

## HEADING 1B: Economic, social and territorial cohesion

### Cohesion Fund (CF)

Lead DG: REGIO

#### I. Overview

##### *What the programme is about?*

The CF aims to strengthen economic and social cohesion in the European Union by reducing disparities between its regions and supporting the full integration of less developed regions within the EU's internal market.

##### *EU added value of the programme*

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

- **Aligning investment to EU priorities.** Once EU priorities are agreed by all Member States, Cohesion Policy can ensure that resources are aligned with and concentrated on such priorities and are not spread across too many issues having only local or regional importance. As a result of this approach, EU priorities are given preference across the investment fields covered by Cohesion Policy, often influencing national investment policies thus resulting in a coordinated EU-wide action, key to tackling global challenges. This is done inter alia through support to research and innovation, the competitiveness of SMEs, the digital agenda, the shift towards a low-carbon economy and climate change, as well as new challenges such as migration. The policy also takes into account the priorities of other sectoral EU policies such as the TEN-T priorities and the European Energy Union where the completion of strategic EU infrastructure is essential for removing missing links and bottlenecks for the better functioning of the single market.
- **Contributing to economic governance:** having in place specific provisions designed to establish a close relationship between the ESIF and sound economic governance, Cohesion Policy incentivises (through in-built mechanisms to improve fiscal and macroeconomic governance, such as ex ante or macroeconomic conditionalities) and provides concrete support for structural reforms through its link (i.e. via programming or re-programming) to Country Specific Recommendations (CSRs) established in the framework of the European Semester. Moreover, empirical evidence suggests that the ex-ante conditionalities introduced in the current programming period have played so far a significant role in improving application of EU legislation in Member States, as well as in fostering structural reforms. All these have played an important role for improving the overall investment climate in the Member States having a positive broader spill-over effect on investments beyond Cohesion policy.
- Cohesion Policy has consistently shown a **continuous drive to improve its result-orientation** across successive programming periods. In 2014-2020 the orientation towards results and impacts of the policy has been further strengthened owing notably to the reinforced intervention logic underpinning investments, improvements in the indicator system and in reporting requirements. This period also saw the introduction of a performance framework linked to a 6 % performance reserve designed to incentivise quality implementation.
- **Multiannual programming provides stability, certainty and sustainability** to investment plans in MSs, reducing their vulnerability across economic and political cycles and improving prospects for implementation on the ground. The multiannual nature of Cohesion Policy enhances managerial and institutional capacity, inducing – through its delivery system and the support mechanisms provided by the Commission – institutional and administrative change, promoting long-term planning, mobilising a wide range of partners, diffusing a culture of evaluation and monitoring of public policies, and reinforcing control and audit capacities. This strengthened administrative capacity also positively influences the management of domestic policies and improves in general governance in Member States.
- **Concentration of resources on the less developed and transitional regions:** Cohesion Policy supports key investments which would not otherwise take place in poorer regions. This enhances the potential for jobs and growth and contributes to a more harmonious development of the Union as a whole. The Cohesion policy supports the development of the Single Market, while also producing spill-over effects from less developed regions to the rest of Europe, notably via increased connectivity and trade flows (the average net positive impact of 2007-2013 programmes for non-cohesion countries is estimated at 0.4 % of GDP by 2023).
- **Effective pooling of resources from different sources:** Cohesion Policy has demonstrated a capacity to foster the pooling and leveraging of finances from different EU and national sources and provides a clear added value compared

to purely national resources. This is done through its investment framework that facilitates the combination of Cohesion Policy and the European Fund for Strategic Investments (EFSI), an enhanced use of financial instruments, as well as effective complementarities with other EU funding instruments.

### **Implementation mode**

The CF is delivered through shared management in regional and national programmes. Under the shared management mode, the co-legislators fix the legal framework and the overall funding and determine the allocations by Member States and category of region. The Commission adopts the programmes. As regards implementation, the Commission cooperates with Member States' administrations (at national, regional and local level), which are in charge of the operational implementation.

## **II. Programme Implementation Update**

### **Implementation Status (2017-2019)**

The assessment of the performance of the 2014-2020 ERDF programmes is based on progress made in terms of both financial implementation and indicator achievements. The **tracking of financial implementation** relies on data on project selection rates and EU payment rates. Project selection rates have increased significantly since end 2018 reaching 102 % at end 2019 for a total amount of 15,850 concrete projects. This corresponds to EUR 76.6 billion at the end of 2019 already allocated to specific projects supporting the EU 2020 objectives for jobs and growth as against EUR 65.1 billion by end-2018 (87 % of total). The end-2019 data shows rather homogeneous progress across most of the Member States, with the exception of two Member States where the budget of the selected projects exceeds the 2014-2020 allocation. The past three years of implementation have been fundamental in putting the programmes well on track to deliver sustainable social and economic benefits.

As for payments, in the first half of the 2014-2023 spending period the EU payments tend to be low in line with the previous programming periods. This is mainly due to the nature of Cohesion policy investments which have long start-up phase (planning, programming, authorisations) without significant financial execution. This is particularly relevant for the CF with large scale infrastructure investments that have a long life cycle. In addition the regulatory provisions of the 2014-2020 period (e.g. N+3 rule, the level of pre-financing) have provided limited incentives to a fast start of implementation in Member States. The CF financial execution rate (pre-financing and interim payments minus recoveries) stands at 39.1 % at end 2019.

