common outputs and result indicators. The option is in line with other initiatives, e.g. the previously referred Better Regulation Package or the High Level Group on simplification, striving for simpler rules and processes within the ESI Funds delivery system. The participants of the expert workshops also emphasised that cutting through red tape needs to be in the focus of the post 2020 policy making.
- ↓ **Problems with one size fits all solutions:** the 'one-size-fits-all' approach might not suit the needs of all ESI Funds due to the different specifics of project types and policy objectives. In other terms, the benefit of differentiation should not be undermined: specific rules can allow better targeting and they are more in line with needs. As it occurred to the CPR, certain rules<sup>94</sup> cannot be entirely in line with other funds. It is worth considering if the CPR's approach can be extended, i.e. bringing even more rules under one umbrella and applying specific rules only where it is indispensable, testing individual rules to see where the benefits of harmonisation outweigh the costs.
- ↓ **New steep learning processes:** despite the benefits of standardised rules, the adaptation of Managing authorities to a new, streamlined set of rules would require significant resources from almost all stakeholders (the anticipated cost of harmonisation is estimated to be relatively high). National stakeholders might insist on old rules in terms of financial reporting, due to the path dependency of the established institutional framework. In addition, the dominating opinion of the expert workshops were in favour of maintaining regulatory stability as the focus is still in many cases on procedures and compliance. A period with no change in the legislation would mean a chance to all stakeholders to familiarise and adapt themselves to the current system of rules.

To conclude, the following considerations should be taken into account when assessing this harmonisation option: firstly, as the expert workshop conclusions highlighted, despite the general wish of further harmonisation, stakeholders, especially beneficiaries, are concerned about any change that might cause additional administrative burden for them. In some cases experts stated that incremental changes in the regulatory framework – even though those were aimed to harmonise - created difficulties both for Managing Authorities and beneficiaries. Hence, whilst stakeholder judged the CPR as a welcome attempt to harmonise rules, it was in effect another regulation and another layer of rules. Secondly, and in light of the above, they also noted that harmonisation is a necessary but not a sufficient step towards the complementary and synergetic use of funds and should be followed by simplification as far as possible.

---

<sup>94</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, Part III and IV (OJ L 347, 20.12.2013, pp. 320–469).



### 2.3.2 Option 2: Radical harmonisation – one ESI Fund, one set of rules

Option Description	
The 'one ESI Fund' option is the radical version of further harmonisation. It goes beyond the scope of the former and envisages a single fund with a single set of rules.	
Expected contribution of option	
<ul style="list-style-type: none"> <li>• obviate the need of combining funds</li> <li>• leaves no place for contradictory policy objectives</li> <li>• contribute to harmonisation with a positive outlook also to simplification</li> </ul>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• 'Starting afresh' with considerable advantages over incremental changes</li> <li>• Higher regularity is expected due to the fewer number of rules, aligned terminology, clear description of rules</li> <li>• Better information flow within a homogenous environment</li> </ul>	<ul style="list-style-type: none"> <li>• Problems with 'one size fits all' solutions.</li> <li>• Negotiation of the rules result in long processes</li> <li>• Cost of reorganisation</li> <li>• Technical difficulty and challenges of implementation</li> </ul>

#### a) Description of the option

This option is about a new, comprehensive fund that would encompass all the currently existing areas of funding, i.e. rural development, regional- and cohesion policy, employment and maritime and fisheries.

'Radical' harmonisation means that the five ESI Funds would be replaced by one fund with a unique set of rules. This option was inspired and advocated by a Croatian public stakeholder, who mentioned that the *'combination of funds means almost unbearable administrative burden due to double and different requirements. Thus, it would be better to have only one fund or provide very clear demarcation lines and build on the positive experiences of IPA.'* (Public Stakeholder, Croatia)<sup>95</sup>

#### b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs

Radical harmonisation as opposed to incremental harmonisation has the advantage of not creating any additional layer, as the launch of the former would mean to completely abolish the previous one. Coherence would be ensured by this 'tabula rasa' effect, thus no space would be left for any contradictory policy objectives. One single Fund with a single set of rules would require less coordination efforts over time. Furthermore, as the radical harmonisation would practically mean only one single instrument and legal framework, this would obviate the need for complementarities. Taken together this option would best contribute to harmonisation with a positive outlook also to simplification but presents also a number of limitations (e.g. problems with one-size fits all solution etc.).

#### c) Advantages and disadvantages of Option 2

↑ **Simplification:** as opposed to Option 1, radical harmonisation would mean 'starting afresh', which has considerable advantages over incremental changes (see conclusions of Option 1): however the expert workshop participants highlighted that the possible resistance over each modification – even when intended to harmonise and simplify existing rules – should be taken into account.

<sup>95</sup> Compare Chapter 2.2.1.

- ↑ **Easing auditing and reporting requirements:** similarly to Option 1, if authorities and beneficiaries have to comply with only one set of rules –depending on the clarity and complexity of the rules - then they are less likely to commit errors. In addition, the single structure of management and control would considerably ease the audit and reporting obligations.
- ↑ **Better information flow:** a common intervention framework could facilitate effective discussion and the coordination of evaluation processes and could replace the need for Joint Monitoring Committees.
- ↓ **Technical difficulty and challenges of implementation:** a single fund presents radical policy and operational challenges with requirements for institutional reform at the EU and potentially at the Member State level, including agreements on governance structures. Feasibility work would be required to see whether it would be practical to be introduced immediately post-2020, or phased in over a longer period. Among the many fundamental issues to be addressed are the rules governing ESF activities, with a focus on individual final beneficiaries or small organisations, and the EAFRD, with many final beneficiaries of small size, would need to work through given the nature of beneficiaries compared to other ESI Funds.
- ↓ **Problems with 'one size fits all' solutions:** to reach their policy goals each fund requires different needs and particularities. EAFRD and the EMFF could lose the flexibility needed for ensuring complementarities with the EAGF and the 'CAP Horizontal Regulation'. There is a risk that under 'one single rule' some specific policy interventions could not achieve their targets. Therefore, it would need to be designed to be able to respond the economical and societal challenges of the upcoming period (such as migration or the challenges of the fourth industrial revolution). One potential solution – discussed at the expert workshop – was to have a single ESI Fund but to safeguard policy differentiation by having thematic strategies grouped around clusters of TOs.
- ↓ **Timing and cost of change:** introducing a single fund with a single set of rules could cause major delays in the post-2020 programming period. It would require additional resources to implement and agreeing on governance arrangements<sup>96</sup> both at EC level and within Member States. The negotiation of the rules could be a lengthy and complicated process, because of the different interest of stakeholder (for instance DGs, stakeholders at national and regional level). Despite of the different interests, the scenario might be realistic for the post 2027 period. That would allow for a full cost-benefit analysis of the implications of change to be estimated.
- ↓ **Cost of reorganisation:** although the cost reducing effects of radical harmonisation, further costs should be evaluated. The direct costs of reorganisation apply both at Member State and EU level and the return of these investments will realise only on the long term. These costs may cover training and the cost of drafting the appropriate regulations and delivery rules of the 'one single fund'.

---

<sup>96</sup> The secondary legislation that was developed upon the current regulations.



### 2.3.3 Option 3: Smart Demarcation of ESI Funds

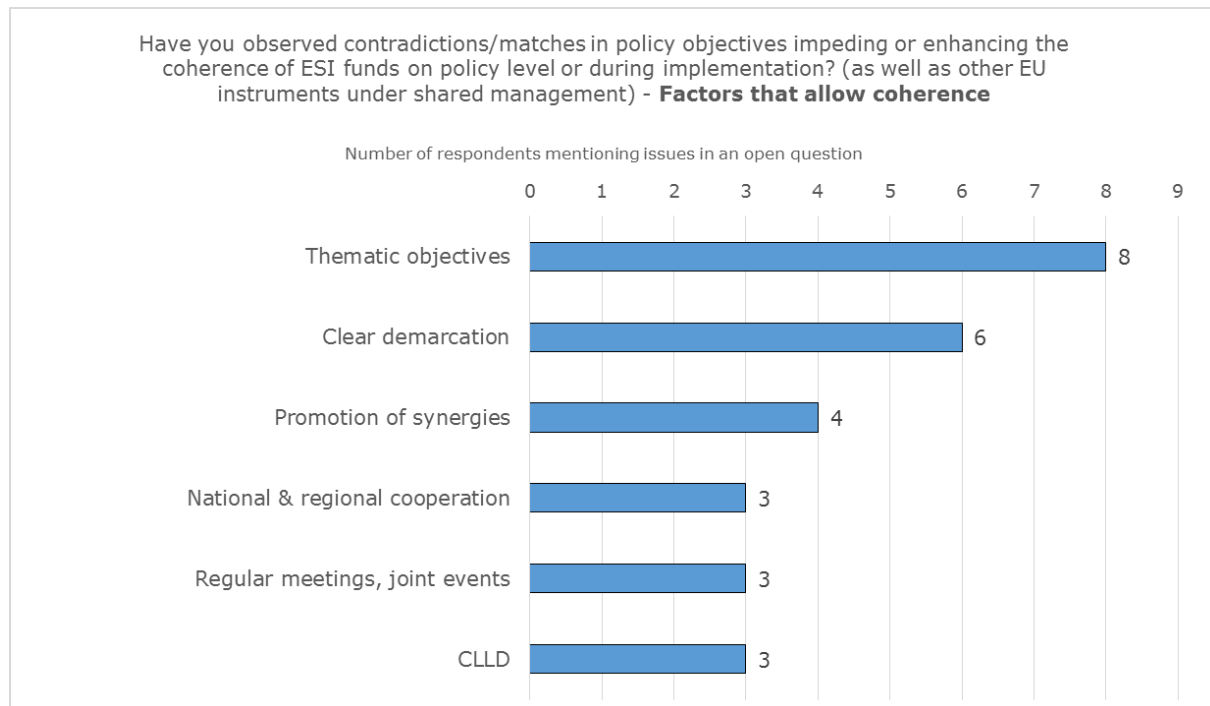
Option Description	
Smart demarcation advocates the need for a responsive approach based on strong coordination and cooperation as opposed to a 'demarcation by separation'. The option is a potential way to manage overlaps within ESI Funds. Smart demarcation refers to demarcation strategies (e.g. along interventions, sectors, community size) tailored to the different needs, target groups, and programmes of regions and/or Member States that could help to eliminate grey areas, reduce artificial separation and increase policy effectiveness by closing gaps in support coverage.	
Expected contribution of option	
<ul style="list-style-type: none"><li>• increased coherence between ESI Funds</li><li>• less coordination efforts</li></ul>	
Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Better delivery of results by clearer responsibilities and more flexibility for regions and/or Member States</li><li>• Less administrative costs by simpler implementation structure</li><li>• Elimination of grey areas, reduction of artificial separation lines</li></ul>	<ul style="list-style-type: none"><li>• Risk of less opportunities to pursue synergies (creation of new 'silos')</li><li>• High reorganisational costs and technical difficulties with implementation</li></ul>

#### a) Description of the option

Actions financed under the ESI Funds frequently exhibit many common characteristics in both scope and objectives. This can lead to overlaps by creating areas of common intervention with financing of several projects that are thematically identical. Consequently, the effectiveness of the programmes in place is often reduced.

To tackle undesired overlaps within the ESI Funds, interviews, focus groups and expert workshops suggested demarcation as a potential option. Clearer demarcation emerged as the second most frequently mentioned factor to improve coherence in the context of ESI Funds (explicitly suggested by 6 out of 52 respondents to semi-structured interviews), ranked right after the beneficial effects of introducing the eleven thematic objectives in the 2014–20 programming period (see figure below).

Figure 22: Factors that Allow the Coherence of ESI Funds



Source: KPMG/Prognos (2016) based on semi-structured interviews with Managing and coordinating authorities (N=52).

Although policy overlaps or inconsistencies were not found to be the most central hindering factors of achieving the 3Cs among the five ESI Funds, interviewees and workshop participants agreed that further demarcation can be a feasible option for certain Member States and regions. Smart demarcation, as suggested here, does not necessarily imply that there could be limited room for which applies complementarity between programmes, especially where programmes or funds cover very broad policy areas – for instance, the ERDF. In such cases, a clear structure provided to stakeholders on how the ESI Funds (and potentially also other instruments) can complement and reinforce each other is important.

As drawing the right demarcation lines between policy objectives is a rather complex task, 'Smart demarcation' advocates the need for a responsive approach based on strong coordination and cooperation. A **case by case review of demarcation needs** in regions and Member States emerged as the optimal solution, so that decisions on levels of demarcation are applied 'smartly' to resolve problems and not create new ones. 'Smart demarcation' is intended as drawing a custom set of demarcation lines between policy objectives tailored to the needs and strategic priorities of programming areas. In this setup, Member States and regions would decide, eventually on a case-by-case basis, what demarcation strategy to apply. They would be defining criteria on how to 'allocate' a project to a given Operational Programme and how to prevent overlap with programmes from another support instrument, while at the same time ensuring that programmes can complement each other.

The interviewed coordinating and Managing Authorities shared that even though the regulatory framework of the 2014–20 period provided more room for synergies, in practice they had to apply different demarcation lines to optimise the local delivery of ESI Funds. Due to the systematic concentration on synergies of the current programming period such practices were not in the focus of policy-making. The option proposes to let regions and Member States choose their demarcation strategies and make them explicit during the programming process and in all programming documents.

In the following points, we present some possible examples of demarcation strategies. The examples are inspired by the interview material and provide a non-exhaustive list of

how demarcation can operate at a strategic and at an operational level. However, as described above, the best solutions for demarcation are to be made on a case by case basis and not based on general guidelines.

*Demarcation on a strategic (policy) level:*

- **Demarcation along intervention types:** as the most apparent case, divisions can be made along intervention areas. A frequently mentioned example of this kind, which we use here as a showcase of the strategy, was the area of social enterprise support. In this specific area of funding ESF complements ERDF support when it comes to technology related training in a given project – e.g. ERDF supports technology development – ESF supports related training)<sup>97</sup>.
- **Demarcation along sectors:** demarcation lines may be established along different sectors targeted by EU funding. Following the sector focused differentiation of Rural Development Programmes from other funds would mean an unambiguous differentiation between the funding measures and would leave no doubts as to which project is financed from which funding instrument.
- **Demarcation according to Member State size and programmes:** a third demarcation solution on a strategic level lies in a 'flexible' demarcation approach. This means that small Member States or Member States with small ESI Funds' budgets could opt for a one fund solution as in the case of the Instrument for Pre-accession Assistance (IPA)<sup>98</sup>. Large Member States or Member States with large ESI Funds' budgets on the other hand could continue to differentiate their programmes or apply one of the above-mentioned demarcation strategies.

*Demarcation on an operational level:*

- **Demarcation by community size:** a possible strategy to establish demarcation at the operational level is to draw the line between the size of the target groups. Some Member States already apply such a demarcation strategy. One of the many examples is the ERDF Operational Programme of Saxony. As there were no predefined demarcation lines in this area, Managing Authorities in Germany decided to set the population thresholds in the Partnership Agreement in order to demarcate between ERDF and EAFRD investments in rural areas. EAFRD investments are limited to population centres with less than 5,000 inhabitants. Such thresholds could vary by regions or Member States according to their special characteristics, and be established in the Partnership Agreements.

#### **b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs**

Smart demarcation of ESI Funds would increase the coherence of the funding system. As Figure 22 shows above, the representatives of coordinating- and Managing authorities' involved in the research ranked 'clear demarcation' as the second largest contributing factor to coherence. At the same time, clear responsibilities are expected to lead to less resource intensive coordination of delivery of the five ESI Funds.

---

<sup>97</sup> Interview with Managing Authority in charge of the ESF and ERDF funds in Slovenia.

<sup>98</sup> Interview with Croatian Managing Authority testifies that funding received from IPA was appraised as being less complicated to manage.



### c) Advantages and disadvantages of option 3

- ↑ **Flexibility and clearer responsibilities:** the current provisions laid down in the Partnership Agreements provide a good basis of demarcation, but these rules should be more straightforward for the public stakeholders and beneficiaries. The main advantage of this option lies in the flexibility to create an implementation structure tailored to the local programming environment. Clearer responsibilities for planning, implementation can lead to a more coherent achievement of the policy objectives and progress within and beyond the Europe 2020 targets.
- ↑ **Simplified coordination of programme delivery:** with 'smart demarcation', the chosen demarcation lines ensure coherence at the level of regions and Member States. Strong coordination between stakeholders will be still needed in the planning stage when demarcation lines are drawn. At the implementation stage, however, clear responsibilities between stakeholder groups are expected to lead to decreased administrative burden and costs for both the authorities managing the programmes and the beneficiaries.
- ↓ **High costs and possible technical difficulties:** the benefits of newly defined demarcation lines may only come about in the long run. In the short run, however, the direct costs of reorganisation, both at the Member States and regions and at the EU level, could prove higher than the benefits achieved, especially considering the large number of stakeholders to be involved in the definition of demarcation lines. Such direct costs, depending on how radical the change is, may include: training and reorganising of personnel, issuance of new guidelines, training of auditors and designation of roles<sup>99</sup>. Additional direct costs and technical difficulties can arise at Member State level if the demarcation lines decided at EU level do not match the administrative division of policy fields at national level. (These costs could be mitigated if the demarcation lines are defined by the Member States and regions along the guidance of EU legislative acts. In such a scenario, public authorities that are currently in charge of fund management should review and rearrange their architecture according to the new demarcation lines.)
- ↓ **Potential loss of complementarity:** increased coherence and coordination might only be achieved at the expense of achieving less complementarity between the ESI Funds. If the objectives of ESI Funds are too strictly set at the level of regions and Member States, then this poses a risk to holistic inclusion of 'real world' funding targets, which are more complex than that. This is the case of e.g. of the EU internal and external trade processing – including supporting modernisation of EU customs services and customs border crossing points (land, sea, air, rivers etc.), where processes go through EU regions and internal and external borders and cover several thematic objectives (e-Government, ICT and innovation, business services, SME support and smart specialisation, transport and public sector modernisation).

---

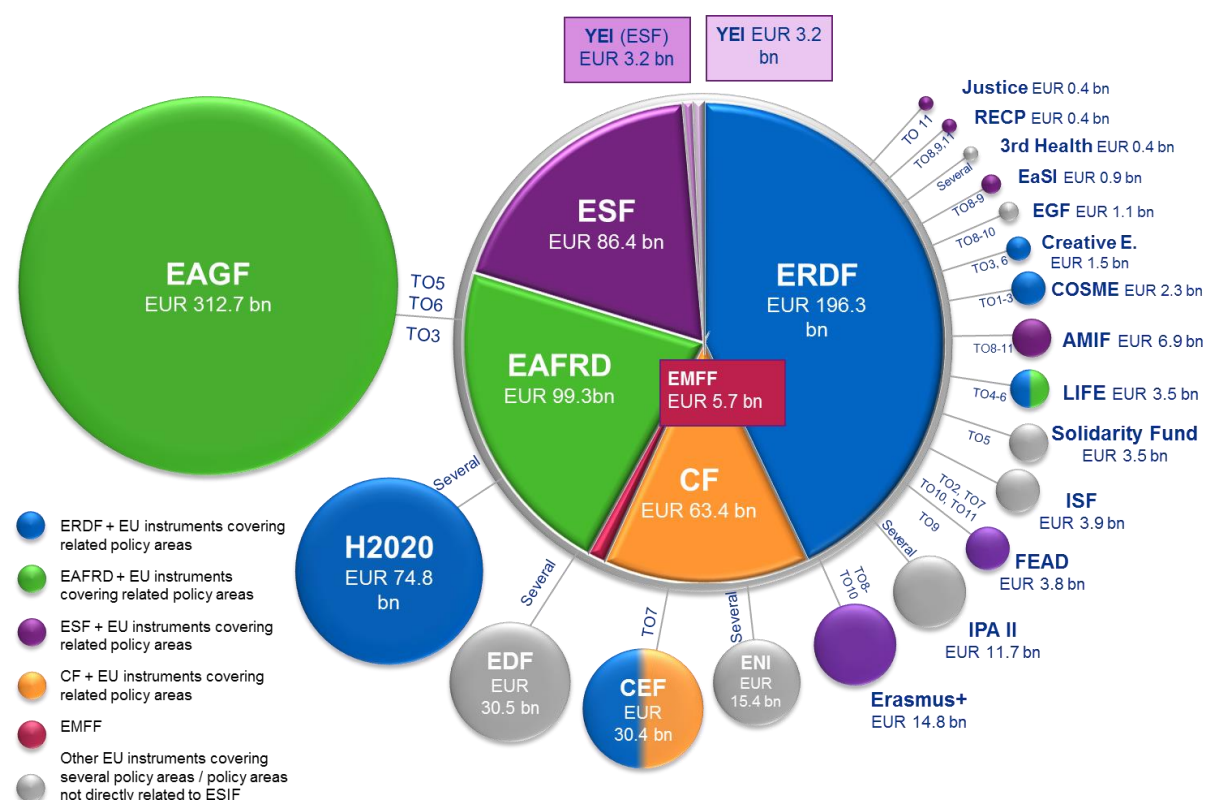
<sup>99</sup> E.g. Managing Authority, certifying body, paying agency and other intermediaries involved in the fund management.

### 3 ESI FUNDS AND OTHER EU INSTRUMENTS DELIVERED THROUGH GRANTS: COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN POLICY OBJECTIVES AND IMPLEMENTATION MECHANISMS

#### 3.1 Introduction and Background

Chapter 3 presents the analysis of the coherence, coordination and complementarity of the ESI Funds and other EU instruments delivered through grants. In this section we provide a brief description on the EU instruments analysed, the methodology and the evidence base of this part of the research. The EU instruments under analysis are as presented in the figure below.

Figure 23: Linkages between ESI Funds and EU Instruments<sup>100</sup>



Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 176, Annex 5.

The figure also illustrates the numerous cross-relationships and linkages of the ESI Funds and other grant-based EU instruments based on an analysis of the corresponding thematic objectives. For instance, pictured in blue colours, the relationship of the ERDF and other EU instruments (H2020, CEF, LIFE, COSME, etc.) with corresponding thematic objectives (incl. TO1–3, TO7 etc., please refer to Table 3 below) is shown. Similarly, the purple colours illustrate the various related policy areas of the ESF and other EU instruments (incl. Erasmus+, FEAD, AMIF, EaSI, etc.).

<sup>100</sup> The EU instruments presented in the graph are limited to the ones specified in the Terms of Reference.

Table 3: Thematic objectives in the 2014–2020 programming period

TO	Title
TO1	Strengthening research, technological development and innovation
TO2	Enhancing access to, and use and quality of information and communication technologies (ICT)
TO3	Enhancing the competitiveness of small and medium-sized enterprises (SMEs)
TO4	Supporting the shift towards a low-carbon economy in all sectors
TO5	Promoting climate change adaptation, risk prevention and management
TO6	Preserving and protecting the environment and promoting resource efficiency
TO7	Promoting sustainable transport and removing bottlenecks in key network infrastructures
TO8	Promoting sustainable and quality employment and supporting labour mobility
TO9	Promoting social inclusion, combating poverty and any discrimination
TO10	Investing in education, training and vocational training for skills and lifelong learning
TO11	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Source: [http://ec.europa.eu/regional\\_policy/en/policy/what/glossary/t/thematic-objectives](http://ec.europa.eu/regional_policy/en/policy/what/glossary/t/thematic-objectives).

The findings and suggested options presented in this Chapter are based on empirical research which involved a review of literature, semi-structured interviews with 101 EU officials and stakeholders (including academics, Member State Managing Authorities for ESI Funds, and non-governmental organisations), and 25 focus groups (mostly organised around thematic objectives) with 222 participants in total. Reflections and validation of findings and options was provided by experts in a workshop in July 2017 (see Annex 3).

### 3.2 Problem Definition

The current regulatory framework provides a solid base for the coherent, complementary and co-ordinated use of the ESI Funds and other EU instruments. The Common Provisions Regulation offers the minimum requirements for the content of the programmes, which is the basis to implement programmes jointly. However, the study identified some areas where improvements could be still achieved<sup>101</sup>. There are three key findings that relate to:

- A lack of harmonisation between the regulatory frameworks of ESI Funds and other EU instruments (grants);
- The presence of overlaps between policy objectives of some of the ESI Funds and other EU instruments (grants);
- Insufficient information provision for beneficiaries and other stakeholders on the funding opportunities offered by the EU instruments and practical advice on possible combinations of ESI Funds and other EU instruments (grants).

<sup>101</sup> The areas of improvement should also cover some gaps, inclusion of real world complex funding targets, like the EU internal and external trade processing – including supporting modernisation of EU customs services and customs border crossing points (land, sea, air, rivers etc.), where processes go through EU regions and internal and external borders. Here the scope of ESIF instruments should be enhanced.

The study reviews the revision of the current set of rules and looks at the case for further harmonisation, greater demarcation between policy objectives and improved information services.

After describing the baseline situation of each key finding and the scale and drivers of the problem, the study assessed to what extent the problems affected the different policy fields, each based on clusters of thematic objectives (TO), namely:

- Research, innovation and ICT (TO1–2);
- SME competitiveness (TO3);
- Climate change and environment (TO4–6);
- Transport and energy infrastructures (TO7);
- Employment, Social inclusion, Education (TO8–10)

These clusters of thematic objectives are used to differentiate the impact of the key findings on the different policy fields. The evidence and examples provided in these sections ('Impact on the 3Cs in the context of the different policy fields') are sourced from the literature, interviews and the thematically organised focus groups.

There are good examples and success stories related to the combined use of ESI Funds and other EU instruments. Complementarities could be identified both at the strategic and on project level. The former means that programmes and strategies have generally been designed in a complementary, mutually supportive manner, based complementarities at the project level were mainly connected to Horizon 2020 and COSME. Under various thematic objectives, there are four typical scenarios in which these funds and instruments could complement each other: they may follow each other; run parallel; provide alternatives; or cumulate funding.<sup>102</sup> Examples of these latter are provided in Key Finding 3.

### **3.2.1 Key finding 3: Different implementation rules of ESI Funds and other EU instruments delivered through grants can hamper complementarity**

The Common Strategic Framework (CSF) sets out provisions<sup>103</sup> designed to strengthen the complementary use of ESI Funds and other centrally managed Union Programmes. However, the potential of the complementary use is underutilised due in part to the different regulatory and administrative requirements and due to the different timing.

#### **a) Baseline situation**

The CSF sets out special provisions to encourage Member States to pursue the complementary use of ESI Funds and other EU instruments. These provisions envisage that Member States and the Commission strive for the strategic identification of priorities, as well as making use of the potential to combine support from different instruments to fund individual operations. The provisions provide a non-exhaustive list of EU instruments, specifying areas to which particular attention should be paid. For instance, in the context of the ESI Funds and the ex ante conditionalities, Member States have to develop 'smart specialisation strategies', designed to intelligently connect financing from the ESI Funds with EU investments including instruments such as H2020 or COSME.<sup>104</sup> In other cases, such as the European Development Fund, the regulation

---

<sup>102</sup> DG REGIO, Complementarities & Synergies between EU funding instruments for Innovation.

<sup>103</sup> Regulation (EU) No 1303/2013, Annex I, Part 4. Coordination and synergies between ESI Funds and other union policies and instrument (OJ L 347/422, 20.12.2013).

<sup>104</sup> Regulation (EU) No 1303/2013, Annex I, Part 4.3. Horizon 2020 and other centrally managed Union programmes in the areas of research and innovation (OJ L 347/422, 20.12.2013).

does not set out special strategies, but makes recommendations on the complementary use of EDF with the ESI Funds.

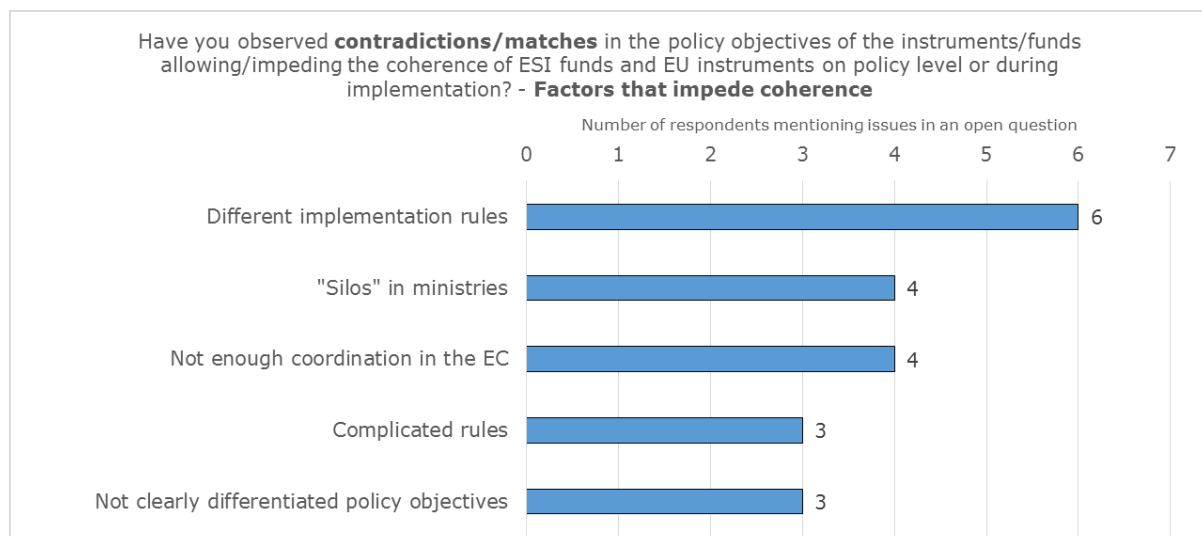
### b) Scale and drivers of the problem

Differences in the regulatory framework are not a new feature of the current programming period. Evaluations of the 2007–13 period have already accounted for differences of implementation rules, which hindered synergies between, for example, 7th Framework Programme (FP7) and Cohesion Policy<sup>105</sup>.

As highlighted in current research on ESI Funds and other EU policies, separate regulations for funds and instruments can result in considerable challenges to stakeholders.<sup>106</sup> The same research stresses that alignment of the regulatory requirements of EU policies, and the greater harmonisation of rules of funds and instruments across Commission Services, are important concerns for the managing – and other responsible authorities.

These findings are in line with the outcome of the interviews and focus groups of our research. During the interviews, the representatives of managing and responsible authorities as well as the representatives of national contact points, were asked to identify potential factors that impeded the coherence of funds and other EU instruments on the policy level or during implementation. As shown in Figure 24 below, some of the EC stakeholders and representatives of Managing Authorities explicitly mentioned *'different implementation rules'* as an issue in relation to coherence. What these interviewees referred to was that the instrument specific regulations were either not detailed enough or it was difficult to reconcile them with the CPR.

Figure 24: Outcome of interviews with Managing Authorities and EC representatives – Factors impeding coherence



Source: KPMG/Prognos (2016), based on semi-structured interviews with stakeholders from the European Commission and Managing Authorities (N=65).

As a CEF beneficiary mentioned in the interview: *'The management of projects financed through different funds or/and mechanisms needs specialised know-how and additional resources (IT systems, experts etc.) to guarantee the respect of all national and*

<sup>105</sup> Fresco, L. et al., COMMITMENT and COHERENCE: essential ingredients for success in science and innovation, Ex-Post-Evaluation of the 7th EU Framework Programme (2007-2013), report on behalf of DG RTD (Brussels: 2015); Synergies Expert Group, DG for Research and Innovation, Synergies between FP7, the CIP and the Cohesion Policy Funds. Final report of the Expert group (Brussels: 2011).

<sup>106</sup> Ibid.

*European rules of procedure (including those of the third parties involved).*' (Beneficiary, CEF)

This argument was reinforced with additional insights from the focus groups. Firstly, the issue of state aid compliance was one of the most frequently mentioned concerns in the context of the overall regulatory framework. While the need for state aid compliance was not questioned by those consulted, it can be problematic when it comes to the complementary use of funds and instruments. ESI Funds are subject to state aid rules and must respect regulations on aid intensities and notification thresholds, while centrally managed funds are exempt from these regulations. However, if the given investment is financed both by an EU instrument and one of the ESI Funds, the whole operation is subject to state aid compliance.<sup>107</sup>

In a separate issue, and related to innovation and SME competitiveness, participants of focus group on TO2 expressed their concerns about different cost categories in H2020 and ESI Funds (i.e. that different items are eligible for funding). This was reiterated also on focus group on TO3 in which participants accounted for *'a discouraging legal environment in so far the rules and the eligibility criteria are different for each and every instrument. This means a considerable administrative burden to SMEs and makes the combination of different instruments too complicated.'* By way of example, the evaluation checks required for SME instruments under H2020 are very different from the requirements of ESI Funds, impeding the coordination between the two.

Further arguments were provided by the focus group on thematic objective 1 in which participants argued that *'rules should be streamlined wherever possible (e.g. staff costs) although the differences between shared and central management prevent full streamlining. There is potential to connect good features of structural policy and simplicity of H2020.'*

### **c) Impact on the 3Cs in the context of the different policy fields**

The following points describe the impacts of the regulatory differences on coherence, complementarity and coordination. The impacts are categorised by the five policy clusters outlined above. The common point of all the clusters is that the different rules are demanding both for project implementers and beneficiaries. Although the study and the questions enquired all the 3Cs, based on the contributions received, the below points presents more emphasis on complementarity.

#### **Research, innovation and ICT**

There are relatively few difficulties in implementing complementarities between ESI Funds and H2020. The introduction of new regulatory arrangements and policy mechanisms to strengthen the interoperability of ESI Funds and H2020 (e.g. the 'Stairway to Excellence' rationale, the 'Seal of Excellence'<sup>108</sup>, the derogation from the non-cumulative principle of Art. 129 Financial Regulation or the CleanSky Joint Undertaking etc.) provided a solid basis for complementarities within Research, innovation and ITC. A lack of coordination or sometimes lack of interest to utilise the above mentioned arrangements (e.g. the Seal of Excellence) during implementation, though, can be observed in several Member States This means that the full scope of complementarities opened up by the ESI Funds regulations has not been fully exploited yet. Also, applicants in some Member States opt for ESI Funds, because of a range of 'comfort' factors: a familiarity with the ESI Funds and the application process; and a perception that competition for funds is lower and applications can be made in their national languages. Nevertheless, there are also some excellent examples, such as the European Institute of Innovation and Technology (EIT). The EIT, through its Knowledge

---

<sup>107</sup> Ibid.

<sup>108</sup> See Annex 5 for further information on the Seal of Excellence.

and Innovation Centres (KICs) is actively supporting synergies on the ground i.e. smart specialisation strategies.<sup>109</sup>

#### **Example 1: Parallel projects example of S3 priorities in aeronautics and clean mobility**

The CleanSky Joint Undertaking has developed a comprehensive strategy and action plan supporting complementary activities through ESI Funds. Subsequently, eight pilot projects and five synergy labels were realised in seven Member States and regions. One example of these was carried out in the Czech Republic, where the ERDF funded project for propeller blade mass reduction and reliability of propellers with composite blades complemented the ARGOS project of Clean Sky Joint Undertaking.<sup>110</sup>

#### **Example 2: Cumulative funding involving H2020 grants and ERDF funding**

The ECSEL (Electronic Components and Systems for European Leadership) is a Public Private Partnership that supports Research and Innovation in electronics components and systems industry. Similarly, to the CleanSky Joint Undertaking, ECSEL has signed various Memoranda of Understanding with national and regional authorities. These understandings were based upon smart specialisation strategies related to digital components and smart systems for exchange of information and enabling multiple forms of synergies.<sup>111</sup>

### **SME competitiveness**

SME beneficiaries and intermediaries such as cluster organisations and incubators can be challenged by the different procedures and legislation. Complementary funding can be perceived as more demanding than advantageous. Most SMEs are not able to spend the time, nor have the knowledge, expertise or professional network necessary to apply for such support package. As a consequence, incentives (to encourage the combination of instruments) are frequently seen to be too low to respond to complementary calls for proposals of COSME and ESI Funds, as illustrated by the focus group conclusion below:

*'Even when the areas of funding are similar between ESI Funds and H2020/COSME, SMEs have to fill out merely different proposals. In the case of COSME, the application procedures are complicated and at the same time the budget is low.'* (Focus group conclusions, TO3).

Focus group participants agreed that without the harmonisation and simplification of these processes, SMEs will continue facing the above outlined difficulties.

Despite procedural and legislative difficulties, there are good practice examples of parallel projects funded by ERDF and COSME and success stories of alternative funding through the Seal of Excellence. This latter means that project proposals of H2020 that were not selected, but passed the evaluation, receive a label from DG RTD. The Seal of Excellence encourage beneficiaries, typically universities and SMEs jointly, to ask ERDF Managing Authorities or other funding authorities for alternative funding.<sup>112</sup>

### **Climate change and environment**

Feedback from institutional stakeholders pointed towards potential inconsistencies between LIFE and EAGF and EAFRD. There are important attempts to foster the alignment of the objectives of regional policy on the one hand and environmental and

---

<sup>109</sup> EIT, *FRAMEWORK OF GUIDANCE* (2016).

[http://eit.europa.eu/sites/default/files/EIT\\_KIC\\_Call2016\\_Framework%20of%20Guidance.pdf](http://eit.europa.eu/sites/default/files/EIT_KIC_Call2016_Framework%20of%20Guidance.pdf)

<sup>110</sup> DG REGIO, *Complementarities & Synergies between EU funding instruments for Innovation*, presentation held at Liaison Agency Flanders-Europe (Vlevo) 24 October 2017 Smart & Sustainable Growth. The presentation was obtained from DB REGIO.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid.

climate-related policies on the other hand, e.g. through mainstreaming of climate action and introduction of a climate-related horizontal principle in the CPR. Nevertheless, when it comes to implementation, the different instruments can be at odds, sometimes leading to incoherent practices on the ground. One illustrative example described in a focus group comes from the Basque region, where the EAFRD provided incentives to cultivate eucalyptus as a climate change mitigation measure, while in parallel, a LIFE project was actively trying to reduce the amount of eucalyptus plantations in coastal areas to avoid monocultures and the associated potential loss of biodiversity.

Irrespective of some challenges in aligning different funding instruments, there are also numerous good practices, e.g. the LIFE Integrated Project MALOPOLSKA/Województwo Małopolskie (about EUR 17 million). The aim of this project is the implementation of an air quality plan in the Małopolska region of Poland, and regional and local air quality policies in the province of Silesia, and adjacent regions in Slovakia and the Czech Republic. Specific aims include improving regional cooperation in these air pollution hotspots, removing barriers to the mobilisation of funding (including ERDF) for replacing obsolete coal boilers, building local capacity (through 'eco-managers' and a centre of excellence) and raising awareness about how to improve air quality.

