

REGIO MANAGEMENT PLAN 2015

30/01/2015

TABLE OF CONTENTS

1. Mission Statement	6
2. Challenges for 2015	7
2.1. The challenges ahead of us	7
2.2. Overview of REGIO priority objectives for 2015	10
3. General objectives of Regional and Urban Policy	17
3.1. Main features of Regional and Urban Policy	17
3.2. Intervention logic of ERDF and Cohesion Fund	19
3.3. Impact indicators linked to the general objectives of the Policy	22
3.3.1. ERDF and CF	22
3.3.2. Pre-accession assistance	26
3.3.3. Support to the Turkish Cypriot community	26
3.4. Procedures and controls for optimizing economic, efficient and effective implementation of programmes	26
4. Specific Objectives for operational activities	28
4.1. European Regional Development Fund and other regional interventions	28
4.1.1. Description and justification	28
4.1.2. EU added value and evidence from evaluations	28
4.1.3. Available financial and human resources	29
4.1.4. Specific objectives and related indicators	30
4.1.5. Main operational outputs in 2015	37
4.2. Cohesion Fund	39
4.2.1. Description and justification	39
4.2.2. EU added value and evidence from evaluations	39
4.2.3. Available financial and human resources	39
4.2.4. Specific objectives and related indicators	40
4.2.5. Main operational outputs in 2015	43
4.3. Instrument for Pre-Accession Assistance (IPA)	44
4.3.1. Description and justification	44
4.3.2. EU added value and evidence from evaluations	45
4.3.3. Available financial and human resources	46
4.3.4. Specific objectives and related indicators	46
4.4. Solidarity Fund	49
4.4.1. Description and justification	49
4.4.2. EU added value and evidence from evaluations	50
4.4.3. Available financial and human resources	50
4.4.4. Specific objectives and related indicators	51
4.5. Encouraging the economic development of the Turkish Cypriot community	52
4.5.1. Description and justification	52
4.5.2. EU added value and evidence from evaluations	52
4.5.3. Available financial and human resources (to be updated/reviewed)	53
4.5.4. Specific objectives and related indicators	53
5. Specific objectives for horizontal activities	55
5.1. Policy Strategy, Co-ordination and Evaluation	55
5.1.1. Description of the activity	55
5.1.2. Available financial and human resources	56

5.1.3.	Areas of emphasis and other operational objectives for 2015 _____	56
5.2.	<i>Management of the DG</i> _____	65
5.2.1.	Description of the activity _____	65
5.2.2.	Available financial and human resources _____	65
5.2.3.	HR strategy in support of the business operations _____	65
5.2.4.	Medium and short term IT strategy in support of the business operations _____	67
5.2.5.	Areas of emphasis and main operational objectives for 2015 _____	70
5.2.6.	Specific efforts to improve efficiency and economy of financial and non- financial activities _____	74

1. MISSION STATEMENT

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

Our goal: Regions growing together

Our Vision

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

Our principles and values

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

Who we are

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

How we work

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

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

2. CHALLENGES FOR 2015

2.1. The challenges ahead of us

The crisis has had a profound impact on regions and cities across the Union. Regional economic disparities which were narrowing have stopped doing so, while unemployment has risen rapidly in almost all parts of the EU. Poverty and exclusion have also increased, including in many cities in the more developed Member States. The new Cohesion Policy, firmly anchored in the European Semester and economic governance process, has become the main source of public investment in several Member States, due to the shrinking of available funding from national and regional budgets.

Its role has been further strengthened by the recent reform, which has established Cohesion Policy as a key pillar for investments in the real economy, strengthening the basis for economic competitiveness and job creation, particularly in SMEs, thanks to its capacity to adjust to and to address specific national, regional and local contexts, with all levels of governance joining forces to contribute to our shared European objectives.

It will **play a role in the implementation of the Juncker's package** (€315 billion Investment Plan for Europe), by focusing on key areas and capitalising on every euro invested through increased use of financial instruments. In addition to the new Fund, the use of innovative financial instruments (for example loans and guarantees, rather than grants) will indeed be further promoted to increase the impact of the European Structural and Investment Funds for the period 2014-2020, with an objective of at least doubling the use of such instruments in the new programming period.

It is also to be noted that DG REGIO is part of several project teams (investment, energy, digital, euro etc.) led by Vice-Presidents and will thus be central to the **delivery of the main priorities of the new Commission** in areas such as innovation and employment, SMEs, the Digital Single Market, the European Energy Union, climate change objectives, Trans-European Networks and social inclusion, while also contributing to or benefitting from other key initiatives (e.g. Simplification and reduction of the administrative burden for beneficiaries, etc.).

As the main EU investment instrument for supporting the key priorities of the Europe 2020 strategy, Cohesion Policy has become a key part of Europe's **economic governance** and an increasingly important means of tackling the effects of the crisis in the short term and of enhancing the regions' endogenous potential for development in the medium term.