In terms of **tracking performance**, indicator targets are set in CF programming documents and forecasts for indicators from selected operations and implemented values are reported on an annual basis. It is worth noting that there is always a time lag for investment policies between selection of operations and implementation on the ground. Past evidence, shows that the bulk of tangible achievements traditionally take place only in the second half of the programming cycle. Many of the operations funded by CF, such as infrastructural investments, have a long implementation cycle. The nature of those investments explains the time gap between the start of operations and the reporting of achievements.

### **Key achievements**

The Commission has agreed with Member States on the end-of-period (2023) achievements targets for ERDF/CF. This included common indicators and programme specific indicators. Along these lines, the Commission receives annual monitoring data on indicator achievements. The legislation did not require the setting of annual targets or milestones (except for 2018 milestones for a subset of the indicators). Indicator forecasts from the selection of projects provide important information on the project pipeline over the period and can be compared to the indicator targets. The data from the fourth annual reporting exercise with the most recent data from the end of 2018 (transmitted by the Member States to the Commission at the end of June 2019) are presented in the performance tables below. (NB: Depending on the demand for different types of support and changing economic conditions the 2023 targets may be revised when justified by the Member States.)

The achievements up to end-2018 vary considerably across and within Member States, in line with the different rates of progress in implementation of the underlying operational programmes. In aggregate terms the actions financed have already delivered:

- Estimated annual decrease of greenhouse gas emissions of 140 thousand tonnes of CO<sub>2</sub>eq, which is a sharp increase from 6 995 tonnes of CO<sub>2</sub>eq at end 2017;
- Improved energy consumption classification for 10 thousand households (against 5 490 households at end-2017);
- Additional population of over 700 thousand served by improved water supply which is a sharp increase from 175 378 households at end-2017;
- Additional population of over 300 thousand served by improved waste water treatment, which is a sharp increase from 54 332 at end-2017;
- Increase of waste recycling capacity of over 700 thousand tonnes/year, which is a sharp increase compared to 47 245 tonnes/year at end-2017;
- 681 km of new TEN-T roads and 501 km of reconstructed or upgraded roads (against 336 km and 406 km respectively at end-2017);
- 526 km of reconstructed or upgraded TEN-T railway line (against 281 km at end-2017).

**Evaluation/ Studies conducted**

In line with the regulatory requirements, all the operational programmes were required to submit to their monitoring committees an evaluation plan within one year from adoption. According to the plans, the programmes were expected to carry out around 1500 evaluations for ERDF/CF over the period. Some of the latest updates of the plans have refined the number of the evaluations planned and their timeline, without affecting the thematic coverage.

To date, more than 700 evaluations have been completed by Member States. This includes also evaluations referring to the period 2007-2013. The preliminary findings on the impacts of interventions funded under 2014-2020 programmes, drawn on the basis of the most reliable evaluations carried out by Member States, point to positive results and offer recommendations to develop the interventions in order to consolidate and extend their benefits.

Within the framework of its own evaluation activities, the Commission completed its second ex-post evaluation of major projects supported by ERDF/CF between 2000 and 2013 analysing the long-term contribution of large-scale investment projects on economic and environmental development, quality of life and the well-being of citizens. The first part of the evaluation, focused on transport, was finalised in June 2018. The second part focused on environment and was finalised in September 2019. The Staff Working Documents based on the findings of the studies were published in February 2020 <sup>(1)</sup>. Both evaluations footnote reference have confirmed the importance of EU support to major projects in achieving EU objectives. By supporting large-scale transport projects, cohesion policy has in fact made a significant contribution to improving connectivity at EU and national level and encouraged the development of sustainable transport. Large-scale environmental infrastructure projects have made a major contribution to compliance with the acquis and broader EU sustainable development strategies. In most cases, the objectives would not have been achieved – or their achievement would have been delayed – in the absence of a critical proportion of EU funding. For both types of project, assistance provided by the EU institutions contributed to the development of administrative capacity and institutional learning.

Further to that, the Commission is proceeding with the mid-term review of JASPERS. Launched in 2018, the evaluation covers the implementation and performance of JASPERS activities for the programming period 2014-2020, covering a reference period up to end 2018. The evaluation will support the ongoing discussions on the role of JASPERS for the future programming period and it is expected to be finalised in the third quarter of 2020.

The study of the Urban Innovative Actions (UIA) is also ongoing, with the purpose to assess whether the UIA is achieving its goals and to analyse how far the instrument can be improved and simplified in the perspective of its renewal as a component of the European Urban Initiative of the post-2020 proposed ERDF/CF Regulation. The final report is expected in the fourth quarter of 2020.

In the second half of 2019, the Commission also launched an ex post evaluation of investment projects in research and technological development (RTD) infrastructures, competence centres and activities financed by the ERDF in 2007-2013. This evaluation aims to investigate the impact of investments which, due to their scope and nature, take longer to implement and even longer to yield results and therefore is planned for some years after the actions have been completed. It will analyse the factors that contributed to the actions' success or failure and the mechanisms of change under different socioeconomic conditions.