### **Transport and energy infrastructure**

One of the key recommendations of the evaluation of TEN-T Large Projects<sup>113</sup> was the harmonisation of funding regulations across ESI Funds and related instruments.<sup>114</sup> In the transport sector in general CEF is used as to complement ERDF and Cohesion Fund investments. With a view to promote the combined use of ESI Funds and other EU instruments, focus group participants emphasised the need for enhanced awareness-raising and coordination of funds available to support transport investments. The regulatory differences do act as disincentives of combining funds, although Managing authorities seek after solutions to reconcile the legislations as it was the case in the example below.

#### **Example 3: Different rules create additional administrative burden in multi-funded projects (CEF NCP, Hungary)**

The CEF National Contact Point, which is also the Managing Authority of Operation Programmes financed from ERDF, reported that complementarities were very successfully exploited in linked projects financed by CEF and ERDF. However, this was greatly the result of the intense harmonisation work carried out by the Managing Authority itself. In this example, firstly a separate CEF department was established that could focus exclusively on integrating this new instrument into the Member State's development policy framework. Secondly, as the CEF regulation did not set out the detailed rules<sup>115</sup> regarding management and control, the department prepared the implementing procedure based on the Cohesion Fund regulation. As this new regulation followed the logic and the standards of the one used for the Operative Programmes<sup>116</sup>, linked projects were implemented without significant difficulties. This good practice shows that, if the harmonisation is done a priori, it could ease the development of complementarities between funds and instruments without the harmonisation of financial regulations and implementation rules at the EU level.

---

<sup>113</sup> See Annex 5 for further explanations of TEN-T Projects.

<sup>114</sup> Ferry M., Kah S., Bachtler J., Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals (2016), Research for REGI Committee.

<sup>115</sup> The interviewee reported that they set out a well-working set of rules for implementation of CEF. However, further improvement could be achieved at EU level with regulatory tools, e.g. applicability of COCOF guidance notes on irregularities and corrections.

<sup>116</sup> In the focus group on TO7 another Cohesion-country representative reported a very similar solution regarding the linked implementation of CEF and Cohesion Fund.



## Employment, Social Inclusion and Education

In the context of the funds supporting Employment, Social Inclusion and Education specific programming and implementation requirements were highlighted throughout the research that can engender and promote coordinated approaches. For instance, the AMIF regulation requires that ESF Managing Authorities are included in AMIF Monitoring Committees; EGF and FEAD regulations provide that actions complement those of the ESF. The ESF earmarks 20% of resources to combating poverty and social exclusion, which may complement the activities supported under the FEAD.

The six Managing Authorities under shared management which have been interviewed on this topic (i.e. ESF, FEAD, AMIF) have stressed that, in the context of the policy fields for employment, social inclusion and education, the different implementation rules are not impeding a coordinated approach. Rather, through specific requirements, as outlined above, an efficient way was found to set up effective coordination. Interviewees have also acknowledged a better cooperation between the European Commission and Member States and a better cooperation between the different stakeholders involved in the programming and implementation process, i.e. DG's and national and regional authorities, compared to the previous funding period. DG HOME, for instance, proposed a new operational support in form of dedicated joint meetings to support Member States in maximising synergies between AMIF (including ISF) and the ESI Funds, to assist a tailored and enhanced strategic, coordinated and integrated use of EU funding related to reception and integration<sup>117</sup>. Overall, our findings and other research suggests<sup>118,119</sup> that the overarching success of such provisions considerably depends on their effective application at national and regional level, both in the field of Employment, Social Inclusion and Education as well as other policy fields. Hence, national or regional governance structures matter greatly, as the examples below show.

### **Example 4: Promoting synergies of ESF and AMIF through common governance structures and cooperation mechanisms in Belgium and Spain**

Belgium is required to present a single authority as interlocutor for its AMIF Programme, however, because integration-related topics are regionalised, delegated authorities have been put in place: the Flemish ESF Department and the Agence FSE in Wallonia are charged with the management of integration and the implementation of the AMIF Programme. Combining the management of ESF and AMIF in such a way has added value. Whilst the ESF provides support for actions on a bigger scale, with the target of integration in the labour market, the AMIF is used to promote the integration of third-country nationals, where appropriate in coherence with the ESF, through measures towards language training, initiation courses to citizenship, preparatory courses for the labour market and integration trajectories, further developing tests and new approaches with the aim to be mainstreamed. The unique role of the management authority is to transfer expertise of both funds, bridging between the different policy domains, such as integration, education and work. It further promotes an exchange of expertise between the stakeholders, and ensures the prevention of double funding, contributing to an effective and efficient use of funding.<sup>120</sup>

In Spain, different measures have been set up to ensure close cooperation and coordination between ESF and AMIF. At administrative level, the Spanish Sectorial Conference on Immigration includes state administrations<sup>121</sup> and 17 regions as well as representations of municipalities. To ensure stakeholder participation, the Forum for the Social Integration of Immigrants includes the

<sup>117</sup> DG HOME, AMIF and ISF Committee Feedback from the strategic workshop on „Ensuring and maximising synergies“ (2016), presentation. Obtained from DG HOME.

<sup>118</sup> Ketterer, T., et al., *Institutions vs. 'first-nature' geography: what drives economic growth in Europe's regions?* (2016). <http://eprints.lse.ac.uk/67544/> (last accessed: 28.11.2017)

<sup>119</sup> Charron, N., Lapuente, V., Dijkstra, L., *Regional Governance Matters: A Study on Regional Variation in Quality of Government within the EU* (2012). [http://ec.europa.eu/regional\\_policy/sources/docgener/work/2012\\_02\\_governance.pdf](http://ec.europa.eu/regional_policy/sources/docgener/work/2012_02_governance.pdf) (last accessed: 28.11.2017).

<sup>120</sup> Moens, V., Van Hecke, L., Creating synergies between AMIF-ESF Belgium – Flanders region. Presentation at the AMIF and ISF Committee Strategic workshop on „Ensuring and maximising synergies“ (Brussels: 2016).

<sup>121</sup> Including the Ministry of Employment and Social Security which houses both the ESF and AMIF Managing Authority.

three administrative levels (national, regional and municipal) as well as social partners, NGO's and immigrant associations.<sup>122</sup>

**Example 5: Promoting synergies of FEAD and ESF through common structures depends much on the communication between the actors in Germany**

The Managing Authority of the FEAD in Germany is set within the Federal Ministry of Labour and Social Affairs, which is also the Managing Authority of the national ESF Programme. Induced by the closeness of the respective responsible divisions, communication was encouraged and agreements for possible synergies made, cooperating in the development of Operational Programmes and indicators. For instance, the Monitoring Committee of FEAD includes the Managing Authorities of the ESI Funds (on federal and regional level), pertinent ministries and municipal authorities, and civil society organization and NGOs. The Monitoring Committee meets twice a year (and more, if required): for the funding regulations of the FEAD specifically, the Monitoring Committee met several times to achieve common policy objectives and prevent double funding, further getting involved in the development of funding guidelines.

Furthermore, Managing Authorities of all funds and instruments in the policy fields for employment, social inclusion and education (both shared and centrally managed) which have been interviewed have acknowledged that clearly differentiated policy objectives and clear demarcation of the Funds for Employment, Social Inclusion and Education are currently factors promoting coherence (9 out of 10 Managing Authorities on 'policy objectives' and 8 out of 10 Managing Authorities on 'demarcation').

With decision makers at multiple levels of governance (EU, Member States, regional authorities), concerns have been expressed by focus group participants that the possibility of incoherence regarding the eligibility criteria for social inclusion can act as an impeding factor to complementarity. For instance, the group or groups of people to be targeted by FEAD is subject to decision at national level, whilst AMIF target groups are defined at EU level. A mismatch may thus occur originating from too stringent target group definitions at national level, leading to obstructions in the complementarity of measures. Yet, provisions such as the requirement to include migrants and third-country nationals in FEAD measures (especially in Operational Programme II), or access to ESF measures once legal status is acquired, are important and ensure a complementarity use of Funds.<sup>123</sup> To address some of the abovementioned challenges, the Commission has set out to conduct a comprehensive evaluation of its asylum package under its REFIT Agenda, intending to put in place a fully efficient migration policy, based on solid, coherent and harmonised rules<sup>124</sup>.

Potentially obstructing aspects of different regulatory requirements have been identified at the level of monitoring and reporting. The smaller funds, e.g. FEAD and AMIF, have comparatively unrestrictive definitions of indicators and simple reporting systems, whereas the ESF is, justifiably, more exhaustive. Due to limited capacities and resources at the beneficiary level, beneficiaries have expressed reluctance (particularly in focus groups) in the combined use of funds, foremost due to the complexity that would result out of the different monitoring and reporting systems which would apply. With an increased focus on result-orientation for the current funding period, however, the role of

---

<sup>122</sup> Spanish Ministry of Employment and Social Security Reception and integration of third country nationals, asylum seekers and refugees, *The Spanish experience. Presentation at the AMIF and ISF Committee Strategic workshop on „Ensuring and maximising synergies“* (Brussels: 2016). Presentation obtained from DG REGIO.

<sup>123</sup> DG HOME, Synergies between the Asylum Migration and Integration Fund (AMIF) and other EU funding instruments in relation to reception and integration of asylum seekers and other migrants' (2015), <http://ec.europa.eu/DocsRoom/documents/15121/attachments/7/translations/en/renditions/native> (last accessed 28.11.2017).

<sup>124</sup> European Commission, *Simplification And Burden Reduction For A New Policy For Migration* (2017). <http://publications.europa.eu/webpub/com/refit-scoreboard/en/priority/8/index.html>.

common output and result indicators has been strengthened – which also allowed an increased comparability of the performance of programmes<sup>125</sup>.

Overall, in the field of Employment, Social Inclusion and Education, the discussion on consequences of different implementation rules on the 3Cs has been found to be more relevant when combining the ESI Funds with centrally managed instruments. Potentially hampering factors mentioned in interviews and focus groups are varied: starting with the principles in financial planning, the ESI Funds offer a long-term, seven-year investment perspective, whilst instruments such as Erasmus+, EaSI or the EU Health Programme are based on annual work plans (e.g. focus group on TO9 and TO10). Further obstacles are different objectives and legislations, overly specific rules, the different timing for the programming and assessing periods, and different target groups and beneficiaries (a conclusion of one focus group). Furthermore, the following quote reinforces the argument.

*'ESI Funds focus on supporting structural measures within EU Member States, whilst centrally managed funds have specific actions aimed at very different target groups and beneficiaries, oftentimes also promoting transnational cooperation. Therefore, synergies are not obvious.'* (Interviewee, EU Health Programme).

ESI Funds are managed by their respective Managing Authorities while the centrally managed instruments are managed by the respective Commission DGs - thus, different levels of decision makers and coordinators are involved with both funds and instruments. Finally, different eligibility criteria also apply (e.g. the focus groups covering TO8 and TO9).

Despite these regulatory issues, the majority of Managing Authorities interviewed (6 out of 10) perceive a high potential for complementarity between shared and centrally managed funds in the field of Employment, Social Inclusion and Education. Knowledge gained by new approaches or models developed under the centrally managed instruments can feed into Operational Programmes of the ESI Funds – for instance, Member States are expressing an interest to implement results of the EU Health Programme (Interviewee, EU Health Programme), though practical complementarities with the structural funds could be further exploited and awareness of the potential complementarities between the Health Programme and ESI Funds further raise<sup>126</sup>. Nevertheless, interviewees mentioned impeding factors limiting synergies such as different and complex implementation rules (3 out of 10 interviewees), the fear of audits and financial corrections (3 out of 10), as well as high administrative costs that may ensue from a coordinated use (2 out of 10).

---

<sup>125</sup> Bachtler, J. et al., *Evolution or Revolution? Exploring new ideas for Cohesion Policy 2020+* (2016), EoRPA Paper 16/4.

<sup>126</sup> European Commission, DG SANTE, *Mid-term Evaluation of the third Health Programme* (Luxembourg: 2017), [https://ec.europa.eu/health/sites/health/files/programme/docs/2014-2020\\_evaluation\\_study\\_en.pdf](https://ec.europa.eu/health/sites/health/files/programme/docs/2014-2020_evaluation_study_en.pdf). (last accessed: 07.12.2017).

### **Example 6: Administrative burden experienced when combining Erasmus+ and ESF in Latvia**

An Erasmus+ beneficiary (LV) explained how the combination of Erasmus+ with ESI Funds is not sought after as they work differently and have different attitudes, despite there being regular information on Operational Programmes and other funding opportunities from their NCP. A procurement process to combine ESI Funds with Erasmus+ was halted after being won, because of the immense bureaucratic effort that ensued from the combination. Additionally, at the level of ministries, cooperation was esteemed to be very difficult.

### **3.2.2 Key finding 4: Inefficiencies and inconsistencies between ESI Funds and certain other instruments arising from overlapping grant regimes**

Due to the overarching investment priorities of ESI Funds and other EU instruments, stakeholders perceive certain areas as 'overlapping'. These overlaps are different in the perception of the Commission, Managing authorities, national contact points and beneficiaries. However, in all cases they bring about potential risks associated mainly with less efficient fund delivery and can be mitigated by appropriate demarcation efforts.

#### **a) Baseline situation**

During the empirical work, the issues of 'overlapping' and 'demarcation' in relation to ESI Funds and other EU instruments emerged both in the contributions of Commission stakeholders and in the literature of the current post-2020 debate.

The study presents overlaps organised by two layers of the evidence collected. Firstly, we visualise how thematic objectives are delivered through the different EU instruments (Table 4). Secondly, we summarise the interpretations and contributions of Managing Authorities, NCPs and beneficiaries with regard to overlapping policy areas.

On average, as can be seen in the Table 4 below, one thematic objective can be covered by six or seven funding instruments and one instrument typically contributes to three or four thematic objectives. In most cases, the instruments deliver the policies with a specific and narrow focus. For example, Creative Europe provides support to SMEs, which is affiliated with TO3, however only in the culture and audio-visual sectors. The EGF and ESF share a goal to promote employment, yet the EGF can only be used under very specific conditions for one-off investments that are limited in time.

Table 4: ESI Funds and Other EU Instruments and TO Relevance.

Thematic objectives												
Funds/instruments	Treaty Base	TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11
<b>ERDF</b>	Art. 178, 349 TFEU											
<b>ESF</b>	Art. 164 TFEU											
<b>Cohesion Fund</b>	Art. 177 TFEU											
<b>EAFRD</b>	Art. 38, 39, 42,43(2) TFEU											
<b>EMFF</b>	Art. 38, 42, 43(2), 91(1), 100(2), 173(3), 175, 188, 192(1), 194(2), 195(2) and Art. 349											
<b>Horizon 2020</b>	Art. 173(3) and 182(1) TFEU											
<b>COSME</b>	Art. 173 and 195 TFEU											
<b>CEF</b>	Art. 172 TFEU											
<b>LIFE</b>	Art. 192 TFEU											
<b>EaSI</b>	Art. 46(d), 149, 153(2)(a), 175 TFEU											
<b>European Globalisation Adjustment Fund (EGF)</b>	Art. 175 TFEU											
<b>Erasmus+</b>	Art. 165(4), 166(4) TFEU											
<b>Creative Europe</b>	Art. 166(4), 167(5), 173(3) TFEU											
<b>EU Programme Health</b>	Art. 168(5) TFEU											
<b>Justice Programme</b>	Art. 81(1)(2), 82(1),84 TFEU											
<b>Rights, Equality and Citizenship Programme</b>	Art. 19(2), 21(2), 114, 168, 169, 197 TFEU											
<b>European Development Fund (EDF)</b>	11 <sup>th</sup> EDF, Non-legislative act, Cotonou Agreement											

Thematic objectives												
Funds/instruments	Treaty Base	TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11
<b>Instrument for Pre-accession Assistance (IPA)</b>	Art. 212(2) TFEU											
<b>European Neighbourhood Instrument (ENI)</b>	Art. 209(1) and 212(2) TFEU											
<b>Fund for European Aid to the Most Deprived (FEAD)</b>	Art. 175(3) TFEU											
<b>Asylum, Migration and Integration Fund (AMIF)</b>	Art. 78(2), 79(2)(4) TFEU											
<b>EU Solidarity Fund</b>	Art. 175, 212(2) TFEU											
<b>Internal Security Fund</b>	Art. 77(2) TFEU											
<b>EAGF direct support and market measures</b>	Art. 16, 38, 39, 40,42 TFEU											

Note: Yellow cells indicate ESI Funds and green cells indicate other EU instruments.  
Source: KPMG/Prognos (2016).<sup>127</sup>

## b) Scale and drivers of the problem

The issue of overlaps is not a new phenomenon. As a former study argues the 'demarcation of tasks and responsibilities to avoid costly administrative overlaps, duplication or 'double financing'<sup>128</sup> was a dominant approach of the 2007–13 programming period. However, at the operational level, demarcation and the avoidance of duplication and competition remain a fundamental aim in 2014–20 as well.

During the study different observations were identified in relation to demarcation and overlaps between ESI Funds and other EU instruments, namely:

- **Thematic overlaps:** occurrences when one fund or instrument supports numerous thematic objectives or, vice versa, more than one fund/instrument contribute to a single thematic objective with a similar focus),
- **Overlaps of tasks and responsibilities** arise typically, when Managing authorities had to coordinate with various DGs. This means that responsibilities for some policy areas (e.g. transport, social enterprise etc.), cut across the responsibilities both of DGs and thematic objectives. This can create a complicated policy environment within the EU funding system, involving different national ministries. Member States, as well as regional

<sup>127</sup> Data sources: European Commission, *Guidance for Beneficiaries* (2014); *The European Neighbourhood Instrument* (2014), [http://www.enpi-info.eu/main.php?id\\_type=2&id=402#Priorityareas](http://www.enpi-info.eu/main.php?id_type=2&id=402#Priorityareas); European Commission, *European Neighbourhood Policy* (2015), [http://ec.europa.eu/enlargement/instruments/overview/index\\_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm); and EEAS, *Internal Security Fund 2014–2020* (2015), [http://eeas.europa.eu/enp/eu-programmes/pdf/15-internal-security-fund\\_en.pdf](http://eeas.europa.eu/enp/eu-programmes/pdf/15-internal-security-fund_en.pdf); and from the scoping interviews with Steering Group members.

<sup>127</sup> Within the 19 instruments analysed in the study.

<sup>128</sup> Ferry, M., Kah, S., Bachtler, J., Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals, Research for REGI Committee (2016), p. 23.

stakeholders, have to 'deal with different EC bodies with different and sometimes conflicting tasks, priorities and operating cultures'<sup>129</sup>, which implies challenges at the level of implementation.

The two types of overlaps outlined above have different drivers and scale. The thematic overlap may develop on the borderlines of the different thematic objectives. Overlaps of tasks and responsibilities were mainly perceived by Managing Authorities and national contact points and was raised in respect of the coordination with EC bodies. The overlaps between funding opportunities and the possibility to use different funds to the same ends (with some limitations) was highlighted more by beneficiaries, who also structured information on EU funding possibilities (sources available, how to access funding, what funding could be combined etc.). This last point is detailed in Key Finding 5.

#### **Example 7: Unclear demarcation lines in the area of Research, innovation and ICT**

One of the expert workshop participants mentioned that in her region 'demarcation is not clear enough and it is uncertain which measure should be financed by which fund. For example funding competitions on themes of excellence or on themes for future lead markets. Research institutes can participate in both of the ERDF calls, but they could as well participate in H2020. The demarcation line is not always very clear.' (ERDF Managing Authority)

### **c) Impact on the 3Cs in the context of the different policy fields**

The following points describe the impacts of the overlapping policy areas between funds and instruments on coherence, complementarity and coordination. The impacts are categorised by the five policy clusters and with some differing conclusions. In some cases funds and instruments 'dovetail' quite well (e.g. CEF), while in other cases the overlaps cannot be avoided. The results of the research also show that compliance with demarcation and the avoidance of duplication remain a main concern for Managing Authorities, adding considerable effort to the programming stage.

#### **Research, innovation and ICT**

There are thematic overlaps in H2020 between ICT and SME competitiveness. SMEs can finance their projects through COSME, however when it comes to business innovation they also have the H2020 SME instrument at their disposal. The overall feedback within research and innovation (TO1) was that stakeholder were asking for more overlaps rather than clear demarcation. This can in part be explained by the fact that research and innovation has a cross-cutting nature and that overlaps between the ESI Funds, H2020 and COSME mean that eligible costs of each fund can complement each other. Overlaps were also said by those consulted to benefit upstream and downstream synergies in sequential financing of projects.

#### **SME competitiveness**

A lack of clear demarcation can engender behaviours that act against the effective and efficient use of ESI Funds and other EU instruments. This means that demarcation lines that are not clearly defined may result in funds competing with other instruments. In this environment, beneficiaries can make opportunistic choices that are not necessarily based on thematic considerations. On the practical level, this means that beneficiaries are more and more inclined to optimise their choice based on the co-finance rate the different instruments offer and on other factors<sup>130</sup>. This phenomenon discussed and broadly agreed by participants at the focus group on TO2. The participants agreed that applicants are strongly influenced by the aid intensities, and the relative competition (e.g. chance of winning) of the different funds and less by the objectives of the funds.

---

<sup>129</sup> Ibid, p. 28.

<sup>130</sup> E.g. expected chance of winning, administrative requirements, state aid compliance, etc.

## **Climate change and environment**

There are potential overlaps between the EAGF and the EAFRD: EAGF has the largest budget among instruments analysed in the study. A potential overlap identified by institutional stakeholders was the area of 'greening'<sup>131</sup> that are financed both by EAFRD and the EAGF. Farmers working in organic agriculture supported by EAFRD are exempt from the greening obligation prescribed by EAGF as those are in general stricter than greening. The overlap lies in the fact that beneficiaries can be eligible for funding alternatively from two sources to finance one activity.

## **Transport and energy infrastructure**

Instead of overlaps, the focus group on TO7 accounted for a good level of coordination between DG MOVE and DG REGIO: they *'invite each other to each other's evaluations, issue common studies, share databases and consult the same topics in an open environment'*. The coordination had positive remarks also from the side of the Member States: they affirmed that in the case of operative programmes they did not encounter overlaps.

## **Employment, Social Inclusion and Education**

Although some funds and instruments that fall under this thematic cluster have similar objectives at policy level, potentially leading to overlapping measures, there are distinct differentiating features between the funds and instruments due to their specific and clear objectives. Interviews with Managing Authorities, NCP's and EC representatives have underlined that funds and instruments are clearly demarcated and policy objectives clearly differentiated, relevant factors which allow for coherence and complementarity (the opinion of 8 out of 11, managing FEAD, AMIF, ISF, ESF, Erasmus+, EaSI, and EU Health Programme).

An example mentioned relates to the EGF and ESF. Both share the same goal, namely to promote employment, however, the ESF takes a strategic, long-term perspective in anticipating and managing the social impact of industrial change through activities such as life-long learning. The EGF on the other hand provides workers with one-off individual support that is limited in time. Hence, the EGF complements the ESF in its objective to improve employment opportunities, strengthen social inclusion, and promote education, skills and life-long learning.

A similar pattern transpires from the ESF, AMIF, and FEAD. All three funds aim, inter alia, to promote social inclusion in this specific example of migrants by means of analogue types of actions. Indeed, some actions may fall under the eligibility of more than one fund, such as introducing migrants to society and enabling adaptation. However, the objectives are quite clear. Under AMIF, it is part of its integration measures as set out in the Regulation (Art. 9). FEAD provides support under its Operational Programme II, financing social inclusion activities outside the active labour market integration. Under the ESF, eligibility is granted once the person has acquired legal status and the measure is part of an integrated set of measures promoting the integration of migrants into the labour market<sup>132</sup>. The main differentiating feature between the three funds is their specific and clear objective. The two boxes below provide further concrete examples on how consistency and effectiveness is organised, on one hand in the case of the ERDF/ESF Operational Programme in Czech Republic in relation to Erasmus+, and on the other hand, in Sweden between the ESF and Erasmus+.

---

<sup>131</sup> Measures to support actions to adopt and maintain farming practices that help meet environment and climate goals. (Source: [https://ec.europa.eu/agriculture/direct-support/greening\\_en](https://ec.europa.eu/agriculture/direct-support/greening_en), more information please refer to the Explanatory Memorandum of document COM (2011) 625 final).

<sup>132</sup> DG HOME, Synergies between the Asylum Migration and Integration Fund (AMIF) and other EU funding instruments in relation to reception and integration of asylum seekers and other migrants' (2015). <http://ec.europa.eu/DocsRoom/documents/15121/attachments/7/translations/en/renditions/native>. (last accessed: 28.11.2017).



### **Example 8: Smart Demarcation between ERDF/ESF Operational Programme and ERASMUS+ in Czech Republic**

The multi-fund Priority Axes 2 of the Operational Programme RDE<sup>133</sup> (Czech Republic) can finance from its ESF part internationalisation of the higher education institutions, whilst the ERDF focuses on higher education infrastructure. The ESF Priority Axes 3 focuses on the inclusivity of the school education. Whilst the internationalisation of schools is not the goal, exchanges with international educational organisations are foreseen in so called systemic projects, which aim for teacher career development, inclusive education and use of ICT in education. The Operational Programme RDE does not include the mobility of higher education students yet but it is being considered whether a pilot based on the Erasmus+ loans could be developed as a financial instrument. The multi-fund Priority Axes 2 of the Operational Programme RDE finances mobility of researchers based on the Marie Curie Skłodowska Individual Fellowships scheme.

Hence, the example shows how coherence and complementarity between the Erasmus+ and the Operational Programme RDE and Operational Programme Employment can be organised, providing for an efficient and effective use of the different sources.

### **Example 9: Smart Demarcation between ESF and ERASMUS+ in Sweden**

In Sweden, the ESF is used to fund measures in preparation and as a follow-up on the Erasmus+ transnational mobility schemes. As such, by combining the two funds, the limited budget of Erasmus + is complemented by the ESF so that both objectives of labour mobility and labour market activation are achieved.

### **3.2.3 Key finding 5: Difficulties in accessing user-friendly information and guidance hinders the leveraging of funding opportunities**

This finding describes a gap in the information system that emerged from the part of the beneficiaries. At present the information on funding opportunities other than ESI Funds are not integrated and there is a need to access them in a central and structured form.

#### **a) Baseline situation**

Comprehensive information about EU funding instruments is not properly integrated in a single European site. This study analysed 19 grant-based EU instruments<sup>134</sup>. The relevant websites generally provide basic information on single instruments including, inter alia, the currently available calls for proposals, eligibility criteria of applicants, the number of projects envisaged, etc. These pieces of information are neither standardised nor evenly accessible on all the websites. Currently, if stakeholders wished to collect information on all grant based instruments and on the related calls for proposals, they would have to consult at least nine different websites<sup>135</sup> to find the appropriate direct or indirect<sup>136</sup> references. Structuring this information would then require additional efforts, thus beneficiaries have only a partial overview of these instruments. The sources range from the managing DGs or executive agencies' websites to the various booklets issued for different purposes and to different types of stakeholders.<sup>137</sup>

The number of EU instruments has steadily increased in recent years (including also financial instruments) and it can be difficult to understand how these instruments are

---

<sup>133</sup> Research, Development and Education.

<sup>134</sup> Please refer to Figure 23.

<sup>135</sup> Considering the websites on which the open calls are available or provide links to find the calls.

<sup>136</sup> I.e. either directly on the website or indirectly by navigating to another page from the links provided.

<sup>137</sup> For instance, general information about COSME can be found in part on EASME's, DG GROW's and DG RTD's websites, while the calls for proposals are posted on both EASME's and DG RTD's online platform.

related to the ESI Funds, and other funding instruments that are already well known to stakeholders. As it was expressed in an interview with a CEF beneficiary in Slovakia 'There is not a single integrated website platform providing all the necessary information under one roof' and they 'would prefer to have a unique contact point' (ES beneficiary, COSME).

Moreover, information available on the different websites and guidance documents contain relatively little practical information required for funding applications. For instance, in the beneficiaries' perception the 'Guidance for beneficiaries of European Structural and Investment Funds and related EU instruments'<sup>138</sup> lists the potential combinations of funds and funding instruments, but does not provide beneficiaries with practical information e.g. what are the concrete steps to be taken at the beginning of a project.

Another guidance document designed for policy-makers and implementing bodies, called 'Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes', provides a solid theoretical basis to the development of synergies but without good practice examples. Instead, some good practice examples for the use of synergies between funds in the area of research and innovation are provided by the Smart Specialisation Platform<sup>139</sup> of the European Commission. The platform provides a limited list of examples for sequential funding, parallel funding, alternative funding and simultaneous/cumulative funding of innovation projects. The brochure 'EU funds working together for jobs & growth'<sup>140</sup> provides some examples for synergies amongst ESI Funds and Horizon 2020 at programming level (operational programme level) as well as on project level. However, the overall finding is that beneficiaries need to have knowledge of, and have to access information from different sources, to get the information that would support a high-quality funding application.

## **b) Scale and drivers of the problem**

Challenges stemming from the lack of clarity in general are twofold. Firstly, beneficiaries are unsure which EU instrument or programme to select that would best fit their investment needs as they often lack a complete overview of the opportunities. Secondly, they are often short of practical information on how the instruments could be combined with ESI Funds.

Some stakeholders – and especially beneficiaries – involved in EU-funding, are not involved on a continuous basis, or are involved in just one aspect (such as LIFE or H2020) and do not necessarily keep up to date with funding opportunities. Many of the beneficiaries consulted lacked up-to-date information on programmes, funding opportunities and processes. Even those with an ongoing professional involvement can struggle to keep up with regulations and guidance, and new funding opportunities. Some participants of the focus groups on TO2 and TO3 were specialist in one programme or funding area and not aware of the opportunities to combine funds or to alternate between different funding opportunities.

As part of the interviews conducted for this study<sup>141</sup>, interviewees assessed whether information provision on funding opportunities met stakeholders' needs and expectations.

---

<sup>138</sup> Issued by DG REGIO in 2014.

<sup>139</sup> European Commission, *Smart Specialisation Platform – Synergies Examples*. <http://s3platform.jrc.ec.europa.eu/synergies-examples> (last accessed: 15.12.2017).

<sup>140</sup> European Commission, DG RTD, *EU Funds Working Together for jobs & growth* (Brussels: 2016). Retrieved from <https://publications.europa.eu/en/publication-detail/-/publication/debc435e-2304-11e6-86d0-01aa75ed71a1>

<sup>141</sup> Q9: 'To what extent did guidance documents issued by the Commission (e.g. guidance for beneficiaries/applicants, TO guidance fiches, etc.) facilitate improved coherence, complementarity and

Interviewees were asked specifically about the usefulness of the existing guidance documentation. They were also encouraged to express their recommendations for changes that might contribute to better information provision and to a more transparent funding system. In their responses, they strongly expressed views on the absence of practical up to date information on the combination of ESI Funds and other EU instruments.

Existing, and different guidance documents are designed to guide stakeholders through the multitude of funding opportunities, but based on our research do not fully satisfy the needs of stakeholders. Evidence collected through interviews indicates that only about one third of the stakeholders defined guidance documents as 'useful' (12 out of 34 respondents). In Member State stakeholder interviews, guidance documents were assessed as either too general or too complicated. They explained that '*authorities should present things [opportunities] from a more practical point of view*' (Responsible-Authority, AMIF).

Beneficiaries were looking for '*clearer information and communication regarding other funding opportunities on national level*' (H2020 National Contact Point presenting concerns of beneficiaries) as well as for '*a unique contact point, especially when applying to a multi-funded call*' (Beneficiary COSME).

In addition, some EC interviewees<sup>142</sup> raised concerns that the guidance documents '*do not reach the people, because they are usually not accompanied by auxiliary measures and marketing* (i.e. guidance are prepared, but their receipt is not always ensured)' (DG ENV, LIFE) and that '*the guides lack practical information that companies need in their different lifecycles*' (DG GROW, COSME). Sharing more information on best practices and project examples was also mentioned by EC interviewees as being an important measure to help beneficiaries.

### **c) Impact on the 3Cs by TO groupings**

The impact of the lack of transparent and user-friendly information varies between the different policy fields, which was reflected in the outcomes of the TO specific focus groups.

#### **Research, innovation and ICT**

Beneficiaries engaged in research and innovation highlighted the importance of adding best practice examples to a well-functioning information and communication system. Another idea expressed in this context is to collect national good practice example projects in one place and link them to the guidance documents mentioned in the baseline situation. This could also address one of the basic concerns expressed by beneficiaries in relation to guidance documents, i.e. '*some more practical examples/ best practices would be appreciated.*' (Beneficiary, Czech Republic, H2020) National good examples can be more convincing to beneficiaries than models in other countries or in different contexts. In addition, focus group participants for TO2 indicated that they were often not aware of funding opportunities closely related to TO2 such as TO1 or TO3. Being more aware of the various funding opportunities was seen as particularly valuable by universities and research institutes in order to make full use of a variety of eligible costs such as research infrastructure under ERDF and soft measures complementing infrastructure investments financed by H2020 for example.

---

coordination (between different funds / programmes / funding instruments) compared to the 2007-2013 programming period (if relevant)?'

<sup>142</sup> Most EC interviewees did not answer to this question in the interviews.

## **SME competitiveness**

In the focus groups of TO3, the second most significant issue was that beneficiaries are not sufficiently informed about which instrument is adequate for their investment needs. Many SMEs are not aware the fundamental differences between ESI Funds and other EU instruments. Focus group participants, who were coming from business incubators<sup>143</sup>, confirmed that generally there is a misperception of centrally managed EU programmes. The group concluded that: *'There are parallel networks related to SME support, in most cases there is no one-stop shop solution, on which the potential beneficiaries can rely on'*<sup>144</sup>. The complex system of information sources is confusing for the beneficiaries. As a consequence SMEs with smaller capacities submit proposals for calls originally directed to companies with large capacities.

## **Climate change and environment**

Some EC interviewees raised concerns that the guidance documents for climate change and the environment *'do not reach the people, because they are usually not accompanied by auxiliary measures and marketing'* (DG ENV, LIFE) and that *'the guides lack of practical information that companies need in their different lifecycles'*. Sharing more information on best practices and project examples was also mentioned as being an important measure to help beneficiaries. With reference to LIFE, the impression of stakeholders is that complete coherence is not yet accomplished and further coordination needs to be ensured between funding programmes. A relative lack of awareness is perceived between programmes on what each is implementing, which leads to difficulties when combining LIFE funding with funding from the ESI Funds in Integrated Projects (IPs)<sup>145</sup>.

## **Transport and energy infrastructure**

In the field of transport and energy infrastructures there is a perception that there are too many alternative funding opportunities leading to confusion amongst beneficiaries. Beneficiaries commented that it was *'challenging'* to be up to date with the different implementation systems (e.g. central management, shared management) with a request for simpler guidance. As a CEF beneficiary argued in interview *'The [...] impression is that the issue is rather complex; it would be desirable if there was an integrated web site with detailed information about procedures, conditions and rules for obtaining finances'*. The idea of a *'one-stop-shop'* was brought up by the beneficiary representatives. Even though the practical difficulties of such were discussed by the group, it was suggested that it could help applicants by improving user-friendliness, simplification, practical and support, and information held in one place.

## **Employment, Social Inclusion and Education**

Leveraging funding opportunities is dependent on the beneficiary's knowledge and capacities. In several cases, interviewees and focus group attendees for TO8, 9 and 10 indicated that information and communication on other funds, and guidelines aimed at beneficiaries, are frequently perceived as sparse and complex. Intensive communication between stakeholders is important to leverage funding opportunities and concerns were raised during both focus groups and interviews regarding some shortcomings in the communication between the different levels on possible synergies between funds and instruments.

However, it was also acknowledged that there are several efforts to address these challenges which merit attention, such as in the case of the links between the Marie Skłodowska-Curie Actions and ESI Funds (see e.g. Croatia), for which DG EAC and DG

---

<sup>143</sup> Organisations designed to accelerate the growth and success of start-ups and other entrepreneurial companies.

<sup>144</sup> Focus group on SME support (TO3).

<sup>145</sup> See Annex 5 for further explanations on Integrated Projects (IPs).

EMPL have developed close coordination mechanisms, or at national level such as the efforts made in Finland (see example 10 below), one of several positive developments to improve information services at the level of the Member State. The example from Finland involves stakeholders at all levels to promote the dissemination of information, induce communication and the sharing of experiences and practices, as well as finding common solutions (see also examples 11 and 12 for instance).

#### **Example 10: Ensuring synergies and strengthening capacities in Finland through 'structured cooperation groups'**

The Ministry of the Interior, the Ministry of Economic Affairs and Employment, the Ministry of Agriculture and Forestry and the Association of Finnish Local and Regional Authorities, established a structured cooperation group, determined to look for possibilities for closer cooperation and synergies for the ESI Funds. It also involves the regional ELY centres (Centres for Economic Development, Transport and the Environment) which coordinate the ESF funds as well as the Finnish Red Cross, which assists in the enhancement of integration activities with NGOs. Its purpose is to share information on implemented and forthcoming calls for proposals, elaborate on the how Funds have been targeted on different actions and target groups, and discuss further short-term needs. A scoreboard of progress on synergies presents a table of effective actions related to the reception and integration of migrants in Finland.<sup>146</sup>

Stakeholders' access to adequate and, more importantly, appropriate information is central to a successful leveraging of available funds. Many of the measures under TO8, 9 and 10, in particular measures under AMIF and FEAD, are inherently local and of comparatively small scale. Because of their small-scale and sometimes temporary nature, organisations, such as grass-roots or civic initiatives, can lack the capacities to consider and assess the comprehensive sources available to determine opportunities that exist with other funds. An approach that was regularly put forward by interviewees and focus group participants (e.g. focus group on TO9) in the context of local actor involvement is Community-Led Local Development (CLLD), describing it as being able to mobilise and connect local communities and organisations, setting the ground for inclusive and integrative action. The literature also suggests it is an appropriate tool to involve local partners and stakeholders, promoting the bottom-up approach and providing a good response to the complex needs by using different funds in a multi-sectoral approach<sup>147</sup>, and to be continued and strengthened in the coming funding period<sup>148, 149</sup>. Still, participants to the focus groups asserted that dissemination of information should be further improved and the role of information conduits at local level strengthened.