In addition, DG Regional and Urban Policy will put specific emphasis on:

- the less developed regions, particularly regions which have difficulties to grow despite longstanding and significant financial support from cohesion policy, as well as regions which are underdeveloped;
- absorption difficulties in some Member States and will establish a specific task force on low implementation;
- simplification, by establishing an independent high level group whose objectives will be to maximise the uptake of the simplification elements introduced in the regulatory framework for 2014-2020. This would be done as part of the broader Commission initiative on simplification;
- addressing persistent border obstacles.

With all Partnership Agreements for the European Structural and Investment Funds 2014-2020 now approved, the remaining operational programmes being finalised, investment should start delivering on the Europe 2020 goals of smart, sustainable and inclusive growth in 2015. In order to maximize the contribution of Regional Policy to the Juncker's package and to the Commission's goal of creating jobs, growth and leveraging investments, our efforts in 2015 will focus on ensuring that the new programmes for 2014-2020 fully reflect the reformed Cohesion Policy and start delivering quickly on the ground. This will require embracing two main challenges:

1. Finalising the ongoing negotiations so as to obtain high quality programmes for the next seven years, ensuring that the elements of the new legislative framework are respected. In particular, it is very important that all the staff involved in the negotiations continue to pay specific attention to result orientation, the intervention logic and the performance framework in the new programmes, as these instruments will be used throughout the programming period to monitor the benefit of action at EU level, review and report on the effectiveness of spending programmes, drive successful programme implementation and effective delivery of the intended results.
2. Immediately after the adoption of programmes, accompanying and supporting programme authorities should ensure that the conditionality provisions are respected, that necessary structures and procedures for 2014-2020 are put in place at national level to start delivering projects on the ground as soon as possible, to reach our SMEs, our researchers and our priority infrastructures as soon as possible.

At the same time, we must continue to cooperate with Member States to ensure that the funds still available for the 2007-2013 period are effectively and soundly spent and used to the best possible effect. As 2015 will be the final, and thus crucial, year of programme implementation, a final push will need to be made to help Member States which are lagging behind in terms of execution to reach their implementation targets and, more generally, further encourage MS to make full use of existing financial instruments, in order to maximise the impact we can get for each Euro spent.

In this perspective, the Management Plan for 2015 sets out the main objectives and tasks to be achieved and accomplished in 2015 and beyond. As in 2014, these objectives will be cascaded down to the level of each unit through the Unit Management Plans, and will be closely monitored during the year.

Following the setting up of UMPs, and in line with DG Regio Human Resources Strategy, decisions about staff allocations will be taken, in order to ensure optimal use of the available workforce.

In order to appropriately reflect the areas towards which our efforts will be focussed throughout the coming years, DG REGIO has defined a handful of performance indicators that will measure our ability to deliver on the challenges identified. The ones we have selected, unchanged since the previous exercise, are presented below.

Four of them are directly linked to policy objectives and measure Regional Policy achievements directly felt by the citizens¹:

- KPI 1: Gross jobs created²;
- KPI 2: Number of enterprises cooperating with supported research institutions³;
- KPI 3: Number of enterprises receiving support⁴;
- KPI 4: Additional capacity of renewable energy production⁵.

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

- KPI 5: Cumulative residual error rate.

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

Walter Deffaa
Director-General

¹ The four KPIs have been selected among the ones the DG can report on. The possibility to replace KPI 4 with a more comprehensive one, capturing all achievements related to CO2 reduction, is currently being explored. Reflections are also ongoing in relation to possible ways to measure and report on the leverage effect on national and private investments of interventions managed by REGIO.

² Mainly corresponding to REGIO core indicator 1, associated with ERDF specific objective 3, but also aggregating other indicators tracking jobs creation used by programme authorities. It is as such related to general objective 1

³ Corresponding to REGIO core indicator 5, associated to ERDF specific objective 1

⁴ Corresponding to REGIO core indicator 7, associated to ERDF specific objective 3

⁵ Corresponding to REGIO core indicator 24, associated to ERDF specific objective 4 and to CF specific objective 1