Using the same approach, in the course of 2020 the Commission will start an ex post evaluation on the information and communication technologies (ICT) investments supported by the ERDF in 2007-2013. In 2020, the Commission will also launch an evaluation of e-Cohesion, the electronic data exchange system to facilitate the exchange of documents and data between the beneficiaries of ESI Funds and the relevant authorities.

**Forthcoming implementation**

As the main EU investment instrument for supporting the delivery of Commission priorities, Cohesion Policy has become a key part of Europe's economic governance and an increasingly important means of addressing climate change adaptation and mitigation. CF interventions are focusing and will continue to focus on reducing the economic and social shortfall of Member States with a GNI per inhabitant of less than 90 % of the EU average. This is being done by financing investments in environment (climate change adaptation and risk prevention, water and waste sectors, biodiversity including through green infrastructures, urban environment and low carbon economy) and transport (Trans-European Transport Networks, low-carbon transport systems and urban transport). These investments will continue to make a key contribution to European priorities.

The current policy focus and its adaptable framework are allowing the ERDF to make a major contribution to new and emerging challenges. Most funding areas already support UN Sustainable Development Goals (SDGs), climate adaptation and risk prevention actions, and this focus can be boosted within the operational programmes as needed.

Based on past experience, the Commission expects that implementation rates for investment expenditure and the delivery of outputs and results will continue to increase in 2020. The approaching end of the eligibility period (31 December 2023) will incentivise better spending in terms of achieving programme objectives.

<sup>(1)</sup> [SWD\(2020\) 41 final](#) and [SWD\(2020\) 43 final](#)

**Outlook for the 2021-2027 period**

On 2 May 2018, the Commission adopted a proposal for the next multi-annual financial framework for the period 2021-2027 (COM(2018)322 final, 2.5.2018). This includes the European Regional Development Fund ('ERDF') and the Cohesion Fund.

This ambition was further developed with the adoption on 29 May 2018 of the legislative architecture for cohesion policy, notably comprising:

- Common Regulation for 7 shared management funds (COM(2018)375 final – 2018/0196 (COD)): European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund (CF), the European Maritime and Fisheries Fund (EMFF), The Asylum and Migration Fund (AMIF), the Internal Security Fund (ISF) and the Border Management and Visa Instrument (BMVI).

Specific regulation for the ERDF and Cohesion Fund (COM/2018/372 final – 2018/0197 (COD))

Legislative negotiations on the rules governing the 2021-2027 programming period are on-going. The co-legislators achieved a provisional common understanding in December 2019 on the three biggest blocks (programming, management and control, enabling conditions and performance). In early 2020 technical negotiations continued and the co-legislators' aim is to conclude all issues by end June 2020. This would not include the MFF-related provisions as well as the Just Transition Fund proposal where inter-institutional negotiations are likely to start only after the summer. The biggest question for the overall conclusion of the legislative package remains when agreement can be reached on the MFF as a whole. A late MFF-agreement between the Parliament and the Council and the time needed to transpose the related issues in the legislative texts may risk a late finalisation of the legislative package.

**Progress in preparation of the post-2020 programming period**

Taking into account that programming negotiations take two years on average, the Commission launched the preparations for the 2021-2027 programming more than half a year earlier than for the 2014-2020 period. The 2019 European Semester provided dedicated investment guidance on the programming of cohesion policy funds in an Annex D of the country reports. Further to that, investment Country Specific Recommendations were proposed by the Commission in the 2019 Spring Semester package and later adopted by the Council.

In the spring 2019, the launch events marking the start of the informal dialogue on the new programming period took place in all Member States. Member States were asked to send roadmaps by the end of June 2019. Based on the information provided in the roadmaps, the majority of Member States expect to submit their draft documents in the first half of 2020 and the official submission should follow in the second half of the year.

The aim for the Commission is to have constructive informal dialogue with the Member States until the new legislation is adopted in order to be able to approve as many programmes as possible as soon as the regulations come in force and start the implementation immediately.

**III. Programme key facts and performance framework**

**1. Financial programming**

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006	2014 – 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	2018	2019	2020	Total Programme
<b>Total</b>	<b>7 092,4(*)</b>	<b>11 390,2</b>	<b>11 108,6</b>	<b>10 649,1</b>	<b>11 049,0</b>	<b>11 454,1</b>	<b>11 845,2</b>	<b>74 588,6</b>
<i>Of which contribution to the Connecting Europe Facility (CEF)</i>	<i>983,0</i>	<i>1 217,0</i>	<i>2 376,5</i>	<i>1 593,3</i>	<i>1 655,1</i>	<i>1 700,4</i>	<i>1 780,6</i>	<i>11 305,9</i>

(\*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

**2. Implementation rates**

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	9 753,622	99,98 %	7 754,677	100,00 %	10 064,646	99,99 %	8 300,000	24,71 %

Authorised appropriations (*)	11 528,847	99,99 %	9 434,146	89,31 %	10 231,451	99,12 %	9 473,518	32,29 %
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(\*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

### 3. Performance information

#### Programme performance

The 2014-2020 Cohesion Fund and Cohesion policy programmes continue to contribute to at least five of the priorities of the Juncker Commission through investments in key policy areas and in line with the Investment Plan for Europe. The programming was aligned to contribute to the EU's effort to overcome the structural weaknesses in its economies, improve competitiveness and productivity and underpin a sustainable social market economy as identified through the European Semester country specific recommendations.