*'The CLLD approach could provide a good basis to alleviate issues around a lack of participation of all stakeholders in the strategic planning, as it brings all stakeholders together to think thoroughly about problems, possible solutions and how to use the different funds.'* (TO9 focus group conclusions).

---

<sup>146</sup> Conclusions from the joint meeting between the Finnish authorities and the European Commission on ensuring synergies and strengthening capacities of addressing migration challenges in Finland, 4<sup>th</sup> May 2016, Helsinki. Obtained from DG REGIO.

<sup>147</sup> Altus Framework Consortium, *The use of new provisions during the programming phase of the European Structural and Investment Funds* (2016).  
[http://ec.europa.eu/regional\\_policy/sources/policy/how/studies\\_integration/new\\_provision\\_progr\\_esif\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/policy/how/studies_integration/new_provision_progr_esif_report_en.pdf) (last access: 28.11.2017).

<sup>148</sup> Committee of the Regions, *The Future of Cohesion Policy beyond 2020, CoR Opinion* (2017).  
<http://cor.europa.eu/en/activities/opinions/pages/opinion-factsheet.aspx?OpinionNumber=CDR%201814/2018> (last access: 23.05.2019)

<sup>149</sup> European Parliament, *REPORT on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds* (2016).  
<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A8-2016-0385&format=XML&language=EN> (last access: 17.01.2017).

Similarly, stakeholder-networks with a multi-stakeholder component (e.g. EU Labour Mobility Network) were strongly promoted by the Commission and positively assessed in focus groups (focus group concerned with TO10).

Regarding the implementation of centrally managed funds with ESI Funds, coordination depends strongly on the type of governance structures and the efficiency and adequacy at which information flows within these structures. NCPs that administer Erasmus+ act as service agencies and have said to experience access to other ministries as quite challenging (focus group TO10). When instruments have only one or two representatives at the level of ministries, looking for synergies with other funds often becomes subordinate. Therefore, the importance of adequate, concise, and targeted information is even more important under these circumstances if synergies are to be further increased. Focus group participants suggested that:

*'EU Information Centres could be further empowered, holding a repository of user-centric and qualified information. Currently, it is under the responsibility of the MA.'* (TO8 focus group conclusions).

### 3.3 Option Mapping

We present a set of policy options for the post-2020 regulatory framework, which are based on the key findings above and the research which led to those findings.

The options do not necessarily exclude each other and can be implemented simultaneously. The propositions include harmonised rules and simplified processes, improved information provision and guidance for prospective applicants, and a greater clarity between EU instruments and ESI Funds, which could potentially be achieved by a greater demarcation between funds to eliminate overlaps. After providing a general description, this section presents the expected impact of the options on harmonisation, demarcation and communication.

Table 5: Options Overview

<b>Overview of options and their relation to ...</b>			
	<i>Harmonisation</i>	<i>Demarcation</i>	<i>Communication</i>
Option 4: Harmonise financial and implementation rules between selected combinations of ESI Funds and EU instruments	++	+	0
Option 5: Clearer demarcation and better coordination of EU instruments	+	++	+
Option 6: Improved joint information and advisory services on ESI Funds and other EU instruments	+	++	++

Scale: ++ = strong relation, + = medium, 0 = low.  
 Source: KPMG/Prognos (2016).



### 3.3.1 Option 4: Harmonise financial and implementation rules between selected combinations of ESI Funds and EU instruments

Option Description	
The option suggests a targeted harmonisation between ESI Funds and other EU instruments. Financial and implementation rules are to be harmonized in areas and linkages where stakeholders see significant added value of combination of the different funding opportunities.	
Expected contribution of option	
The option would contribute to harmonisation partially. It would ease the combination of funds and instruments, yielding more opportunities for multi-funded projects. The change of the current rules would pose an additional layer on the legislation.	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Less cost and administrative burden</li> <li>• Higher regularity</li> <li>• Better delivery of results</li> </ul>	<ul style="list-style-type: none"> <li>• Problems with one size fits all solutions</li> <li>• Only partial solution to the problem</li> </ul>

#### a) Description of the option

Option 4 comprises a targeted harmonisation between the ESI Funds financial and implementation rules with selected EU programmes. The complete harmonisation of rules is not necessary and would be difficult, but if implemented for coherence, complementarity and coordination between funds could be enhanced for the combination of funds and instruments. Based on the contributions of focus group<sup>150</sup> participants, harmonisation of financial (e.g. audits, eligibility rules, state aid rules) and implementation rules (e.g. timing of calls, required documentation for application, calculation of staff costs) would be especially advantageous for CEF and H2020 with ERDF or ESF and the Fund for European Aid to the most deprived (FEAD).

Further possible combinations can be drawn from the overview provided by Figure 23 along the links between the five ESI Funds and the 19 instruments, which cover areas that thematically could be combined. Concerning *Research, innovation and ICT* the rules of H2020, CEF, COSME and ISF could be aligned with those of the ERDF. Focus group participants agreed that without the harmonisation and simplification of processes of H2020, COSME and Creative Europe with ERDF, SMEs will continue facing the difficulties outlined in Key Finding 3. Regarding *Transport and energy infrastructures*, there are large potential in the harmonisation of CEF and ERDF, while the rules of Erasmus+, FEAD, AMIF, EGF, EaSI, RECP and the Justice Programme could be aligned with the ESF under the umbrella of *Employment, Social Inclusion and Education*. Lastly, within *Climate change and environment* EAFRD and EMFF could be harmonised with EAGF and LIFE.

#### b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs

The harmonised rules between the selected combinations of ESI Funds and instruments would alleviate the combined use of the different funding instruments, which would result in achieving more complementarities compared to the baseline situation (see example below). The 7<sup>th</sup> Cohesion Report also envisages result in more complementarities if harmonised rules are applied:

*'A single set of rules for existing funds would ensure more coherent investment and make it easier for beneficiaries. Coherence could also be improved by a single rule book for cohesion policy and other funding instruments with programmes or projects of the same*

<sup>150</sup> Evidence from focus groups on TO2, TO3, TO4 and TO8–TO10.

type. This should lead to stronger complementarity between cohesion policy and innovation or infrastructure funding.<sup>151</sup>

Concerning coordination, if harmonised rules result in alleviated administrative burden, then coordination would probably become less resource intensive as well. Regarding coherence, the expected contribution of harmonised rules is high.

#### Example 11: High error rates due to differences in the regulatory framework

In the focus group on TO2, participants reported frequent cases in which high quality projects are audited and it turns out later that they applied incorrectly for certain financial and implementation rules. The harmonisation of financial and implementation rules throughout certain combinations of funds and instruments could lead to lower error rates and less hindrances to stakeholders engaging themselves in multi-fund projects.

Apart from the positive effect the option deliver on harmonisation, there were some criticisms arising from the expert workshops. Some of the participants argued that harmonisation brings about an additional layer of rules to comply with, which could mean extra administrative burdens for Member States. They also suggested that any modification to the existing rules could potentially trigger a chain reaction in the regulatory framework involving considerably more complexity than might be envisaged by those proposing greater harmonisation<sup>152</sup>. Some questioned the logic of trying to harmonise ESI Funds and other EU instruments since the former have the objective of cohesion whereas the latter support excellence or other policy goals at EU level.

#### c) Advantages and disadvantages of Option 4

- ↑ **Less cost and burden:** this option could decrease administrative costs for stakeholders applying for EU funding. As described above and illustrated by the example of CEF NCP in Hungary in Key Finding 3, MAs and NCPs require significant capacities to streamline the applicable rules. If these rules were partially harmonised *a priori* then meaningful administrative costs could be saved from the part of the MAs/NCPs.
- ↑ **Encouragement for applicants:** if rules are harmonised and do not demonstrate significant differences (e.g. timeline), beneficiaries might take on new projects with more confidence. As illustrated by the example above taken from focus group on thematic objective 2, the different rules have meaningful discouraging effect on potential beneficiaries. If they knew in advance that they would have to comply with similar set of rules it would mean an additional stimulus to apply for funding.
- ↑ **Better delivery of results:** in addition, more co-ordinated timelines of different ESI Funds and other EU instruments would ease the scheduling of the funding and the project management. Beneficiaries could plan their time and capabilities and allocate the necessary resources for applying.
- ↓ **Problems with one size fits all solutions:** the 'one size fits all' approach might not suit the needs of ESI Funds and other EU grant-based instruments due to different project types and the fundamental differences between shared and central management.

---

<sup>151</sup> Dijkstra, L., European Commission, My region, my Europe, our future. Seventh report on economic, social and territorial cohesion – Highlights, (Brussels: 2017).

<sup>152</sup> Participants brought up this argument in relation to their own experiences with the eventual modification of a Rural Development Programme.



- ↓ **Only partial solution to the problem:** separate implementation mechanisms under central and shared management might require distinct financial reporting and audit rules as well. Resources would be needed from Member States and the Commission for the negotiations to develop the appropriate harmonisation of the different financial rules. A change of rules would mean high initial administrative costs. If the costs of change outweigh the benefits, the status quo – or minor reforms in the interest of simplification – might be the best solution.
- ↓ **Additional layer:** a potential unintended consequence is the additional layer stemming from the harmonised set of rules.



### 3.3.2 Option 5: Clearer demarcation and better coordination of EU instruments

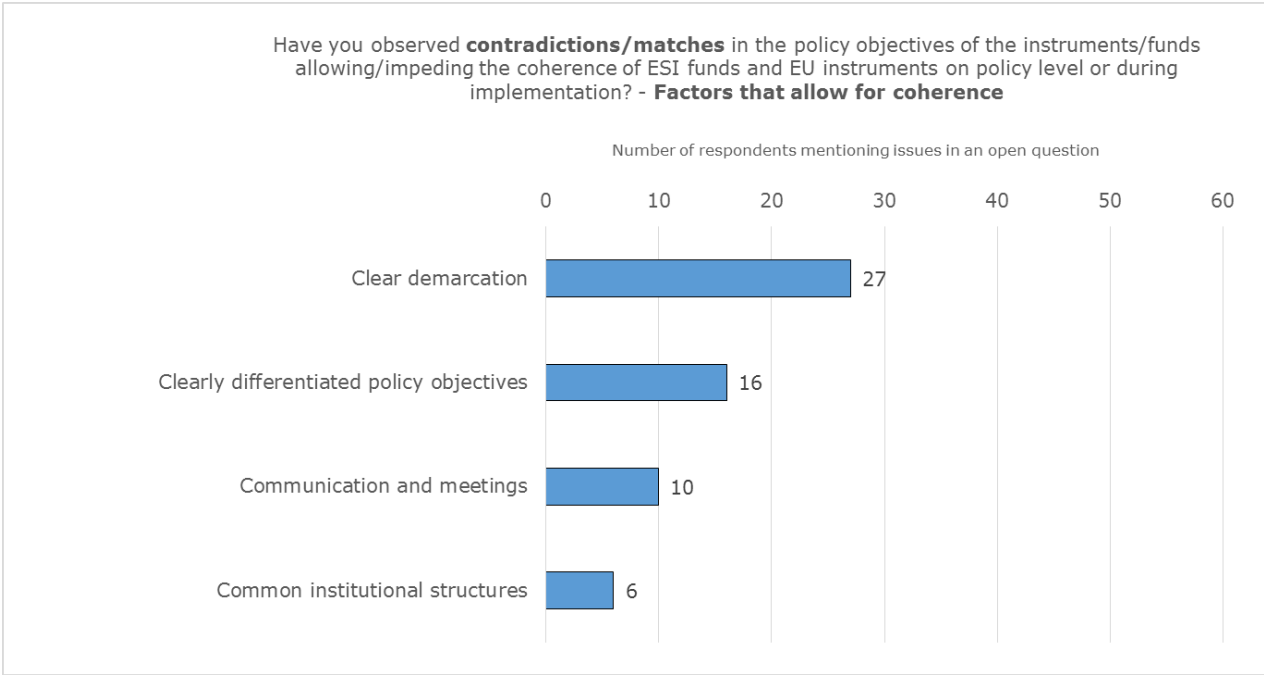
Option Description	
The research found that in certain areas there are overlaps between the different EU instruments and policies. Demarcation in respect of EU instruments can be viewed at different levels. It could involve fewer instruments with clearer differentiation of policy objectives, sectors and targets. Equally it can allow funds to combine and co-exist as long as clear demarcation is in place to demonstrate the complementarity between funding instruments.	
Expected contribution of option	
Clearer demarcation is expected to result in achieving greater coherence between policy objectives more intensive and diversified communication.	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Better delivery of results</li> <li>• Less cost and administrative burden on the long term</li> <li>• Greater clarity for applicants</li> </ul>	<ul style="list-style-type: none"> <li>• High reorganizational cost</li> <li>• Challenges of implementation</li> <li>• New steep learning processes from all stakeholders involved</li> </ul>

#### a) Description of the option

Demarcation offers the opportunity to clearly structure ESI Funds and other instruments for a combined and coherent implementation. It provides clarity on the specific objectives, the intended activities, and their potential outputs. As was stated during the Expert Working Group, *'funds need clearly demarcated intervention logics'*. Empirical work indicates that instruments already enjoy clear lines of demarcation, so that *'there is no financial overlap nor confusion on which fund is used for which measure'* (Interviewee, Managing Authority for AMIF, referring to AMIF and ESF), simply by means of their specific targets.

Figure 25 illustrates the factors that allow more coherent policy objectives in Member States and European Commission interviewees' responses. About 40% of interviewees mentioned *'clear demarcation'* and 24% reported *'clearly differentiated policy objectives'* in their responses as factors strengthening coherence in delivering EU policies. Interviewees reported examples as good practices in which funds and instruments demarcate from each other in various aspects. For instance, they highlighted that *'FEAD is responsible for short-term measures whereas ESF and ERDF support long-term policy oriented measures'* (Interview, Managing Authority) or in the case of EaSI that *'primarily focuses on the European added-value and the ESF on the national level'* (Interview, National Contact Point).

Figure 25: Outcome of Interviews with Managing Authorities and EC Representatives – Factors that Allow for Coherence. Source: KPMG/Prognos (2016), based on semi-structured interviews with stakeholders from the European Commission and Managing Authorities (N=59).

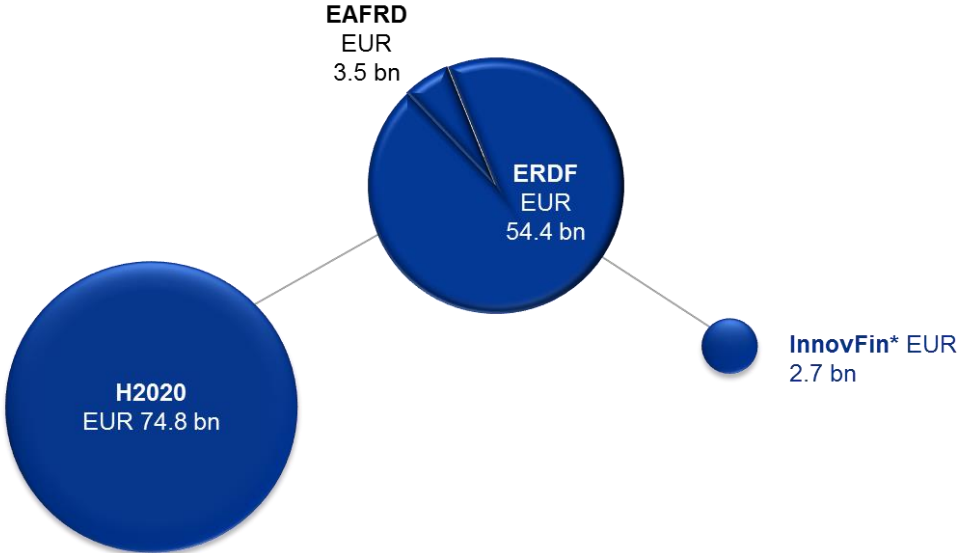


Some of the possible demarcation strategies are already outlined in the option '*Smart demarcation of ESI Funds*'. In addition to these, the expert workshops proposed another possible strategy to demarcate and make more coherent ESI Funds and instruments. This strategy suggests demarcation by different policy fields or thematic objective clusters: Research, innovation and ICT, SME competitiveness, Climate change and environment, Transport and energy, Social inclusion, education and employment. In this way, e.g. in the field of Research, innovation and ICT, the instruments could be demarcated along the objectives of this area.

The first thematic objective cluster includes ERDF as fund and H2020 and InnovFin as other EU instruments. These contribute to 'Research, innovation and ICT'.

Figure 26: Thematic cluster of Research, innovation and ICT

**Share of relevant ESIF and other instruments related to 'Research, innovation and ICT'**



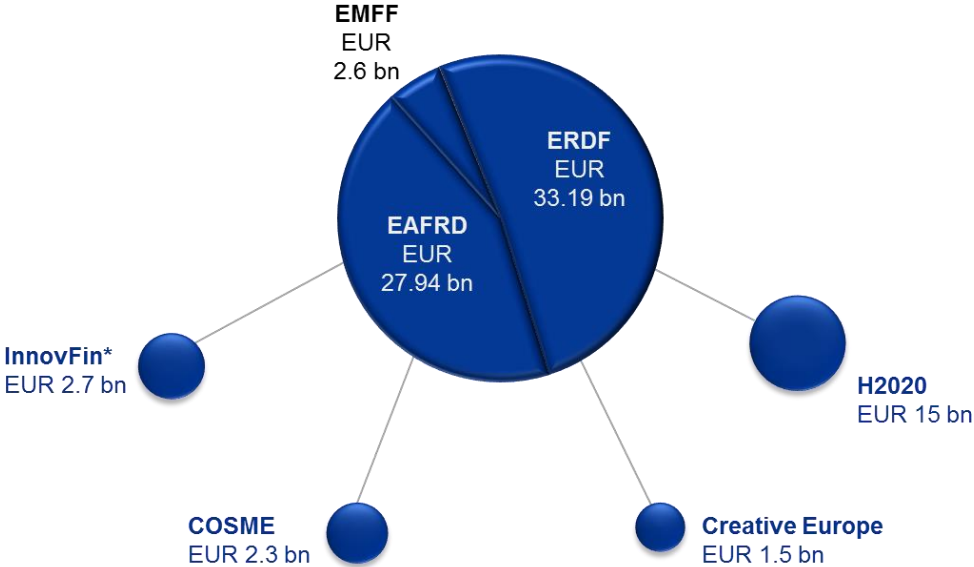
\*May be allocated diversly

Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 150, Annex 5. ESI Funds data provided by EC, data of other funding instruments from open data portal provided by DG REGIO; [http://ec.europa.eu/budget/mff/programmes/index\\_en.cfm#horizon2020](http://ec.europa.eu/budget/mff/programmes/index_en.cfm#horizon2020).

The cluster of SME competitiveness could be grouped to include COSME, the SME instrument part of H2020, Creative Europe, InnovFin and the parts of EMFF, EAFRD and ERDF that contributes to TO3.

Figure 27: Thematic cluster of SME competitiveness

**Share of relevant ESIF and other instruments related to 'SME competitiveness'**



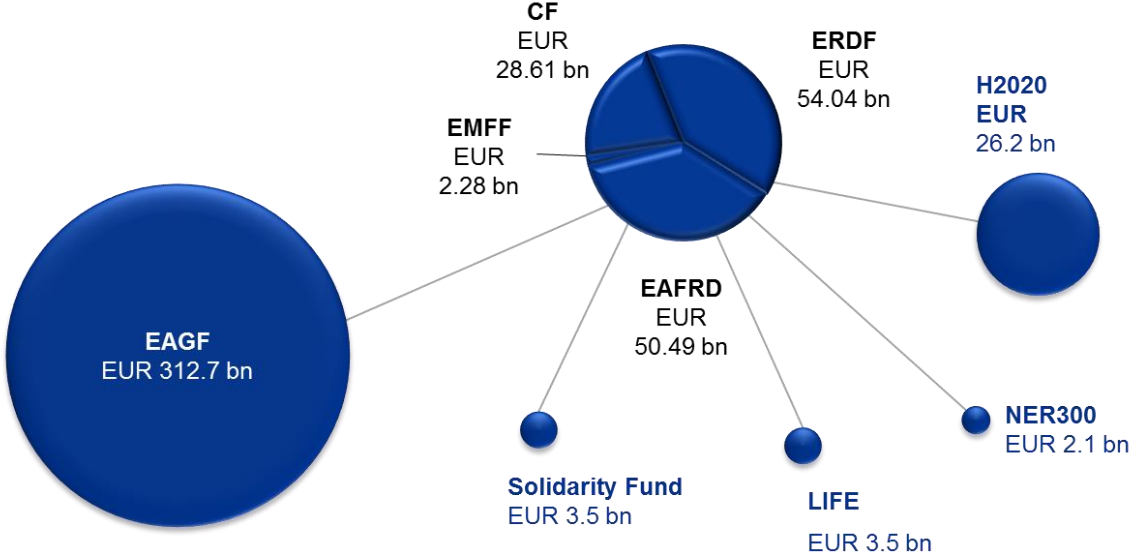
\*May be allocated diversly

Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 150, Annex 5. ESI Funds data provided by EC, data of other funding instruments from open data portal provided by DG REGIO. H2020 share is calculated based on information available in Regulation (EU) No. 1291/2013 establishing Horizon 2020.

The cluster of Climate change and environment would cover EAGF, the Solidarity Fund, LIFE, NER and the thematically relevant ESI funding from ERDF, CF and EMFF.

Figure 28: Thematic cluster of Climate change and environment

**Share of relevant ESIF and other instruments related to 'Climate change and environment'**

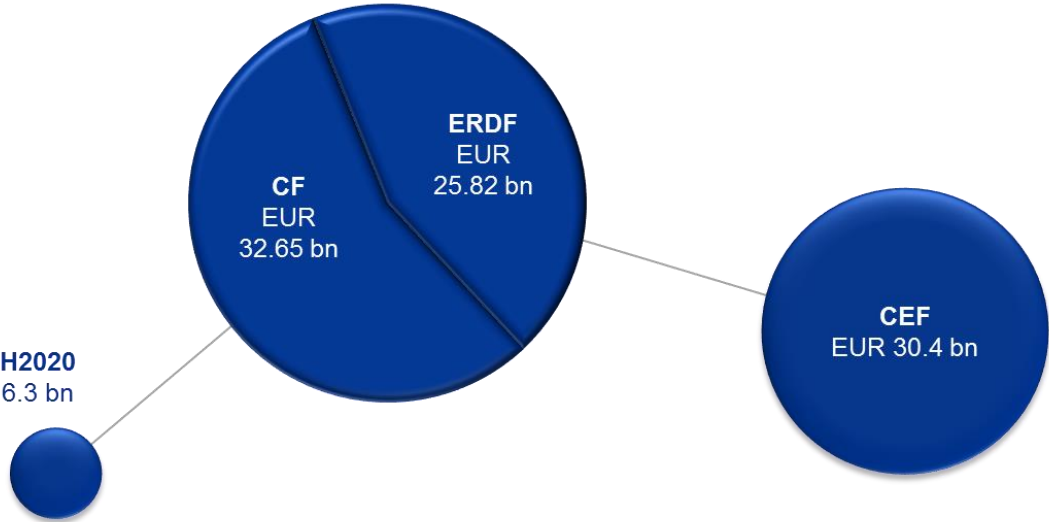


Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 150, Annex 5. ESI Funds data provided by EC, data of other funding instruments from open data portal provided by DG REGIO. H2020 share is calculated based on information available in Regulation (EU) No. 1291/2013 establishing Horizon 2020.

Concerning Transport and energy, the CEF would be coupled with CF and ERDF along the relevant policy areas.

Figure 29: Thematic cluster of Transport and energy

**Share of relevant ESIF and other instruments related to 'Transport and energy'**

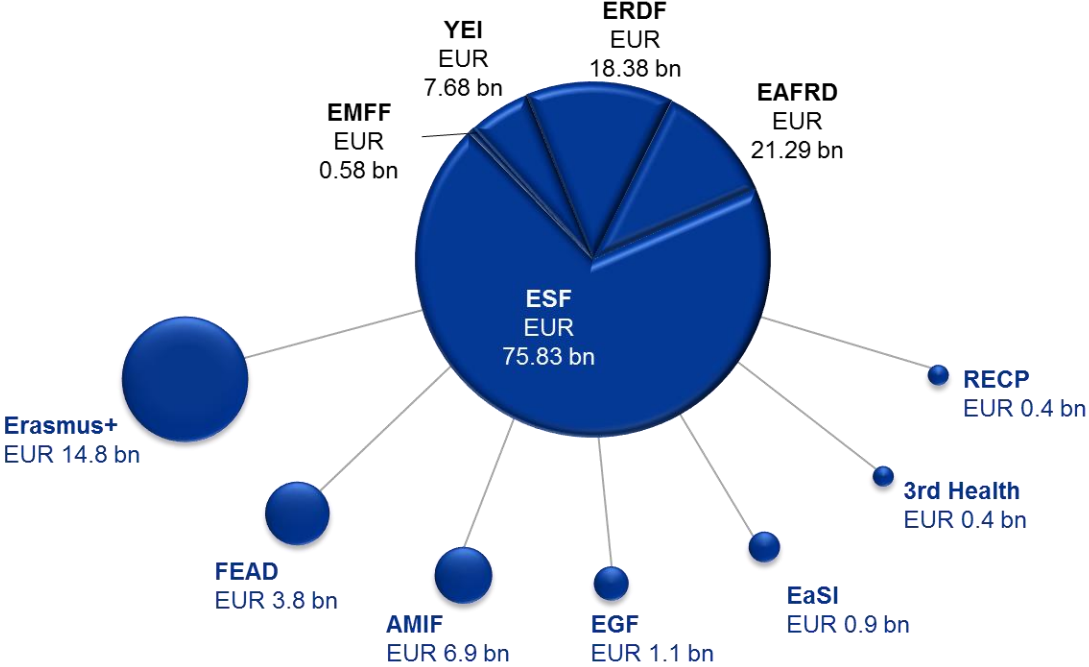


Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 150, Annex 5. ESI Funds data provided by EC, data of other funding instruments from open data portal provided by DG REGIO. H2020 share is calculated based on the information available on the website of 'Smart, Green and Integrated Transport': <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/smart-green-and-integrated-transport>

The thematically relevant funds and instruments could be grouped into the cluster of Employment, social inclusion and education as shown in the figure below.

Figure 30: Thematic cluster of Employment, social inclusion and education

**Share of relevant ESIF and other instruments related to 'Employment, social inclusion and education'**



Source: KPMG/Prognos (2017). Based on sources outlined in Table 16, p. 164, Annex 4 and Table 20, p. 150, Annex 5. ESI Funds data provided by EC, data of other funding instruments from open data portal provided by DG REGIO. Data for AMIF provided by Unit A3, DG BUDGET.

## **b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs**

The demarcation of ESI Funds and other EU instruments could be implemented to various extents and is not seen as a new tool to ensure the lack of contradictions and a sound policy planning.

Some Managing authorities have already been using demarcation in their Operational Programmes in the previous programming period. A great number of interviewees judged demarcation as a tool to achieve greater coherence between policy objectives and between implementation mechanisms at the EU, national and regional levels (please refer to Figure 25 above).

At the same time, increased coordination, which was suggested by EC members to couple with demarcation, could result in more intensive and diversified communication compared to the baseline situation. When the different policy objectives and responsibilities are well demarcated and coordinated, then the authorities are expected to have a clearer orientation across ESI Funds and instruments.

## **c) Advantages and disadvantages of the option**

### **Advantages and disadvantages of Option 5**

- ↑ **Better delivery of results:** the main advantage of a clearer demarcation amongst funds lies in creating a simpler implementation structure and clearer responsibilities for planning, implementation, more coherent achievement of the policy objectives and progress towards the Europe 2020 targets. Based on the consultations, the reorganisation would be generally welcomed by Member States as they appreciated the previously existing demarcated structures from the previous programming period. A reorganised structure of EU funding opportunities could help Managing Authorities better cooperate with DGs as responsibilities are clearer. In this environment, it should be easier to identify the appropriate colleagues across the EC and the Managing Authorities to liaise with on thematic grounds.
- ↑ **Reduced coordination costs and burden:** once established a structure based on demarcation would require less coordination costs and effort in the medium term. As a consequence costs and administrative burdens should reduce for all parties involved.
- ↑ **Greater clarity for applicants:** a clearer demarcation of grants based funds should help applicants determine which funds to apply for. As a result it should make the complementary use of funds easier (e.g. by establishing a clear complementarity in eligible costs).
- ↓ **High reorganisation costs and burden:** depending on the level of demarcation, the reorganisation costs, both for the EU and Member States, could prove excessive, especially in the short term. The costs include the new steep learning processes from all stakeholders as well: the restructuring implies that stakeholders would need to adapt to the new system. Over time a simplified structure could result in less programme and fund management expenses. Demarcation could be implemented as a staged process, introduced over time, to reduce disruption and spread the implementation costs associated with reorganisation.



- ↓ **Challenges of implementation:** increased coherence and less coordination might be only achieved at the expense of achieving less complementarity between the policy areas. Overly strict demarcation lines could also lead to less communication between the affected stakeholders and therefore less opportunities to pursue synergies.
- ↓ **Limits of the potential for demarcation:** prior to the implementation there should be a thorough assessment to detect the possibility to eradicate all 'grey areas' from the system. That is likely to be challenging.



### 3.3.3 Option 6: Improved joint information and advisory services on ESI Funds and other EU instruments

Option Description	
<p>This option provides three levels for consideration:</p> <ul style="list-style-type: none"> <li>• Technology based one stop shop with algorithms to help signpost</li> <li>• Promotion of national (regional) systems</li> <li>• Better use of existing EU systems</li> </ul> <p>There were examples identified during the desk research and mentioned during the expert workshops (Île de France, North Rhine-Westphalia, Latvia).</p> <p>The option could cover all ESI Funds, grants that apply to ESI priorities and also (potentially) FIs (notwithstanding the fi-compass service that is already in place for FIs).</p>	
Expected contribution of option	
<p>The option would contribute to better coordination by easing beneficiaries' access to tailored information on EU funding opportunities. Furthermore the facilitated access to the tailor-made funding imply better demarcation and increase coherence of the fund delivery.</p>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Better accessibility</li> <li>• More timely delivery</li> <li>• Better information flow</li> </ul>	<ul style="list-style-type: none"> <li>• High cost</li> <li>• New steep learning processes from all stakeholders involved</li> </ul>

#### a) Description of the option

As a viable solution to improve the current information and advisory provision on EU funding, the interview and focus group evidence suggest three sub-options for consideration:

##### 1) One-stop shop at EU level

The suggestion for a one-stop shop emerged during several separate focus groups (e.g. TO3, 4, 7 and 10) in relation to the multitude of funding opportunities available for beneficiaries and found support in both expert workshops. This would be an online portal covering all funds and instruments, or as many as practical.

Participants of TO3 focus group found that *'there are parallel networks related to SME support, in most cases there is no one-stop shop solution, on which the potential beneficiaries can rely on.'* As another typical example, participants of a focus group concluded that *'in general, the available information about the different funding opportunities and possible synergies/linkages between the different funds and instruments should be more concise and more accessible to beneficiaries to increase their sustainability.'*

A portal with comprehensive information on the different funds, grouped according to multiple dimensions (e.g. policy themes, target groups, etc.) could serve as a tool to find the adequate financing for specific projects. Following an earlier good practice, the

'Checklist for EU innovation and research funding' within 'New Practical Guide to EU Funding Opportunities for Research and Innovation'<sup>153</sup>, the portal can be used to ask a few questions from the interested parties. Visitors to the portal can be directed to the right authorities (at EU / national / regional level). Furthermore, there are already a few private initiatives e.g. GRANT-IT, which provides a comprehensive portal for grants funding sustainable chemistry. These initiatives could be tested and promoted up to large-scale coverage of EU instruments (in other words the 'one-stop shop' does not start from a 'zero base').

The one stop shop could be extended to financial instruments as well. Some of the stakeholders consulted deal with grants and FIs but have less experience and knowledge of how FIs operate, how funding is allocated or applied for. Given that the use of FIs is likely to be increasingly important in the next programming period and that applicants used to grant regimes could turn to FIs, a single information source has some advantages (a one-stop shop could include a link to fi-compass, which provides extensive information on FIs).

## 2) Promotion of already existing one-stop shops on regional and national level

During the empirical research good practices were identified in relation to one-stop shops at Member State level. Some countries and regions (e.g. Île de France, North Rhine-Westphalia and Latvia) already introduced portals that accumulates the different funding opportunities. These portals are generally tasked to promote and facilitate aspirants' participation in directly managed EU programmes with a view to creating complementarities with the other financial resources of the European Structural and Investment Funds and other European financial instruments. A good illustration of this is the Hungarian Development Centre and the Baltic Funding portal, which are showcased by the following examples.

### **Example 12: One-stop shop example case at Member State level**

The Hungarian Development Centre coordinates the country's participation in directly managed EU programmes. They pursue three core activities. Firstly, they provide 'up-to date information on opportunities such as calls for proposals and tenders in cooperation with relevant government departments, national, regional and international stakeholders'<sup>154</sup>. Furthermore, the organisation act also as a project promoter and help seeking consortia partners for joint participation in calls for proposals and tenders offered by directly managed EU instruments. Last, but not least they are committed to setting and disseminating best practices at national and regional level.

### **Example 13: One-stop shop example case at regional level**

The Baltic Funding portal collects information about the Baltic Sea Region funding instruments. Similar to the Hungarian Development Centre, the operators of the site intend to help project promoters find suitable EU and other financial sources and promote cooperation between actors. Their database includes more than 300 funding instruments covering public and private funding sources from the Baltic Sea countries. The inventory is not exhaustive but neither is it limited to EU area (it includes also Norway and Russia). Yet it fulfils the role if a first contact platform for beneficiaries.

These initiatives are not uniform and the quality of service varies. Some of those consulted, including experts in the workshops preferred national/regional information

---

<sup>153</sup> European Commission, New practical guide to EU funding opportunities for research and innovation – Competitive European Regions through Research and Innovation (2011). [http://ec.europa.eu/research/participants/data/ref/fp7/204008/practical-guide-rev3\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/fp7/204008/practical-guide-rev3_en.pdf).

<sup>154</sup> Hungarian Development Center, <http://mfk.gov.hu/about-us.html>.

centres that did not have to deal – normally – with multiple languages and could be tailored to ‘local needs’. Improving existing national/regional sources of information and advice or commissioning new ones could be considered as a viable option.

### 3) *Better use of existing EU systems*<sup>155</sup>

Instead of introducing a new informational portal, it should be considered whether and to what extent the EU informational portals and publications may be improved. The publications that are in circulation currently serve as a good basis for improved information provision. As referred above, most beneficiaries would need more practical instructions and good practice examples. Furthermore, the ideal guidance should be specific, but not too complicated to access, navigate and understand by beneficiaries. Beside the EU level and national one-stop shops, the possibility to rethink and update the current guidance documents should be also evaluated.

#### **b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs**

The establishment of an EU level one stop shop, the better use of existing informational points and the spread of information on complementary use of ESI Funds and other EU instruments could reasonably contribute to the better leverage of complementarities. One of the main conclusions of TO3 focus groups was that a major bottleneck in the way of maximising complementarities is that beneficiaries are simply not aware of the exact targets of each funding instruments. If this problem could be alleviated by the introduction and dissemination of structured informational portals, the overall number of complementarities may be heightened.

#### **c) Advantages and disadvantages of Option 6**

- ↑ **Better accessibility of funding:** this option could help improve awareness of the stakeholders of EU funds and could help them identify opportunities for projects that support EU objectives. An online tool, both at the EU and Member State level, is in general more accessible than the various guides that are in printed or in electronic format. Stakeholders do not have to spend time and search on different DGs websites to find the most adequate indications related to their project ideas. Furthermore, this option has the potential to standardise all EU fund applications in all Member States. Once all the Managing Authorities deal with the same kind of application system, it also creates an opportunity to exchange their knowledge and best practices.
- ↑ **More timely delivery:** an online tool would have considerable advantages over the printed or electronic guidance documents in terms of time relevance. It is beneficial to the DGs issuing guidance documents: while booklets are time consuming to create, edit and finalise, an online database can be adjusted in real time and the eventual amendments would not require the re-issuance of the documents. It is also beneficial to stakeholders as the online tool would help access the most up-to-date information on the different funding opportunities both at EU and at the national/regional level. Consequently, it could mitigate the risk of late consultation of the given call for proposal or the necessary guidance documents. The aim is to gather calls for proposals and related information in one, centralised EU website.
- ↑ **Better information flow:** the core advantage of this option, that the suggested portal would provide the public with more information on the specific funding opportunities in an easily accessible format. This would fill the knowledge- and information gaps frequently mentioned by beneficiaries during various focus groups.

---

<sup>155</sup> In this particular point we refer to both grants and financial instruments.