2.2. Overview of REGIO priority objectives for 2015

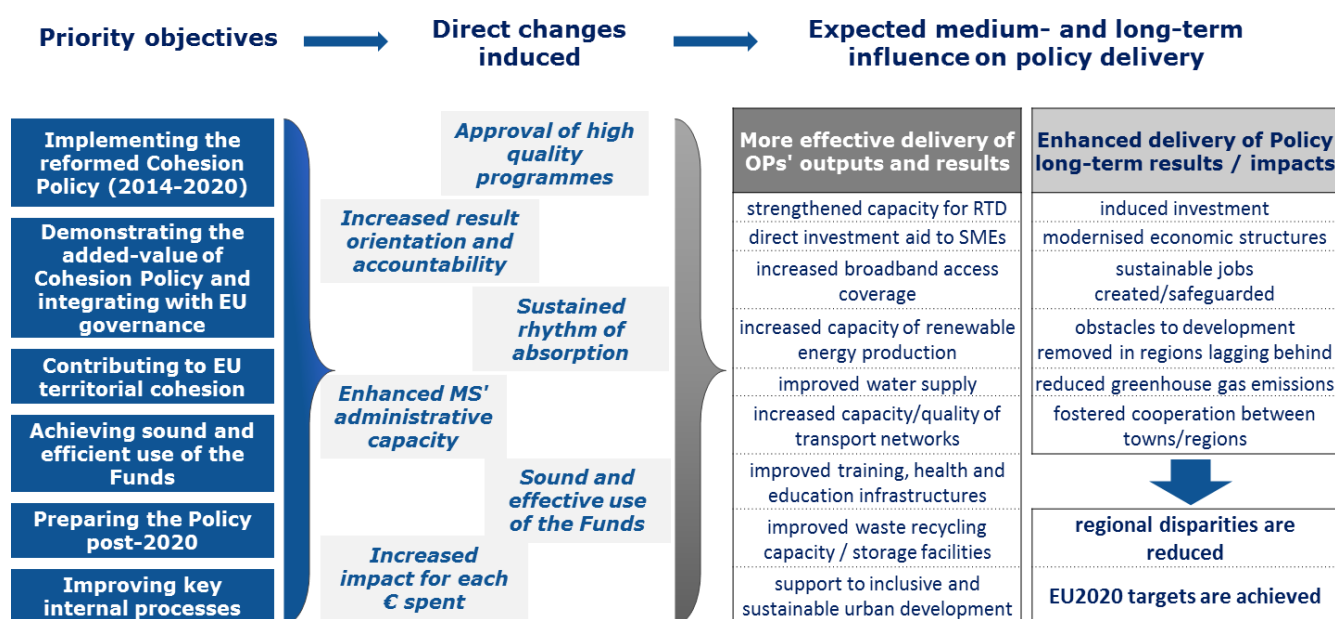
Introduction

DG Regional and Urban Policy's performance framework is built around two main sets of activities:

1. The activities related to the implementation of the Funds which the DG Regional and Urban Policy is responsible for (ERDF, Cohesion Fund, IPA, Aid Regulation and Solidarity Fund, presented in sections 3 and 4 of the Management Plan) and contributing to the delivery of the overall Cohesion Policy objectives as well as of the political priorities of the new Commission and of key EU initiatives.
2. The horizontal activities carried out by the DG Regional and Urban Policy and the related objectives (presented in section 5 of the Management Plan), supporting the coordination and delivery of the DG's operational activities. These activities reflect the contribution of DG REGIO internal processes to the effective delivery of policy objectives.

The objectives and indicators associated with each of the two blocks of activities provide an overview of the related performance expectations and constitute the framework for assessing the achievement of the policy and horizontal objectives. However, since most of the funds mentioned above are delivered through shared management, policy achievements are the result of a combination of factors – the policy, the quality of implementation by the implementing bodies, the regulatory context, the economic context, etc. - on which the DG has limited control.

In order to increase its focus on the actions that can have the greatest influence on the delivery of policy results, and thus enhance policy performance, DG Regional and Urban Policy identifies a number of selected priority objectives on an annual basis. The identification of priority objectives involves all relevant management levels of the DG, and results from a careful analysis of the elements the DG can and seeks to influence in order to create the conditions that are to be the basis of an effective delivery of the policy, as shown below.



The selected priority objectives and associated indicators thus identified provide the scope and the framework supporting the assessment and monitoring of DG Regional and Urban Policy performance throughout 2015. Consequently, and as was the case last year, the priorities and targets set in the 2015 Management Plan will be cascaded down at Directorate and Unit level through Unit Management Plans.

Priority objectives for 2015

DG Regional and Urban Policy has identified **20 selected priority objectives for 2015**. The priorities are structured around six main multiannual priorities, as described below and outlined in the table following (see *Overview table 'REGIO selected priority objectives for 2015'* on pages 16-21). A few changes have been introduced compared to the set of multiannual priorities for 2014:

- The multiannual priority 1, concerning the 2014-2020 period, was renamed and broadened in order to reflect an increased focus on implementation ("To implement the reformed Cohesion Policy for the 2014-2020 period").
- A dedicated multiannual priority 3 has been created, presenting the main actions contributing to the territorial cohesion of the European Union in an integrated way ("To contribute to the territorial cohesion of the European Union"), previously included under multiannual priority 2 "Demonstrate the added value of the Policy".
- A new multiannual priority 5 concerning the preparation of the Policy post-2020 has also been introduced.

Multiannual priority 1 "TO IMPLEMENT THE REFORMED COHESION POLICY FOR THE 2014-2020 PERIOD"

This will be the main priority for the DG in 2015, because the success of the reform will essentially depend on the quality of the programming documents and on the capacity of national authorities to translate an improved set-up into concrete improvements in the delivery of programme objectives.