The focus of the 2014-2020 programmes on the intervention logic and on the wider use of fund specific common indicators has led to more robust and coherent performance reporting on the investment actions and outputs. The programme reports submitted in mid-2019, in most cases, present a rich source of information on performance, in terms of common indicators. Generally, the reported values show a plausible relationship between the indicator targets and values from selected projects. The end 2019 financial data provides the most recent insights on investment progress.

The more extensive use of EU common indicators for 2014-2020 has significantly improved the information available on performance. That said, target setting during the 2014-2020 negotiations for 2023 was challenging, not least because of the economic conditions following the 2008-2012 economic crisis and the introduction of new common indicators. As regards the milestone figures included in the following tables, it should also be noted that they are purely indicative estimates that should not be used to identify cases of underperformance. 2018-milestone-values are not applicable for certain indicators as milestone values had to establish only for a subset of the indicators in the operational programmes. If at the EU aggregate level the subset for a certain indicator represents a small share of the total, the milestone value is not representative to illustrate performance objectives.

When interpreting performance in relation to the targets over time the multi annual character of interventions (especially in cases of infrastructure interventions) and long programme cycle need to be factored in. Actual achievements may not be visible in early years while the experience from 2007-2013 is that many infrastructures are delivered only at the end of the period. The implementation of the 2014-2020 programming period lasts until 2023 (n+3 rule), therefore the 2018 achievement values refer to the situation at the 5th year of a 10 years long implementation cycle.

The common indicators cover an estimated 50-60 % of the actions funded and they give a partial picture on the performance (programmes use over 8 000 specific indicators beyond the 46 common indicators, which cannot be aggregated at EU level due to their specific nature). Target values for common indicators can change (the EU legislation allows for programme amendments during the implementation period) and are mainly driven by changes in national or regional development needs, changing economic conditions, variability in demand for different supports and the reallocation of funding within and across theme.

At EU level, the following overall performance trends are evident from the monitoring data of Cohesion Fund operational programmes:

- Overall project selection rates are above 100 % of planned investment ahead of the 2007-2013 period. Spending by projects and EU interim payments at around 39 % are around the same point in the last period.
- By specific objective, project spending is well advanced in sustainable transport and low carbon economy. On the other hand, the average spending rates for environmental and Climate change and risk prevention investments are lagging.
- The 15 beneficiary countries all show high selection rate (above 85 %). That said, there is some diversity with spending progress reported with HR, BG, EL and RO below average, while LT and EE are well above.
- The performance data below reflects the mid 2019 reporting on common indicators. Overall, positive trends are registered for many indicators, with the pace of reported achievements gaining momentum across many investment areas.
- Some indicators with more important gaps between the decided and implemented values reflect the well know time lag between project investment decisions and results. In a number of cases, the high level of project selection is expected to translate into achieved outputs only late in the period.
- The 2019 reporting exercise also suggest that many of the 2023 targets could be exceeded for certain transport and environmental indicators (the programmes set target in 2014-2015 in the context of exiting the economic crisis and tight public budgets). A wave of programme modification in 2020 is expected to see a general rise in many of the target values, which will then provide a more accurate picture of expected achievements.
- For some other common indicators (i.e. those measuring population benefiting from risk prevention) the national and regional programmes report challenges in aggregating the values from multiple projects to accurately estimate the net benefiting population.

Through the Member States’ annual reporting and the Commission’s checks on the consistency and plausibility of the values reported a clearer picture of performance will develop as we approach the closure phase. Deviations from targets are being closely scrutinised and followed-up in cooperation with the Member States affected by implementation difficulties.

All reported data are available online through the ESIF Open data platform based on indicators reported by the Member States. This platform offers great transparency and encourages ‘peer pressure’ in reporting timely and reliable data. Beyond transparency, it promotes excellence and communication and provides a comparison tool enabling analysis and research. It is regularly updated and expanded to include new features designed to improve its user-friendliness and extend the type of information provided <sup>(2)</sup>.

The Cohesion policy programmes were subject to a performance review in the course of 2019. The review consisted of checking what the programmes delivered until the end of 2018 against the performance milestones set for 2018 that were agreed at the beginning of the programming period. The performance review showed that 86 % of the Cohesion Fund operational programmes’ priorities have achieved their mid-term milestones, suggesting that these programmes are on track to deliver their commitments by the end of the programming period. The performance reserve, amounting to 6 % of the Cohesion Fund allocation set-aside at programming, was definitively allocated to the priorities that met their performance milestones (EUR 3.6 billion Cohesion Fund contribution). The performance reserve from non-performing priorities (EUR 190 million Cohesion Fund contribution) is reallocated to performing priorities in order to optimise investments.

As required by Article 175 of the Treaty on the Functioning of the European Union, the Eight Cohesion report, will be presented in 2021 and review how cohesion has evolved in the EU over the recent past and assesses the impact on this of national policies, cohesion policy and other EU policies.

As the 2014-2020 programme period moves towards its closure phase (end-2023) the Commission will accelerate preparations to conduct the ex post evaluation. Those preparation will start later in 2020. It is during the evaluation phase that the wider impacts and achievements of programming can be assessed.