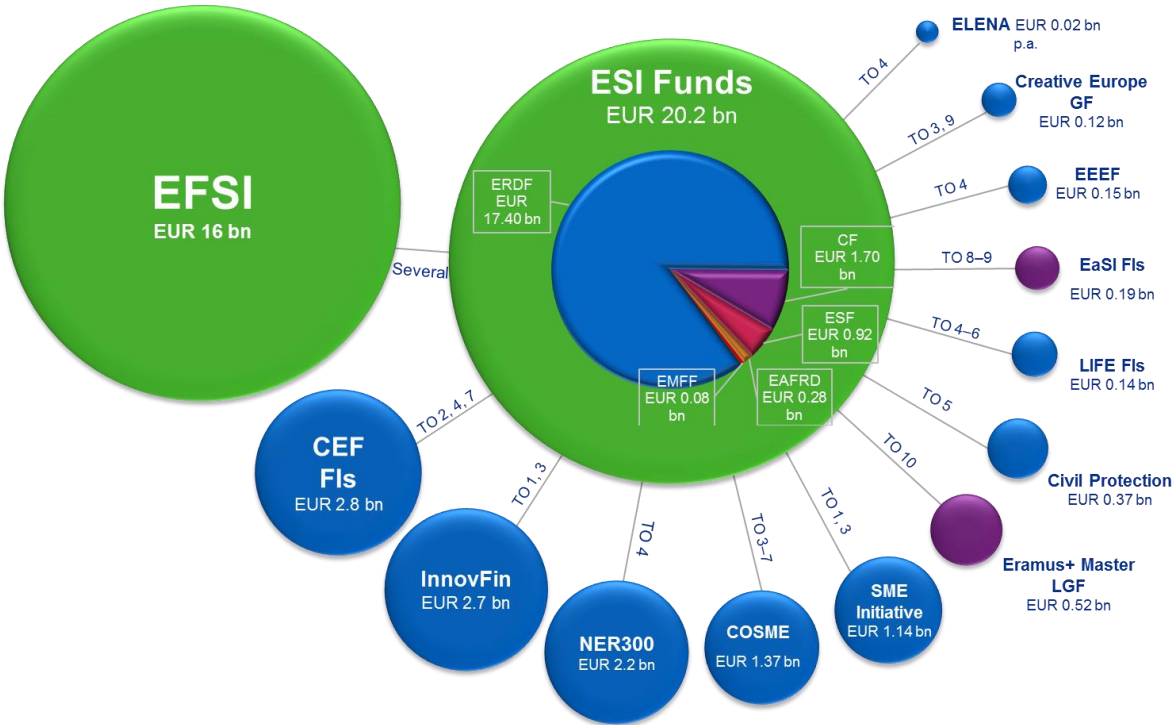
- ↓ **High cost:** the development of new tools would require significant costs and time inputs. As different guidance documents and information booklets are already in circulation, stakeholders are accustomed to and tend to rely on those. The cost of redirecting their attention (awareness raising campaigns) to a fundamentally new tool will be high at the beginning. This is especially true if the stakeholders have limited or no experience in handling web-based applications. These costs can be lower if the option is introduced only at the level of national and regional one-stop shops or making better use of existing tools.
- ↓ **Feasibility:** whilst an advanced online portal is technically feasible (there are many examples in the private sector) it would take time to develop, test and bring into operation. The content would need to be agreed as would access to other existing sources. Maintaining and updating a one-stop shop portal would require considerable resources including time and people with technical skills and EU knowledge. The alternatives outlined above are not without challenges and costs but less so.
- ↓ **Steep learning processes from all stakeholders involved:** this option would require additional investments from the beneficiaries' side as well concerning the adaptation of the new tool into the already existing system. They should become familiar with the new platforms of information provision, and means of access, before they can start using them efficiently.

# 4 ESI FUNDS AND EU FIs OR INSTRUMENTS MANAGED BY THE EIB: ASSESSMENT OF THE COHERENCE, COMPLEMENTARITY AND COORDINATION BETWEEN THE POLICY OBJECTIVES AND THE IMPLEMENTATION MECHANISMS

## 4.1 Background and Policy Context

This Chapter assesses the coherence, complementarity and coordination of policy objectives and implementation mechanisms of financial instruments (FIs) of ESI Funds and centrally managed FIs, managed by the European Investment Bank (EIB). The FIs, in which this report focuses on, are outlined in Figure 31 along with funding allocations for the current programming period. In the EU context, FIs are defined as 'Union measures of financial support provided on a complementary basis from the budget to address one or more specific policy objectives of the Union'. Such instruments may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments, and may, where appropriate, be combined with grants<sup>156</sup>, given that grants are considered a 'donation' from the EU budget to support European Union policies. Further details of the differences between FIs under shared and central management are outlined in Annex 6.

Figure 31: ESI Funds FI Allocations (2014–2020) and Centrally Managed FIs including Relevant Potential Areas of Cooperation

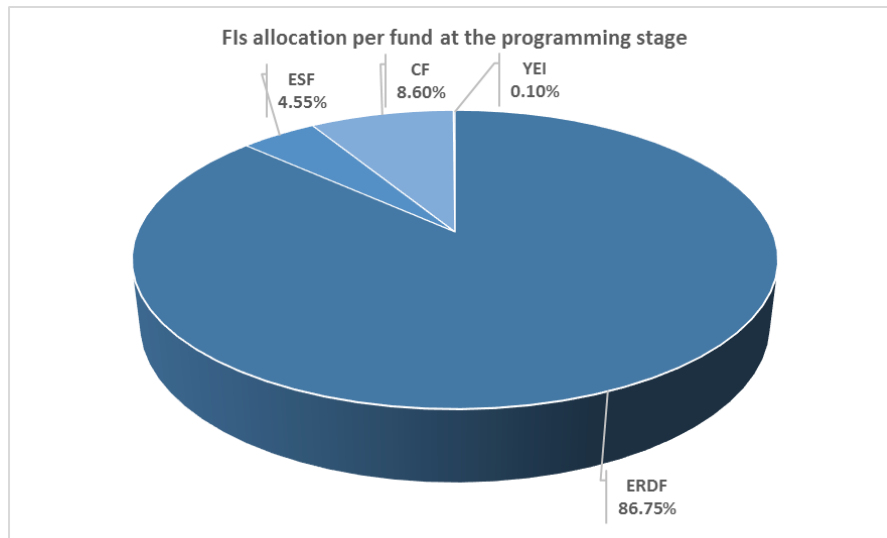


Note: The SME Initiative is co-financed by COSME, H2020 and EIB/EIF  
 Source: KPMG / Prognos (2016). Based on the sources outlined in Table 21, p. 180, Annex 6. For ESI Funds see [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/data/esif\\_categorisation\\_2014-2020.xls](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/data/esif_categorisation_2014-2020.xls) (last accessed 29.11.2017).

<sup>156</sup> Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No. 1605/2002, Title VIII, financial instruments, Article 2(p).

Based on the approved Operational Programmes, a total of approximately EUR 20 billion (in EU amounts) of the ERDF, ESF, CF<sup>157</sup> and Youth Employment Initiative budgets in the 2014–2020 period is to be delivered through financial instruments, i.e. approximately 6% of the total budget of these funds. The foreseen contribution of each fund to this amount is presented in the following figure. Overall, in the 2014–2020 programming period, it is foreseen that 8.91% of the ERDF total budget, 1.45% of the ESF total budget, 2.01% of the CF total budget and 0.62% of the YEI total budget will be delivered via financial instruments.

Figure 32: Percentage of Fund Allocations to FIs at the Programming Stage



Source: Cohesion data provided by DG REGIO.<sup>158</sup>

Of the 321 approved national and regional Operational Programmes (ERDF, ESF and/or CF), just under half (154) have identified specific budget commitments to be delivered through FIs<sup>159</sup>. Operational Programmes that have opted to 'postpone the decision on using FIs to a later stage of the programme's implementation are not included in these figures. Territorial Cooperation Programmes are also not included, as they do not foresee allocations to FIs.

Changes relevant to financial instruments brought by the Common Provisions Regulation and their impact on coherence, *complementarities* and *coordination* at the implementation level are further presented in Annex 6 (Table 22).

## 4.2 Problem Definition

FIs have been developing since the 1994–1999 programming period and there is still a high level of evolution as there is more experience of implementation (including some bad practices). In the wake of criticism levelled at the limited set of rules for FIs in 2007–2013, the legislators, i.e. Member States and European Parliament, adopted more specific and comprehensive rules for 2014–2020. There are many FIs set up under the rules applicable to the shared and centralised management of the EU budget. The ESI Funds FIs come under the common rules of the CPR which was described in Chapter 2.

There have been challenges (detailed below) in implementing FIs, partly due to the relatively new experience of FIs from Managing Authorities and other stakeholders more used to grant regimes, and where stakeholders have a shared history and ways of

<sup>157</sup> I.e. the old Structural Funds.

<sup>158</sup> European Commission, *ESI Funds Data*, <https://cohesiondata.ec.europa.eu/> (last accessed: 15.12.2017).

<sup>159</sup> The data provided above do not include ESI Funds allocations to the SME Initiative (The Cohesion Data site data does not include SME Initiative Operational Programme's allocations in its initial dataset due to the simplified programming requirements foreseen for these Operational Programmes) in the CPR.

resolving issues as they arise, that does not easily apply to FIs. As a result there has been a 'steep learning curve' in implementing FIs in the 2014–20 programming period, helped in part by Commission guidance notes. Further reforms are foreseen in the OMNIBUS Regulation<sup>160</sup> currently under negotiations and due to take effect (subject to final approval) at the beginning of 2018. The OMNIBUS Regulation will lead to further changes in the FIs implementation environment. In this respect, the options presented below have tried to take into consideration this changing environment and should be considered in this context.

#### **4.2.1 Key finding 6: There are different rules and regulatory frameworks which result in an increase of complexity**

There are numerous and diverse regulatory frameworks governing centrally managed FIs and ESI Fund FIs. There are different regulations and rules for FIs under various funds and management levels that are dispersed. These create an overall complex regulatory environment of EU supported financial instruments.

Designing the efficient and effective use of FIs to address the identified market gaps, MA has to act not in the limited area of ESIF, but also to take into account the possibilities of centrally managed FIs, thus also would have to deal with the regulatory framework of the latter. Aiming to combine and coordinate the implementation of FIs of both types and maximise the efficient use of public resources, MA may consider the combination or (at least) coordination of the different FIs, and then MA will face the implementation process under different regulatory frameworks.

For final recipients, in principle there is not big difference which FIs to use: the loan or guarantee under centrally managed FIs or the ESIF FIs. But very similar terms of financing provided by the FIs, may have (and usually have) different outcome of the State Aid equivalent of the provided financing/support. May be a case, that accumulated State aid limits not allow to use FIs under the ESIF or Financial intermediaries marketing the FIs which result in less administrative burden for them (no need to calculate, evaluate and declare/register State Aid equivalent), which is in case of centrally managed FIs.

Financial intermediaries also prefer to have very flexible contracts on the implementation of FIs, as the changing market conditions not so easy to predict. Thus participation in the Public Procurement for the implementation of ESIF FIs (if FoF is managed by National Financial Institution) and working under inflexible and limiting Public procurement agreement, is much less welcomed by the Financial intermediaries, then implementing centrally managed FIs.

##### **a) Baseline situation**

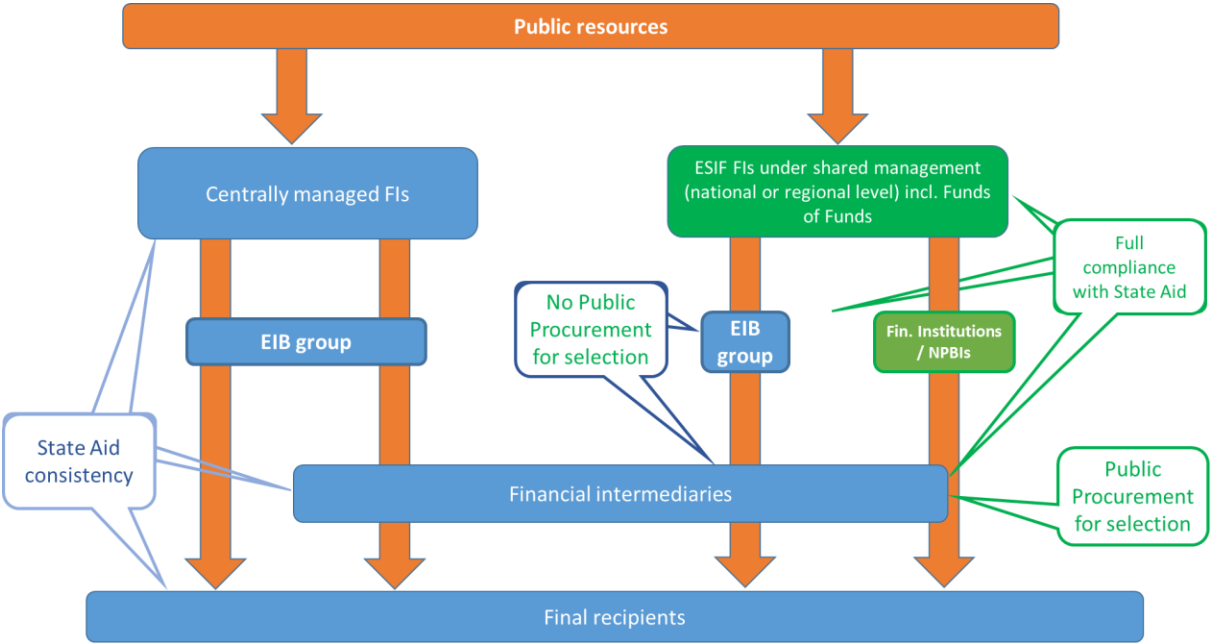
Centrally managed FIs are governed by different 'Delegated Acts', '*Financial and Administrative Framework Agreements (FAFAs)*' and '*Delegation Agreements*'. The ESI Funds FIs are governed by the Common Provisions Regulation (CPR) and fund specific regulations, Delegated and Implementing Acts, as well as Public Procurement and State Aid rules. Where these concern the same stakeholders they create a dispersed and potentially confusing environment that can be difficult and time consuming to understand

---

<sup>160</sup> European Commission Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council, COM(2016)605 final of 14 September 2016.

and interpret, and raises potential legal uncertainties for conflict between applicable rules due to different legal frameworks<sup>161</sup>. In Figure 33 we present the main differences between FIs under shared and FIs under central management.

Figure 33: Main Differences between FIs under Shared Management and FIs under Central Management



Source: KPMG/Prognos (2017).

The different regulatory frameworks and diversification of implementing rules within and between the FIs managed under centralised and shared management was raised during both focus group discussions on FIs and in several of interviews with various stakeholders (including interviews with Managing Authorities in Lithuania, Germany, Estonia, financial intermediaries from Greece, France, Hungary, the Netherlands and Belgium as well as by two fi-compass group experts). The existing regulatory framework of FIs in general, and ESI Funds FIs in particular, was characterised as *'very complex'* leading to a high administrative burden on Managing Authorities. Our desk research<sup>162</sup> has shown that more than half of the Managing Authorities that worked with FIs, highlighted a need for additional advisory support on the main aspects of the implementation of ESI Funds FIs primarily due to their perceived complexity and also due to insufficient practical experience. Combining funding of differing FIs was perceived as *'immediately adding up to the level of complexity'* by relevant stakeholders that participated in focus group discussions. Stakeholders were concerned to avoid the possibility of double funding and felt that the current operating arrangements made the combination of funds less likely in practice.

The presence of different organisations and bodies managing central and ESI Funds FIs (Managing Authorities, EIB and EIF, other implementing bodies, etc.) was also mentioned in focus groups as a factor *'making coordination more difficult'*. This consideration further built on the discussion of the different interests of the various stakeholders consulted with a *'lack of coherence in the language used between the institutions'*, which was also mentioned in focus group discussions.

<sup>161</sup> European Court of Auditors (2015) Opinion No. 11/2015 (pursuant to Article 287(4) of the Treaty on the Functioning of the European Union) concerning the proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No. 1291/2013 and (EU) No. 1316/2013, Luxembourg).  
<sup>162</sup> EPRC, Wishlade, F., Michie, R., Robertson, P., Vernon, P, *Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017).



Public stakeholders and focus group participants also considered that the ESI Funds regulatory environment for FIs, although significantly evolved, still has a 'grant view' when considering the use of FIs. This was raised as a central issue during focus group discussions and interviews when discussing the ESI Funds FIs regulatory framework. Focus group participants generally agreed that the administrative procedures relevant to FIs (when money is revolving) should normally be lighter than for grants. Some of the focus group participants (including EC representatives and MAs from FIN, BE, GR) expected the OMNIBUS Regulation to provide more clarity and lead to improvements in this regard.

**b) Scale and drivers of the problem**

Specific requirements that significantly diversify the implementation mechanisms of both ESI Funds FIs and centrally managed FIs and create hurdles in achieving synergies on the ground were at the forefront of focus group discussions and relevant interviews, as shown in the following table.

Table 6: Diverse Implementing Requirements Impeding Coordination and Complementarities of ESI Funds FIs and Centrally Managed FIs

Implementing Requirements	Number of occurrence	Total responses received	%
State aid Rules	16	24	66.67
Audit Requirements	14	18	77.78
Public procurement processes <sup>163</sup>	13	24	54.17
Reporting Requirements	13	21	61.90
Ex ante assessment requirements	12	23	52.17

Source: Interviews with stakeholders from Managing Authorities, EC, EIB Group and fi-compass Expert Group (N = 46)<sup>164</sup>, based on the number of interviewees that provided a response to the relevant issues.

**State aid rules**

The 'by default' compliance of centrally managed FIs with state aid rules as opposed to a case per case review of ESI Funds FIs was highlighted as one of the major factors reducing potential synergies and complementarities between FIs. ESI Funds FIs undergo state aid clearance procedures, whereas FIs managed at the EU level are state aid compliant. This can result in a higher level of complexity when combining these instruments and a lower level of coherence between them, a key discussion point in the focus group discussions.

We assessed the perceived level of complexity, amongst stakeholders as being inversely proportional to the level of experience and expertise of relevant stakeholders<sup>165</sup> with FI rules. For national and regional representatives, opinions recorded depended on the interviewees' experience with state aids (i.e. well informed representatives on state aid issues, including five representatives from Managing Authorities) did not consider this a problem).

<sup>163</sup> Relevant to the selection of financial intermediaries.

<sup>164</sup> Please note that these issues were not included / discussed in relevant interviews with financial intermediaries and final recipients.

<sup>165</sup> Similar conclusions were highlighted in the EPRC Study 'Improving the take-up and effectiveness of financial instruments' (Luxembourg: May 2017), where evidence showed that "financial intermediaries tend to be more familiar with the financial instrument landscape than MAs, and whilst some view the range of options as encouraging healthy competition, many are critical of the overlaps (between ESI Funds FIs and other EU Instruments), the differences in terms and conditions (e.g. in relation to state aid) and the resulting confusion 'on the ground.'

All the same, most participants in focus group discussions and the majority of interviewees, were of the opinion that state aid rules and their different implementations negatively affected coordination and complementarity of FIs stating that state aid rules were *'the greatest challenge on the ground'* for combinations of FIs. A comment that the diverse handling of EU supported FIs regarding state aid clearance creates *'unnecessary competition'* between them was also noted as was the following observation, *'if centrally managed FIs can be (state aid) cleared, so should ESI Funds FIs'*. As shown in Table 6, a total of 16 out of the 24 that replied to the relevant question, including Managing Authorities, Commission representatives and the EIB, all highlighted state aids as a hurdle to complementarities and potential combinations of FIs on the ground.

Despite the difficulties in implementing state aid rules, interviewees recognised the need and usefulness of state aid provisions, even though further alignment<sup>166</sup> and a more 'holistic approach'<sup>167</sup> is welcomed. A DG ECFIN representative recognised that state aid rules still create 'red tape' which is, however, 'well justified'. Many stakeholders participating in focus group discussions further agreed to the need for state aid rules, preferably in a simplified and more harmonised way.

DG REGIO representatives consulted mentioned that whilst state aids generated issues and complaints in ESI Funds FIs implementation, this is not unique to the FIs. There have been steps to make practical changes to ease the implementation of FIs such as the fast-track state aid treatments that bring together ESI Funds and EFSI Funds (which includes a commitment to complete the relevant assessment within six weeks of receiving the complete notification from the Member States has been introduced<sup>168</sup>).

It is noted that the guidance note on state aid clarified that Member State contributions to EU-level financial instruments which are made without any additional conditions as to the use of the contributions other than in relation to the geographic area for the use of the contribution are considered consistent with state aid rules.

## **Audit requirements**

Multiple and different audit requirements and procedures make public stakeholders reluctant to pursue synergies between FIs. Uncertainties regarding audit results, especially in the cases of combinations that cannot be fully described in regulatory frameworks, can increase the possibility for financial corrections. The different auditing rules were also reported as a factor adversely affecting the appetite for looking for synergies and complementarities. This was initially raised during scoping interviews with, DG ECFIN- L2, EIF, EIB / JESSICA and the Investment Funds Division. Stakeholders stated that audit requirements are expected to be more complicated, numerous and outcomes uncertain in the case of combinations of FIs. This issue primarily emerged from national and regional Managing Authorities (in UK, Spain, Estonia, Poland, Romania, Lithuania, France, and Portugal) and was also backed up by EIB Group representatives. Approximately three quarters of those who responded stated that the current audit requirements could impede a co-ordinated and complementary use of FIs.

Focus group participants identified the number of audits and the multiple levels of auditing as factors increasing the administrative burden of implementation and complicating the potential for synergies. Furthermore, the very low reliance on other auditors' results (previous audits are generally not considered as admissible) further complicate the environment and deter synergies. Indicatively, participants in a focus group discussion agreed that *'a mutual recognition of the auditing results would be*

---

<sup>166</sup> Interview with financial intermediary in Hungary.

<sup>167</sup> Interview with an EIF representative.

<sup>168</sup> European Commission, European Structural and Investment Funds and European Fund for Strategic Investments complementarities Ensuring Coordination, Synergies and Complementarity (European Union: February 2016).

*helpful*'. Representatives of longer term investors participating in the discussions extended the argument and were of the view that that a clearly defined percentage of inconsistencies should be acceptable without bearing financial corrections, given the expected leverage from FIs.

Finally, an impeding factor for synergies is further aggravated by a perceived lack of training of auditors on how FIs work in practice and their significant differences from grants, as declared in a scoping interview with EIF representatives and relevant desk research<sup>169,170</sup>.

## **Public procurement processes**

The need for public procurement rules was recognised by stakeholders that participated in the field research, but there was a general call for some further reforms whilst maintaining the main principles. The central issue is whether further changes can be made to improve the working of FIs whilst respecting the need for safeguards (a balance between flexibility and controls to mitigate risk). Under the OMNIBUS Regulation proposals, Managing Authorities will be able to entrust the implementation of tasks related to FIs through direct award of a contract for a specific set of stakeholders meeting set criteria.

FIs managed by the EIB Group follow EIB internal procedures for selecting financial intermediaries, whereas national and regional authorities implementing ESI Funds FIs need to follow public procurement rules. The fact that an equal footing needs to be ensured for EU supported FIs managed at the central, national and regional level, regarding procurement rules that apply in the different instruments was strongly supported by different groups of stakeholders in the framework of this study.

For centrally managed FIs, the EIB Group is entrusted as a manager of the instrument. Then financial intermediaries are selected according to EIB internal procedures, thus this selection process is not a subject to the public procurement directive. The EIB Group and/or international financial institutions (IFIs) can be entrusted by the MAs for the management of Fund of Funds (FoF) of shared management FIs and they can apply their internal procurement procedures when selecting financial intermediaries when selecting financial intermediaries. The Omnibus Regulation clarifies some of the possibilities of direct award of the fund manager's contract.

The regulatory framework of EU public procurement was generally not considered as the best fit for selecting financial intermediaries, as it can be heavily price-based and does not always provide flexibility to changing market conditions<sup>171</sup>. The development of FIs and, hence, the selection of financial intermediaries is based on relevant market assessments and specific investment strategies; however, changing market conditions cannot be forecasted, particularly in the longer-term. Current public procurement procedures can serve to act against flexibility as they provide terms and conditions for contracts which may not be amended during its validity period, except for certain rare exceptions. An indicative example mentioned was due to the need for maximum stability and the financial intermediary should be retained to help ensure the private sector participation. However, in cases where contracts with intermediaries are terminated due to the need for amendments, a new call to select a manager is needed with no guarantees that the incumbent intermediary would be retained.

---

<sup>169</sup> According to the results of the 3rd meeting of the High Level Expert Group on Monitoring Simplification for beneficiaries of ESI Funds on financial instruments, 22.08.2016, *'specific seminars for auditors to improve their understanding and awareness of financial instruments before the first audits for the period would be carried out'* would be beneficial.

<sup>170</sup> EPRC, Wishlade, F., Michie, R., Robertson, P., Vernon, P, *Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017), paragraph 4.1 and 6.3.2.

<sup>171</sup> Interview with MA in Lithuania.

Current procurement rules for FIs do provide flexibility to public authorities to add more criteria where deemed necessary and adapt the quality/price ratio as seen fit, but for Managing Authorities there is still unease over the procurement terms for financial intermediaries. An indicative example was mentioned by one representative from Slovakia in a focus group discussion. The participant stated that the selection of a Venture Capital Fund Manager should be based on specific qualitative criteria based on relevant qualifications as well as reputation but public procurement rules did not allow *'qualitative criteria but focused instead on mostly objective criteria like the price offered.'*

Further considerations evolved around the appropriateness of the current public procurement provisions to target FI specific issues that might emerge (e.g. a change in a fund's management team) as well as a need to consider long established National Promotional Banks and Institutions as entrusted intermediaries at the national and regional level. Public procurement considerations were discussed in the focus group discussion as well as interviews with Managing Authorities and financial intermediaries (13 out of 24 respondents identifying public procurement processes as a factor impeding coordination and complementarities on the ground). Opposing views<sup>172</sup> raised were generally derived from managing and regional authorities with greater levels of knowledge and expertise of public procurement rules.

### **Reporting requirements**

The 2014–2020 regulatory framework aimed to strengthen reporting requirements for FIs, following an absence of systematic reporting in the previous programming period (which in turn led to information gaps hindering an assessment of policy outcomes.<sup>173</sup>). For ESI Funds FIs and in accordance with Article 46 of the CPR, the Managing Authorities annex a specific report on the financial instruments implemented to their Annual Implementation Reports (AIRs). Reporting procedures and requirements have further been laid out in the Implementing Regulation (EU) No 821/2014 (Article 2 and relevant Annex I).

ESI Funds FIs reporting requirements apply irrespective of the body that has been entrusted with the implementation of the financial instruments under the Operational Programme they are managing.

Reporting requirements for centrally managed FIs are set out in Article 140(8) of Regulation (EU, Euratom) No 966/2012. Delegated Acts are further adopted by the Commission concerning detailed rules on the implementation of financial instruments, including monitoring requirements. For the LIFE Programme *'monitoring of both financial instruments will be in line with the requirements of the Financial Regulation (Article 140) and the Delegated Regulation (Article 225) and subsequently as interpreted in the Financial and Administrative Framework Agreement (FAFA) with EIB and consequent Delegation Agreement'*<sup>174</sup> this information is also shared with the LIFE Committee. The relevant delegation agreement between the EU and the EIB regarding the Natural Capital Financing Facility (NCFF) of the LIFE Programme further specifies specific operational and financing reporting requirements (Article 14 and relevant Annex 6). The EIB utilises the Cohesion Policy monitoring and reporting framework for its own reporting to prevent unnecessary duplication.<sup>175</sup>

---

<sup>172</sup> Interview with MA in Portugal.

<sup>173</sup> t33 srl, EPRC, Metis GmbH, Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), Work Package 3, financial instruments for enterprise support Final Report (February 2016).

<sup>174</sup> Commission Implementing Decision of 19 March 2014 on the adoption of the LIFE multiannual work programme for 2014-17 (OJ L 116, 17.4.2014, pp. 1–56).

<sup>175</sup> DG Internal Policies, Policy Department B Structural and Cohesion Policies, *Review of the role of the EIB Group in European Cohesion Policy* (2016).

Considerations that reporting requirements for FIs (where money is expected to be paid back) should not be greater than the relevant requirements for grants (where money is not revolving) were also recorded both during the interviews<sup>176</sup> and focus groups.

### **Ex ante assessment requirements**

Desk research<sup>177</sup> has shown that ex ante assessments are largely recognised as an imperative tool for identifying market gaps and building FIs that meet specific unmet needs, targeting also specific policy objectives. Ex ante assessments inform investment strategies and the need to adjust the investment strategy during the course of implementation was also seen as a lesson learnt from the previous programming period.<sup>178</sup> However, room for some improvement has been identified. Centrally managed FIs' ex ante assessments are undertaken at the beginning of the programming period at the EU level. Thus, their results may become out of date or omit country or region specific elements.

Shared management FIs (initial setup) can be launched, only after an ex ante assessment has been presented to the relevant Monitoring Committee. If the changing market conditions require amendment of foreseen terms of FIs, then these changes also should be reflected in a revised ex ante.

The importance and practical need for ex ante assessments has been agreed by the majority of stakeholders that participated in the study, including interviewees<sup>179</sup> and focus group participants. There is already a high degree of flexibility in the regulations governing FIs, in respect of ex ante assessments. ESI Funds provisions enabling the reviewing and updating of the relevant ex ante assessments are foreseen (CPR Article 37(2) (g)) if during implementation, the Managing Authorities consider the market conditions to have changed. The OMNIBUS Regulation underlines the possibility to use relevant elements of an ex-ante assessment carried out at EU level. There is however concern that the process of revision of ex-ante assessment is still perceived by the Member States as too cumbersome to react quickly to market changes. The ideal is to move from a snapshot to an organic review of markets.

Specific elements of the ex-ante assessments that might require further improvement were highlighted in focus group discussions and stakeholders' interviews (indicatively EC representatives from DG CONNECT, MAs from the Netherlands, Lithuania, Spain, Estonia, Romania and Greece, as well as EIB Group representatives and financial intermediaries from Poland, Lithuania, Hungary and the Netherlands).

Focus group participants and interviewees sought increased flexibility of the ex ante assessment process of ESI Funds FIs, given changing market conditions. As a financial intermediary<sup>180</sup> interviewed noted, ex ante assessments '*should not result in too strict criteria for implementation*' since a flexible framework is needed in order to offer products that fit not only always changing market needs but also the EU framework; the introduction of the EFSI and the way it affected previous ex ante assessments was noted as an example to this respect.<sup>181</sup> Stakeholders who participated in focus group discussions stated that fewer restrictions should apply, as it is important that ex ante assessments and investment strategies are kept up to date.

Yet there are valid reasons why (according to focus group discussions) that '*revisions of ex ante assessments are done very reluctantly*'. Ex ante assessments were deemed to be very '*time consuming*'. At the same time, considerations on the quality and objectivity of

---

<sup>176</sup> Interview with DG ECFIN, financial intermediary in Germany.

<sup>177</sup> EPRC, Wishlade, F., Michie, R., Robertson, P., Vernon, P, *Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017).

<sup>178</sup> t33 srl, EPRC, Metis GmbH, Financial instruments for enterprise support, Final Report, Work Package 3 (Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) (February 2016).

<sup>179</sup> Interviews with a MA and a financial intermediary in Poland, DG RTD.

<sup>180</sup> Interview with financial intermediary in Poland.

<sup>181</sup> Interview with a MA in Estonia.

external consultants undertaking them were also raised. Stakeholders also thought that a more comprehensive approach to centrally managed FIs' ex ante assessments and ESI Funds ex ante assessments, could increase the potential for their synergetic use and avoid double work. Furthermore, it was felt that safeguards to ensure that centrally managed FIs' ex ante assessments thoroughly examine national and regional needs as well as instruments and institutions already operating on the ground may need to be adopted to further promote complementarities and avoid potential overlaps of FIs on the ground.

### **c) Impact on the 3Cs**

Coherence, coordination and complementarity are notions targeted at the regulatory frameworks governing FIs in the 2014–2020 regulatory environment; however, there is room for improvement in aligning and more clearly addressing these notions at the policy level. At the same time, a stable and clearly defined regulatory environment is considered necessary from the onset of the programming periods to further support the 3Cs and actively promote synergies of FIs.

At the implementation level, variations of ESI Funds FIs and centrally managed FIs were identified, as differently managed instruments follow diversified regulatory provisions. Ex ante assessments of ESI Funds FIs foresee a review of the consistency of the instrument under establishment 'with other forms of public intervention addressing the same market'. Ex ante assessments undertaken at the EU level for the establishment of centrally managed FIs cannot fully ensure this alignment at each national/regional level, and also due to their timing. Provisions to ensure that all EU supported FIs actively look for potential synergies with other EU instruments at the implementation level can therefore be considered as partially inadequate.

The diversification of management and control implementation mechanisms between ESI Funds FIs and centrally managed FIs has been identified as a factor deterring stakeholders from actively looking for a complementary and co-ordinated use of these instruments. There are many areas where implementation mechanisms, although not opposing, are so different that combination is hard to achieve.

## **4.3 Option Mapping**

### **General options for reform**

FIs have been characterised as having complex rules and legal frameworks which differ for centrally managed FIs and those under shared management.

At the same time, Managing Authorities, financial intermediaries and final recipients have advanced through the 'learning curve' in the 2014-2020 period (and partially before) but often come to FIs through a greater familiarisation of grant regimes. The transition to working with FIs has been challenging to some, stretching both capacity and knowledge. This situation has also been exacerbated as new FIs are developed (both centrally or shared managed ones).

Public stakeholders, including Managing Authorities, intermediaries, and prospective beneficiaries consulted through interviews and focus groups, reinforced some of the challenges of working with and accessing FIs with proposals for further simplification. The consultations highlighted the perceived barriers to combining different funding instruments which might be eased through enhanced harmonisation.

Specific issues raised included the complexity of legal frameworks (especially for state aids with exemptions for centrally managed FIs and case-by-case reviews for FIs under shared management), differences in auditing and reporting procedures (between shared and centralised management FIs) and rules concerning market reviews and ex ante assessments (some of those consulted were probably not fully aware of the flexibilities introduced for 2014-20).

The situation has been recognised by the Commission with extensive reforms for the 2014-20 period and a further set of reforms due in 2018 via the OMNIBUS regulation.

We have considered a variety of options to further harmonise FIs but do not propose a formal option for the purposes of the impact assessment.

- Various ideas were proposed by stakeholders ranging from a ‘common rule book’ covering all FIs, which would be very difficult to achieve in advance of the next programming period, to more modest ‘harmonisation of audit and reporting rules’.
- At the same time there are good reasons for reviewing the impact of the changes resulting from the OMNIBUS regulation before proposing additional changes. This also reinforces the findings of recent reports on FIs<sup>182</sup> which highlight the benefits of a period of regulatory stability.
- There could be scope for improving communication on the workings of the FIs through fi-compass and other means (see also Option 6).

Nevertheless, one specific option to consider for the post 2020 period lies in an ‘improved demarcation and consolidation of the FI portfolio (EU level FIs)’ (Option 7). This is discussed below.

Table 7: Overview of Options

<b>Overview of options and their relation to ...</b>			
	<i>Harmonisation</i>	<i>Demarcation</i>	<i>Communication</i>
Option 7: Improved demarcation and consolidation of the FI portfolio	+	++	+

Scale: ++ = strong relation, + = medium, 0 = low.

---

<sup>182</sup> Especially EPRC, Wislade, F., Michie, R., Robertson, P., Vernon, P, *Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017).



### 4.3.1 Option 7: Improved demarcation and consolidation of the FI portfolio (EU level FIs)

Option Description	
A clear demarcation of targeted recipients or sector could potentially lead to fewer FIs with bigger budgets and could also alleviate the issue of potential low impact of some FIs due to their small size. Consolidating some of the FIs portfolios with a view to demarcating their focus areas could represent a solution to this respect.	
Expected contribution of option	
<ul style="list-style-type: none"> <li>• Enhancing complementarities</li> <li>• Stronger coherence once more effective complementarities are ensured</li> </ul>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Further promote synergies</li> <li>• Less cost and burden</li> <li>• More transparency and accountability / Better information flow</li> </ul>	<ul style="list-style-type: none"> <li>• Technical difficulty/challenges of implementation</li> <li>• High resistance from stakeholders</li> </ul>

#### a) Description of the option

The expanded use of FIs supported by the EU budget under central or shared management has led to a number of new instruments with the potential for more during the next programming period. Consequently, potential overlaps or duplication of similar FIs in specific sectors or target groups can be observed, e.g. between COSME, InnovFin and the SME Initiative in TO3.

The potential overlap of different FIs in specific economic sectors or target groups has been identified and discussed during the focus group and workshops discussions of the study as well as through interviews with EIB Group representatives and financial intermediaries. Indicative examples identified include SMEs, currently targeted by numerous FIs, and economic sectors such as energy efficiency/supply/consumption.

A clear demarcation of targeted recipients or sector could potentially lead to fewer FIs with bigger budgets and could also alleviate the issue of potential low impact of some FIs due to their small size. Consolidating some of the similar structure/type FIs portfolios with a view to demarcating their focus areas could represent a solution to this respect.

Centrally managed FIs, could be restructured around specific target groups or economic sectors to ensure a clearer demarcation of funding opportunities. This option could indicatively point towards the creation of a single EU funded FI about SMEs or the energy sector at the EU level with one point of reference.

As the recent 7<sup>th</sup> Cohesion Report<sup>183</sup> indicates, complementarity between the European Fund for Strategic Investment, the new pan-European Venture Capital Fund and the loan, guarantee and equity instruments managed by Member States under cohesion policy could be enhanced by improving coordination, implementing the same rules and clearer demarcation of interventions.

<sup>183</sup> Dijkstra, L., European Commission, My region, my Europe, our future. Seventh report on economic, social and territorial cohesion, (Brussels: 2017).



## **b) Expected contribution to harmonisation, demarcation or communication in the context of the 3Cs**

There are different information flows created that promote the use of FIs, providing detailed information of very specific nature – special websites created on H2020/InnovFin, COSME, SME Initiative, EFSI/European Investment Advisory Hub (EIAH), fi-compass etc. Such variety demonstrates the of different support possibilities created at EU level, however at the same time the attention of the stakeholders, financial intermediaries and final recipients is detached, as they get used to work with only limited number of possible different FIs. This is because FIs have differences in the terms, governance rules, eligibility criteria and final recipients.

Harmonised terms for centrally managed FIs would better reveal the tools that could be potentially used to address the market gaps identified in the ex ante evaluations and achieve the policy objectives. It could help to reduce the competition between FIs and the perception of crowding out of ESI Funds FIs by centrally managed FIs. Financial intermediaries could focus on the FIs they are best prepared to implement or apply for the implementation of several FIs that could create additional synergies for their clients. Final recipients could better observe what instruments would serve their financing needs and which financial intermediaries are providing the financing through a particular FI.

## **c) Advantages and disadvantages of the option 7**

- ↑ **Further promote synergies:** A potential portfolio consolidation should result in fewer overlaps in the target groups and economic sectors it addresses. Synergies and complementarities would be easier to identify and implement; improved and timelier delivery of results can be ensured in this respect.
- ↑ **Less cost and burden:** A consolidation of portfolio might result in reduced need for combining or complementing FIs for specific sectors and target groups, resulting in a reduction in efforts and relevant administrative burden.
- ↑ **More transparency and accountability and better information flows:** Visibility should increase and better information flow ensured as fewer and clearer options will be available for interested stakeholders (e.g. enterprises, banks, etc.); it would further increase transparency as a single point for contact and reference for specific target groups or final recipients would be established. The option would combine with the current drive towards demarcation as part of the post-2020 reforms with a review of all FIs, centrally managed or through the ESI Funds, to remove overlaps and ensure a clarity of 'fit' with policies and governance structures. Transparency and accountability could also be enhanced. By having greater clarity of the centrally managed FIs it should be easier for Managing Authorities to identify gaps that can be filled by ESI Funds FIs.
- ↓ **Technical difficulty/ challenges of implementation:** The main disadvantage of this option is that it would require a considerable restructure of the existing regulatory environments and organisational structures at the EU and potentially the national and regional levels.
- ↓ **Possible challenges of implementation:** The concentration of implementation in a single national point could prove to be less effective in targeting specific regional or sectorial needs of enterprises, resulting in less ability to customise instruments. It is noted that the ability to create tailor made ESI Funds FIs to address specialised needs was identified as a key advantage in the research.