- Following the formal adoption of partnership agreements between the European Commission and Member States, intense negotiations with national authorities have continued at all levels in order to ensure the **rapid adoption of good quality 2014-2020 programmes**. Sustained efforts in that direction will continue in 2015. The objective will be to ensure that all programmes are adopted by end July 2015 (end 2015 for Interreg-IPA), so that the implementation of the 2014-2020 period can begin as soon as possible.
- While the quality of the approved programmes will be the key focus, the challenge of **supporting a quick start of the 2014-2020 programmes** will be equally crucial. In particular, we will need to ensure that all operational components supporting the implementation are timely deployed, both in the Member States and at the level of the Commission. In particular, this will encompass the following:
 - **To closely monitor the ex-ante conditionalities' action plans**, to ensure that Member States have taken appropriate remedial actions to address the gaps identified by the Commission, and that all the conditions for an effective implementation are met.

- **To ensure that the designation process in the Member States is carried out in a meaningful way.** This will be done by reviewing the designation documents on a risk basis, through desk review and/or on-the-spot missions.
- Immediately after the adoption of programmes and throughout the 2014-2020 period, targeted actions will also be carried out to support programme authorities as effectively as possible and to encourage them to make the best use of the tools at their disposal, notably as regards **territorial instruments**.
- Particular efforts will also be devoted to ensuring an effective use of **financial instruments**, notably through the implementation of targeted actions to achieve the overall doubling in the use of financial instruments compared with the 2007-2013 period.

Multiannual priority 2 “TO ENSURE AND DEMONSTRATE THE ADDED VALUE OF COHESION POLICY AND ENSURE INTEGRATION WITH EU GOVERNANCE MECHANISMS”

As a follow-up to the great progress achieved over the last few years in strengthening the link between the EU economic governance and Cohesion Policy, DG Regional and Urban Policy will have to seize further opportunities to ensure that Cohesion Policy is established and recognized as contributing to EU economic governance. In this respect, significant work has been carried out in 2014 to ensure that the Country Specific Recommendations (CSRs) in selected fields are reflected in Member States' development and competitiveness strategies through the Partnership Agreements. These efforts will continue in 2015 throughout the process of programme adoption. This will be crucial in ensuring a strong link between growth-enhancing reforms and the related Cohesion Policy investments, and consequently in achieving a greater impact of EU intervention on the ground.

- While a strengthened **results orientation** is a key aspect of the reformed Cohesion Policy for 2014-2020, growing emphasis on results has been put as well throughout the 2007-2013 programming period. This has produced significant improvements in the quality of reporting against core indicators and positively affected our ability to report on aggregate achievements of Cohesion Policy at EU level. The ex-post evaluation exercise launched in 2014 is expected to reflect these improvements, and to provide adequate evidence on results of 2007-2013 programmes. It will be completed in early 2016, with interim results published and debated throughout 2015. In parallel, and based on the result indicators incorporated in the adopted 2014-2020 programmes, analyses will be carried out in order to provide a first overview of expected results for 2 thematic objectives and to identify aggregate targets sets for 2014-2020 common output indicators. These elements will then be used in the following years to define a strategy for measuring and assessing Cohesion Policy results for 2014-2020.
- The evidence on policy results thus generated will then be extensively disseminated thanks to a sustained focus on **effective communication**. Our communication actions in 2015 will fully support the operational priorities set out in the DG's Management Plan. They will also be aligned with the Commission's corporate communication strategy, as well as the priorities set out in President Juncker's Political Guidelines.

Multiannual priority 3 “TO CONTRIBUTE TO THE TERRITORIAL COHESION OF THE EUROPEAN UNION”

In order to fully reflect an increased focus on territorial cohesion of the European Union, a dedicated multiannual priority has been created, presenting the main actions contributing to this goal in an integrated way. The main elements of this territorial approach will be the following:

- Co-ordinating the implementation of the three ongoing **macro-regional strategies**, namely the EU Strategies for the Baltic Sea Region, for the Danube Region and for the Adriatic and Ionian Regions, will continue to be a priority for the DG. These strategies cover a wide range of different EU policies and aim to coordinate the efforts of various actors in the Region (Member States, neighbouring countries, regions, financing institutions, the EU, pan-Baltic organisations, and non-governmental bodies) in order to promote a more balanced development of the macro region. The specific challenge in 2015 will be to adopt the EU Strategy for the Alpine Region by June 2015.
- Following the public consultation on the urban agenda DG Regional and Urban Policy will in 2015 focus in two areas indicated in the consultations as requiring further work: 1) developing a solid methodology for screening European legislation from an "urban perspective" and identify the policy areas where the need for such screening is more acute, 2) increasing coherence and consistency among the Commission's urban-related initiatives and streamline the multitude of EU initiatives addressing cities. Specific challenges will notably concern the start of the implementation of Urban Innovative actions.
- In response to persisting intangible obstacles to **cross-border activities**, and as a complement to what is being done with the financial allocations to the Cross-Border Cooperation (CBC) programmes across Europe, a comprehensive CBC Initiative will be launched, aimed at reducing the border burden. The first actions will notably aim at mapping border obstacles through extensive stakeholders' consultations and at identifying possible EU actions to overcome them more effectively. The first results of the mapping exercise are expected by end 2015.