**General objectives**

**General Objective 1:** To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy

Indicator 1: 1.1 Greenhouse gas emissions								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2016	Milestones foreseen							2020
77.60							74.00	74.00
	Actual results							
	77.52	78.11	77.81	78.34	76.81			

Methodology: Index 1990 = 100

Indicator 2: 1.2 Share of renewables in gross final energy consumption								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2020
16.7 %							20.00 %	20.00 %
	Actual results							
	16.22 %	16.73 %	17.00 %	17.48 %	17.98 %			

Indicator 3: 1.3 Energy intensity of the economy								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2020
Primary energy							1 483.0	1 483.0

<sup>(2)</sup> ESIF Open data platform <https://cohesiondata.ec.europa.eu/>

consumption: 529.6	Actual results							
	1 512.4	1 537.6	1 544.9	1 562.4	1 551.9			
2015	Milestones foreseen							2020
Final energy consumption: 1 082.2								1 086.0
	Actual results							1 086.0
	1 067.6	1 090.1	1 110.0	1 122.9	1 124.1			

Unit of measure: Million tonnes of oil equivalent (TOE)

*Specific objectives*

**Specific Objective 1: Supporting the shift towards a low carbon economy in all sectors**

*Performance*

**Environmental and climate protection – Specific objective 1 to 3**

As reflected through the 12 indicators (objective 1 to 3), performance in the field of environmental and climate protection will have to be improved throughout the coming years. The average achievement rate below stands at 13,8 %. Despite the challenges programming authorities are facing in these areas CF plays a crucial role in contributing to Europe’s efforts in the area of environmental and climate protection. Positive is the 12-percentage point increase of the average achievement rate between 2017 and 2018, which provides evidence that the slow uptake in previous years is turning into a period of steep increase. Another positive aspect is reflected in the concrete achievements related to renewable energy production (8 percentage point increase of the achievement rate between 2017 and 2018), the Number of households with improved energy consumption classification (12 percentage point increase of the achievement rate), or in the fields of flood and fire protection (25 percentage point increase of average achievement rate). Underperformance can be partially explain by the complex nature of related infrastructure projects. All these points indicate that progress is speeding up and will bring further acceleration until 2023.

Indicator 1: 1.1 Additional capacity of renewable energy production								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0								1 236
	Actual results							
				3	110			

Unit of measure: MW

Indicator 2: 1.2 Number of households with improved energy consumption classification								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0								79 300
	Actual results							
		42	833	5 490	9 938			

Unit of measure: Households

Indicator 3: 1.3 Decrease of annual primary energy consumption of public buildings								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0								1 848 420 843
	Actual results							

				134 461	295 986 122			
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Unit of measure: KWh/year

Indicator 4: 1.4 Number of additional energy users connected to smart grids								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0	Actual results							1 034 000
					78 571			

Unit of measure: Users

Indicator 5: 1.5 Estimated annual decrease of GHG								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0	Actual results							2 819 043
			0	6 995	142 035			

Unit of measure: Tonnes of CO2eq

**Expenditure related outputs**

Outputs	Budget line	Budget 2020	
		Number	EUR million
Project selection rate (%)	13 04 60		
Number of projects selected			
Spending			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			20 %	73 %	90 %		
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			680	2 708	3 838		
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			79 736 394.13	505 322 462.21	1 685 135 999.10		

\* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

**Specific Objective 2: Promoting climate change adaptation, risk prevention and management**

Indicator 1: 2.1 Population benefiting from flood protection measures								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0	Actual results							6 055 523
				165 717	343 687			

Unit of measure: Persons



Indicator 2: 2.2 Population benefiting from forest fire protection measures								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0					2 398 500			8 330 000
	Actual results							
				462 660	4 412 022			

Unit of measure: Persons

**Expenditure related outputs**

Outputs	Budget line	Budget 2020	
		Number	EUR million
Project selection rate (%)	13 04 60		
Number of projects selected			
Spending			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			38 %	60 %	94 %		
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			307	1 068	525		
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			53 728 235.92	269 893 744.94	450 255 802,83		

\* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

**Specific Objective 3: Preserving and protecting the environment and promoting resource efficiency**

Indicator 1: 3.1 Additional waste recycling capacity								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0					1 150 087			2 855 466
	Actual results							
			2 187	47 245	714 936			

Unit of measure: Tonnes/year

Indicator 2: 3.2 Additional population served by improved water supply								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0					772 698			8 184 242
	Actual results							
			162 704	175 378	728 835			

Unit of measure: Persons

Indicator 3: 3.3 Additional population served by improved wastewater treatment								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0					138 333			9 361 152
	Actual results							
			8 399	54 332	322 241			

Unit of measure: Population equivalent

Indicator 4: 3.4 Total surface area of rehabilitated land								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0								377
	Actual results							
					16			

Unit of measure: Hectares

Indicator 5: 3.5 Surface area of habitats supported to attain a better conservation status								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
0								351 257
	Actual results							
		290	607	834	56 550			

**Expenditure related outputs**

Outputs	Budget line	Budget 2020	
		Number	EUR million
Project selection rate (%)	13 04 60		
Number of projects selected			
Spending 1 348 925 010.20			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			24 %	59 %	76 %		
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			1 003	3 808	3 414		
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			360 362 815.74	1 348 925 010.20	2 356 873 125,08		

\* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

**Specific Objective 4: Promoting sustainable transport and removing bottlenecks in key network infrastructures**

**Performance**

Investments in sustainable transport are supported with the objective of developing a seamless, door-to-door European transport system. This is crucial for achieving a higher degree of territorial cohesion and sustainable economic development. Cohesion policy is the largest EU financing source for modernising the European transport system and adapting it to new challenges. Four out of six indicators in this field show important improvements (all well above 20 % achievement rate, average 45 %). Only in the area of

improved waterways and new railways no results have been reported so far, which could inter alia be explained by the complexity of such projects. With an improvement for most of the indicators, this objective remains on track to satisfy or even overachieve 2023 targets.