- ↓ **High cost and burden:** The substantial restructuring that the consolidation of portfolios will require a relevant organisational restructuring that may be administratively difficult and time consuming.
- ↓ **New steep learning processes from all stakeholders involved:** The substantial restructuring will require a new learning process for all relevant stakeholders to familiarise with the new environment. This will also be time consuming and could delay the uptake of FIs.

## 5 CONCLUSIONS AND POST-2020 OUTLOOK

The current 2014–2020 EU programming period is characterised by a major reform to strengthen coordination and the harmonisation of the ESI Funds and other EU policies. The new legal framework has strengthened the strategic links of the ESI Funds and other EU policies and funding instruments with the Europe 2020 Strategy, including an enhancement of the coordination principle. In preparation for the 2014–2020 period, the Commission advocated focusing on cross-cutting policy goals ('a pan-European logic') to determine and prioritise investments and spending to utilise potential synergies. Therefore, coherence, complementarity and coordination (3Cs) have become more important.

This study has assessed the 3Cs within the ESI Funds and between these funds and other EU instruments in respect of both policy objectives and implementation mechanisms. Our findings are based on the state of implementation as of January 2017 when the fieldwork for the study was concluded. However, we utilise the latest research and policy documents where possible, including research undertaken for the 7<sup>th</sup> Cohesion Report or on behalf of the Commission on the uptake of FIs.<sup>184</sup> It also incorporates the final conclusions and recommendations of the High Level Group on Simplification for post 2020.<sup>185</sup> Two expert workshops held in Brussels in July 2017 validated the findings and the options for reforms ahead of the next programming period. The options will feed into the impact assessment and many of the ideas discussed in the report have already been explored by the Commission throughout the course of this study (e.g. a review of common indicators for the monitoring and evaluation of the ESI Funds).

### 5.1 Headline Conclusions

From this study, four headline conclusions can be made. While some of these headline conclusions apply more strongly either to a specific ESI Fund, or to the interaction of ESI Funds and other EU instruments, they all have an overarching relevance for the design of the new EU funding framework post-2020.

#### **1. There have been strong improvements in policy development in relation to the 3Cs across the ESI Funds and other EU instruments but coordination in implementation remains a challenge.**

##### *EU reforms for the 2014–2020 programming period*

The 2014–2020 funding period policy development started with the strategic ambition to strengthen the links among the ESI Funds and with other EU policies through new arrangements and mechanisms. Among these are the introduction of the Common Strategic Framework as part of the Common Provisions Regulation (CPR; including several specific arrangements for combining EU funds), the Partnership Agreements between Member States and the EU alongside of other specific regulatory changes in the 2014-2020 CPR to enlarge the possibilities for a complementary use of EU Funds (e.g. cumulating grants and the alignment of cost models).

##### *Improvement regarding the 3Cs at the strategic level of policy development*

Based on the empirical material that was collected from this study we can observe that on a strategic level of policy development (e.g. programming), there has been a clear improvement in the working of the 3Cs compared to the 2007–2013 period and especially between the five ESI Funds (see *Key Finding 1, Chapter 2*). This can to some

---

<sup>184</sup> DG REGIO, *My region, my Europe, our future. Seventh report on economic, social and territorial cohesion*, (Brussels: 2017); EPRC, *Wishlade, F., Michie, R., Robertson, P., Vernon, P, Improving the take-up and effectiveness of financial instruments – Final Report* (Luxembourg: May 2017).

<sup>185</sup> High Level Group on Simplification *Final conclusions and recommendations of the High Level Group on Simplification for post 2020*, on behalf of the EC (Brussels: 2017).

extent be related to the different thematic ex ante conditionalities (especially conditionality 1.1 'Smart Specialisation', 4.1 'Energy Efficiency', and 3.1 'Small Business Act'), which improved the interoperability of different funds and other grant-based funding instruments.<sup>186</sup> The same applies to the mandatory ex ante assessment on ESI Fund FIs, which helped to specify the national/regional demand and select a suitable financing option.

#### *Obstacles to complementarity between ESI Funds and EU instruments*

Results from the focus groups and interviews showed that there was interest in combining ESI Funds and EU instruments (including FIs) to maximise funding opportunities, bring research excellence to projects (e.g. transferring knowledge from LIFE and H2020 to ERDF projects) and extend the reach of projects (e.g. combining ESF with FEAD to target the most deprived groups).

There is qualitative evidence from the research that there could have been and could be greater synergies if the various rules, timescales and processes were more closely aligned through harmonisation. It has not been possible in the context of the study to quantify the extent of potential missed opportunities (see *Key Finding 2, Chapter 2 and Key Finding 4, Chapter 3*), nor the potential 'lost' economic benefits that might arise from synergies. In some cases, it was reported in interviews and focus groups, conducted from mid to end of 2016, that projects were at an early stage of development and had not yet given serious consideration of synergies between funds, but might do in the future.

#### *Challenges in implementation impacting negatively on the 3Cs*

When it comes to the implementation level, the measurable effect of the 3Cs was frequently less satisfactory. Examples supporting this observation include the relatively low take up/implementation of new arrangements or mechanisms that can help to foster the 3Cs (e.g. ITIs, simultaneous/cumulative funding, low recognition of centrally managed FIs in many ex ante assessments on Member State level, and some 'fuzzy' boundaries and overlaps between the 11 thematic objectives introduced for 2014–2020, as defined in Article 9 of the CPR).

Both in the Member States and the Commission there are fragmented implementation structures and institutional divisions, which cut across policy areas and programmes and have led to calls for clearly demarcated programmes, funds and responsibilities to match the reality of organisational structures.

The quality and intensity of coordination as a pre-condition for higher complementarity and coherence remains an area which would require further improvement. As our interviews and focus group discussions have shown, an improvement towards more synergistic implementation does not only require regulatory scope for action but also greater transparency and awareness from all stakeholders. Many stakeholders responsible for implementation still lack awareness of potential benefits and how to practically realise those through specific project setups (e.g. successive or parallel projects, cumulative funding). This could be enhanced by improvements to information and advisory systems, which we discuss below (headline conclusion 4).

---

<sup>186</sup> Altus Framework Consortium, *The use of new provisions during the programming phase of the ESI Funds*, on behalf of DG REGIO (Brussels: 2016).

**2. The regulatory framework was amended for the 2014–2020 period to encourage greater harmonisation. Remaining regulatory variations, and in some specific cases differences of rules and processes between funds, continue to limit integrated implementation.**

*Problems arising from the differences in rules and processes*

With the introduction of a common framework for the ESI Funds, a shift from a more 'silo'-based programming to greater harmonisation and complementarity in the 2014–2020 period was foreseen in respect of policy development. However, with the regulatory arrangements relevant for the co-ordinated, complementary and coherent implementation of ESI Funds and other EU instruments, various differences and formal divisions remain.

In turn, these differences have resulted in additional administrative costs, and required a greater knowledge of different funding instruments and their rules and processes, by all involved. This can deter stakeholders from pursuing potential synergies between funds, and add to the administrative burden in Member States. Indeed, whilst the CPR was mostly welcomed as a positive step in focus groups and interviews, it was also criticised by some stakeholders as another regulatory level with subsequent administrative burdens (see *Key Finding 1, Chapter 2*).

Prominent examples of differences between Funds include:

- the non-use of thematic objectives in the EAFRD and EMFF;
- varying financial rules of support, management and control across the different fund-specific regulations (especially financial and audit rules);
- a resistance by some stakeholders to consider the complementary use of funds and FIs and the new mechanisms foreseen for this (e.g. 'seal of excellence'<sup>187</sup>; often due to risk of errors or irregularities and administrative costs);
- inconsistent terminology and interpretation in monitoring & evaluation even among the five ESI Funds (e.g. differing understanding, interpretation and use of 'result' and 'impact' concepts).

*Addressing regulatory differences amongst ESI Funds, EU funds other than ESI Funds delivered through grants and financial instruments*

The situation varies for different instruments and from our evidence base some of the most vocal discussions came from interviews and focus groups concerned with financial instruments (FIs). This was in part because FIs are still relatively new – especially to stakeholders used to grant cultures, and the levels of knowledge and practical experience with FIs varied greatly. Those who were experienced perceived fewer problems but the less experienced generally looked for additional technical capacity and support, as well as up to date information (see *Headline Conclusion 4* below). In all cases (including also ESI Funds and grant based instruments) there was also a desire for regulatory stability, simplification and a general preference to avoid radical reforms that might undermine stability in the short term.

Even for ESI Funds, where there have been historically higher levels of cooperation between programmes (e.g. between ERDF and ESF and ERDF and EAFRD), there was evidence of differences between programmes getting in the way of co-ordinated approaches. From the discussions and documentary evidence several options for reform were considered ranging from common financial and monitoring and evaluation rules (across the five ESI Funds (*Option 1, Chapter 2*), and possibly selected EU instruments delivered by grants – see *Option 4, Chapter 3*) and even a single ESI Fund (*Option 3,*

---

<sup>187</sup> See Annex 5.

Chapter 2) although this was perceived by stakeholders and experts to be difficult to implement for the next programming period.

#### *More or less regulation?*

In summary, while the regulatory reforms on the level of strategic policy development has strongly improved coherence, complementarity and coordination, on the level of implementation the results are less satisfactory. This raises the question, whether even stronger regulatory detail is needed or if, on the opposite, 'more with less' could be achieved, i.e. less regulatory requirements on the level of implementation could lead to a more complementary policy implementation that is easier to co-ordinate and as a result more coherent. Policy experiments in preparation of the post-2020 framework could try to test these two opposite directions.

### **3. Undesired overlaps in funding activities in some policy areas remain an issue, resulting in a lack of clarity and inefficiencies in the application of EU Funds.**

#### *Undesired overlaps between ESI Funds and EU instruments*

Whereas the 2007–2013 period was characterised by a stronger rationale for demarcation of activities by funds/programmes, the 2014–2020 period was started with the ambition to foster stronger complementarity, through harmonisation strongly supported by the CPR with specific arrangements such as the 'joint design of schemes' (Section 3.2 (a, c, f) CSF).

However, in the 2014–2020 period, as before, undesired overlaps can exist among the five ESI Funds, the ESI Funds (see *Key Finding 2, Chapter 2*) and EU instruments other than ESI Funds delivered by grants (*Key Finding 4, Chapter 3*), and among FIs under shared and central management (*Key Finding 7, Chapter 7*). These overlaps are not per se a problem but can result in limited transparency amongst beneficiaries and public stakeholders and can also lead to inefficiencies (e.g. misallocations of resources that could be utilised more effectively elsewhere), especially in absence of good coordination mechanisms between funds on Member State level.

#### *Undesired overlaps between the ESI Funds*

This study identified ways in which issues arose from these overlaps and identified the main patterns along which these issues are solved, or remain unresolved. More than one third of interview respondents from managing and coordinating authorities (18/52) in the Member States reported overlaps among the five ESI Funds. Despite efforts for the synergistic use of the ESI Funds among authorities, some remaining overlaps across the eleven thematic objectives provided limitations. This creates uncertainties amongst Managing Authorities and beneficiaries as to who finances certain types of projects, in part because coordination mechanisms at Member State level are lacking in some cases.

#### *Undesired overlaps between EU funds other than ESI Funds which are delivered by grants and financial instruments*

There are natural overlaps in the current system of delivering EU priorities through the ESI Funds and grant based EU instruments. While these overlaps are not an obstacle for a co-ordinated, complementary and coherent policy, they can be at the operational level of fund delivery. It is a fundamental aim to prevent the duplication of funding and avoid 'rivalries' between funding instruments financing similar interventions, especially if this results in the 'crowding' out of funds by others, because of different fund specific rules in overlapping policy areas.

The most relevant examples of conflicting or overlapping policy areas identified during the interviews and focus groups include:

- the 'greening' and thematic overlap of the agri-environmental programmes (EAFRD and EAGF regulation, which conflicts also with LIFE), and
- overlaps between ESI Funds and CEF in respect of energy infrastructures (especially electricity and gas).

At present, applicants sometimes opt, where it is possible, for ESI Funds in preference to EU instruments because of a range of 'comfort factors':

- the perception that competition is lower (not always the case in reality),
- they can apply in their national languages, and
- they are often closer to the authorities managing the application process.

This is difficult to quantify but was reported by several Managing Authorities as 'normal practice'.

The expanded use of FIs supported by the EU budget under central or shared management has led to new instruments and consequently, potential overlaps or duplication of similar financial instruments in specific sectors or target groups. Relevant examples identified include SMEs, currently targeted by numerous FIs, and economic sectors such as energy and infrastructure (e.g. in the case of innovative SMEs that can be financed by InnovFin and the EFSI SME window, infrastructure projects that can be financed by both CEF and the EFSI Infrastructure window, etc.).

#### *The application of 'smart demarcation' strategies*

One approach to addressing the potential negative effects of undesired overlaps is to have stricter but smarter demarcation that could help to eliminate grey areas, reduce artificial separation and increase policy effectiveness by closing gaps in support coverage. This requires a systematic and holistic understanding of the concept of demarcation at its various levels, which can help to design the policy and delivery framework with the aim of more effective funding.

The study has proposed options that could lead to a smarter demarcation of funds at the level of the ESI Funds, grants and FIs (*see Options 3, 5 and 7*), and activities to reduce undesired overlaps and inefficiencies. However, those consulted were wary of a return to a 'silo model', as it was more common in prior funding periods. Whilst one response would be to limit the scope of funds in certain policy areas (e.g. both EAFRD and ERDF fund broadband infrastructure, which might be tackled by one broadband infrastructure programme and/or fund), demarcation in the future should be 'smart', tailored to specific undesired overlaps and safeguarding to protect existing synergies and those mature coordination arrangements that can work well (e.g. the complementarity between ERDF and ESF in some projects). All in all, this could lead to a more efficient, integrated structure for managing the delivery of different policy interest in the post 2020 period, most likely if done based on a case-by-case review on the Member State level rather than based on an overarching regulatory obligation.

#### **4. A high degree of (perceived) complexity of the funding portfolio alongside of a low (perceived) transparency limited the potential for stronger coherence and complementarity during implementation.**

##### *The importance of information and advice on funding opportunities*

A key finding from the empirical analysis applying to all three areas of investigation was the lack of transparency and user-friendly information and advice which hindered stakeholders in fully exploiting the vast variety of funding opportunities. Besides the five ESI Funds, this study has analysed 19 grant-based EU instruments and various financial instruments under central and shared management (*Key Finding 5, Chapter 3*).

##### *Gaps in current information and advisory services*

Up to date information about different funding instruments can be difficult to access and is not integrated in a single European platform (although there are several examples at a Member State level). Many websites provide basic information on single instruments including, the current available calls for proposals, eligibility criteria of applicants, the number of projects envisaged, etc. But these pieces of information are neither standardised nor evenly accessible on all the websites and are limited to information rather than practical advice. Structuring this information requires significant efforts on behalf of beneficiaries, public authorities and other intermediaries, and acts against potential synergies between funds due to the time and costs required to make funding applications ranged against the likely prospects of success.

The numerous guidance documents so far do not successfully reduce this information gap and from our research the level of awareness of funding opportunities and programme rules was relatively low amongst some stakeholders. From the viewpoint of beneficiaries consulted in this study, the guidance documents lack concrete and practice-relevant information (including good practice examples) about the specific mandatory steps to be taken at the beginning of a project, and to avoid later arising risk of failure in meeting eligibility criteria.

##### *Options for improving information and advisory services*

To strengthen the European-value-added of the various funding opportunities provided under central and shared management, much stronger attention would need to be paid to the reception of the programmes and instruments on the level of beneficiaries and the intermediaries. Platforms using rule based automated decision techniques could serve as an effective support to build a bridge between necessary regulative conditions and pragmatic and easily understandable implementation strategies (*Option 6, Chapter 3*) that could potentially cover all funding instruments including FIs. These ideas, and especially the option of an advanced, easily accessible, on-line repository of information and guidance, were strongly supported in focus group discussions, covering all EU instruments under review. However, more caution was evident in the workshops. External experts and the EC were concerned about costs and practicalities (including real time information and updating). Alternative ideas include enhancements to national (and in some cases, regional) systems. There is also a role for National Contact Points (NCPs) working with Managing Authorities and other ESI Funds authorities including the monitoring committees, to improve levels of communication and information flows.



## 5.2 Strategic outlook – post-2020

The changes that were made for the 2014–2020 programming period have generally added value and worked well, as the learning curve process is advancing. However, the evidence, and especially from the interviews and focus groups, supports further targeted reforms across all three areas of investigation (ESI Funds under shared management, other grants and FIs), in respect of complementarity and coordination at the implementation level.

Three general strategies could be considered, separately or in tandem, both in the interests of increased simplification.

### *Increased harmonisation*

The *first* is a set of further actions to remove the bottlenecks that prevent or reduce the levels of complementarity and coordination. This can include, as outlined above, harmonised financial and implementing rules, processes (especially audits and monitoring and evaluation) as well as investments in 'one-stop-shop' information and advisory services. It could also include a merging of funds (single funds) in some policy areas, where relevant.

### *Clearer demarcation*

The *second* approach accepts that there are some limitations to increased harmonisation and there are significant investment and time costs to consider. In this case, a strategy of clearer demarcation between funds could be preferable, as an alternative or complementary approach, but with the potential to improve transparency and reduce transaction costs, whilst also making the process of managing and accessing EU funds simpler. This approach might also result in a streamlining of funds, especially other grant regimes, to help reduce overlaps. In both cases, proportionality and approaches reflecting national particularities should be considered.

### *Improvements to information flows and communication*

*Thirdly*, clarity of communication and information will remain an important condition. Communication remains a constant task in the whole programme cycle. It is an important means for information, motivation and accompanying implementation. With the strong improvements observed in the programming stage of the 2014–2020, many relevant developments such as the Structured Dialogue with ESI Funds Partners 2014–2020, the Stairway to Excellence initiative, or the European Investment Advisory Hub could be enhanced. Building upon this experience, for the future additional formats to further improve and specially to maintain communication levels throughout programme implementation need to be identified.

In all of the above there is an important role for managing and coordinating authorities within the Member States. They can support positive reforms by capacity building and training and by improving national and regional information systems on funding opportunities. They can also ensure that their coordination mechanisms can more effectively promote complementarity whilst minimising the impact of programme and funding overlaps by better signposting of opportunities, managing funding calls and coordinating between programmes.

## 6 BIBLIOGRAPHY

### LITERATURE

- Acemoglu, D., Robinson, J. Why Nations Fail: The Origins of Power, Prosperity, and Poverty. Random House LLC, 2012.
- AECOM: JASPERS Evaluation. Final Report 13th December, 2012.
- Altus Framework Consortium: The use of new provisions during the programming phase of the European Structural and Investment Funds. Brussels, 2016.
- Bachtler, J., Davies, S., Wislade, S., Bachtler, J. et al., Evolution or Revolution? Exploring new ideas for Cohesion Policy 2020+ , EoRPA Paper 16/4. 2016.
- Bachtler, J., Mendez, C. Prospects for Cohesion Policy in 2014-2020 and beyond: Progress with programming and reflections on the future (European Policy Research Paper Number 88). Glasgow: European Policies Research Centre, University of Strathclyde, 2014.
- Ballaguy, R.-L, D'Anglade C. Operations Evaluation. Second Evaluation of the Risk Sharing Finance Facility (RSFF). Final Report. European Investment Bank Operations Evaluation. Luxembourg, 2013.
- Barca, F. An agenda for a reformed Cohesion Policy. A place-based approach to meeting European Union challenges and expectations. Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy. 2009.
- Berkowitz, P., von Breska, E., Pieńkowski, J., et al. The impact of the economic and financial crisis on the reform of Cohesion Policy 2008-2013. DG REGIO Working Papers. WP 03/2015. Brussels, 2015.
- Blomeyer. R., Sanz, A. Research for REGI Committee – Simplified Cost Options in Practice. 2016.
- Cafruny, A. W., Rosenthal, G. G. (eds.): The State of the European Community. Boulder, 1993.
- Charron, N., Lapuente, V., Dijkstra, L. Regional Governance Matters: A Study on Regional Variation in Quality of Government within the EU, 2012. [http://ec.europa.eu/regional\\_policy/sources/docgener/work/2012\\_02\\_governance.pdf](http://ec.europa.eu/regional_policy/sources/docgener/work/2012_02_governance.pdf) (last accessed: 28.11.2017).
- Commission of the European Communities. The Council and the Commission on the realisation by stages of Economic and Monetary Union in the Community. Werner Report. Brussels, 1970.
- Commission of the European Communities. Report on the regional problems in the enlarged Community. COM (73) 550 final. Brussels, 1973.
- Commission of the European Communities. Communication from the Commission to the Council. A Community Strategy to limit Carbon Dioxide emissions and to improve energy efficiency. SEC (91) 1744 final. Brussels, 1991.
- Commission of the European Communities. Communication from the Commission. Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013. COM (2005) 0299. Brussels, 2005.
- Committee of the Regions. The Future of Cohesion Policy beyond 2020, CoR Opinion. 2017. <http://cor.europa.eu/en/activities/opinions/pages/opinion-factsheet.aspx?OpinionNumber=CDR%201814/2016> (last access: 23.05.2017).
- Conte, A., Ozbolat, N. K. Synergies for Innovation. Lessons Learnt from the S2E National Events (No. JRC104861). Starway To Excellence – Briefs Series – Issue #1. Joint Research Centre (Seville site), 2016. [http://s3platform.jrc.ec.europa.eu/documents/20182/154972/LessonsLearntFromS2Eevents\\_PolicyInsight1.pdf/9f992b38-feef-40ad-b597-0b440b826bf3](http://s3platform.jrc.ec.europa.eu/documents/20182/154972/LessonsLearntFromS2Eevents_PolicyInsight1.pdf/9f992b38-feef-40ad-b597-0b440b826bf3).

- Copus, A., Dax, T. Conceptual Background and Priorities of the European Rural Development Policy. Assessing the impact of rural development policies (incl. LEADER). Deliverable D1.2. FP 7 Project no. 213034. N.d.
- Copus, A., de Lima, P. (eds.). Territorial Cohesion in Rural Europe: The Relational Turn in Rural Development. Regions and Cities. Abingdon: Routledge, 2014.
- Council of the European Union. 2006/144/EC: Council Decision of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013). OJ L 55, 25.2.2006, p. 20–29.
- Council of the European Union. Council Conclusions 8761/3/13 of 21.5.2013. Council Conclusions on Strengthening the Security of the Supply Chain and Customs Risk Management, UD 90 ENFOCUSTOMS 84 ENFOPOL 135, Doc. 8761/3/13. Council Decision 93/379/EEC on a multi-annual programme of Community measures to intensify the priority areas and to ensure the continuity and consolidation of policy for enterprise, in particular small- and medium-sized enterprises, in the Community.
- Council of the European Union. Synergies and simplification for cohesion policy post-2020: Council adopts conclusions. Brussels, 15.11.2017. Retrieved at 04.12.2017, from <http://www.consilium.europa.eu/en/press/press-releases/2017/11/15/council-conclusions-on-synergies-and-simplification-for-cohesion-policy-post-2020/pdf>.
- Crescenzi, R., de Filipis, F., Pierangeli, F. In tandem for cohesion? Synergies and conflicts between regional and agricultural policies of the European Union. LSE 'Europe in Question' Discussion Paper Series. LEQS Paper No. 40/2011. London, 2011.
- Crescenzi, R., Giua, M. The EU Cohesion Policy in context: regional growth and the influence of agricultural and rural development policies. LSE 'Europe in Question' Discussion Paper Series. LEQS Paper No. 85/2014. London, 2014.
- CSIL. Support to SMEs – Increasing Research and Innovation in SMEs and SME Development, Work Package 2, Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Milan, 2016.
- Dabrowski, M. 'Doing more with less' or 'doing less with less'? Assessing EU Cohesion Policy's financial instruments for urban development. In: Regional Studies, Regional Science 2(1), 73–96. 2015.
- Davies, S. Interactions Between EU Funds: Coordination and Competition, IQ-Net Thematic Paper 28(2). Glasgow: European Policies Research Centre, University of Strathclyde. 2011.
- Davies, S. Is simplification simply a fiction? IQ-Net Thematic Paper 37(2). Glasgow: European Policies Research Centre, University of Strathclyde, 2015.
- Delayen, C. The Common Agricultural Policy: A Brief Introduction. Prepared for the Global Dialogue Meeting (May 14 and 15, 2007, Washington, D.C.). Minneapolis: Institute for Agriculture and Trade Policy, 2007.
- Dijkstra, L. (ed.), European Commission. My Region, My Europe, Our Future. Seventh Report on economic, social and territorial cohesion. Brussels: Publications Office of the European Union, 2017.
- Dijkstra, L. (ed.), European Commission. My Region, My Europe, Our Future. Seventh report on economic, social and territorial cohesion – Highlights. Brussels: Publications Office of the European Office, 2017.
- EIF. Erasmus FAQ for financial intermediaries. Retrieved from [http://www.eif.org/what\\_we\\_do/guarantees/erasmus+master-loan-guarantee-facility/erasmus-faq-for-financial-intermediaries.pdf](http://www.eif.org/what_we_do/guarantees/erasmus+master-loan-guarantee-facility/erasmus-faq-for-financial-intermediaries.pdf).
- EIT. FRAMEWORK OF GUIDANCE. 2016. [http://eit.europa.eu/sites/default/files/EIT\\_KIC\\_Call2016\\_Framework%20of%20Guidance.pdf](http://eit.europa.eu/sites/default/files/EIT_KIC_Call2016_Framework%20of%20Guidance.pdf).

EPRC, Wislade, F., Michie, R., Robertson, P., Vernon, P. Improving the take-up and effectiveness of financial instruments – Final Report. Luxembourg: Publications Office of the European Union, May 2017.

European Commission. White Paper on 'Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century'. Brussels, 1993.

European Commission. EMP-SME - Community initiative concerning the adaptation of small and medium-sized enterprises to the single market, 1994-1999. Brussels, 1994.

European Commission. Green paper on Innovation. COM (95) 688. Brussels, 1995.

European Commission. Report on 'support measures for enterprises - creation and assistance to young entrepreneurs'. Concerted Actions No. 2. Brussels, 1995.

European Commission. First Report on Economic and Social Cohesion. Brussels, 1996.

European Commission. Council Regulation on the European Regional Development Fund. 1999.

European Commission. Thematic Evaluation of Structural Fund Impacts on SMEs. Brussels, 1999.

European Commission. Integrated Guidelines for Growth and Jobs (2005 to 2008). COM (2005) 141 final, 2005/0057 (CNS). Brussels, 2005.

European Commission. Fact Sheet. The LEADER Approach. A basic guide. Brussels, 2006.

European Commission. Growing Regions, growing Europe – Fourth report on economic and social cohesion. Brussels, 2007.

European Commission. European Social Fund. 50 years investing in people. Luxembourg, 2007.

European Commission. Note of the Commission Services on Financial Engineering in the 2007-13 programming period. DOC COCOF/07/0018/01-EN FINAL. Brussels, 2007.

European Commission. Guidance Note on Financial Engineering. COCOF 08/0002/03-EN. Brussels, 2008.

European Commission. 'Think Small First'. A 'Small Business Act' for Europe'. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM (2008) 394 final. Brussels, 2008.

European Commission. Interim Evaluation of the Seventh Framework Programme. Report of the Expert Group. Final Report 12 November 2010. EUR 24569 EN. Brussels, 2010.

European Commission. New practical guide to EU funding opportunities for research and innovation – Competitive European Regions through Research and Innovation. 2011. [http://ec.europa.eu/research/participants/data/ref/fp7/204008/practical-guide-rev3\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/fp7/204008/practical-guide-rev3_en.pdf).

European Commission. Simplification in the legislative framework for Cohesion Policy for 2014-2020, Draft Working Paper, Fiche no 9, Brussels, 18.11.2011.

European Commission. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A Budget for Europe 2020. SEC (2011) 867 final. SEC (2011) 868 final. COM (2011) 500 final. Part I. Brussels, 2011.

European Commission. Guidance Note on Financial Engineering Instruments under Article 44 of Council Regulation (EC) No. 1083/2006, COCOF\_10-0014-04-EN. Brussels; European Commission: Revised Guidance Note on Financial Engineering Instruments under Article 44 of Council Regulation (EC) No. 1083/2006. COCOF\_10-0014-04-EN. Revised Version 08/02/2012. Brussels, 2011.

European Commission. COMMISSION STAFF WORKING DOCUMENT. Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund, SWD (2012) 61 final. Brussels, 2012.

European Commission. Financial instruments in Cohesion Policy. Commission Staff Working Document. SWD (2012) 36 final. Brussels, 2012.

European Commission. The Common Agricultural Policy. A story to be continued. Luxembourg, 2012.

European Commission. The EU Strategy on adaptation to climate change. Strengthening Europe's resilience to the impacts of climate change. Brussels, 2013.

European Commission. Cohesion Policy: Strategic Report 2013. Factsheet: Innovation and RTD investments. Brussels, 2013.

European Commission. Mid-term evaluation of the European Energy Efficiency Fund. Commission Staff Working Document. COM (2013) 791 final. Brussels, 18.11.2013.

European Commission. Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions - Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020. COM (2013) 83 final. Brussels, 20.2.2013.

European Commission. Ex-ante assessment of the EU SME Initiative. Commission Staff Working Document. SWD (2013) 517 final. Brussels, 5.12.2013.

European Commission. Official Journal of the European Union of 20 December 2013 - L 347. Brussels, 2013.

European Commission. Transport. Connecting Europe's citizens and businesses. Brussels, 2014.

European Commission. Activities relating to financial instruments, Commission Staff Working Document. Brussels, 30.10.2014.

European Commission. GUIDANCE FOR BENEFICIARIES of European Structural and Investment Funds and related EU instruments. Luxembourg: Publications Office of the European Union, 2014.

European Commission. Investment for jobs and growth. Promoting development and good governance in EU regions and cities. Sixth report on economic, social and territorial cohesion. Brussels, 2014.

European Commission. Horizon Budget contribution to InnovFin. Brussels, 2014. Retrieved from [http://europa.eu/rapid/press-release\\_IP-14-670\\_en.htm](http://europa.eu/rapid/press-release_IP-14-670_en.htm).

European Commission (ed.). Energy efficiency in public and residential buildings. Ex post evaluation of Cohesion Policy programmes 2007–2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Brussels, 2015.

European Commission. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A European Agenda on Migration. COM (2015) 240 final. Brussels, 2015.

European Commission. Summary of data on the progress made in financing and implementing financial engineering instruments reported by the Managing Authorities in accordance with Article 67(2)(j) of Council Regulation (EC) No 1083/2006. Programming period 2007-2013. Brussels, 2015.

European Commission. MEMO/15/5128 (09 June 2015). Brussels, 2015. Retrieved from [http://europa.eu/rapid/press-release\\_MEMO-15-5128\\_de.htm](http://europa.eu/rapid/press-release_MEMO-15-5128_de.htm). (last accessed: 08.12.2017).

- European Commission. Commission Decision of 10.7.2015 setting up the High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the European Structural and Investment Funds. COM (2015) 4806 final. Brussels, 2015.
- European Commission. European Structural and Investment Funds 2014–2020: Official texts and commentaries. Brussels, 2015.
- European Commission. Commission Staff Working Document Activities Relating To financial instruments Accompanying The Document Report From The Commission To The European Parliament And The Council On financial instruments Supported By The General Budget According To Art. 140.8 Of The Financial Regulation As At 31 December 2015, Document 1. SWD (2016) 335 final. Brussels, 24.10.2016.
- European Commission. Communication from the Commission to the European Parliament and the Council: European Structural and Investment Funds 2014-2020 2016 Summary Report of the programme annual implementation reports covering implementation in 2014-2015. COM (2016) 812 final. Brussels, 20.12.2016.
- European Commission. Communication from the Commission to the European Parliament and the Council: Mid-term review/revision of the multiannual financial framework 2014–2020. An EU budget focused on results. COM (2016) 603 final. Brussels, 14.9.2016.
- European Commission (ed.). Ex post evaluation of Cohesion Policy programmes 2007 – 2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (DC). Ex-post 2007-2013, WP5 Transport. Brussels, 2016.
- European Commission. European Structural and Investment FUNDS and European Fund for Strategic Investments complementarities. Ensuring coordination, synergies and complementarity. 2016.
- European Commission. Report from the Commission to the Parliament and the Council on financial instruments supported by the general budget according to Art. 140.8 of the financial regulation as at 31 December 2015. SWD(2016) 335 final. Brussels, 24.10.2016.
- European Commission. Future Financing of the EU - Final Report and recommendations of the High Level Group on own resources. 12. 2016.
- European Commission. Simplification and Burden Reduction for a New Policy for Migration. 2017. Retrieved from <http://publications.europa.eu/webpub/com/refit-scoreboard/en/priority/8/index.html>.
- European Commission. Connecting Europe Facility Annual Work Programme 2015 – Annex. Retrieved from [https://ec.europa.eu/inea/sites/inea/files/c\\_2015\\_7381\\_f1\\_annex\\_en\\_v3\\_p1\\_828057\\_cef\\_telecom.pdf](https://ec.europa.eu/inea/sites/inea/files/c_2015_7381_f1_annex_en_v3_p1_828057_cef_telecom.pdf). n.d.
- European Commission, DG AGRI. Synthesis of mid-term evaluations of LEADER+ programmes. Final Report. Brussels, 2006.
- European Commission, DG AGRI. Synthesis of ex ante evaluations of Rural Development Programmes 2014-2020. Executive Summary. Brussels, 2015.
- European Commission, DG EMPL. EaSI: New EU Umbrella Programme for Employment and Social Policy. Luxembourg: Publications Office of the European Union, 2013. Retrieved from <http://ec.europa.eu/social/BlobServlet?docId=11158&langId=en> (last accessed: 1.9.2017).
- European Commission, DG EMPL. ESF 2007-2013 Ex-post Evaluation: Investment in Human Capital. Revised Interim Report no. 2. Brussels, 2015.
- European Commission, DG EMPL. Ex-post evaluation of the European Globalisation Adjustment Fund. Brussels, 2015.

European Commission, DG EMPL. Ex-post evaluation of the Programme for employment and social solidarity – PROGRESS 2007-2013 and recommendations for the successor programmes to PROGRESS 2014-2020 Synthesis report. Brussels, 2014.

European Commission, DG EMPL. Guidance on Simplified Cost Options (SCOs). Flat rate financing, Standard scales of unit costs, Lump sums (under Articles 67 and 68 of Regulation (EU) No 1303/2013, Article 14(2) – (4) of Regulation (EU) No 1304/2013 and Article 19 of Regulation (EU) No 1299/2013). Luxembourg: Publications Office of the European Union, 2014.

European Commission, DG HOME. Synergies between the Asylum Migration and Integration Fund (AMIF) and other EU funding instruments in relation to reception and integration of asylum seekers and other migrants. Brussels, 2015.

European Commission, DG MOVE. Ex-post evaluation of the loan guarantee instrument for Trans-European Transport Network projects (LGTT). Brussels, 2014.

European Commission, DG REGIO, DG EMPL. Cohesion Policy 2007–2013: Research and Innovation. Brussels, n.d.

European Commission, DG REGIO. Impact of Structural Funds 1994 - 1999 on research, technology development and innovation (RDTI) in Objective 1 and 6 regions. Brussels, 1999.

European Commission, DG REGIO. Unity, solidarity, diversity for Europe, its people and its territory. Second report on economic, social and territorial cohesion. Brussels, 2001.

European Commission, DG REGIO. EU Cohesion Policy 1988–2008: Investing in Europe’s future. Inforegio Panorama No. 26. Brussels, 2008.

European Commission, DG REGIO. Promoting sustainable urban development in Europe. Achievements and Opportunities. Brussels, 2009.

European Commission, DG REGIO. Investing in Europe’s Future. Fifth report on economic, social and territorial cohesion. Brussels, 2010.

European Commission, DG REGIO. Guidance on Ex ante Conditionalities for the European Structural and Investment Funds. Brussels, 2014.

European Commission, DG REGIO. Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes. Brussels, 2015.

European Commission, DG REGIO. European Structural and Investment Funds 2014–2020: Official texts and commentaries. Luxembourg: Publications Office of the European Union, 2015.

European Commission, DG REGIO. CAP post-2013: Key graphs and figures. CAP expenditure in the total EU expenditure. Brussels, 2016.

European Commission, DG REGIO. Financial instruments for enterprise support, Work Package 3 of the Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Brussels, 2016.

European Commission, DG REGIO. *Complementarities & Synergies between EU funding instruments for Innovation*, presentation.

European Commission, DG REGIO. Synthesis report: Ex post evaluation 2007-2013 (ERDF – CF), Draft executive summary. Brussels, 2016.

European Commission, DG RTD. Synergies between FP7, the CIP and the Cohesion Policy Funds, Final Report of the Expert Group. Brussels, 2011.

European Commission, DG RTD. 30 years EU Research Framework Programmes. 1984-2014. HORIZON magazine. Special Issue March 2015. Brussels, 2015.

European Commission, DG RTD. Horizon 2020 Monitoring Report 2015. Brussels, 2016.

European Commission, DG RTD. EU Funds Working Together for jobs & growth, Brussels: 2016. Retrieved from <https://publications.europa.eu/en/publication-detail/-/publication/debc435e-2304-11e6-86d0-01aa75ed71a1>. Brussels, 2016.

European Commission, DG SANTE. Mid-term Evaluation of the third Health Programme. Luxembourg: Publications Office of the European Union, 2017. [https://ec.europa.eu/health/sites/health/files/programme/docs/2014-2020\\_evaluation\\_study\\_en.pdf](https://ec.europa.eu/health/sites/health/files/programme/docs/2014-2020_evaluation_study_en.pdf). (last accessed: 07.12.2017).

European Court of Auditors. Implementing the EU budget through financial instruments – lessons to be learnt from the 2007 – 2013 programme period. Luxembourg, 2016.

European Court of Auditors. Opinion No 4/2015 (pursuant to Article 287(4) of the Treaty on the Functioning of the European Union (TFEU)) concerning the proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013. Luxembourg, 2015.