Multiannual priority 4 “TO ACHIEVE THE SOUND AND EFFICIENT USE OF FUNDS TO CHANNEL INVESTMENTS FOR GROWTH AND JOBS”

2015 will be the final, and thus crucial, year of programme implementation for the 2007-2013 programming period. The levels of absorption continue to be cause for concern, particularly for a number of Member States such as Romania, Bulgaria, Italy, Slovakia, Czech Republic and Malta for which the absorption rate is below 60%. It is to be expected that all Member States will have to significantly **accelerate the current rhythm of implementation**.

- In order to accompany these efforts, we will continue to increase the **efficiency of our key internal processes** which can directly impact the ability of the Member States to meet ambitious implementation targets. Our objective is to ensure that, by end 2015, we will have either approved or rejected all OP modification requests and submitted major projects.

- In addition to that, we will also **strengthen even further our monitoring efforts** in order to be able to identify and address bottlenecks affecting the execution of the funds in Member States as early as possible. These efforts will concern all relevant aspects of programme implementation: financial execution, projects selection, major projects implementation, quality of the implementation as illustrated in the annual implementation reports submitted by programme authorities, as well as the rhythm of execution of financial instruments, for which significant implementation gaps still exist in some Member States. All efforts in this respect will aim at maximizing the amount of funds that reach the final recipients.
- Significant efforts will also continue to be deployed to define and implement tailored actions and to provide specific assistance on the ground to Member States with weaker **administrative capacity**, which require from us efforts and interventions that go beyond the traditional scope of assistance in shared management. This will be in particular the case for the countries with absorption rates significantly below EU average. For these countries, the recently established internal task force for low implementation will identify the underlying problems in implementing cohesion policy measures and will coordinate the drawing up of action plans (or reviewing existing plans if already in place. New measures and proposals will be discussed at a high level with the relevant Member States. Among the main 2015 targets, it is worth mentioning the implementation of the Public Procurement Action Plan and the promotion and launch of REGIO PEER2PEER, an exchange tool for regional policy experts in Member States. Through these actions, we aim at helping Member States increase the quality and the legality of spending and accelerate the absorption of Funds.
- Additional efforts will need to be deployed to complete the **closure activities of the 2000-2006 period**, as DG Regional and Urban Policy will need to close all 2000-2006 ERDF open programmes by mid-2015 (excluding the part of the programmes affected by open legal, administrative proceedings and open recoveries) and to move decisively towards closing all pending Cohesion Fund projects by 2015 (target: closure of 95% of projects by end 2015, representing 90% of CF commitments).
- While coping with an accelerated rhythm of implementation, the stakes will also be higher in ensuring the sound use of the funds. In order to minimize legality and regularity risks, DG Regional Policy will continue to ensure that appropriate preventive and corrective mechanisms are in place as a matter of high priority. Three permanent actions will serve this purpose:
 - A continued **rigorous and efficient policy of interruption and suspension of payments**, which will safeguard the EU funds while encouraging the Member States to timely adopt appropriate corrective measures in case of significant deficiencies in the management and control systems;
 - Maintenance of our **audit activities** both desk and on-the-spot, with an increased focus on situations at risk. These activities will provide assurance regarding the legality and regularity of expenditures declared to the Commission, while making full use of the single audit approach and ensuring an efficient use of audit

resources. These efforts will also facilitate the granting of the discharge from the European Parliament.

- Application of financial corrections

Multiannual priority 5 "TO PREPARE THE POLICY POST-2020"

This is a new multiannual priority. The **preparation of the legislative proposals for post-2020** EU Cohesion Policy is a lengthy exercise which has already started in 2014 with the launching of the first studies, supporting the preparation of the first internal discussion papers, policy documents and communications related to the future of Cohesion Policy. The main purpose of such activities is to contribute to building an evidence base and to reinforce the DG's analytical capacity. The main challenges for 2015 will be to contract 6 studies and 2 data collections that will feed into the next impact assessment and to develop a revised version of the regional economic model of DG REGIO (RHOMOLO) that will allow to better isolate and identify its underlying mechanisms.

Multiannual priority 6 "TO FURTHER IMPROVE THE OPERATIONAL EFFECTIVENESS AND QUALITY OF KEY INTERNAL PROCESSES"

DG Regional and Urban Policy stays committed to continuously streamlining its working methods, optimising allocation of its workforce and improving its efficiency by clearly establishing measurable targets and demonstrating results. Significant results were already achieved as part of the Change Regio process launched in 2012. This purpose will continue to be pursued through four main axes throughout 2015.