<b>Indicator 1: 4.1 Total length of new railway line</b>								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
Total: 0	Actual results							21
				0				
2014	Milestones foreseen							2023
TEN-T: 0	Actual results							21

Availability of Data: Milestone figures concerning indicators 1 and 6 associated with specific objective 4 are not provided for in the relevant performance framework.

Unit of measure: km

<b>Indicator 2: 4.2 Total length of reconstructed or upgraded railway line</b>								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
Total: 0	Actual results							2 342
			92	281	526			
2014	Milestones foreseen							2023
TEN-T: 0	Actual results							2 342
			92	281	526			

Unit of measure: km

<b>Indicator 3: 4.3 Total length of newly built roads</b>								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
Total: 0	Actual results							1 644
			41	336	681			
2014	Milestones foreseen							2023
TEN-T: 0	Actual results							1 644
			41	336	681			

Unit of measure: km

<b>Indicator 4: 4.4 Total length of reconstructed or upgraded roads</b>								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen							2023
Total: 0	Actual results							611
		24	274	406	501			

2014	Milestones foreseen						2023
TEN-T: 0							611
	Actual results						
		24	274	406	501		

Unit of measure: km

Indicator 5: 4.5 Total length of new or improved tram and metro lines								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen						2023	
0					52			189
	Actual results							
				6	53			

Unit of measure: km

Indicator 6: 4.6 Total length of improved or created inland waterways								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2014	Milestones foreseen						2023	
0								327
	Actual results							
		0		0				

Comment: These investments did not generate any output until the end of 2017.

Availability of Data: Milestone figures concerning indicators 1 and 6 associated with specific objective 4 are not provided for in the relevant performance framework.

Unit of measure: km

**Expenditure related outputs**

Outputs	Budget line	Budget 2020	
		Number	EUR million
Project selection rate (%)	13 04 60		
Number of projects selected			
Spending			

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Project selection rate (%)	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			25 %	65 %	92 %		
Number of projects selected	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			247	485	671		
Spending	F	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	P			2 996 098 909.83	6 984 868 830.99	12 790 288 996.25		

\* No values for yearly outputs are defined for the 2014-2020 programmes, as these only include expected final outputs (captured by the indicators associated with the specific objective above) to be delivered by 2023.

**4. Contribution to Europe 2020 Strategy and mainstreaming of policies**

*Contribution to Europe 2020 headline targets*

*Table Contribution to Europe 2020 headline targets*

75 % of the population aged 20-64 should be employed
The '20/20/20' climate/energy targets should be met (including an increase to 30 % of emissions reduction if the conditions are right)

**Contribution to mainstreaming of climate action**

**Relevant objective/output**

Relevant objective/output	Budget 2019	Budget 2020
II Infrastructure providing basic services and related investment: Energy infrastructure	628,1	628,0
II Infrastructure providing basic services and related investment: Environmental infrastructure	146,5	146,4
II Infrastructure providing basic services and related investment: Transport infrastructure	955,1	955,0
II Infrastructure providing basic services and related investment: Sustainable transport	355,6	355,6
IV Development of endogenous potential: Business development	29,1	29,1
IV Development of endogenous potential: Environment	581,0	581,0
<b>Total</b>	<b>2 695,4</b>	<b>2 695,1</b>

**Programming climate action**

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
2 182,5	3 007,0	2 421,3	2 503,0	2 592,7	2 695,4	2 695,1	18 097,0

(\*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

**Justification**

The methodology used for estimating CF contribution to mainstreaming of climate action in 2019 (update) and 2020 remains stable and coherent with last year’s programme statement. The only changes concern a new tracking methodology, which now aligns to the system of categories of intervention reported directly by the Member States. This ensures a direct tracking of the investments as done on Member State level, rather than using synthetic categories as in previous Programme Statements. This adjustment of the methodology is more accurate and avoids i.a. problems of double counting. It partially explains slight changes in the sums compared to previous years. Nevertheless, the main changes stem from budgetary adjustments on Member State level.

As explained in previous programme statement, an accurate estimation of the contribution of CF to the mainstreaming of climate action can be done globally, through the Member States’ funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget to be made available in 2020 (26,78 %). This tracking methodology covers climate and biodiversity objectives, in line with regulatory requirements. This percentage is applied to the relevant CF budget line (13 04 60).