European Court of Auditors. Opinion No. 11/2015 (pursuant to Article 287(4) of the Treaty on the Functioning of the European Union) concerning the proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No. 1291/2013 and (EU) No. 1316/2013. Luxembourg, 2015.

European Investment Bank. ELENA – European Local Energy Assistance. 2012. Retrieved from [http://www.eib.org/attachments/thematic/elena\\_en.pdf](http://www.eib.org/attachments/thematic/elena_en.pdf).

European Investment Bank. Financial instruments: A Stock-taking Exercise in Preparation for the 2014-2020 Programming Period. Brussels, 2013.

European Investment Bank. JASPERS in the 2014-2020 programming period. Luxembourg, 2015.

European Investment Bank. Methodologies for Assessing Social and Economic Performance in JESSICA. Final Report. Luxembourg, 2013.

European Investment Bank. NER300 Monetisation. Retrieved from [http://www.eib.org/attachments/ner\\_summary\\_report\\_en.pdf](http://www.eib.org/attachments/ner_summary_report_en.pdf) (last accessed: 11.12.2017).

European Network for Rural Development. Thematic Working Group 4. Delivery Mechanisms of Rural Development Policy. Final Report. Brussels, 2011.

European Parliament (ed.). Financing Instrument for the EU's Transport Infrastructure. Brussels, 2012.

European Parliament. Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism. OJ L 347/924. Brussels, 20.12.2013.

European Parliament. European Parliament Briefing – How the EU budget is spent. July 2015. Retrieved from [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/565873/EPRS\\_BRI%282015%29565873\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/565873/EPRS_BRI%282015%29565873_EN.pdf).

European Parliament (ed.). Assessment of Connecting Europe Facility. In Depth Analysis. Brussels, 2016.

European Parliament (ed.). Research for Regi-Committee – Review of the role of the EIB group in European Cohesion Policy. Brussels, 2016.

European Parliament, DG IPOL. Financial Engineering Instruments in Cohesion Policy. Brussels, 2013.

European Parliament, DG IPOL. Strategic Coherence of Cohesion Policy: Comparison of the 2007-13 and the 2014-20 Programming Periods. Brussels, 2015.



- European Parliament, DG IPOL. Implementation of Cohesion Policy 2014-2020: Preparations and administrative capacity of Member States, Brussels, 2016.
- European Parliament, DG IPOL. Research for REGI Committee – Enhancing the competitiveness of SMEs – Briefing. Brussels, 2016.
- European Parliament, Policy Department A. Economy and Scientific Policy: Labour Market Integration of Refugees: EU Funding Instruments. Briefing of the European Parliament. PE 570.005. Brussels, 2016.
- European Parliament, Policy Department B. Agriculture and Rural Development: Research for AGRI Committee - Programmes implementing the 2015-2020 Rural Development Policy. Brussels, 2016.
- European Parliament. Impact and effectiveness of Structural Funds and EU Policies aimed at SMEs in the regions. Brussels, 2011.
- European Parliament. New financial instruments and the Role of National Promotional Banks. Brussels, 2016.
- European Parliament. REPORT on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds, European Parliament Publications, 2016.  
<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A8-2016-0385&format=XML&language=EN> (last access: 17.01.2017).
- European Parliament. Research for REGI Committee – Review of the role of the EIB Group in European Cohesion Policy. Brussels, 2016.
- European Union Committee of the Regions. Financial instruments in support of territorial development. Brussels, 2015.
- FAO Investment Centre. The Evolution and Impact of EU Regional and Rural Policy. FAO/World Bank Working Paper. Commissioned by the ECA Social Development Unit. Rome, 2009.
- Ferry, M.: Synthesis Report. WP8. Cohesion Policy and its Components: Past, Present and Future. FP7 project 'Growth– Innovation – Competitiveness: Fostering Cohesion in Central and Eastern Europe (GRINCOH)'. Brussels, 2015.
- Ferry M., Kah S., Bachtler J. Maximisation of Synergies between European Structural and Investment Funds and other EU Instruments to attain Europe 2020 goals. Research for REGI Committee. European Union, 2016.
- Fresco, L. et al. COMMITMENT and COHERENCE: essential ingredients for success in science and innovation, Ex-Post-Evaluation of the 7th EU Framework Programme (2007-2013), report on behalf of DG RTD. Brussels, 2015.
- Gallent N. et al.: Introduction to Rural Planning. London: Routledge, 2008.
- Her Majesty's Government. Review of the Balance of Competences between the United Kingdom and the European Union Cohesion Policy. United Kingdom, 2014.
- Hey, C. III. EU Environmental Policies: A short history of the policy strategies. In: European Environmental Bureau (ed.) (2005): EU Environmental Policy Handbook. A Critical Analysis of EU Environmental Legislation. Brussels, 2005.
- High Level Expert Group. Commitment and Coherence. Essential ingredients for success in science and innovation. Ex-Post-Evaluation of the 7th EU Framework Programme (2007-2013). Brussels, 2015.
- High Level Group Monitoring Simplification for Beneficiaries of ESI Funds. Aligned Rules for ESI Funds. 9th Meeting of the High Level Group. Brussels, 16.5.2017.
- High Level Group Monitoring Simplification for Beneficiaries of ESI Funds. Final conclusions and recommendations of the High Level Group on Simplification for post 2020. 11.07.2017.

- High Level Group of Independent Stakeholders on Administrative Burden. Europe can do better. Report on best practice in Member States to implement EU legislation in the least burdensome way. Brussels, 2011.
- High Level Group on Administrative Burdens. Cutting Red Tape in Europe. Legacy and outlook. Final Report. Brussels, 2014.
- High Level Group on Monitoring Simplification for Beneficiaries of ESI Funds. 3rd MEETING of the High Level Expert Group. Financial instruments. 22.8.2016.
- Hübner, D. Delivering Lisbon through Cohesion Policy. Speech held by the Commissioner for Regional Policy at the Committee of the Regions, Territorial Dialogue. Brussels, 1 March 2006.
- Huelemeyer, K., Schiller, S. Coordination of EU policies in Mecklenburg-Vorpommern: Case study on the joint administrative authority, Institute for Rural Development Research, Johann Wolfgang Goethe University, Frankfurt/Main, 2010.
- Kah, S. et al. Strategic coherence of Cohesion Policy: comparison of the 2007-13 and 2014-20 programming periods. DG for Internal Policies - Policy Department B: Structural and Cohesion Policies. Brussels, 2015.
- Kaufmann, A., Wagner, P. EU Regional Policy and the Stimulation of Innovation: The Role of the European Regional Development Fund in the Objective 1 Region Burgenland. Seibersdorf, 2004.
- Ketterer, T., et al. Institutions vs. 'first-nature' geography: what drives economic growth in Europe's regions?, 2016. Retrieved from <http://eprints.lse.ac.uk/67544/> (last accessed: 28.11.2017).
- KPMG, Prognos. Delivery System, Work Package 12 of the Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF) on behalf of DG REGIO. Brussels, 2016.
- Manzella, G. P, Mendez, C. The turning points of EU Cohesion Policy. Report Working Paper. 2009.
- McCann, P. The Regional and Urban Policy of the European Union. Cohesion, Results-Oriented and Smart Specialisation. Cheltenham/Northampton: Edward Elgar, 2009.
- Metis, EPRC. An assessment of Multilevel Governance in Cohesion Policy in 2007-2013. DG for Internal Policies. Policy Department B: Structural and Cohesion Policies. Brussels, 2014.
- Metis. The implementation of the provisions in relation to the ex-ante conditionalities during the programming phase of the European Structural and Investment (ESI) Funds, study on behalf of DG REGIO. Brussels, 2016.
- Michie, R., Fitzgerald, R.: The Evolution of the Structural Funds. In: The Coherence of EU Regional Policy. Contrasting Perspectives on the Structural Funds. Regional Policy and Development Series 17. London / Philadelphia: Jessica Kingsley Publishers, 1997.
- Michie R., Wishlade, F. Financial instruments in 2014-20: learning from 2007-13 and adapting to the new environment. 'Challenges for the New Cohesion Policy 2014-20: An Academic and Policy Debate'. In Proceedings: 2nd joint EU Cohesion Policy conference, Riga, 4-6 February 2014.
- Miroudot, S. et al. Trade Policy Implications of Global Value Chains: Case Studies. OECD Trade Policy Papers, No. 161. Paris, 2013.
- Moens, V., Van Hecke, L. Creating synergies between AMIF-ESF Belgium – Flanders region. Presentation at the AMIF and ISF Committee Strategic workshop on „Ensuring and maximising synergies“. Brussels, 30.05.2017.

- Moisé, E. et al. Trade Facilitation Indicators: The Impact on Trade Costs. OECD Trade Policy Papers, No. 118. Paris, 2011.
- Moisé, E. The Costs and Challenges of Implementing Trade Facilitation Measures. OECD Trade Policy Papers, No. 157. Paris, 2013.
- Moisé, E., Le Bris, F.: Trade Costs; What Have We Learned? A Synthesis Report. OECD Trade Policy Papers, No. 150. TAD/TC/WP (2013)3/FINAL. Trade and Agriculture Directorate. Trade Committee. Paris, 2013.
- Moisé, E., Sorescu, S. Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade. OECD Trade Policy Papers No. 144. Paris, 2013.
- MRD. Programowanie perspektywy finansowej 2014-2020 - Umowa Partnerstwa. Warszawa, 2014.
- OECD. Economic surveys. European Union. Paris, 2007.
- OECD. Handbook on Constructing Composite Indicators Methodology and user guide. 2008.
- OECD. Regions Matter. Economic Recovery, Innovation and Sustainable Growth. Paris, 2009.
- OECD. Territorial Reviews: Sweden. Paris, 2010.
- Padoa-Schioppa, T. et al. Efficiency, stability, and equity: a strategy for the evolution of the economic system of the European Community; report of a study group appointed by the Commission of the European Communities, Brussels, Commission of the EC, 1987.
- Polverari, L., Michie, R. Complementary or conflict? The (in)coherence of Cohesion Policy. European Research Paper Number 78. Glasgow: European Policies Research Centre, University of Strathclyde, 2011.
- PREST, Georghiu, L., Rigby, J., et al. Assessing the Socio-economic Impacts of the Framework Programme. University of Manchester, 2002.
- Reillon, V., European Parliamentary Research Service. Horizon 2020 budget and implementation. A guide to the structure of the programme. Brussels, November 2015.
- Rodríguez-Pose, A., Garcilazo, E. Quality of Government and the Returns of Investment: Examining the Impact of Cohesion Expenditure in European Regions. OECD Regional Development Working Papers, No. 2013/12. Paris: OECD Publishing, 2013.
- Rodríguez-Pose, A., Novak, K. Learning processes and economic returns in European Cohesion Policy. In: Investigaciones Regionales 25, 7-26. 2013.
- Rothstein, B. The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective. Chicago: University of Chicago Press, 2011.
- Schipper, F., van der Vleuten, E. Trans-European network development and governance in historical perspective. In: Network Industries Quarterly 10(3), 5-7. 2008.
- Schmidt, W., et al. Operations Evaluation. Evaluation of Activities under the Risk Sharing Finance Facility (RSFF). European Investment Bank Operations Evaluation. Luxembourg, 2010.
- Schuh, B. et al. Synthesis of Mid-Term Evaluations of Rural Development Programmes 2007-2013, report commissioned by European Commission, DG Agriculture and Rural Development. Brussels, 2012.
- Spanish Ministry of Employment and Social Security. Reception and integration of third country nationals, asylum seekers and refugees: the Spanish experience. Presentation at the AMIF and ISF Committee Strategic workshop on „Ensuring and maximising synergies“. Brussels, 30.05.2017.

- Synergies Expert Group. Synergies between FP7, the CIP and the Cohesion Policy Funds. Final report of the Expert group. Directorate-General for Research and Innovation. Regional Dimension of Innovation. Brussels, 2011.
- t33 srl, EPRC, Metis GmbH. Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), Work Package 3, financial instruments for enterprise support Final Report. February 2016.
- Tömmel, I. EU Governance of Governance: Political Steering in a Non-Hierarchical Multilevel System. In: Journal of Contemporary European Research 12 (1), 406-423. 2016.
- Wilson, N. Examining the Trade Effect of Certain Customs and Administrative Procedures. OECD Trade Policy Papers, No. 42. Paris, 2007.
- World Bank. Doing Business - Trading Across Borders. Washington D.C, 2012.
- Zobbe, H. The Economic and Historical Foundation of the Common Agricultural Policy in Europe. The Royal Veterinary and Agricultural University Food and Resource Economic Institute, Unit of Economics Working Papers 2001/12. Fourth European Historical Economics Society Conference, September 2001. Oxford: Merton College.

## Webpages

- EU Neighbours. The European Neighbourhood Instrument. Policy EU Neighbours. <http://www.euneighbours.eu/en/policy#Priorityareas>; (Last accessed: 06.06.2017).
- EUR-Lex. Summaries of EU Legislation: Environment. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Aa15000> (last accessed: 24.05.2016).
- EUR-Lex. Summaries of EU Legislation: URBAN II. 2016. <http://eur-lex.europa.eu/legal-content/LV/TXT/?uri=uriserv:g24209> (last accessed: 26.05.2016).
- European Investment Bank. What is the European Fund for Strategic Investments (EFSI)? 2016. <http://www.eib.org/efsi/what-is-efsi/index.htm> (last accessed: 08.06.2016)
- European Commission, Budget, Multiannual Financial Framework. Programmes. [http://ec.europa.eu/budget/mff/programmes/index\\_en.cfm](http://ec.europa.eu/budget/mff/programmes/index_en.cfm) (last accessed: 01.9.2017).
- European Commission, Regional Policy, InfoRegio. Data for research. [http://ec.europa.eu/regional\\_policy/hu/policy/evaluations/data-for-research/](http://ec.europa.eu/regional_policy/hu/policy/evaluations/data-for-research/). Last accessed: 01.9.2017.
- European Commission. Annual Growth Surveys. 2016. [http://ec.europa.eu/europe2020/making-it-happen/annual-growth-surveys/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/annual-growth-surveys/index_en.htm) (last accessed: 19.08.2016).
- European Commission. Climate Action. 2020 climate & energy package. 2016. [http://ec.europa.eu/clima/policies/strategies/2020/index\\_en.htm](http://ec.europa.eu/clima/policies/strategies/2020/index_en.htm) (last accessed: 24.05.2016).
- European Commission. Connecting Europe Facility. 2016. <https://ec.europa.eu/inea/en/connecting-europe-facility> (last accessed: 08.06.2016).
- European Commission. Employment Social Affairs & inclusion. European Globalisation Adjustment Fund (EGF). <http://ec.europa.eu/social/main.jsp?catId=326> (last accessed: 15.12.2017).
- European Commission. Employment Social Affairs & Inclusion. Fund for European Aid to the Most Deprived (FEAD). <http://ec.europa.eu/social/main.jsp?catId=1089> (last accessed: 15.12.2017).
- European Commission. Environment LIFE Programme. Climate Change Mitigation. 2016. <http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.getProjects&themeID=115> (last accessed: 24.05.2016).
- European Commission. EU Funding for TEN-T. [https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding\\_en](https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding_en) (last accessed: 15.12.2017).
- European Commission. Europe 2020. 2016. [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm) (last accessed: 09.06.2016).
- European Commission, *ESI Funds Data*, <https://cohesiondata.ec.europa.eu/> (last accessed: 15.12.2017).
- European Commission. European Structural and Investment Funds. <https://cohesiondata.ec.europa.eu/funds/> (last accessed: 19.09.2017).
- European Commission. First European Climate Change Programme. 2016. [http://ec.europa.eu/clima/policies/eccp/first/index\\_en.htm](http://ec.europa.eu/clima/policies/eccp/first/index_en.htm) (last accessed: 24.05.2016).
- European Commission. [https://ec.europa.eu/transport/sites/transport/files/01\\_interactive\\_map.png](https://ec.europa.eu/transport/sites/transport/files/01_interactive_map.png) (last accessed: 9.10.2017).

European Commission. Infrastructure – TEN-T – Connecting Europe. 2016.  
[http://ec.europa.eu/transport/themes/infrastructure/ten-t-policy/index\\_en.htm](http://ec.europa.eu/transport/themes/infrastructure/ten-t-policy/index_en.htm)  
(last accessed: 08.06.2016).

European Commission. JASPERS: Joint Assistance to Support Projects in European Regions. 2016. [http://ec.europa.eu/regional\\_policy/en/funding/special-support-instruments/jaspers/](http://ec.europa.eu/regional_policy/en/funding/special-support-instruments/jaspers/) (last accessed: 08.06.2016).

European Commission. JESSICA: Joint European Support for Sustainable Investment in City Areas. 2016. [http://ec.europa.eu/regional\\_policy/en/funding/special-support-instruments/jessica/](http://ec.europa.eu/regional_policy/en/funding/special-support-instruments/jessica/) (last accessed: 27.06.2016).

European Commission. Migration and Home Affairs. Commission increases emergency assistance for asylum and migration with €275.5 million in 2016. 10.3.2016.  
[https://ec.europa.eu/home-affairs/what-is-new/news/news/2016/20160310\\_4\\_en](https://ec.europa.eu/home-affairs/what-is-new/news/news/2016/20160310_4_en)  
(last accessed: 15.12.2017).

European Commission. Mobility and Transport. Evaluating the Connecting Europe Facility – Commission launches open consultation. 28.11.2016.  
[https://ec.europa.eu/transport/media/news/2016-12-01-evaluating-cef\\_en](https://ec.europa.eu/transport/media/news/2016-12-01-evaluating-cef_en) (last accessed: 15.12.2017).

European Commission. Press Release Database. Questions and Answers: additional funding to address the refugee crisis. Brussels, 30.9.2015.  
[http://europa.eu/rapid/press-release\\_MEMO-15-5730\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5730_en.htm) (last accessed: 15.12.2017).

European Commission. Rural development. 2016.  
[http://ec.europa.eu/regional\\_policy/archive/themes/rural/index\\_en.htm](http://ec.europa.eu/regional_policy/archive/themes/rural/index_en.htm) (last accessed: 18.08.2016).

European Commission. Smart Specialisation Platform,  
<http://s3platform.jrc.ec.europa.eu/stairway-to-excellence> (last accessed: 09.10.2017).

European Commission. Sustainable Development. 2016.  
<http://ec.europa.eu/environment/eussd/> (last accessed: 24.05.2016).

European Commission. The history of the CAP. 2016.  
[http://ec.europa.eu/agriculture/rural-development-2014-2020/index\\_en.htm](http://ec.europa.eu/agriculture/rural-development-2014-2020/index_en.htm) (last accessed: 26.05.2016).

European Commission. Transport: Ex post evaluation of Cohesion Policy programmes 2007–2013. 2016.  
[http://ec.europa.eu/regional\\_policy/en/newsroom/news/2016/06/06-03-2016-transport-ex-post-evaluation-of-cohesion-policy-programmes-2007-2013](http://ec.europa.eu/regional_policy/en/newsroom/news/2016/06/06-03-2016-transport-ex-post-evaluation-of-cohesion-policy-programmes-2007-2013) (last accessed: 08.06.2016).

European Commission. Urban Pilot Projects. 2016.  
[http://ec.europa.eu/regional\\_policy/archive/urban2/urban/upp/src/frame1.htm](http://ec.europa.eu/regional_policy/archive/urban2/urban/upp/src/frame1.htm)  
(last accessed: 26.05.2016).

European Commission. What is the Seal of Excellence?,  
<https://ec.europa.eu/research/soe/index.cfm?pg=what> (last accessed: 09.10.2017).

European Commission. Youth Employment Initiative. 2016.  
<http://ec.europa.eu/social/main.jsp?catId=1176> (last accessed: 08.08.2016).

European Commission. Youth Guarantee. 2016.  
<http://ec.europa.eu/social/main.jsp?catId=1079&langId=en> (last accessed: 17.08.2016).

European Commission: European Climate Change Programme. 2016.  
[http://ec.europa.eu/clima/policies/eccp/index\\_en.htm](http://ec.europa.eu/clima/policies/eccp/index_en.htm) (last accessed: 24.05.2016).

- European Investment Bank, EFSI Investment Committee.  
<http://www.eib.org/efsi/governance/efsi-investment-committee/> (last accessed: 15.12.2017).
- European Investment Bank. EFSI Steering Board.  
<http://www.eib.org/efsi/governance/efsi-steering-board/index.htm> (last accessed: 15.12.2017).
- European Investment Bank. ELENA – Supporting Investments in Energy Efficiency and Sustainable Transport, <http://www.eib.org/products/advising/elena/index.htm> (last accessed: 15.12.2017).
- European Investment Bank. NER300 – Green-tech demonstration support.  
<http://www.eib.org/products/advising/ner-300/index.htm> (last accessed: 15.12.2017).
- European Investment Fund. Single EU Debt Financial Instrument.  
[http://www.eif.org/what\\_we\\_do/guarantees/single\\_eu\\_debt\\_instrument/index.htm](http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/index.htm) (last accessed: 15.12.2017).
- European Investment Fund. Single EU Equity Financial Instrument. 2016.  
[http://www.eif.org/what\\_we\\_do/equity/single\\_eu\\_equity\\_instrument/index.htm](http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/index.htm) (last accessed: 15.12.2017).
- European Parliament. Fact Sheets on the European Union. Trans-European Networks – guidelines. 2016.  
[http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU\\_5.8.1.html](http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU_5.8.1.html) (last accessed: 08.06.2016).
- European Union Committee of the Regions. The Lisbon Strategy in short. 2016.  
<https://portal.cor.europa.eu/europe2020/Profiles/Pages/TheLisbonStrategyinshort.aspx> (last accessed: 09.06.2016).
- European Union External Action. European Neighbourhood Policy (ENP). 21.12.2016.  
[https://eeas.europa.eu/topics/european-neighbourhood-policy-enp/330/european-neighbourhood-policy-enp\\_en](https://eeas.europa.eu/topics/european-neighbourhood-policy-enp/330/european-neighbourhood-policy-enp_en) (last accessed: 06.07.2017).
- Hungarian Development Center. Hungarian Development Centre – About Us.  
<http://mfk.gov.hu/about-us.html> (last accessed: 15.12.2017).
- URBACT. URBACT at a Glance. 2016. <http://urbact.eu/urbact-glance> (last accessed: 26.05.2016).
- N.a. The European Union Solidarity Fund. <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=LEGISSUM:g24217&from=EN> (last accessed: 15.12.2017).

## **EU Regulations**

Council Regulation (EC) No 1081/2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999.

Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999.

Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

Council Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments.

Council Resolution 96/C 130/01 on the coordination of Community activities in favour of small and medium-sized enterprises and the craft sector.

European Commission, Annex 1 to the Commission implementing Decision concerning the adoption of the work programme for 2016 and the financing decision for the implementation of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (Brussels: 18.1.2016), COM(2016) 63 final.

European Commission. Commission implementing decision of 19 March 2014 on the adoption of the LIFE multiannual work programme for 2014-17.

European Commission. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council. COM (2016) 605 final, 2016/0282 (COD).

Regulation (EEC) No 724/75 of the Council of 18 March 1975 establishing a European Regional Development Fund.

Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments (OJ L 169, 1.7.2015, pp. 1–38).

Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (OJ L 346, 30.12.2010, pp. 5–10).

Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014–2020) (OJ L 347, 20.12.2013, pp. 33–49).

Regulation (EU) No 1288/2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, pp. 50–73).

Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014–2020) (OJ L 347, 20.12.2013, pp. 104–173).



- Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007.
- Regulation (EU) No 1296/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 on a European Union Programme for Employment and Social Innovation ('EaSI') and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion. OJ L 347/238, 20.12.2013.
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 [Common Provisions Regulation – CPR].
- Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.
- Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, in particular Annex I, Part III (use of financial instruments) (OJ L 348, 20.12.2013, pp. 129–171).
- Regulation (EU) No 1381/2013 of the European Parliament and of the Council of 17 December 2013 establishing a Rights, Equality and Citizenship Programme for the period 2014 to 2020. OJ L 354, 28.12.2013, p. 62–72.
- Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived.
- Regulation (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II). OJ L 77/11, 15.3.2014.
- Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC. OJ L 86, 21.3.2014, p. 1–13.
- Regulation (EU) No 516/2014 of the European Parliament and of the Council of 16 April 2014 establishing the Asylum, Migration and Integration Fund.
- Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No. 1605/2002, Title VIII, financial instruments, Article 2(p). OJ L 298, 26.10.2012, p. 1–96.

## 7 ANNEXES

### 7.1 Annex 1: Methodology and Analytical Framework

The analysis of coherence, complementarity and coordination of EU funds and financial instruments by using a four step approach shown in the figure below.

Figure 34: Identification of Key Findings



Source: KPMG/Prognos (2017).

#### Step 1 – Framing and Mapping

Step 1 consisted in the framing and mapping of the regulatory framework of funds and FIs assessed by this study. A first assessment of coherence, complementarity and coordination on policy level was also part of this step. Step 1 mostly relied on desk research and a limited number of scoping interviews with officials of the European Commission.

#### Step 2 – Analysis of implementation mechanisms

Step 2 consisted of an analysis of the 3Cs on implementation level. This part of the analysis focussed on the following levels of implementation:

- Programming
- Management and control
- Monitoring and evaluation
- Information and communication

### Step 3 – Changes to the 2014–2020 framework

The third step consisted in an assessment of the effects the introduction of the Common Provisions Regulation has had on the 3Cs.

### Step 4 – Assessment of administrative burden

The fourth and final step consisted in an assessment on whether administrative burden has been reduced or not in the current programming period compared to the previous one. A more detailed account of the evidence base for these for steps will be given in the Final Report.

The Final Report (the report at hand) builds on six interim reports. This Annex provides a brief outline of the interim reports and the process they are based on.

#### 1. Methodological Report (First Interim Report)

The Methodological Report laid the groundwork for this study by defining key concepts and the analytical framework of the study.

The report describes the selection criteria for the key findings presented by the study as well as how the literature review, interviews and focus groups were to be conducted. It also provided a first draft of interview guidelines and delineated a structured approach to each of the tasks.

#### 2. Literature Review (Second Interim Report)

The literature review was conducted to provide a structured overview of issues of coherence, complementarity and coordination (3Cs) between the ESI Funds and other EU instruments delivered through grants or financial instruments. The literature review has been used as a starting point for the thematic reports, each covering a grouping of funds.

The main aims of the literature review were threefold:

- to provide a review of the evolution of EU Cohesion Policy and the other important policy fields as a basis for understanding reformed Cohesion Policy in 2014–2020;
- to provide an overview of the main challenges for the coherent, complementary and co-ordinated implementation of EU priorities through the EU budget with a focus on the 2007–2013 programming period (including the issues of administrative burden and the corresponding measures designed in the interests of simplification);
- to outline the major regulatory changes in the 2014–2020 period designed to address the key issues identified.

The results of this interim report are summarised in Chapter 3.

#### 3. The ESI Funds in the framework of the shared management rules (Third Interim Report)

The report assessed the overall 'coherence, complementarity and coordination' of the policy objectives and implementation mechanisms of the ESI Funds in the context of shared management. The report focused on the following five funds and the coherence, complementarity and coordination amongst them:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)

- Cohesion Fund
- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime and Fisheries Fund (EMFF)

Details of each fund can be found in Annex 4, which builds on the findings from the third interim report.

#### 4. The ESI Funds and other EU funding instruments delivered through grants (Fourth Interim Report)

The report assessed the overall 'coherence, complementarity and coordination' (3Cs) of the policy objectives and implementation mechanisms between the ESI Funds and other EU sectoral instruments delivered through grants. The funds this study focused on are summarised in Annex 5.

#### 5. The ESI Funds and EU financial instruments and instruments managed by the EIB (Fifth Interim Report)

This report assessed the overall coherence, complementarity and coordination between policy objectives and implementation mechanisms of the ESI Funds and EU FIs or instruments managed by the European Investment Bank (EIB). Financial instruments (FIs) are defined as 'Union measures of financial support provided on a complementary basis from the budget to address one or more specific policy objectives of the Union. Such instruments may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments, and may, where appropriate, be combined with grants', given that grants are considered donation from the EU budget to support Union policies, which do not leverage private funding.

The report covered a variety of FIs described in more detail in in Annex 6 offering different financial products such as amongst others:

- Loans
- Guarantees
- Equity
- Quasi-Equity

#### 6. The main strengths, weaknesses and bottlenecks in delivering EU priorities through EU instruments in a coherent, complementary and co-ordinated manner and options to improve their coherence, complementarity and coordination (Sixth Interim Report).

## **7.2 Annex 2: Consulted Stakeholders (interviews, focus groups, expert workshops)**

Semi structured interviews were a key research tool for this study. During the first stages of the study scoping interviews with EC officials were held in order to gain a better understanding of where the priorities of the research should lie and which salient issues should be covered. Table 10 illustrates which Units of The European Commission were consulted for the scoping interviews in order to inform the research framework for this study.

Table 8 and Table 9 show the Operational Programmes selected for the analysis of the ESI Funds and the respective distribution of funding. Table 11, Table 12 and Table 13 provide an overview of the semi-structured interviews that were held for each respective task of this study divided by type of stakeholder.

Table 8: The distribution of funding allocated to the selected Operational Programmes across Funds

TO	MS	CCI	Title	OP allocation (EUR million)					TOTAL
				ERDF	ESF	CF	EAFRD	EMFF	
1	DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	2507					2507
1	ES	2014ES16RFOP001	Smart growth ERDF 2014-20 OP	5822					5822
1	FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	1068	159				1227
1	INTERREG	2014TC16RFTN006	North West Europe	621					649
2	PL	2014PL16RFOP002	OP Digital Poland	2499					2499
3	ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	3598					3598
3	FR	2014FR14MFOP001	European Maritime and Fisheries Fund - Operational Programme for France					728	728
3	IT	2014IT14MFOP001	European Maritime and Fisheries Fund - Operational Programme for Italy					919	919
3	PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	4696	685	716			6098
3	SE	2014SE16RFOP008	Upper Norrland	407					407
3	SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	1776	880	948			3604
3	UK	2014UK16RFOP001	United Kingdom - ERDF England	6283					6283
4	BE	2014BE16RFOP001	OP Brussels Capital Region	182					182
4	PL	2014PL16M1OP001	OP Infrastructure and Environment	5787		26480			32267
5	FI	2014FI06RDRP001	Finland - Rural Development Programme (Regional) - Mainland Finland				5548		5548
5	IE	2014IE06RDNP001	Ireland - Rural Development Programme (National)				3906		3906
5	SE	2014SE06RDNP001	Sweden - Rural Development Programme (National)				4141		4141
6	AT	2014AT06RDNP001	Austria - Rural Development Programme (National)				7469		7469
6	CY	2014CY16M1OP001	Competitiveness and sustainable development	336		299			635
6	DK	2014DK14MFOP001	European Maritime and Fisheries Fund - Operational Programme for Denmark					257	257
6	FR	2014FR06RDRP073	France - Rural Development Programme (Regional) - Midi-Pyrénées				1881		1881
6	GR	2014GR16M1OP001	TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OP	1420		3671			5091
6	HR	2014HR16M1OP001	Competitiveness and Cohesion OP	4806		3011			7818
6	LU	2014LU06RDNP001	Luxembourg - Rural Development Programme (National)				365		365
6	MT	2014MT16M1OP001	Fostering a competitive and sustainable economy to meet our challenges	446		256			702
6	UK	2014UK06RDRP001	United Kingdom - Rural Development Programme (Regional) - England				3933		1675
7	BG	2014BG16M1OP001	Operational programme "Transport and transport infrastructure"	493		1347			1840
7	RO	2014RO16M1OP001	Large Infrastructure Operational Programme	3189		8693			11882

TO	MS	CCI	Title	OP allocation (EUR million)					
				ERDF	ESF	CF	EAFRD	EMFF	TOTAL
7	SK	2014SK16M1OP001	Integrated Infrastructure	1850		2714			4564
8	ES	2014ES05M9OP001	OP ESF 2014 YOUTH EMPLOYMENT		1809				1809
8	HU	2014HU16M0OP001	Economic Development and Innovation Operational Programme	6663	2100				8763
8	LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	4119	1296	2190			7605
9	DE	2014DE05SFOP002	Operational Programme ESF Federal Germany 2014-2020		4637				4637
9	FR	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020		5284				5284
9	Interreg	2014TC16RFPC001	Ireland-United Kingdom (PEACE)	253					270
9	IT	2014IT16M2OP002	ROP Puglia ERDF ESF	5351	1545				6896
9	NL	2014NL05SFOP001	Operational Programme ESF 2014-2020		974				974
10	CZ	2014CZ05M2OP001	OP Research, Development and Education	1781	1538				3319
10	IT	2014IT05M2OP001	National Operational Programme on Education	861	2045				8763
10	LV	2014LV16MAOP001	Growth and Employment	2779	726	1540			5045
11	GR	2014GR05M2OP001	Reform of the Public Sector		478				478
11	HU	2014HU05M3OP001	Public Administration and Civil Service Development OP		708				708

Source: KPMG / Prognos (2016). Based on DG REGIO data. Figures refer to the total of the EU and national amounts and exclude technical assistance.

Table 9: The distribution of funding allocated to the focus thematic objectives of the selected Operational Programmes across Funds

TO	MS	CCI	Title	OP allocation (EUR million)					
				ERDF	ESF	CF	EAFRD	EMFF	TOTAL
1	DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	1035					1035
1	ES	2014ES16RFOP001	Smart growth ERDF 2014-20 OP	4321					4321
1	FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	286					286
1	INT ERR EG	2014TC16RFTN006	North West Europe	218					218
2	PL	2014PL16RFOP002	OP Digital Poland	2499					2499
3	ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	731					731
3	FR	2014FR14MFOP001	European Maritime and Fisheries Fund - Operational Programme for France					388	388
3	IT	2014IT14MFOP001	European Maritime and Fisheries Fund - Operational Programme for Italy					398	398
3	PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	2265					2265
3	SE	2014SE16RFOP008	Upper Norrland	144					144

TO	MS	CCI	Title	OP allocation (EUR million)					
				ERDF	ESF	CF	FAFRD	EMFF	TOTAL
3	SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	717					717
3	UK	2014UK16RFOP001	United Kingdom - ERDF England	2638					2638
4	BE	2014BE16RFOP001	OP Brussels Capital Region	56					56
4	PL	2014PL16M1OP001	OP Infrastructure and Environment			4856			3857
5	FI	2014FI06RDRP001	Finland - Rural Development Programme (Regional) - Mainland Finland				1864		1864
5	IE	2014IE06RDNP001	Ireland - Rural Development Programme (National)				1408		1408
5	SE	2014SE06RDNP001	Sweden - Rural Development Programme (National)				1246		1246
6	AT	2014AT06RDNP001	Austria - Rural Development Programme (National)				2522		2522
6	CY	2014CY16M1OP001	Competitiveness and sustainable development	149		35			185
6	DK	2014DK14MFOP001	European Maritime and Fisheries Fund - Operational Programme for Denmark					165	165
6	FR	2014FR06RDRP073	France - Rural Development Programme (Regional) - Midi-Pyrénées				673		673
6	GR	2014GR16M1OP001	TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OP	62		2047			2109
6	HR	2014HR16M1OP001	Competitiveness and Cohesion OP	398		1940			2338
6	LU	2014LU06RDNP001	Luxembourg - Rural Development Programme (National)				118		118
6	MT	2014MT16M1OP001	Fostering a competitive and sustainable economy to meet our challenges	86		167			253
6	UK	2014UK06RDRP001	United Kingdom - Rural Development Programme (Regional) - England				1675		3933
7	BG	2014BG16M1OP001	Operational programme "Transport and transport infrastructure"	92		1347			1438
7	RO	2014RO16M1OP001	Large Infrastructure Operational Programme	2350		4539			6889
7	SK	2014SK16M1OP001	Integrated Infrastructure	902		2714			3617
8	ES	2014ES05M9OP001	OP ESF 2014 YOUTH EMPLOYMENT		1809				1809
8	HU	2014HU16M0OP001	Economic Development and Innovation Operational Programme	101	1663				1763
8	LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	496	324				820
9	DE	2014DE05SFOP002	Operational Programme ESF Federal Germany 2014-2020		1841				1841
9	FR	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020		3087				3087
9	Intereg	2014TC16RFPC001	Ireland-United Kingdom (PEACE)	253					253
9	IT	2014IT16M2OP002	ROP Puglia ERDF ESF	745	340				1085
9	NL	2014NL05SFOP001	Operational Programme ESF 2014-2020		722				722
10	CZ	2014CZ05M2OP001	OP Research, Development and Education	538	1275				1813
10	IT	2014IT05M2OP001	National Operational Programme on Education	861	1974				2835
10	LV	2014LV16MAOP001	Growth and Employment	326	281				607
11	GR	2014GR05M2OP001	Reform of the Public Sector		255				255

TO	MS	CCI	Title	OP allocation (EUR million)						
				ERDF	ESF	CF	FAERD	EMFF	TOTAL	
11	HU	2014HU05M3OP001	Public Administration and Civil Service Development OP		708					708

Source: KPMG / Prognos (2016). Based on DG REGIO data. Figures refer to the total of the EU and national amounts and exclude technical assistance.

Table 10: EC Units Involved in Scoping Interviews

DG	Unit	Unit titles
DG AGRI	H1	General Aspects of Rural Development and Research - Consistency of Rural Development
DG ECFIN	L2	Treasury and Financial Operations - Financing of Innovation, Competitiveness and Employment Policies
DG EMPL	F1	Investment - ESF and FEAD: Policy and Legislation
DG HOME	E3	Migration and Security Funds - National programmes for North and West Europe, budget, MFF, agencies
DG JUST	03	General justice policies and judicial systems
DG MARE	A3	Policy Development and Coordination - Structural Policy and Economic Analysis
DG MOVE	B1	European Mobility Network - trans- European network (TEN)
DG REGIO	B3	Policy - financial instruments and International Financial Institutions Relations
DG RTD	B5	Open Innovation and Open Science - Spreading of Excellence and Widening Participation
EIB	Mandate Services	Mandate Management
EIF	-	Mandate Management
<b>Interviews in Total</b>		<b>11</b>



Table 11: Overview of Sources Consulted regarding the 3Cs in ESI Funds

Source	Description	N
<b>Results of Interim Reports</b>	This refers to the mapping of policy objectives and scoping interviews with EC officials (Interim Report 1) and the literature review covering the issues of coherence, complementarity and coordination in the ESI Funds (Interim Report 2).	
<b>Operational Programmes/RDPs /PAs, ex ante evaluations</b>	Systematic desk research relating to <b>44</b> national and regional Operational Programmes/RDPs in the EU-28, related ex ante evaluations (where available), Partnership Agreements in the Member States ( <b>28</b> ) plus ex ante evaluations and SEAs where relevant.	<b>72+</b>
<b>Interviews with coordinating authorities</b>	Interviews with the authorities responsible for the coordination of Partnership Agreements.	<b>22</b>
<b>Interviews with MAs in Member States and regions</b>	Interviews with the Managing Authorities of 39 selected programmes (part of the 44 programmes covered with desk research)	<b>33</b>
<b>Interviews with beneficiaries</b>	Interviews with the beneficiaries (benefiting from the 39 selected programmes), focusing on those that implement complex projects.	<b>10</b>
<b>Interviews in Total</b>		<b>65</b>
<b>Focus group discussions</b>	Five focus group discussions, one related to programming, two related to management and control, and two related to monitoring, evaluation, and information and communication activities.	<b>5</b>
<b>EC participants</b>	Representatives of DG REGIO, DG EMPL, DG AGRI and DG MARE	<b>20</b>
<b>MA participants</b>	Representatives of Managing Authorities, Paying Agencies and coordinating authorities from Member States and regions	<b>14</b>
<b>Beneficiaries</b>	Beneficiaries	<b>11</b>
<b>External experts</b>	External experts	<b>1</b>
<b>FG Participants in Total</b>		<b>46</b>

Source: KPMG/Prognos (2017).