- **To ensure that all appropriate procedures and adequate IT systems are designed and operational** in order to support the start of the 2014-2020 programming period. Continued emphasis will be placed on the timely development and delivery of SFC2014, which will support all official exchanges between the European Commission and Member States and on WAVE, the new workflow system that will support internal processes within DG Regional and Urban Policy.
- The efforts towards a **more performance-based culture** amongst staff, initiated a few years ago in the framework of Change REGIO, will focus in 2015 on two main initiatives that will structure the work of the geographical desks throughout the 2014-2020. They will complement and support the increased result-orientation of the 2014-2020 programmes and lead to the redefinition of the role of DOs by mid-2015, with an increased performance focus, and to the definition of a differentiated approach for different types of programmes and Member States, which should start to be applied by end 2015.
- Internal communication and collaborative working methods should continue to be enhanced within the DG, together with the capitalisation and structuring of existing knowledge, thanks to the progressive **deployment of the knowledge management system**. The objective for 2015 will be to ensure availability of 90% of high priority assets by the end of the year. A satisfaction survey on the functioning of the matrix structure will also be carried out. The feedback provided by staff will help identify additional measures to further increase its effectiveness.
- Insight and information drawn from the initiatives carried out in the framework of Change REGIO will be continuously fed into the DG's HR Rolling Plan designed to help ensure

the **optimal allocation of staff** in alignment with the DG priorities. In addition to the above, the implementation of the HR services and processes action plan and the launch of the Work Force Planning exercise will help us to better identify, taking into account HR constraints, potential savings and further efficiencies gains to be made.

3. GENERAL OBJECTIVES OF REGIONAL AND URBAN POLICY

The general objectives by policy area included in this section and the specific objectives for operational activities detailed in section 4 refer to the legal and multiannual objectives and implementation of Regional and Urban Policy through its main financial components (ERDF, Cohesion Fund, IPA, Aid Regulation and Solidarity Fund) contributing to the delivery of the overall Cohesion Policy objectives. The relevant indicators and policy outputs related to the functioning and execution of these instruments, as well as the horizontal activities are presented in the following sections. These general and specific objectives and their associated indicators provide the tools for assessing the accomplishment of the mission of DG Regional and Urban Policy, while priority operational objectives included in section 2 above indicate the focus for actions to be highlighted for the year 2015.

3.1. Main features of Regional and Urban Policy

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

Cohesion Policy is the main EU investment instrument for supporting the key priorities of the Union as enshrined in the **Europe 2020 strategy** and for **reducing disparities**. DG Regional and Urban Policy has developed and promotes actions related to several **flagship initiatives** of Europe 2020, like the "Innovation Union" (Communication of 6/10/2010 "Regional Policy contributing to smart growth in Europe 2020"), "A digital agenda for Europe", "Resource efficient Europe" (Communication (2011) on "Regional Policy contributing to Sustainable growth in Europe 2020"), "An industrial policy for the globalization era" and "An agenda for new skills and jobs".

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

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

- ERDF: to promote the development and structural adjustment of lagging regions and of declining industrial regions (Article 176 of the TFEU);
- Cohesion Fund: to finance projects in the fields of environment⁶ and trans-European networks in the area of transport infrastructure. Cohesion Fund support is reserved to projects in Member States with a GNI per capita of less than 90% of the Union average.

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

Regional and Urban Policy in 2007-2013

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

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

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

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

Regional and Urban Policy in 2014-2020

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

Partnership agreements between the Commission and each Member State set out the commitments of partners at national and regional levels and the Commission, linked to the objectives of the Europe 2020 strategy and the European Semester. In order to align Cohesion Policy with the Union strategy for smart, sustainable and inclusive growth, a list of thematic objectives corresponding to the priorities of the strategy has been defined in the legislative proposals. These objectives are translated into investment priorities in the Fund-specific rules.

Targeting resources at key growth sectors and at less developed regions

Under the EU's 2014-2020 budget, Cohesion Policy will invest €351.8 billion in Europe's Member States, their regions and cities to deliver the EU-wide goals of growth, jobs and leveraging investments, as well as tackling climate change, energy dependence and social exclusion. To avoid fragmentation of resources and maximise impact, investments under the European Regional Development Fund (ERDF) will be concentrated on actions bringing the greatest added value in relation to four priorities of EU relevance: innovation and research, the digital agenda, support for SMEs and the

low carbon economy. Around €124 billion will be dedicated to these sectors, of which around €37.6 billion will support the shift to a low-carbon economy (energy efficiency and renewable energies). Around €66 billion will be focused on priority Trans-European transport links and key environmental infrastructure projects through the Cohesion Fund. In line with the Treaty objectives of reducing disparities between the levels of development, Cohesion Policy funding (ERDF, ESF, Cohesion Fund) is concentrated on the poorest regions and Member States (80% of the total is allocated to less developed regions, transition regions and Member States eligible for Cohesion Fund, covering 43% of the EU population).