**Contribution to financing biodiversity**

**Relevant objective/output**

Relevant objective/output	Budget 2019	Budget 2020
II Infrastructure providing basic services and related investment: Environmental infrastructure	463,8	500,5
IV Development of endogenous potential: Environment	273,5	295,1
<b>Total</b>	<b>737,3</b>	<b>795,6</b>

**Programming biodiversity**

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
603,1	831,0	662,3	684,2	713,9	737,3	795,6	5 027,4

(\*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

**Justification**

The methodology used for estimating CF contribution to financing biodiversity in 2020 (update) and 2021 remains stable and coherent with last year programme statement. The only changes concern a new tracking methodology, which now aligns to the system of categories of intervention reported directly by the Member States. This ensures a direct tracking of the investments as done on Member State level, rather than using synthetic categories as in previous Programme Statements. This adjustment of the methodology is more accurate and avoids i.a. problems of double counting. It partially explains slight changes in the sums compared to previous years. Nevertheless, the main changes stem from budgetary adjustments on Member State level.

As explained in previous programme statement, an accurate estimation of the contribution of CF to financing biodiversity can be done globally, through the Member States’ funding priorities as reflected by the categories of intervention, and expressed as a percentage of the budget to be made available in 2020 (7,9 %). This tracking methodology covers climate and biodiversity objectives, in line with regulatory requirements. This percentage is applied to the relevant CF budget line (13 04 60).

**Contribution to financing clean air**

Fund	Financing plan			Allocated to projects			Spent by projects		
	2014-2020 amount	of which amount targeting clean air		Total allocated to projects	of which amount targeting clean air		Total spent by projects	of which amount targeting clean air	
	€ billion	€ billion	%	€ billion	€ billion	%	€ billion	€ billion	%
<b>CF</b>	63.3	10.9	17.2%	65.2	11.3	17.4%	24.7	3.9	15.6%
<b>ERDF</b>	200.0	20.5	10.2%	182.2	16.3	9.0%	70.6	6.0	8.6%
<b>Total</b>	264.2	31.3	11.9%	247.4	27.6	11.2%	95.3	9.9	10.4%

CF investments contribute to improving air quality, for instance through reconstruction of building heating systems or clean urban transport infrastructure. The CF contribution to air quality measures is tracked through the categories of interventions and in line with the common methodology established via the NEC Directive <sup>(3)</sup>. 17.1 % of the planned Cohesion fund allocation for the 2014-2020 period (9.6% for ERDF) contribute to improved air quality. REGIO tracks the cumulative amounts allocated since the start of the programming period.

### Gender mainstreaming

For the 2014-2020 programming period the European Commission introduced a condition (ex-ante conditionality) requiring the existence of administrative capacity for the implementation and application of the EU's gender equality law and policy when implementing the ESIF programmes. In particular, the programmes co-financed by ESI Funds must include information on how equality between men and women is taken into account and promoted throughout the preparation and implementation of programmes.

Following the 2014-2020 regulatory framework, the scope of the CF support is based on infrastructure developments and not target groups.

The 2007-13 OP Infrastructure and Environment has contributed to implementation of the equal opportunities principle. This OP, which implemented mainly infrastructural projects, brought important changes in the area of preventing discrimination and eliminating physical barriers for people with various disabilities, elderly or caring for children or dependent persons. At the stage of project implementation, there was also a positive impact on strengthening the broadly understood principle of equal opportunities.

- Over 100 million EUR (incl. more than 70million EUR from the CF) has been devoted for projects related to the railway infrastructure – modernization and reconstruction of facilities in 55 railway stations. They will be adjusted to the needs of different persons, including with disabilities.
- App. 2 billion EUR has been allocated from the CF for supporting public transport. The implemented projects have a positive impact on the principle of non-discrimination and equal opportunities for women and men, including accessibility for people with disabilities – they include the purchase of modern bus and tram fleet, reconstruction of the bus infrastructure or interchanges.

## 5. Programme contribution to the Sustainable Development Goals

Cohesion Policy's overall mission to reduce economic, social, and environmental territorial disparities between the EU regions is largely in line with the principles underpinning the SDGs, which allows for an assessment of how the Policy contributes to them.

Over the long term, Cohesion Policy contributes to SDG10 on reduced inequalities. Its contribution to SDG10 cannot however be calculated based on monitoring data and can only be estimated via evaluations. On the basis of the monitoring data it is possible however assess how Cohesion Policy, through all its funds, contributes towards SDG thematic chapters, as explained below.

The Cohesion Fund contributes directly to 8 SDGs. The overall mission of the Funds is to reduce economic, social, and environmental territorial disparities, therefore targeting SDG10 on reduced inequalities on medium to long term. The distribution of investments across SDGs is illustrated in the table below. Of these, 85 % of investments are planned for objectives under the goals

<sup>(3)</sup> <https://www.eea.europa.eu/themes/air/air-pollution-sources-1/national-emission-ceilings/nec-directive-reporting-status-2019>

of industry, innovation and infrastructure (SDG9), clean water and sanitation (SDG6) and responsible production and consumption in the circular economy (SDG12).

As regards implementation by December 2019 the data for projects selection indicates significant progress, with selection rates above 50 % of the planned allocation for almost all SDG, and above 100 % for SDG6, SDG9, SDG13 and SDG11.