Table 12: Overview of Sources Consulted regarding the 3Cs in the ESI Funds and Instruments delivered through Grants

Source	Description	N
<b>Results of Interim Reports</b>	This refers to the mapping of policy objectives and scoping interviews with EC officials (methodological report), the literature review covering the issues of coherence, complementarity and coordination in the ESI Funds, and the assessment of coherence, complementarity and coordination within the ESI Funds (Interim Report 2)	
<b>Systematic desk research</b>	Systematic desk research relating to the EU instruments delivered through grants, national and regional Operational Programmes/RDPs in the EU 28, related ex ante evaluations (where available), Partnership Agreements in the Member States and Strategic Environmental Assessment (SEAs) where relevant.	
<b>Interviews with members of the European Commission</b>	Interviews with the representatives of DGs related to the EU instruments under analysis	<b>32</b>
<b>Interviews with MAs in Member States and regions</b>	Interviews with the Managing Authorities and National Contact Points of the selected instruments	<b>34</b>

<b>Interviews with beneficiaries</b>	Interviews with the beneficiaries (benefiting from the selected instruments), focusing on those that implement complex projects.	<b>35</b>
<b>Interviews in Total</b>		<b>101</b>
<b>Focus group discussions</b>	Focus group discussions related to each thematic objectives aiming at the validation of the findings of the desk research and the semi-structured stakeholder interviews	<b>24</b>
<b>EC participants</b>	DG representatives and European executive agencies	<b>64</b>
<b>MA participants</b>	Participants from Managing Authorities and National Contact Points	<b>74</b>
<b>Beneficiaries</b>	Beneficiaries benefitting from funding from the selected funds	<b>29</b>
<b>External experts</b>	Academics and other external experts familiar with the selected funds	<b>32</b>
<b>FG Participants in Total</b>		<b>199</b>

Source: KPMG/Prognos (2017).

Table 13: Overview of Sources Consulted regarding the 3Cs in the ESI Funds and EU FI Managed by the EIB

<b>Source</b>	<b>Description</b>	<b>N</b>
<b>Results of Interim Reports</b>	This refers to the mapping of policy objectives and scoping interviews with EC officials (methodological report), the literature review covering the issues of coherence, complementarity and coordination in the ESI Funds, the assessment of coherence, complementarity and coordination within the ESI Funds (Interim Report 1) and the assessment of coherence, complementarity and coordination between the ESI Funds and other EU instruments delivered through grants (Interim Report 3)	
<b>Systematic desk research</b>	Systematic desk research relating to the EU instruments delivered through grants, national and regional Operational Programmes/RDPs in the EU 28, related ex ante evaluations (where available), Partnership Agreements in the Member States and SEAs where relevant.	
<b>Interviews with members of the European Commission</b>	Interviews with the representatives of the EIB Group related to the EU instruments under analysis	<b>11</b>
<b>Interviews with members of the EIB Group</b>	Interviews with the representatives of DGs related to the EU instruments under analysis	<b>9</b>
<b>Interviews with MAs in Member States and regions</b>	Interviews with the Managing Authorities of the selected instruments	<b>19</b>
<b>Interviews with financial intermediaries</b>	Interviews with financial intermediaries managing the selected instruments, or part thereof	<b>12</b>
<b>Interviews with beneficiaries</b>	Interviews with the beneficiaries (benefiting from the selected instruments), focusing on those that implement complex projects.	<b>3</b>
<b>Interviews with fund managers</b>	Interviews with fund managers managing the selected instruments	<b>5</b>
<b>Interviews with external experts</b>	Interviews with experts from the fi compass	<b>2</b>
<b>Interviews in Total</b>		<b>61</b>
<b>Focus group discussions</b>	Two focus group discussions with experts on FIs management and implementation both under shared management and centralised management.	<b>2</b>

Source	Description	N
<b>EC participants</b>	Participants from DG REGIO, DG ECFIN, DG GROW and DG EAC	<b>5</b>
<b>EIB/EIF participants</b>	Relevant participants from the EIB and the EIF	<b>4</b>
<b>MA participants</b>	Participants from Managing Authorities and ministries dealing with financial instruments	<b>10</b>
<b>National Development Banks</b>	Members from national development banks dealing with EU FIs	<b>11</b>
<b>Financial intermediaries</b>	Participants from financial intermediaries dealing with EU FIs	<b>2</b>
<b>External experts &amp; associations</b>	Fi-compass Expert Group members and experts from associations	<b>6</b>
<b>FG Participants in Total</b>		<b>40</b>

Source: KPMG/Prognos (2017).

During the last stage of the research two Workshops were held in Brussels to discuss the options that are presented in this study. 11 experts attended the first workshop that discussed options regarding the ESI Funds and grant based instruments. Of these experts, four were External Experts, e.g. Consultants. Four participants represented MAs or Member State regions, two attendees represented academic organisations and one participant represented an association or interest group.

The second workshop addressed options with respect to financial instruments. Comprising of a group of 12 experts, six represented MAs or Regional Entities from in Member states. A further four attendees were External Experts and two represented financial intermediaries.

**I. Workshop #1**  
**Date and Time: 11 July 2017**

**II. Participants**

Table 14: Workshop Participants

<b>Role</b>	<b>Description</b>	<b>N</b>
<b>MA participants</b>	Participants from Managing Authorities and National Contact Points	4
<b>External experts</b>	Academics and other external experts familiar with the selected funds	7

**III. Workshop #2**  
**Date and Time: 12 July 2017**

**IV. Participants**

Table 15: Workshop Participants

<b>Role</b>	<b>Description</b>	<b>N</b>
<b>MA participants</b>	Participants from Managing Authorities and ministries dealing with financial instruments	5
<b>External experts</b>	External experts working with financial instruments and members of associations focusing on financial instruments	3
<b>Financial Intermediaries</b>	Participants from financial intermediaries (Banks, VC Funds etc.) dealing with EU FIs	3
<b>External experts/Financial Intermediaries</b>	Participants from financial intermediaries (Banks, VC Funds etc.) dealing with EU FIs that also act as consultants	1

**7.3 Annex 3: Outcome of the expert workshops**

Two workshops comprising experts from academia and the delivery of ESI Funds were held in Brussels to discuss a set of options prepared by the KPMG/Prognos team for the study on the coordination and harmonisation of ESI Funds and other EU policies.

The summary points for the option discussion at the workshops are presented under the following three broad headings:

- Harmonisation
- Demarcation
- Communication

One set of key takeaways focusses on ESI Funds and grant based funding instruments (workshop #1 on July 11), and separately for financial instruments (workshop #2 on July 12).







The workshops had the aim of validating policy options based on key findings derived from previous research. More detail on this is provided in Annex 1 on methodology.

## Workshop # 1: ESI Funds and grant based funding instruments

Workshop July 11, 2017 // 14:00h – 18:00h

Brussels

The options discussed in workshop #1 on July 11 were the following. The numbering of options is as follows:

 <b>OPTION 1 – Further harmonisation of the regulatory framework of the ESI Funds</b> <ul style="list-style-type: none"><li>• Sub-option 1.1 – Harmonise the financial, monitoring and evaluation rules of the five ESI Funds</li><li>• Sub-option 1.2 – apply a common set of rules to all five ESI Funds</li><li>• Sub-option 1.3 – consolidate the five funds as a single fund with single rules and procedures</li></ul>	 <b>OPTION 4 – Introduce a one-stop shop informational platform</b> <ul style="list-style-type: none"><li>• Sub-option 4.1 – Introduce one-stop shop at EU-level</li><li>• Sub-option 4.2 – Introduce one-stop shops at Member States level</li></ul>
 <b>OPTION 2 – Clearer demarcation of ESI Funds</b>	 <b>OPTION 5 – Harmonise financial and implementation rules between selected combinations of ESI Funds and EU instruments</b>
 <b>OPTION 3 – Clearer demarcation between ESI Funds and other EU funding instruments</b>	 <b>OPTION 6 – Improving communication between stakeholders to improve complementarity and co-ordination between funds</b>

### General points raised in the workshop

- Start the reform process with the ESI Funds before embarking on change that involves the raft of grant-based funding instruments, on the basis that the former is already quite complex and ambitious, whilst the latter involves several DGs and agreements. Those programmes that could be best harmonised with ESI Funds were cited as H2020 and COSME.
- Any reforms need first the agreement, support and commitment of all stakeholders. A 'mood against further change and reform without clear benefits' by MAs, NGOs, and beneficiaries was reported by experts (also backed by evidence from the KPMG/Prognos focus group meetings and interviews). It was suggested that incremental or poorly planned/co-ordinated change was worse than 'no reform' whilst a more encompassing/radical reform (such as Option 1.3) could potentially be 'sold' to stakeholders but against realistic timetables and some experts suggested this as a reform for later (post 2027).
- Demarcation was generally welcomed in the context of clarity and reducing overlaps but there were different opinions on the lines of demarcation with safeguards to allow the continued combination of FIs.
- The ante targeted allocation of ESI Funds to specific higher level targets (i.e. a minimum allocation of 25% of expenditure for social inclusion<sup>188</sup>) was criticised by some participants and was seen as a potential hindrance for an efficient allocation of resources that adapts to local needs. Participants stated that a clean slate approach should be taken based on thematic objectives.

---

<sup>188</sup> European Commission, Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020 (2013), p.16.

- Whilst there was some support for radical change, if that change could be shown to bring simplification and reduce administrative burdens over time, there was also a more cautious view to change expressed (and also in workshop #2) – ‘too many changes not desirable’, ‘the time and costs involved in understanding and adapting to changes’ etc.

### Harmonisation

- **Go beyond harmonising monitoring and financial rules.** A common set of all major rules achieved through a revised CPR (Option 1.2) was generally favoured and worth the additional work required compared to a more limited Option 1.1 (common financial and monitoring rules), although some proposed the more radical single fund option (1.3) as a long-term vision, accepting the difficulties in design and implementation in the time available. Some participants stressed that options 1.1. (harmonisation of financial and monitoring rules) and option 1.2 (applying a common set of rules to all ESI Funds) are closely interlinked and could be combined. The experts stressed the importance of common monitoring rules and indicators (including results) to ensure there was a common understanding of what the ESI Funds could achieve together. However, their view was that this should not lead to a situation where data is collected that is not appropriate to the specific programmes (e.g. ESF is measured on ‘people’ issues, other programmes have infrastructure and business outputs for which public procurement plays a more important role).
- **Harmonisation to go ‘hand-in-hand’ with simplification.** Experts felt that harmonisation was a necessary but not sufficient step to improve complementarities between funds, and that a significant simplification process was needed to complement harmonisation of rules. Some practical improvements (e.g. extending the use of common definitions) could include a strengthening of common definitions and harmonisation of governance structures.
- **Eliminate redundant rules as well as harmonising those that are required.** Participants stated that the CPR had added a second layer of rules with additional administrative burdens, and stated that before efforts would be undertaken to harmonise rules redundant ones should be abolished. Specific examples were not given.
- **Harmonisation of rules between ESI Funds and other grant based funds (such as H2020, CEF etc.) grants should be limited** (either very high level rules or restricted to a few funds such as H2020 which are already strongly aligned with ESI Funds).
- **Harmonise indicators and end the use of composite indicators.** Participants stressed the importance of further harmonising indicators currently used for the ESI Funds and to terminate the use of composite indicators<sup>189</sup> which contain too many elements. The current set of indicators in use for the ESF was seen as particularly burdensome by participants

### Demarcation

- **Demarcation could be more helpful in structuring other grant funds than within the ESI Funds.** Strict demarcation within ESI Funds was felt to have the potential to reduce synergies (e.g. integrated SME projects

---

<sup>189</sup> OECD, *Handbook on Constructing Composite Indicators: Methodology and User Guide* (2008), <https://www.oecd.org/std/42495745.pdf>.

currently requiring ERDF and ESF) or act as constraint on projects that crossed demarcation lines (e.g. broadband infrastructure that spanned urban and rural areas). In contrast many grant funds were already perceived to have lines of demarcation given their focus on specific areas of policy (although some are designed with a wider policy brief – a key example being H2020).

- **Demarcation at Operational Programme level is a possible option with a single monitoring committee covering all funds** (this might also apply to some FIs). This was put forward by an expert representing a German region with a well-established history of delivering structural funds – the expert stated that the idea might not transfer to all regions. The proposal was for all ESI Funds to be within one Operational Programme (in this case a regional Operational Programme) with the ability to deliver and manage funds against a common (regional) strategy with agreed targets. A key advantage – and potential saving – was seen to be common management and administrative arrangements. Where this was pursued at a regional level there could also be an alignment with regional policies, planning and delivery agencies.
- **Use TOs as the building blocks for structuring the ESI Funds with clearly demarcated intervention logics** (this can also apply to other grants and FIs). Experts felt that groupings of TOs (1–2, 4–6, 8–10 with 3 (SMEs) as cross-cutting and 7 (sustainable transport) could form the basis of clearer demarcation and/or the future design of programmes. Each TO grouping would have an overall strategy, objectives and indicators. Prospective applicants would have to satisfy the requirements of the thematic strategy and targets but investment priorities would not necessarily be required (IPs felt by some experts to be an unnecessary and overly restrictive layer of programming, adding to the complexity of monitoring requirements). Comments regarding investment priorities were also closely related to the above mentioned need to harmonise and simplify the use of indicators.
- **Demarcation at project level.** This option was put forward by a regional MA and was seconded by other participants. This demarcation would go hand in hand with more streamlined eligibility rules and the above mentioned high-level demarcation according to TO groupings. Demarcation on project level would focus on eligible costs and would focus on the scope of the project. For example an ESF funded project on vocational training focuses on people and soft measures whereas an ERDF funded project funding infrastructure measures would have a stronger focus on public procurement.
- **High level EU targets to be safeguarded.** In both of the above points there would be a safeguarding of high level EU targets such as commitments to the reduction of GHG, gender equality or the overall percentage of funding dedicated to social inclusion.
- **Demarcation should be accompanied by effective communication to the target group.** Policy-level differentiation between funds and instruments are difficult to understand at the level of applicants. Demarcation lines should be made clearer to all stakeholders through various communication channels.

## Communication

- **Mixed responses to the proposal for a one-stop shop.** Participants agreed that information services could be improved in terms of content and accessibility (need for quick ways to check eligibility, M&E rules etc.). However, the EU one-stop-shop was supported by some participants (they have seen potential in its 'navigating' function). Overall, enthusiasm varied but overall the costs/investment time to develop and manage a portal that could cover all aspects of ESI Funds, other grants and possibly also FIs, was seen as prohibitive in relation to the potential benefits. This perception could change in an increasingly digitised world where storing and accessing large quantities of data becomes the norm. Higher levels of enthusiasm for the concept were linked to complementary advisory services and the provision of detailed project examples. Participants agreed that a one-stop-shop would only be effective if it was accompanied by an information hotline and by complementary in depth advisory services.
- **National and regional one-stop shops could be more effective and more tailored.** Some experts were more enthused about regional/national information systems, especially where such models already existed and could be potentially enhanced if EU TA monies were available (improving existing systems against a new bespoke system). Some examples were given in the discussion (Latvia - national information system, North Rhine Westphalia with facility for key word search, Isle de France) Regional/national systems would be better aligned to MS priorities and policies and there would be no language issues that might restrict accessibility. Some participants saw this as a good opportunity to involve NCPs. Should an EU level one-stop-shop be developed, its main function would have to remain at the first stage of project development, 'navigating' the applicants through the complexity of available EU instruments, and preventing them 'from quitting the idea' too early due to the unavailability of clear and precise information on funding opportunities.








**Continuing role for NCPs and Joint Monitoring Committees to aid communication.** NCPs were perceived to be mixed in roles, expectations, quality and experience but their role in supporting communication processes was recognised, especially within monitoring committees. More consistency was desired. Some experts also proposed thematic meetings within MSs to improve dialogue and as a result, the level of complementarities. The retention of the October 'Open Weeks' was seen as an important platform for exchange of ideas, learning and contacts.



## Workshop #2: Financial instruments

Workshop July 12, 2017 // 09:30h – 13:00h  
Brussels

The options discussed in workshop #2 on July 12 were the following:

 <b>OPTION 7 – Harmonisation of rules and regulatory frameworks governing FIs</b> <ul style="list-style-type: none"><li>• Sub-option 7.1 – Review of the regulatory frameworks governing FIs</li></ul>	 <b>OPTION 10 – Further specification of public procurement criteria for selecting financial intermediaries for FIs under the ESI Funds</b>
 <b>OPTION 8 – Improved demarcation within the FIs portfolio</b>	 <b>OPTION 11 – Improving the timing and process of market reviews</b>
 <b>OPTION 9 – Further development and promotion of ‘off-the-shelf’ financial instruments</b> <ul style="list-style-type: none"><li>• Sub-option 9.1 – More flexibility within existing instruments</li><li>• Sub-option 9.2 – Introduce additional ‘off-the-shelf’ instruments</li></ul>	 <b>OPTION 12 – Creation of a one-stop shop informational platform covering all FIs</b>
	 <b>OPTION 13 – Ensure that the audit process does not involve disproportionate requirements for the work being implemented</b>

### General points raised in the workshop

- Danger that over-regulation (or perception of over-regulation) is actively reducing interest in FIs. The ‘strangulation of FIs by over-regulation’ was one phrase used. Simplification of rules (procurement, audits etc.) should be the priority going forward.
- State aid rules (and differences in rules between funds) has a major impact on the uptake of FIs. Different timescales in programming for FIs was also seen as an obstacle but not one that was insurmountable.
- A number of ‘quick wins’ to improve simplification could be considered including coherent/common terminologies.
- FIs still cause some confusion amongst prospective applicants (the variety of funding mechanisms, rules and processes and in some cases the choices between FIs. SMEs covered by multi-FIs). Any reforms in the interest of the 3Cs would need to be clearly articulated through communication channels. These might need improvement.
- There were considerable issues with timing which made the complementary use of financial instruments more difficult even though several regions had previous experience of FIs in the 2007-13 programming period and were aware of the variety of rules and processes governing FIs. The late adoption of regulations and distribution of guidelines meant that financial intermediaries and beneficiaries have grown accustomed to using FIs under central management and were now finding it difficult to adapt to the use of FIs under shared management.

### Harmonisation

- **A harmonisation of FI tools should be possible.** A loan for SME support should in principle be similar to a loan for an energy efficiency project. Equally FIs operating at shared or central management level can adopt

common principles. A further suggestion was to increase harmonisation and coordination through a single point of contact (the model of a national authority in Greece was discussed in the workshops and the extent it could be transferable to other, similar MSs). This authority could pool activities (procurement, overall management, etc.) and help to increase the effectiveness of the FI portfolio in use by better targeting and less overlaps.

- **Possibility to harmonise state aid rules to be explored (ideally one set of state aid rules for all FIs).** Experts were aware of the discrepancies in rules between FIs but less involved in/aware of the potential scope for changes in rules. However, they requested that the possibilities were explored. Participants also suggested a thorough review of (and possible removal) state aid rules in case blending between FIs under shared and central management (i.e. between ESI FIs and EFSI).
- **Unified audit procedures would be a step forward with improved transparency over the objectives of each audit** (including training of auditors). Experts generally saw this as an achievable option but constrained by the varying knowledge of auditors for EU projects (leading to contradictory advice on occasions). Targeting auditing at financial intermediaries rather than final beneficiaries could lead to improvements and less 'fear of audits' leading to reduced demands for FIs. A grant mentality was said to persist amongst some auditors that was in turn preventing the shift of focus from beneficiaries to financial intermediaries. Participants agreed that this shift should not apply for anti-fraud investigation and noted that they understood the importance of audit processes to combat fraud.
- **The scheduling of assessments and market reviews could be improved** through adherence to the timing logic of undertaking assessments in advance of Operational Programmes. Experts felt that a stronger EC rule (approving rather than be consulted on assessments could have benefits of consistency – between assessments – and sharing of information).

### **Demarcation**

- Demarcation could be done at the level of market maturity or type of finance (e.g. early stage: seed finance, start-up, and first-stage; later stage: **2<sup>nd</sup> & 3<sup>rd</sup> stage, bridge**) rather than sector or size of project – the discussions focused on different ways of demarcating FIs, away from a standard sectoral approach (especially centrally managed FIs). The different beneficiary types (some requiring more support than others) could be one approach, creating 'umbrella FIs' around the type of fund (e.g. loan, equity), was supported as another alternative.
- New off-the shelf fund for blending of funds. Whilst some experts proposed tailored rather new off-the-shelf instruments an idea was put forward for an off-the-shelf fund designed to 'blend' funding from different sources (e.g. ESI Funds and EFSI). Participants stated that in this case there should be block exemptions for state aid in order to make the blending of FIs under central an under shared management easier. In addition to blending of FIs participants saw a potential for additional off-the shelf instruments in FIs financed by the EMFF and FIs focussing on environment.

### **Simplification/Communication**

- Invest in developing and expanding fi-compass rather than a new information portal. This was generally preferred to a new system that would

take time to develop and implement (it needs to be able to support applicants who will be considering post-2020 investments).

- Changing public procurement rules to speed up processes and reduce costs – including entrusted lists of intermediaries, using expressions of interest to short list intermediaries, openness to innovation e.g. intermediaries dealing with crowd funding.

#### **7.4 Annex 4: Further information – ESI Funds under shared management**

- **ERDF** invests in development in different regions (more developed, less developed and transition regions) of the EU along key priority areas but focused on innovation and research, the digital agenda, SMEs and low carbon economy.
- **ESF and YEI** provides support to employment-related projects investing in human capital such as workers, young people and jobseekers. The ESF's priority areas include adaptability of workers, access to employment and vocational training, support to disadvantaged groups and modernisation of public administrations. The YEI provide support to young people living in the regions where youth unemployment was higher than 25% in 2012.
- **Cohesion Fund** promotes transport and environment projects in countries where the gross national income per inhabitant is less than 90% of EU average. In the current programming period this covers Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.
- **EAFRD** supports the rural areas of the EU to cope with economic, environmental and social challenges. It complements the system of direct payments and measures to manage agricultural markets financed from the European Agricultural Guarantee Fund.
- **EMFF** is the fund for the EU's maritime and fisheries policies. It promotes sustainable fishing and supports coastal communities in diversifying their economies, creating jobs and improve quality of life.

The **Common Provisions Regulation** (Regulation (EU) 1303/2013; CPR) represents the new regulatory provisions for the 2014–2020 period, applying to all five ESI Funds. The CPR defines the funding principles (e.g. partnership and multi-level governance, etc.) and the spectrum of policy areas (the thematic objectives; Art. 9 of the CPR), and contains the strategic guiding principles which are binding for the new funding period, the **Common Strategic Framework** (CSF) (CSF; Art. 10 of the CPR; Annex I of the CPR). While the CPR also specifies how the coordination between ESI Funds, and other Union and national funding instruments, and the EIB is foreseen, it is the CSF, which is centred upon providing strategic guidance to the Member States and regions. Furthermore, in contrast to the 2007–2013 period, section 3 of the CSF highlights several specific arrangements and mechanisms which Member State authorities could utilise to promote coordination between the ESI Funds and/or strengthen complementarity of programme objectives.<sup>190</sup> Furthermore, several specific regulatory changes in the CPR enlarge the

---

<sup>190</sup> (1) Arrangements and mechanisms facilitating *coordination and complementarity* (Section 3.2 CSF): Joint design of schemes (Section 3.2 (a, c, f) CSF); Multi-fund programmes (Section 3.2 (b) CSF); Common approaches for project development and selection between ESI Funds (Section 3.2 (c, g) CSF); Co-operation between Managing Authorities in programme management tasks (Section 3.2 (d, h) CSF); Joint Monitoring Committees (Section 3.2 (d) CSF); Joint eGovernance (Section 3.2 (e) CSF). (2) Arrangements and mechanisms facilitating *coherence and integrated approaches* (Section 3.3 CSF): Combining Priority Axis

possibilities for the **synergetic use of the EU funds**, including other funding sources outside the ESI Funds.<sup>191</sup>

Table 16: Allocation of ESI Funds under shared management

Instrument	Figure used in the Report		Current Figures		Rounded amount (EUR)	Current Prices/ Constant Prices	Date	Source
<b>Cohesion Fund</b>	EUR	63 400 000 000	EUR	63 390 063 899	63.4	-	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/cf">https://cohesiondata.ec.europa.eu/funds/cf</a>
<b>EAFRD</b>	EUR	99 300 000 000	EUR	99 347 506 865	99.3	-	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/eafrd">https://cohesiondata.ec.europa.eu/funds/eafrd</a>
<b>EMFF</b>	EUR	5 700 000 000	EUR	5 749 331 600	5.7	current prices	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/emff">https://cohesiondata.ec.europa.eu/funds/emff</a>
<b>ERDF</b>	EUR	196 300 000 000	EUR	196 355 375 769	196.3	-	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/erdf">https://cohesiondata.ec.europa.eu/funds/erdf</a>
<b>ESF</b>	EUR	86 400 000 000	EUR	83 143 704 735*	86.4	-	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/esf">https://cohesiondata.ec.europa.eu/funds/esf</a>
<b>YEI<sup>1</sup></b>	EUR	6 400 000 000	EUR	6 472 525 737	6.4	current prices	21.08.2017	<a href="https://cohesiondata.ec.europa.eu/funds/yei">https://cohesiondata.ec.europa.eu/funds/yei</a>

\* The discrepancy between current figures and the rounded amount is due to the fact that the YEI allocation of the ESF has been added.

<sup>1</sup> This includes the ESF share of EUR ~3.2 bn.

Note: The figures represent **EU contributions only**.

Source: KPMG/Prognos (2017). Based on the sources listed in the table.

Table 17: Main Regulations Relevant for Each ESI Fund

	ERDF	ESF	Cohesion Fund	EAFRD	EMFF
<b>CPR Part I</b>					
European Structural and Investment Funds 2014–2020 – Official Texts and Commentaries	✓	✓	✓	✓	✓
<b>CPR Part II</b>					
Common provisions applicable to the ESI Funds	✓	✓	✓	✓	✓
<b>CPR Part III</b>					
Provisions on goals and geographical coverage of support, programming, major projects, Joint Action Plans (JAPs) and monitoring and	✓	✓	✓		

(Section 3.3.3 CSF); Integrated Territorial Investments (ITIs) (Section 3.3.2 CSF); Community-led Local Development (CLLD) (Section 3.3.4 CSF); Local Action Groups (LAG) (Section 3.3.4 CSF); Joint Action Plans (JAP) (Section 3.3.1 CSF).

<sup>191</sup> See, e.g. Regulation (EU) No 1303/2013 Art. 65 (11): possibility of cumulating grants from ESI Funds or from different EU funding instruments for the same operation (but different expenditure items) and Art. 67 (5) b and 68 (1) c: allow for an alignment of cost models for corresponding costs and similar types of operations and beneficiaries in Horizon 2020 and other EU programmes.

	ERDF	ESF	Cohesion Fund	EAFRD	EMFF
evaluation as well as information and communication, technical assistance and financial support					
<b>CPR Part IV</b> Provisions on management and control, cooperation with audit authorities, financial management as well as the acceptance of accounts, closure of operational programs and suspension of payments.	✓	✓	✓		✓
<b>CPR Part V</b> Delegations of power, implementing, transitional and final provisions	✓	✓	✓	✓	✓
<b>Fund-specific regulations</b>	ERDF Regulation European Territorial Cooperation Regulation	ESF Regulation	Cohesion Fund	EAGF, CAP	EMFF Regulation
<b>Other relevant regulations</b>	EGTC Regulation			CAP Horizontal Regulation CAP Transitional Regulation	CFP Regulation

Source: KPMG/Prognos (2017) based on European Commission, *European Structural and Investment Funds 2014–2020 – Official Texts and Commentaries* (Luxembourg: 2015).

Table 18: Examples for Differences of Selected Parts in the CPR

	Common Rules Part II and V	Common Rules I, Part III	Common Rules Parts IV	Rules only for the EAFRD	Rules only for the EMFF	Rules only for the ERDF	Rules only for ESF	Rules only for the Cohesion Fund	Rules only for the ETC
<b>Rules of support incl. co-financing</b>	✓	✓		✓	✓		✓		✓
<b>Management and Control</b>	✓		✓	✓					✓
<b>Monitoring and Evaluation</b>	✓	✓		✓	✓	✓	✓	✓	✓

Source: KPMG/Prognos (2017), based on European Commission, *European Structural and Investment Funds 2014–2020: Official texts and commentaries* (Luxembourg: 2015).

## **7.5 Annex 5: Further information – ESI Funds and Other Instruments Delivered through Grants**

### **Coordination mechanisms**

As already introduced in Section 3.2.1 a) the CSF describes a range of instruments that should foster the exploitation of possible synergies and help achieve better means of coordination between the ESI Funds and instruments.<sup>192</sup> Besides the provisions described in the CSF, other coordination mechanisms, such as the 'Seal of Excellence' have been developed.

This section aims to provide a non-exhaustive overview of the single coordination mechanisms and their functionality.

#### *Integrated Projects*

Integrated projects, which reflect an increased effort of mainstreaming EU investment into environmental and climate issues aim to integrate environmental objectives with other policy areas and leverage additional funding. These projects are limited to four specific areas of intervention related to strategic plans in nature, air, water and waste.<sup>193</sup>

One of the fundamental characteristics of Integrated Projects is that they have to mobilise other (EU, national or private) funds for the financing of complementary measures or actions within the targeted plan or strategy, but outside of the Integrated Project itself. Financing from other EU funds is expected to be used for this purpose. An integrated project must be able to mobilise at least one relevant Union, national or private funding source other than LIFE to finance complementary actions needed for the implementation of the targeted plan or strategy.<sup>194</sup> Figure 35 below depicts the general concept of an Integrated Project and the necessary co-financing rates that beneficiaries have to provide.

Integrated projects are intended to be implemented on a large territorial scale (regional, multi-regional, national or trans-national scale) and generally have much larger financial volumes than average LIFE projects (in the realm of several million Euros).

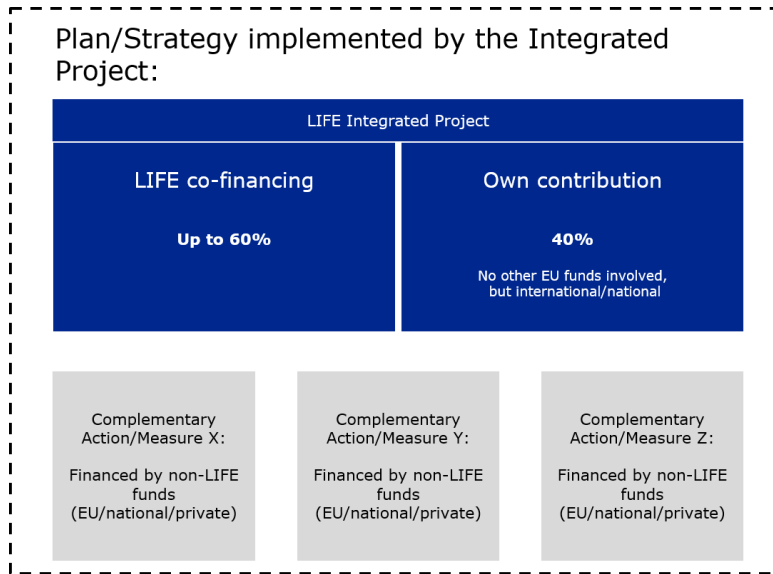
---

<sup>192</sup> Regulation (EU) No 1303/2013, Annex I, Section 4 (OJ L 347/422, 20.12.2013).

<sup>193</sup> Regulation (EU) No 1303/2013, Annex I, Section 4.5 (2) (OJ L 347/422, 20.12.2013).

<sup>194</sup> European Commission, Guidelines for applicants, LIFE Environment, Integrated Projects 2015. <http://bit.ly/2cIHAAA>.

Figure 35: General Concept of an Integrated Project



Source: KPMG/Prognos (2017), based on *Guidelines for applicants LIFE Environment Integrated Projects 2014*, p. 9.

### Trans-European Transport Network (TEN-T)

The Trans-European Transport Network is the result of a policy towards a co-ordinated transport network in and between the Member States. For the realisation of this project, nine core network corridors covering multiple transport road from railways to airways have been identified (see Figure 36). The project brings together private and public resources and supports to remove bottlenecks, to build missing cross-border connections and to promote modal integration and interoperability. Member States shall promote the use of ESI Funds, where appropriate, for the creation of European transport corridors, including supporting modernisation of customs.<sup>195</sup>

As the TEN-T requires an estimated EUR 500 billion in the current Programming Period 2014–2020, a co-ordinated approach to funding will be necessary. Therefore both Member States and EU grants will be used to finance the implementation. The EU grants involved in this project are mainly the CEF, EFSI, H2020, CF and ERDF. Besides, financial instruments leverage an additional share of the funding.

With about EUR 11.31 billion allocated to TEN-T, the CEF will provide a major share of the necessary funding for the TEN-T implementation. Since CEF funding has been oversubscribed under the 2015 call, additional funding is necessary, namely in the form financial support by the EFSI, which can be combined with CEF and H2020 financing.

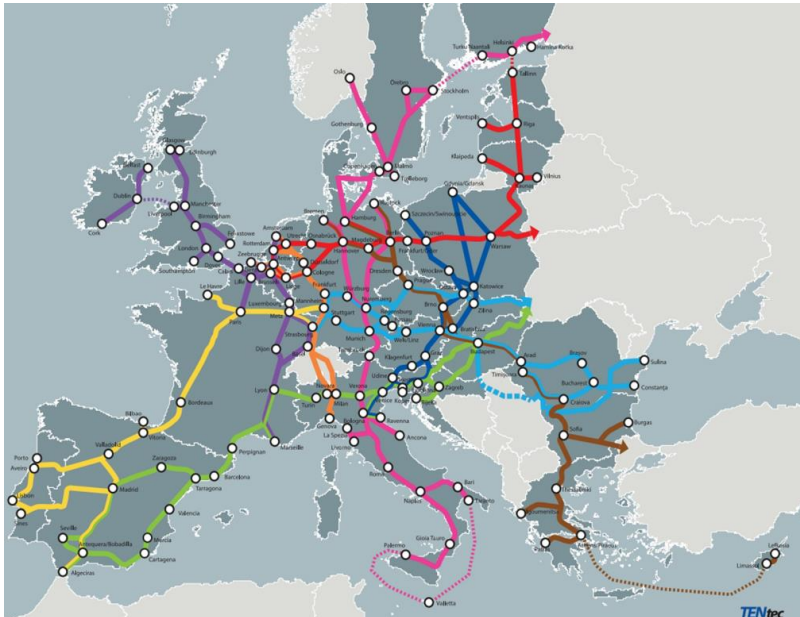
Financial instruments, such as bonds, will be introduced and supported under the EFSI to leverage an additional share of the budget. This approach will draw private investments to the 'commercially viable' projects as the EFSI support will have an additional risk-lowering effect on the projects.

Transport projects under the ERDF and CF will be funded by an additional EUR 70 billion in the form of ESI Funds.<sup>196</sup>

<sup>195</sup> Regulation (EU) No 1303/2013 (OJ 347/422, 20.12.2013). Fast trade processing fosters economic growth, as outlined in e.g. OECD Trade policy papers no. 118, 144, 150 and 157.

<sup>196</sup> European Commission, *EU Funding for TEN-T*. [https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding\\_en](https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding_en).

Figure 36: Corridors of the TEN-T Network



Source: European Commission.<sup>197</sup>

### *Stairway to Excellence (S2E)*

The Stairway to Excellence (S2E)<sup>198</sup> project aims to support EU Member States and regions in developing and exploiting the synergies between European Structural and Investment Funds (ESIF), Horizon 2020 (H2020) and other EU funding programmes and assist in closing the innovation gap in order to promote excellence in all EU regions and countries.

Following a mandate of the European Parliament for the period 2014–2016, Stairway to Excellence focused until 2016 on supporting the combination of and complementarity between different research, development and innovation funding instruments in support of RIS3 implementation in EU13 Member States and regions. The project has extended its activities to EU28 with a particular attention to the engagement of less developed regions in EU28.

As part of the activities, country specific and fact and figures reports<sup>199</sup> for EU13 countries have been published. The country reports provide information on the country/region profiles to understand the reasons behind the Research and Innovation (R&I) performance in the policy cycle 2007–2013 and policy issues that affect optimal use and combination of key EU R&I funds. The Facts and Figures documents include the main regional characteristics, the regional specialisation areas, the identification of the key regional players and the main European organisations collaborating with the region.

National Events were organised in all EU13 Member States by the European Commission and the respective national authorities to bring different stakeholders together. They provided a platform for a better understanding of MS innovation ecosystem, raising awareness of the actions needed to enable synergies and drawing lessons for the future

---

<sup>197</sup> European Commission, [https://ec.europa.eu/transport/sites/transport/files/01\\_interactive\\_map.png](https://ec.europa.eu/transport/sites/transport/files/01_interactive_map.png).

<sup>198</sup> Smart Specialisation Platform, *Stairway To Excellence*. <http://s3platform.jrc.ec.europa.eu/stairway-to-excellence>.