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

General objective 1 (common to ERDF/CF):

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

General objective 2 (Pre-accession assistance): *DG NEAR– Chef de file*

To support candidate countries and potential candidates ('beneficiary countries') in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.

In addition to the objectives above, and following a change in the portfolios distribution, a new general objective will fall under the responsibility of DG REGIO as of 01 January 2015.

General objective 3 Encouraging the economic development of the Turkish Cypriot community: Transfer from *DG NEAR to REGIO as of 01.01.2015*

To facilitate the reunification of Cyprus by supporting the settlement process under UN auspices, by encouraging the economic development of the Turkish Cypriot community through implementation of the Aid Programme, promotion of trade over the Green Line as well as support to preparations for the roll-out of the *acquis* after settlement.

3.2. Intervention logic of ERDF and Cohesion Fund

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

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

- 1) Under the **shared management mode**, the Commission cooperates with Member States' administrations (at national, regional and local levels), which are in charge of the operational implementation. Thus, efficient and effective

implementation of actions supported by the ERDF and CF depends on good governance and partnership among all the relevant territorial and socio-economic partners, particularly in regional and local authorities, as well as any other appropriate bodies during the various stages of implementation of programmes and projects co-financed by the ERDF and CF. While DG Regional and Urban Policy has put in place an effective control environment (ranging from monitoring and evaluation activities to capacity-building actions for the benefit of local partners) to increase its influence over this variable, the degree of control the DG exerts on actions carried out at national, regional and local level inevitably remains limited.

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

Needs to be addressed

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

Our resources (inputs)

2015	Financial resources (€)	Human resources (FTE)
	35.26 bn	382

What we finance

Coloured background = relevant for CF

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

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

What we deliver (main expected outputs)

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

Main expected short / medium-term results

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

Expected long-term results (end outcome)

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

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

External factors

3.3. Impact indicators linked to the general objectives of the Policy

3.3.1. ERDF and CF

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

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

The indicators associated with these objectives are presented below.

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

General objective 1 (common to ERDF/CF):		<input checked="" type="checkbox"/> Spending programme
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.		
Indicators common or for which data are available for both 2007-2013 and 2014-2020⁷		
Impact indicator 1: Employment rate by sex, age group 20-64 <i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2013)	Target (2020)
67.9% ⁸	68.4%	75%
Impact indicator 2: Gross EU domestic expenditure on R&D (GERD) <i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2013)	Target (2020)
1.76% ⁹	2.02% (estimate)	3%
Impact indicator 3: Share of renewables in gross final energy consumption <i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2012)	Target (2020)
8.7% ¹⁰	14.1%	20%
Impact indicator 4: Energy intensity of the economy, i.e. final energy consumption (<i>proxy indicator for energy savings, which is under development</i>) ¹¹		

⁷ These indicators and the associated targets have been set within the context of the Europe 2020 strategy. They reflect a political decision.

⁸ Baseline adjusted/recalculated by Eurostat in 2014. Previous value: 68%.

⁹ Baseline adjusted/recalculated by Eurostat in 2014. Previous value: 1.82%.

¹⁰ Baseline adjusted/recalculated by Eurostat in 2014. Previous value: 8.5%.

¹¹ Indicator re-defined by Eurostat in 2014. It is now expressed as a % of savings achieved compared to the baseline (2005 now considered, instead of 2010 previously).

<i>Source: (Eurostat)</i>		
Baseline (2005)	Latest known result (2012)	Target (2020)
0% of savings	12.1%	20% of savings
Impact indicator 5: Greenhouse gas emissions		
<i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (1990)	Latest known result (2012)	Target (2020)
100	82.14	80 (70, if the conditions are right)
Impact indicator 6: Early school leavers, age group 18-24		
<i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2013)	Target (2020)
15.7% ¹²	12%	10%
Impact indicator 7: Tertiary educational attainment by sex, age group 30-34		
<i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2013)	Target (2020)
28.1% ¹³	36.9%	40%
Impact indicator 8: People at risk of poverty or social exclusion		
<i>Source: (Eurostat and DG REGIO calculations)</i>		
Baseline (2005)	Latest known result (2013)	Target (2020)
124,329,000	122,649,000 (estimate)	20,000,000 less than baseline
2014-2020 Indicators¹⁴		
Impact indicator 9: Number of regions with a GDP per head below 50% of the EU average		
<i>Source: (Eurostat)</i>		
Baseline (2010)	Milestones (2015)	Target (2020)
20	19	18
Impact indicator 10: Coefficient of variation of GDP per head between regions (NUTS II)		
<i>Source: (Eurostat)</i>		
Baseline (2010)	Milestones (2015)	Target (2020)
38.2	38	37
Evaluations:		
Title	Deadline	
2007-2013 Ex-post evaluation Synthesis	April 2016	
Scope / Main topics addressed:		
One of the topics to be addressed in the Synthesis of the ex post evaluation is an analysis of regional development trends. Various models and econometric approaches will be used to estimate the contribution of Cohesion policy to changes in the impact indicators.		