Example SGD 9 and 13

The EU is investing into sustainable transport, thus contributing to the modal shift from road to rail and improving the environment. The project consists of a 7,5 km reconstructed and upgraded track section between Rokycany and Pilsen and the construction of a new 4-km tunnel between Ejpovice and Pilsen-Doubravka which is the longest railway tunnel in Czechia. The implementation of the project has brought about the reduction of travel times by rail and increased the **competitiveness of rail transport** by facilitating modal shift from road transport; it also contributed to improvement of environment. Better noise and vibration protection, shifting traffic to the tunnel, reduction of level crossings and improved safety of access to platforms at stops and stations will all have a positive impact on living conditions of the concerned population. In addition, the project has increased the accessibility and attractiveness of Pilsen as a regional economic centre.

Example SDG 11 and 13:

An investment from the Cohesion Fund has developed **urban climate change adaptation plans** in 44 Polish cities, each having more than 100,000 inhabitants. The project analysed the vulnerability of cities to climate change impacts and helped them plan the needed adaptation measures tailored to their own situation. These include infrastructure, organisational measures, education and awareness. Cohesion policy in 2021-2027 will invest in the implementation of those measures.

Example SDG 12:

With the help of EU funds, Slovenia is reaching its recycling targets and the citizens of Ljubljana benefit from improved, more sustainable waste management. Since joining the EU, the Slovenian capital has boosted separate collection and recycling, and reduced the amount of waste sent to landfill by 59 %. It also invested in prevention and reuse of materials. Ljubljana now generates 41 % less waste per capita than the European average. Consequently, it was decided not to build two new incinerators as originally planned. One of the key elements of the integrated waste system is **the Ljubljana Regional Waste Management Centre**. This EU-funded project started as a facility for 17 municipalities. Later, 20 more municipalities joined, renouncing the need for an additional treatment plant.

Contribution of Cohesion Fund to SDGs

SDG	SDG Title	EU amount planned	% of total	Total amount planned	Eligible cost of selected operations	Selection rate
SDG6	Clean water and sanitation	11 317	18 %	13 352	14 845	111 %
SDG7	Affordable and clean energy	947	1 %	1 124	856	76 %
SDG8	Decent work and economic growth	50	0 %	59	18	31 %
SDG9	Industry, innovation, infrastructure	35 675	56 %	41 297	44 954	109 %
SDG11	Sustainable cities and communities	1 165	2 %	1 386	1 424	103 %
SDG12	Responsible consumption and production	6 789	11 %	8 253	7 256	88 %
SDG13	Climate action	3 158	5 %	3 715	3 917	105 %
SDG15	Life on land	1 931	3 %	2 300	1 630	71 %
No SDG assigned		2,248	4 %	2 645	2 042	77 %
<b>Total</b>		<b>63 280</b>	<b>100 %</b>	<b>74 130</b>	<b>76 941</b>	<b>104 %</b>

**6. Information about financial instrument(s) and trust fund(s) financed by the Programme**

5 Member States selected financial instruments co-financed from the Cohesion Fund (CF). The total eligible expenditure of the operations selected by the end of 2019 was EUR 254 million, out of which EUR 216 million stem from CF. The total amount invested in final recipients by the end of 2019 was EUR 32 million.

Loans account for 91 % of the financial instruments for which financial data was sent, guarantees constitute 7 %, while equity accounts for the remaining 2 % of all forms of financial instruments supported.

A majority (54 %) of selected financial instruments financed by CF concern preserving and protecting the environment and promoting resource efficiency. Support is also provided for the shift towards a low-carbon economy in all sectors (28 %) and in schemes with multiple thematic objectives (18 %).

**7. Programme related additional information**

**Programmes' implementation 2014-2020 (Common Strategic Framework)\***

Thematic objectives of the Common Strategic Framework	Total Planned Investment <sup>(4)</sup> 2014-2020 EUR million (1)	Cumulative expenditure declared at end 2019 (2)	(2)/(1) %
1.Supporting the shift towards a low carbon economy in all sectors Outputs:	9 464.4	3 252.5	34 %
2.Promoting climate change adaptation, risk prevention and management Outputs:	2 786.4	737.2	26 %
3.Preserving and protecting the environment and promoting resource efficiency Outputs:	15 136.3	3 814.7	25 %
4. Promoting sustainable transport and removing bottlenecks in key network infrastructures Outputs:	38 227.4	17 442.6	46 %
5. Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration Outputs:			
Programmes with Multiple-thematic Objectives	6 690.4	2 806.5	42 %
Other amounts not linked to the 11 thematic objectives above	2 513.8	1 231.1	49 %
<b>TOTAL</b>	<b>74 818.7</b>	<b>29 284.5</b>	<b>39 %</b>

\* The data presented cover all adopted MS' Partnership Agreements, as well as all operational programmes.

**Information on the predecessor programme 2007 – 2013**

DG Regional and Urban Policy is not requesting the inclusion of payment appropriations for these lines in the 2020 draft budget. The final achievements of 2007-2013 programme implementation were reported in the 2019 programme statement.

**Programmes' implementation 2007-2013 (Common Strategic Guidelines)**

DG Regional and Urban Policy is not requesting the inclusion of payment appropriations for these lines in the 2020 draft budget. The final achievements of 2007-2013 programme implementation were reported in the 2019 programme statement.

<sup>(4)</sup> Total Commitment is the Total Funding amount i.e. Union support and National co-financing