<sup>199</sup> Smart Specialisation Platform, *Country & Region Information*. <http://s3platform.jrc.ec.europa.eu/country-region-information>.



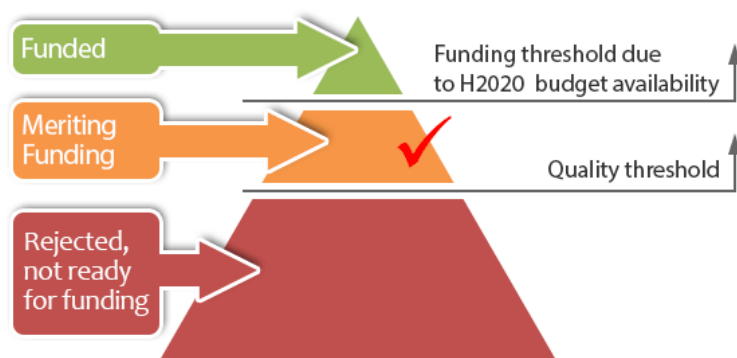
actions. Joint statements<sup>200</sup> have been published summarising the main issues under the different topics brought at these events. The lessons learnt from the national events<sup>201</sup> have helped to demonstrate how the S3 and synergies between different European national funding can help closing the innovation gap across European territories.

A number of synergies examples<sup>202</sup> have been collected in which SF/ESI and FP7/H2020 funds have been combined in order to amplify the R&I investments and their impact, using different forms of innovation and competitiveness support, or carrying innovative ideas further along the innovation cycle or value chain to bring them to the market.

### *Seal of Excellence*<sup>203</sup>

Another project the European Commission implemented in order to increase complementarity of the programmes is the 'Seal of Excellence'. This seal shall be awarded to excellent projects that could not be funded under Horizon 2020 due to a lack of budget. The idea is that the seal provides an indication of the quality of the project and hereby increases its chances when applying for other funding opportunities, such as the ESI Funds. Figure 37 shows the selection process for Horizon 2020, where projects that have reached the quality threshold but haven't reached the 'funding stage' would receive a Seal of Excellence.

Figure 37: Funding Process for Applicants of H2020



Source: European Commission.<sup>204</sup>

<sup>200</sup> Smart Specialisation Platform, *National Events*, <http://s3platform.jrc.ec.europa.eu/national-events>.

<sup>201</sup> Conte, A., Ozbolat, N. K. *Synergies for Innovation: Lessons Learnt from the S2E National Events* (No. JRC104861) Stairway To Excellence (2016). Briefs Series (1). Joint Research Centre (Seville site). [http://s3platform.jrc.ec.europa.eu/documents/20182/154972/LessonsLearntFromS2Eevents\\_PolicyInsight1.pdf/9f992b38-feef-40ad-b597-0b440b826bf3](http://s3platform.jrc.ec.europa.eu/documents/20182/154972/LessonsLearntFromS2Eevents_PolicyInsight1.pdf/9f992b38-feef-40ad-b597-0b440b826bf3).

<sup>202</sup> Smart Specialisation Platform, *Synergies Examples*. <http://s3platform.jrc.ec.europa.eu/synergies-examples>.

<sup>203</sup> European Commission, *What is the Seal of Excellence?* <https://ec.europa.eu/research/soe/index.cfm?pg=what>.

<sup>204</sup> Ibid.

## Overview of ESI Funds and other instruments delivered through grants

Table 19: Overview of the ESI Funds and other Instruments delivered through Grants

Fund/Financial Instrument	Overall Objectives	Implementing and Managing Body/DG/Authority	Thematic Objective
<b>Horizon 2020 (H2020)</b>	Competitiveness for growth and jobs 1. Excellent Science 2. Industrial Leadership 3. Tackling societal challenges	Budget responsibility and implementation: DG RTD, DG CNECT, DG HOME, DG GROWTH, JRC Budget responsibility: DG MOVE, DG AGRI, DG EAC, DG ENER	TO1, TO2, TO3, TO4, TO5, TO6, TO7, TO8, TO9, TO10, TO11
<b>Competitiveness of Enterprises and SMEs (COSME)</b>	Competitiveness for growth and jobs (Inclusive and Smart Growth) 1. Facilitating access to finance 2. Supporting internationalisation and access to markets 3. Supporting entrepreneurs 4. Improving conditions for competitiveness	Executive Agency for SMEs (EASME)	TO1, TO2, TO3, TO11
<b>Connecting Europe Facility (CEF)</b>	Competitiveness for growth and jobs 1. Transport 2. Energy 3. Telecom	Innovation and Networks Executive Agency (INEA)	TO2, TO4, TO7
<b>Programme for the Environment and Climate Action (LIFE)</b>	Sustainable growth 1. boost economic performance while reducing resource use; 2. identify and create new opportunities for economic growth and greater innovation and boost the EU's competitiveness; 3. ensure security of supply of essential resources; 4. fight against climate change and limit the environmental impacts of resource use.	DG Environment (LIFE sub-programme for the environment (air, water, soil, waste etc. ...)) DG Climate Action (LIFE sub-programme for climate action)	TO4, TO5, TO5

Fund/Financial Instrument	Overall Objectives	Implementing and Managing Body/DG/Authority	Thematic Objective
<b>Fund for European Aid to the Most Deprived (FEAD)</b>	<p>Economic, social and territorial cohesion</p> <p>Alleviate the worst forms of poverty, by providing non-financial assistance to the most deprived persons</p>	Member States and Commission (DG EMPL)	TO9
<b>EU Programme for Employment and Social Innovation (EaSI)</b>	<p>Competitiveness for growth and jobs</p> <ol style="list-style-type: none"> <li>1. Strengthen ownership of EU and coordination of action at EU and national level in the areas of employment, social affairs and inclusion.</li> <li>2. Support the development of adequate social protection systems and labour market policies.</li> <li>3. Modernise EU legislation and ensure its effective application.</li> <li>4. Promote geographical mobility and boost employment opportunities by developing an open labour market.</li> <li>5. Increase the availability and accessibility of microfinance for vulnerable groups and micro-enterprises, and increase access to finance for social enterprises.</li> </ol>	DG EMPL	TO8, TO9
<b>European Globalisation Adjustment Fund (EGF)<sup>205</sup></b>	<ol style="list-style-type: none"> <li>1. Smart, inclusive and sustainable economic growth</li> <li>2. promote sustainable employment in the Union</li> <li>3. support workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns or as a result of a continuation of the global financial and economic crisis</li> </ol>	DG EMPL	TO8, TO9, TO10

---

<sup>205</sup> While EGF disbursements are direct financial contributions awarded by the way of a donation to third-party beneficiaries, they cannot be considered grants as per definition. This is due to the fact that they are not subjected to centralised management by the Commission (neither directly nor indirectly through Union agencies, executive agencies or national agencies) but are instead disbursed by Member States on a case by case basis. See Regulation (EU) 1309/2013 Art. 16(2).

Fund/Financial Instrument	Overall Objectives	Implementing and Managing Body/DG/Authority	Thematic Objective
<b>Erasmus+</b>	Competitiveness for growth and jobs  1. Learning mobility of individuals 2. Cooperation for innovation and exchange of good practices 3. Support for policy reform	DG EDUCATION and CULTURE	TO1, TO8, TO9, TO10
<b>Creative Europe</b>	Security and Citizenship  1. safeguard, develop and promote European cultural and linguistic diversity and to promote Europe's cultural heritage 2. strengthen the competitiveness of the European cultural and creative sectors, in particular of the audio-visual sector	DG EDUCATION and CULTURE	TO3, TO6
<b>3<sup>rd</sup> EU Health Programme</b>	Security and Citizenship  1. Improve the health of Union citizens and reduce health inequalities by promoting health, encouraging, increasing the sustainability of health systems 2. protecting Union citizens from serious cross-border health threat	DG Sante	TO1, TO2, TO3, TO5, TO8, TO9, TO10, TO11
<b>Justice Programme</b>	Security and Citizenship  1. Judicial cooperation in civil matters 2. Judicial cooperation in criminal matters 3. Judicial training 4. Effective access to justice in Europe 5. Initiatives in the field of drugs policy	DG JUSTICE	TO11 (TO2)
<b>Rights, Equality and Citizenship Programme (RECP)</b>	Security and Citizenship  1. Promote non-discrimination 2. Combat racism, xenophobia, homophobia and other forms of intolerance 3. Promote rights of persons with disabilities 4. Promote equality between women and men and gender mainstreaming 5. Prevent violence against children, young people, women and other groups at risk (Daphne) 6. Promote the rights of the child 7. Ensure the highest level of data	DG JUSTICE	TO8, TO9, TO11

Fund/Financial Instrument	Overall Objectives	Implementing and Managing Body/DG/Authority	Thematic Objective
	protection 8. Promote the rights deriving from Union citizenship 9. Enforce consumer rights		
<b>European Development Fund (EDF)</b>	1. Reduction and ultimately the eradication of poverty in African, Caribbean and Pacific (ACP) countries 2. Sustainable development and integration of the ACP countries into the global economy	DG DEVCO	
<b>European Agricultural Guarantee Fund (EAGF)</b>	1. viable food production, sustainable management of natural resources and climate action and balanced territorial development 2. food security and globalisation 3. resource efficiency, soil and water quality and reducing threats to habitats and biodiversity 4. addressing demographic, economic and social developments including depopulation and relocation of businesses in rural areas	DG AGRI	TO3, TO5, TO6
<b>European Neighbourhood Instrument (ENI)</b>	1. Fostering human rights and fundamental freedoms, the rule of law, equality, sustainable democracy, good governance and a thriving civil society 2. Achieving progressive integration into the EU internal market and enhanced cooperation 3. Creating conditions for well managed mobility of people and promotion of people-to-people contacts 4. Encouraging development, poverty reduction, internal economic, social and territorial cohesion, rural development, climate action and disaster resilience 5. Promoting confidence building and other measures contributing to security and the prevention and settlement of conflicts 6. Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation	DG NEAR	TO3, TO4, TO5, TO6, TO7, TO8, TO9, TO10, TO11

Fund/Financial Instrument	Overall Objectives	Implementing and Managing Body/DG/Authority	Thematic Objective
<b>Instrument for Pre-accession Assistance (IPA II)</b>	Global Europe 1. Public administration reform 2. Rule of law 3. Sustainable economy 4. People 5. Agriculture and rural development	DG HOME	TO4, TO5, TO6, TO9, TO10, TO11
<b>Internal Security Fund (ISF)</b>	Security and Citizenship 1. Police Crime prevention, combating cross-border, serious and organised crime including terrorism Coordination and Cooperation in the MSs 2. Border and visa Supporting a common visa policy Supporting integrated borders management, further harmonisation Ensuring uniform and high level of control and protection of the external borders Guaranteeing access to international protection for those who need it		TO2, TO7, TO10, TO11
<b>European Union Solidarity Fund</b>	1. Respond to major natural disasters 2. Community aid complementary to the efforts of the States concerned and be used to cover a share of the public expenditure committed to dealing with the damage caused by a major disaster	DG REGIO <sup>206</sup>	n/a
<b>Asylum, Migration and Integration Fund (AMIF)</b>	1. Asylum: strengthening and developing the Common European Asylum System 2. Legal migration and integration: supporting legal migration to EU States in line with the labour market needs 3. Return: enhancing fair and effective return strategies 4. Solidarity: making sure that EU States which are most affected by migration and asylum flows can count on solidarity	DG HOME	TO8, TO9, TO10, TO11 (TO2)

Source: KPMG/Prognos (2017), based on publicly available data by the European Commission.

<sup>206</sup> Each grant is agreed separately through a proposal from the Commission and approved by Member States and the Parliament.



Table 20: Allocation of ESI Funds and other Instruments delivered through Grants

Instrument	Figure used in the Report	Current Figures	Rounded amount (EUR)	Current Prices/ Constant Prices	Date	Source
<b>EAGF</b>	EUR 312 700 000 000	EUR 312 735 000 000	312.7	current prices	30.06.2014	<a href="http://ec.europa.eu/budget/mff/programmes/index_en.cfm#subceiling">http://ec.europa.eu/budget/mff/programmes/index_en.cfm#subceiling</a>
<b>H2020<sup>207</sup></b>	EUR 74 800 000 000	EUR 74 828 300 000	74.8	current prices	2016	<a href="http://horizon2020.mon.bg/?h=downloadFile&amp;fileId=136">http://horizon2020.mon.bg/?h=downloadFile&amp;fileId=136</a>
<b>EDF</b>	EUR 30 500 000 000	EUR 30 500 000 000	30.5	-	29.04.2014	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=LEGISUM:r12102&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=LEGISUM:r12102&amp;from=EN</a>
<b>CEF</b>	EUR 30 400 000 000	EUR 30 400 000 000	30.4	current prices	15.11.2017	<a href="https://ec.europa.eu/transport/media/news/2016-12-01-evaluating-cef_en">https://ec.europa.eu/transport/media/news/2016-12-01-evaluating-cef_en</a>
<b>ENI</b>	EUR 15 400 000 000	EUR 15 432 634 000	15.4	current prices	11.03.2014	<a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0027:0043:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0027:0043:EN:PDF</a>
<b>Erasmus+</b>	EUR 14 800 000 000	EUR 14 774 524 000	14.8	current prices	11.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1288&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1288&amp;from=EN</a>
<b>IPA II</b>	EUR 11 700 000 000	EUR 11 698 668 000	11.7	current prices	11.03.2014	<a href="https://ec.europa.eu/neighborhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/231-2014_ipa-2-reg.pdf">https://ec.europa.eu/neighborhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/231-2014_ipa-2-reg.pdf</a>
<b>FEAD</b>	EUR 3 800 000 000	EUR 3 800 000 000	3.8	2011 prices	11.03.2014	<a href="http://ec.europa.eu/social/main.jsp?catId=1089">http://ec.europa.eu/social/main.jsp?catId=1089</a>

<sup>207</sup> Following the entry into force of the Regulation (EU) 2015/1017 on the European Fund for Strategic Investments (EFSI), the total budget of Horizon 2020 is set at EUR 74 828.3 million over the 7 years of the programme. The total budget of Horizon 2020 including Euratom is EUR 77 201.8 million.



Instrument	Figure used in the Report	Current Figures	Rounded amount (EUR)	Current Prices/ Constant Prices	Date	Source
<b>ISF</b>	EUR 3 900 000 000	EUR 3 935 000 000	3.9	-	12.12.2017	Figure provided by Unit A3, DG BUDGET
<b>Solidarity Fund</b>	EUR 3 500 000 000	The EUSF is funded outside the EU's normal budget (i.e. by additional money raised by EU countries). The maximum annual budget is EUR 500 million (2011 prices), plus any funds remaining from the preceding year.	3.5	2011 prices	15.05.2014	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=LEGISSUM:g24217&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=LEGISSUM:g24217&amp;from=EN</a>
<b>LIFE</b>	EUR 3 500 000 000	EUR 3 456 655 000	3.5	current prices	11.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/PDF/?uri=CELEX:32013R1293&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/PDF/?uri=CELEX:32013R1293&amp;from=EN</a>
<b>AMIF</b>	EUR 6 900 000 000	EUR 6 894 000 000	6.9	-	12.12.2017	Figure provided by Unit A3, DG BUDGET
<b>COSME</b>	EUR 2 300 000 000	EUR 2 298 243 000	2.3	current prices	11.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1287&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1287&amp;from=EN</a>
<b>Creative Europe</b>	EUR 1 500 000 000	EUR 1 462 724 000	1.5	current prices	11.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1295&amp;from=en">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32013R1295&amp;from=en</a>
<b>EGF</b>	EUR 1 100 000 000	The EGF has a maximum annual budget of EUR 150 000 000 for the period 2014-2020.	1.1	2011 prices	20.12.2013	<a href="http://ec.europa.eu/social/main.jsp?catId=326">http://ec.europa.eu/social/main.jsp?catId=326</a>
<b>EaSI</b>	EUR 900 000 000	EUR 919 469 000	0.9	current prices	11.12.2013	<a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF</a>
<b>3rd Health Programme</b>	EUR 400 000 000	EUR 449 394 000	0.4	current prices	11.03.2014	<a href="http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32014R0282&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/XT/HTML/?uri=CELEX:32014R0282&amp;from=EN</a>

Instrument	Figure used in the Report	Current Figures	Rounded amount (EUR)	Current Prices/ Constant Prices	Date	Source
<b>RECP</b>	EUR 400 000 000	EUR 439 473 000	0.4	-	11.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1381&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1381&amp;from=EN</a>
<b>Justice</b>	EUR 400 000 000	EUR 377 604 000	0.4	-	17.12.2013	<a href="http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1382&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R1382&amp;from=EN</a>

Source: KPMG/Prognos (2017). Based on the sources listed in the table.

## 7.6 Annex 6: Further information – FIs

Definitions of different financial products are given in the Financial Regulation (Article (2) (k), (l), (m), (n)). In accordance with EU budget implementation modes, FIs can be provided either under shared management (through the ESI Funds programmes managed by the MSs) or under centralised management (directly or indirectly managed by the European Union). There are therefore two distinct categories of EU FIs, as follows:

- **FIs providing support from the European Structural and Investment Funds (ESI Funds)** are delivered under shared management and aim to achieve the objectives set out in multiannual programmes and, more specifically, the objectives of the relevant Priority Axes in the respective Operational Programmes. The decision to use FIs under shared management rests with Member States and regions. Their usage, in line with specific policy objectives, targets financially viable investments where the market is assessed as being unable to provide sufficient funding (to address market failures and sub-optimal investment situations in a form and volume assessed in compulsory ex ante assessment<sup>208</sup>).
- **FIs delivered centrally by the EU.** The EU Financial Regulation<sup>209</sup> regulates centrally managed FIs. Under Article 139 (4) of the Regulation, the Commission may implement FIs under direct or indirect management, entrusting tasks to entities that meet the specified requirements.<sup>210</sup> In the latter case, entrusted financial intermediaries need to satisfy the criteria laid down in the relevant provisions of the Regulation.<sup>211</sup> Centrally managed FIs cover all main types of final recipients over the full funding cycle, offering both pro- and counter-cyclical instruments (i.e. instruments modifying economic quantity in relation to economic fluctuations) that respond to market needs. An overview table of the centrally managed FIs under focus is presented also in Annex 6 of the present report.

---

<sup>208</sup> It is noted that in the 2007–2013 programming period a relevant ‘gap assessment’ was to be undertaken on a voluntary basis.

<sup>209</sup> Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No. 1605/2002, Title VIII, financial instruments.

<sup>210</sup> Regulation (EU, EURATOM) No. 966/2012, Article 58(1)(c) (ii), (iii), (v) and (vi).

<sup>211</sup> Financial Regulation, Article 139 (5).

Table 21: Overview Table of the centrally managed FIs under focus

Centrally managed Financial Instruments	Overall Objectives	Policy/Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
<b>European Fund for Strategic Investment (EFSI)</b> <sup>214</sup>	<i>To overcome the current investment gap in the EU by mobilising private financing for strategic investments that the market cannot finance alone; to support strategic investments in infrastructure as well as risk finance for small businesses.</i>	EFSI Steering Board (DG ENER, EIB, DG GROWTH, DG ECFIN) <sup>215</sup> EFSI Investment Committee (Managing Director and 8 independent experts <sup>216</sup> )	EIB Group European Fund for Strategic Investments Secretariat	Infrastructure & Innovation Window (managed by the EIB)  SME Window (managed by the EIF)	Loans, guarantees, counter-guarantees, capital market instruments, any other form of funding or credit enhancement instrument, equity or quasi-equity participations, investment platforms or funds;	EUR 16 billion <sup>217</sup>	–	15

<sup>212</sup> Expected leverage not considered.

<sup>213</sup> As defined in relevant financial regulation and CPR (%).

<sup>214</sup> Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, pp. 1–38).

<sup>215</sup> European Investment Bank, *EFSI Steering Board*. <http://www.eib.org/efsi/governance/efsi-steering-board/index.htm>.

<sup>216</sup> European Investment Bank, *EFSI Investment Committee*. <http://www.eib.org/efsi/governance/efsi-investment-committee/>.

<sup>217</sup> EUR 16 billion from EU budget in the form of a guarantee to the EIB coupled by EUR 5 billion from EIB's own resources.

Centrally managed Financial Instruments	Overall Objectives	Policy/Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
<b>Connecting Europe Facility (CEF) FIs<sup>218</sup></b>	<i>To facilitate infrastructure projects' access to project and corporate financing by using Union funding as leverage.</i>	DG MOVE DG ENER DG CONNECT	EIB	CEF Debt Instrument (primarily Transport and Energy) CEF Equity Instrument (primarily Telecoms: broadband)	Project bonds credit enhancement, guarantees, loans, equity or quasi-equity	EUR 2.8 billion <sup>219</sup>	–	20
<b>InnovFin: EU Finance for Innovators<sup>220</sup></b>	<i>To facilitate and accelerate access to finance for innovative businesses and other innovative entities in Europe.</i>	DG RTD/ DG CONNECT	EIF / EIB	SMEs: Guarantee & Venture Capital (managed by the EIF) Midcaps: Guarantee & Growth finance Large caps and Thematic projects financing	Guarantees, counter-guarantees, loans, venture capital, equity or quasi-equity	EUR 2.7 billion <sup>221</sup>	–	Between 2 and 7, depending on the product and the risk level of the market targeted <sup>222</sup>

<sup>218</sup> Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, in particular Annex I, Part III (use of financial instruments) (OJ L 348, 20.12.2013, pp. 129–171). TEN-T Guidelines: Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, pp. 1–128), TEN-E Guidelines: Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, pp. 39–75).

<sup>219</sup> European Commission, *CEF Annual Work Programme 2015*, Annex.

<sup>220</sup> Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20.12.2013, pp. 104–173).

<sup>221</sup> European Commission, *Activities relating to financial instruments* (Brussels: 30.10.2014), Commission Staff Working Document; European Commission, *Horizon Budget contribution to InnovFin* (Brussels: 12.6.2014), [http://europa.eu/rapid/press-release\\_IP-14-670\\_en.htm](http://europa.eu/rapid/press-release_IP-14-670_en.htm).

<sup>222</sup> Financial instrument facilities supporting access to risk finance for research and innovation in Horizon 2020, Ex ante evaluation (2013).

Centrally managed Financial Instruments	Overall Objectives	Policy/ Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
				(mng.by the EIB) Advisory services				
<b>COSME FIs<sup>223</sup></b>	<i>To improve access to finance for SMEs in the form of equity and debt</i>	DG GROW	EIF	Loan Guarantee Facility (LGF) Equity Facility for Growth (EFG)	Guarantees and counter-guarantees, venture capital, equity or quasi-equity	EUR 1.37 billion <sup>224</sup>	current prices <sup>225</sup>	20–30 for the debt instrument 4–6 for the equity instrument <sup>226</sup>
<b>SME Initiative<sup>227</sup></b>	<i>To stimulate SME financing by providing partial risk coverage for SME loan portfolios of originating financial institutions</i> <i>The SME Initiative combines COSME, H2020 and EIB/EIF resources with ESI Funds to further promote the competitiveness of SMEs</i>	DG REGIO DG AGRI DG GROW DG RTD	EIF	--	Uncapped guarantees Securitisation of SMEs debt portfolios (existing and new)	EUR 1.14 (ERDF) <sup>228</sup> Aggregated max amount of ESI Funds contributions (ERDF and EAFRD): EUR 8.5 billion <sup>229</sup> for all MSs	2011 prices	Average between 5 and 9 (working assumptions of central scenarios as the leverage can vary from 3.5 to 14 depending on the overall portfolios credit quality) <sup>230</sup>

<sup>223</sup> Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014–2020) (OJ L 347, 20.12.2013, pp. 33–49).

<sup>224</sup> European Commission, Report from the Commission to the Parliament and the Council on financial instruments supported by the general budget according to Art. 140.8 of the financial regulation as at 31 December 2015 (Brussels: 24.10.2016). SWD (2016) 335 final.

<sup>225</sup> Regulation 1287/2013 (EU) OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 (OJ L 347, 20.12.2013, p. 33–49), Art. 5.

<sup>226</sup> European Commission, Annex 1 to the Commission implementing Decision concerning the adoption of the work programme for 2016 and the financing decision for the implementation of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (Brussels: 18.1.2016), C(2016) 63 final.

<sup>227</sup> Regulation (EU) 1303/2013, Article 39 (OJ L 347, 20.12.2013, pp. 320–469).

<sup>228</sup> European Commission. Commission Staff Working Document Activities Relating To financial instruments Accompanying The Document Report From The Commission To The European Parliament And The Council On financial instruments Supported By The General Budget According To Art. 140.8 Of The Financial Regulation As At 31 December 2015 (Brussels: 24.10.2016) , Document 1. SWD(2016) 335 final.

<sup>229</sup> Regulation (EU) 1303/2013, Article 39 (2) (OJ L 347, 20.12.2013, pp. 320–469).

<sup>230</sup> European Commission, *Ex-ante assessment of the EU SME Initiative* (Brussels: 5.12.2013) Commission Staff Working Document, SWD(2013) 517 final.

Centrally managed Financial Instruments	Overall Objectives	Policy/Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
<b>European Energy Efficiency Fund (EEEF)</b> <sup>231</sup>	<i>To contribute to the mitigation of climate change; to achieve economic sustainability of the Fund; to attract private and public capital into climate financing.</i>	DG ENER EEEF Management Board members	Deutsche Bank as the Investment Manager/EIB	--	Senior & junior debt, mezzanine instruments, guarantees, equity, leasing structures and forfeiting loans	EUR 146.3 million <sup>232</sup>	–	>2 <sup>233</sup>
<b>European Local Energy Assistance (ELENA) Facility</b> <sup>234</sup>	<i>To facilitate the financing of energy saving, energy efficiency and renewable energy projects by local, regional and, in duly justified cases, national public authorities.</i>	DG ENER	EIB New Products and Special Transactions, Climate Change and Energy Division	MLEI-PDA <sup>235</sup> EIB-ELENA KfW-ELENA CEB-ELENA EBRD-ELENA <sup>236</sup>	Grants	EUR 20 million p.a. <sup>237</sup>	–	>20 <sup>238</sup>
<b>Union Civil Protection Mechanism/ Civil Protection Financial</b>	<i>To achieve a high level of protection against disasters by preventing or reducing their effects and by fostering a culture of prevention; to enhance the Union's preparedness to respond to</i>	DG for Humanitarian Aid and Civil Protection - ECHO	DG for Humanitarian Aid and Civil Protection - ECHO	--	Grants or public procurement contracts	EUR 368 million <sup>240</sup>	current prices <sup>241</sup>	--

<sup>231</sup> Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (OJ L 346, 30.12.2010, pp. 5–10); [www.eeef.eu](http://www.eeef.eu).

<sup>232</sup> Ibid.

<sup>233</sup> European Commission, *Mid-term evaluation of the European Energy Efficiency Fund*, Commission Staff Working Document, COM (2013) 791 final.

<sup>234</sup> Regulation (EU) No 1233/2010 (OJ L 346, 30.12.2010, pp. 5–10).

<sup>235</sup> Intelligent Energy Europe, *Mobilising Local Energy Investments – Project Development Assistance*.

<sup>236</sup> European Investment Bank, *ELENA – Supporting Investments in Energy Efficiency and Sustainable Transport*. <http://www.eib.org/products/advising/elena/index.htm>.

<sup>237</sup> Ibid.

<sup>238</sup> Ibid.

Centrally managed Financial Instruments	Overall Objectives	Policy/ Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
<b>Instrument (CPFI)</b> <sup>239</sup>	<i>disasters; to facilitate rapid and efficient emergency response interventions in the event of major disasters or their imminence.</i>							
<b>New Entrants Reserve (NER) 300 Programme</b>	<i>To finance commercial demonstration projects that seek the environmentally safe capture and geological storage of CO2 as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community.</i>	DG ENER	Cooperation Agreement with EIB	Funded from the sale of 300 million emission allowances from the New Entrants' Reserve (NER) set up for the third phase (2013–2020) of the EU emissions trading system; revenues allocated to projects	Grants	EUR 2.2 billion <sup>242</sup>	–	1.2 <sup>243</sup>
<b>LIFE Programme FIs</b> <sup>244</sup>	<i>NCFF: To make energy efficiency lending a more sustainable activity within European financial institutions, considering the energy</i>	DG ENV	EIB	Natural Capital Financing Facility (NCFF)	Loans and equity	EUR 60 million <sup>245</sup> (2014-2017)	–	2.2 to 6 <sup>246</sup>

<sup>240</sup> Ibid.

<sup>241</sup> Ibid.

<sup>239</sup> Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347/924 20.12.2013).

<sup>242</sup> European Investment Bank, *NER300 Monetisation*. Retrieved from [http://www.eib.org/attachments/ner\\_summary\\_report\\_en.pdf](http://www.eib.org/attachments/ner_summary_report_en.pdf) (last accessed: 11.12.2017).

<sup>243</sup> European Commission, Climate Action, *Funding innovative low-carbon technologies: the NER 300 programme* (2016). [https://ec.europa.eu/clima/policies/lowcarbon/ner300\\_en](https://ec.europa.eu/clima/policies/lowcarbon/ner300_en)

<sup>244</sup> Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007, preamble 35, p.6.

<sup>245</sup> Commission Implementing Decision Of 19 March 2014 On The Adoption Of The Life Multiannual Work Programme for 2014-17.

<sup>246</sup> Depending on relevant assumptions, Information Documents accompanying the Commission Implementing Decision on the adoption of the multiannual work Programme for 2014-2017, Information Document 1: Ex ante evaluation of the Natural Capital Financing Facility (NCFF).



Centrally managed Financial Instruments	Overall Objectives	Policy/ Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
	<i>efficiency sector as a distinct market segment; to increase the availability of debt financing to eligible energy efficiency investments.</i>							
	<i>PF4EE: to support projects that are focused on biodiversity and ecosystem services (BES).</i>	DG CLIMA	EIB	Private Finance for Energy Efficiency (PF4EE)	Risk-sharing instrument, loans (additionally: experts' support)	EUR 80 million <sup>247</sup>	–	6.2 to 7.9 <sup>248</sup>
<b>Employment and Social Innovation programme (EaSI)<sup>249</sup> FIs and advisory services</b>	<i>To increase the availability and accessibility of microfinance for vulnerable groups and micro-enterprises; to increase access to finance for social enterprises</i>	DG EMPL	EIF	Microfinance and Social enterprises portfolios	Capped guarantees and counter – guarantees	EUR 193 million <sup>250</sup>	–	5.5

<sup>247</sup> Commission Implementing Decision Of 19 March 2014 On The Adoption Of The Life Multiannual Work Programme for 2014–17.

<sup>248</sup> Depending on relevant assumptions, Information Documents accompanying the Commission Implementing Decision on the adoption of the multiannual work Programme for 2014–2017, Information Document 2: Ex ante evaluation of a new financial instrument to foster investment in energy efficiency by private finance institutions (PF4EE).

<sup>249</sup> Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ('EaSI') and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, pp. 238–252).

<sup>250</sup> European Commission, DG EMPL, *EaSI: New EU Umbrella Programme for Employment and Social Policy* (2013), <http://ec.europa.eu/social/BlobServlet?docId=11158&langId=en>.

Centrally managed Financial Instruments	Overall Objectives	Policy/Implementing DG in charge, Management Boards	Implementing Body in charge	Sub-instruments (where applicable)	Financial Products	Overall EU budget to FI for the 2014–2020 pp <sup>212</sup>	Current/constant prices	Expected Leverage <sup>213</sup>
<b>Erasmus+ Master Loan Guarantee Facility</b> <sup>251</sup>	<i>To increase access to finance in order to enable students, regardless of their social background, to pursue a master's degree in another Erasmus+ programme country, as a contribution to tackling skills gaps in Europe.</i>	DG EAC	EIF	--	Guarantees and counter-guarantees on eligible student loans	EUR 517 million <sup>252</sup>	-	5.8 <sup>253</sup>
<b>Creative Europe Guarantee Facility</b>	<i>To strengthen the financial capacity of SMEs and micro-, small- and medium-sized organisations in the cultural and creative sectors in a sustainable way.</i>	DG EAC	EIF	--	Guarantees	EUR 121 million <sup>254</sup>		5 <sup>255</sup>

Source: KPMG/Prognos (2017), based on publicly available data by the European Commission.

<sup>251</sup> Regulation (EU) No 1288/2013 (OJ L 347, 20.12.2013, pp. 50–73) establishing 'Erasmus+': the Union programme for education, training, youth and sport (the 'Legal Basis') was adopted 2013, thereby establishing the Erasmus+ Master Loan Guarantee Facility.

<sup>252</sup> European Commission, Report from the Commission to the Parliament and the Council on financial instruments supported by the general budget according to Art. 140.8 of the financial regulation as at 31 December 2015 (Brussels: 24.10.2016). SWD (2016) 335 final.

<sup>253</sup> Expected overall national amount of approximately EUR 3 billion, Source: EIF, Erasmus FAQ for financial intermediaries, [http://www.eif.org/what\\_we\\_do/guarantees/erasmus+master-loan-guarantee-facility/erasmus-faq-for-financial-intermediaries.pdf](http://www.eif.org/what_we_do/guarantees/erasmus+master-loan-guarantee-facility/erasmus-faq-for-financial-intermediaries.pdf), p.5.

<sup>254</sup> Ibid. This figure only refers to EU budget.

<sup>255</sup> Creative Europe's Cultural & Creative Sectors' Guarantee Facility, [www.access2finance.eu](http://www.access2finance.eu).

Table 22: Regulatory Changes Affecting FIs' Possible Coherence, Coordination and Complementarities<sup>256</sup>

Dimension	2007–2013	Changes brought about in 2014–2020	Effects on coherence, complementarity and coordination
Scope	Support for enterprises, urban development, energy efficiency and renewable energy in the building sector.	Support for all thematic objectives covered under a programme	The expansion of the use of FIs in all TOs targeted by ESI Funds is contributing to expanding the areas where ESI Funds FIs can seek complementarities with other funding sources (both centrally managed FIs and grants). Even though considered to lead also to further complexity or overlaps, this change provides more flexibility in looking for innovative ways to target financing needs in a wider range of economic sectors.
Set-up	Voluntary gap analysis for enterprises and at the level of the Holding Fund.	Compulsory ex ante assessment	<p>The obligation to conduct a compulsory ex ante assessment before setting up FIs at the national or regional level is a significant change from the previous provisions for a voluntary gap analysis. This provision has been welcomed by relevant stakeholders (see Key Finding 5), as its importance in identifying true market failures or sub-optimal investment situations and the correct way to address them is high. Relevant obligatory requirements for the ex ante assessment include an assessment of <i>'consistency with other forms of public intervention addressing the same market'</i><sup>257</sup>. As previously discussed, if ex ante assessments are of high quality, they are a key tool to ensuring coherence and complementarities on the ground.</p> <p>This added value of ex ante assessments in ensuring complementarities is further enhanced through relevant omnibus Regulation provisions that now foresee an increased area of 'cooperation' between ex ante assessments undertaken at the national/regional and EU level and vice versa (for EFSI contributions to centrally managed FIs and the SME Initiative).</p>
Implementation options	Financial instruments at national or regional levels – tailor-made only.	Financial instruments at the national and regional levels and at the transnational or the cross-border level: tailor-made, off-the-shelf or Managing Authority loans / guarantees. Contribution to EU	The increased options for implementing FIs foreseen in the new regulatory framework are a key factor to promoting complementarities on the ground, primarily among ESI Funds FIs and centrally managed FIs. Managing Authorities have a wide range of implementation options including the option of contributing funds to EU level instruments. This change in the 2014–2020 programming period sets the basis for a more co-ordinated use of FIs. Although challenges remain (e.g.

<sup>256</sup> Please note that only changes relevant to the 3Cs are presented here.

<sup>257</sup> Regulation (EU) 1303/2013, Article 37(2)(b) (OJ L 347, 20.12.2013, pp. 320–469).

Dimension	2007–2013	Changes brought about in 2014–2020	Effects on coherence, complementarity and coordination
		level instruments.	for a two-way streaming of funds, legal uncertainties, as previously presented in Sections 3 and 4), achieving synergies on the ground between ESI Funds FIs and centrally managed FIs would not otherwise be possible.
Management costs and fees, interest, resources returned, legacy	Legal basis set out in successive amendments of the regulations and recommendations/interpretations set out in three COCOF notes.	Full provisions established from the outset in regulations, delegated and implementing acts.	<p>The issue of management costs and fees was not discussed with stakeholders as a factor affecting the 3Cs on the ground, although some comments regarding its complexity<sup>258</sup> were recorded.</p> <p>Provisions for returned resources and legacy funds, however, set the tone for synergies and complementarities of financial instruments throughout the programming periods. This has been supported by interviews<sup>259</sup> and practical examples presented earlier (i.e. the Baltic Innovation Fund) that show that the revolving character of FIs and provisions to continuously benefit from it are key to promoting complementarities and synergies on the ground.</p>
Reporting	Compulsory reporting only from 2011 onwards, on a limited range of indicators.	Compulsory reporting from the outset, on a range of indicators similar to those under the Financial Regulation.	Regulatory changes in reporting related to FIs in the 2014–2020 programming period that is considered by stakeholders not to support a complementary use of FIs on the ground, as it is viewed as complex and burdensome. Consistent reporting is, of course, necessary for monitoring and evaluating the progress of these instruments. In cases these are, however, combined, reporting requirements for all stakeholders build up (as further presented in Key Finding 5). Stakeholders also argued that reporting should be less demanding for money that is expected to be revolved than for grants.

Source: KPMG/Prognos (2016).

<sup>258</sup> Interview with MA EMFF in Netherlands.

<sup>259</sup> Interview with MA ERDF Operational Programme in Greece.

## HOW TO OBTAIN EU PUBLICATIONS

### Free publications:

- one copy:  
via EU Bookshop (<http://bookshop.europa.eu>);
- more than one copy or posters/maps:  
from the European Union's representations ([http://ec.europa.eu/represent\\_en.htm](http://ec.europa.eu/represent_en.htm));  
from the delegations in non-EU countries  
([http://eeas.europa.eu/delegations/index\\_en.htm](http://eeas.europa.eu/delegations/index_en.htm));  
by contacting the Europe Direct service ([http://europa.eu/europedirect/index\\_en.htm](http://europa.eu/europedirect/index_en.htm))  
or calling 00 800 6 7 8 9 10 11 (freephone number from anywhere in the EU) (\*).

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

### Priced publications:

- via EU Bookshop (<http://bookshop.europa.eu>).

### Priced subscriptions:

- via one of the sales agents of the Publications Office of the European Union  
([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