2015 Outlook

Economic prospects remain low in the EU. The euro area is projected to grow by 0.8% in 2014 and by 1.1% in 2015. For the EU, the growth rate is estimated to be at 1.3% in 2014 and 1.5% in 2015. The economic recovery that started in the second quarter of 2013 remains fragile and the economic momentum in many Member States is still weak. Growth prospects differ widely among the major EU economies.

The situation on the labour market should only improve moderately. The current pace of economic activity does not allow for rapid absorption of unemployment. Employment growth in 2014 is expected to be limited at 0.4% in the euro area and 0.7% in the EU. In 2015, employment is expected to increase by 0.5% in the euro area and by 0.6% in the EU.

¹² Baseline adjusted/recalculated by Eurostat in 2014. Previous value: 15.8%.

¹³ Baseline adjusted/recalculated by Eurostat in 2014. Previous value: 28%.

¹⁴ These indicators are relevant to describe the context within which cohesion policy is implemented. The targets have been set based on past information and the last macroeconomic forecast provided by DG ECFIN (2014 autumn economic forecast).

- Expected trends for EU 2020 indicators

Against this background, progress towards most Europe 2020 headline targets is expected to be modest at best in 2015.

This is notably true for indicators related to **employment rate and R&D**, as the slow growth environment in the EU will not sufficiently revitalise the labour markets to produce a significant increase in the employment rate. The same holds for the R&D intensity, which is therefore not expected to increase significantly in 2015.

Low economic growth is closely tied to a limitation in **greenhouse gas emissions** and in **final energy consumption**. The progress on these two indicators should therefore continue in 2015. However, one should keep in mind that this positive trend reflects the particular conditions of the business cycle rather than structural changes which should be the only ones to guarantee a reduction in greenhouse gas emissions and in final energy consumption in the long run.

Progress vis-à-vis the indicators on **renewable energy** target, early school leavers and education attainment remains dependent on the possibility of Member States to increase public investments in those areas. Given the rather gloomy economic outlook for 2015 and the need to keep on reducing public deficits in most Member States, a further increase in the **number of people at risk of poverty** is to be expected.

- Expected trends for convergence indicators

The crisis has halted the convergence process among EU regions. Between 2008 and 2010, the coefficient of variation calculated on NUTS 2 GDP per head slightly increased from 38.0 to 38.2. This is confirmed by looking at other economic indicators for which more recent data is available, such as the employment or the unemployment rates. While regional disparities in terms of employment and unemployment rates decreased up to 2007, they significantly increased afterwards. For the employment rate, the coefficient of variation rose from 9.8 in 2007 to 10.8 in 2010 and then to 12.2 in 2012 while for the unemployment rate, it increased from 42.9 in 2007 to 51.0 in 2010 and to 63.5 in 2012. Most of these movements are explained by the dramatic deterioration of the labour market performance of Southern European economies (Spain, Portugal, Italy and Greece).

The long run convergence process should resume once EU economies recover from the crisis but until then we cannot expect to observe a significant reduction of regional disparities across the EU.

Expected contribution of Cohesion Policy

In the 2014-20 period, Cohesion Policy financial resources will be concentrated on a limited number of policy areas which contribute to the pursuit of Europe 2020 strategy in order to maximise the impact of EU investment. This is a response to the experience of earlier periods, which showed that the impact of EU funding was more limited than expected due to resources being too widely spread.

Investment financed by **ERDF** has to be concentrated on four key priorities: R&D and innovation, the digital agenda, support for SMEs and the low carbon economy.¹⁵ Negotiations on the new programmes 2014-20 are still ongoing. According to the information available by mid October 2014, EUR 40.2 billion will be invested in R&D

¹⁵ In the case of the ESF, allocations have to be concentrated on employment, social inclusion, education and institutional capacity building. The Cohesion Fund will be focused on addressing bottlenecks in network (transport and energy) infrastructure and environmental protection.

and innovation, EUR 13.5 billion in the digital agenda, EUR 32.4 billion in SMEs, and EUR 37.6 billion in the low carbon economy. Compared to 2007-13, investment in the four thematic objectives outlined above is expected to increase by 18% (from 105 billion to 124 billion).

Financial support from the **Cohesion Fund** will be concentrated on promoting transport and energy infrastructure (EUR 33.5 billion) and on preserving and protecting the environment (EUR 17.1 billion).

Regarding the evolution of public expenditure, the role of cohesion policy in supporting growth friendly expenditure has become even more important than before, with cohesion funding representing more than 60% of the investment budget in a number of countries. This situation should remain unchanged in the near future.

Estimations of policy impact resulting from macroeconomic models

In addition to the impacts indicators presented above, and in order to provide a better view of the expected ERDF and CF specific contribution to the achievement of long-term outcomes of Regional and Urban Policy, it is considered appropriate to present data resulting from macro-economic models such as HERMIN and QUEST. The first table below illustrate the expected impact of the 2007-2013 cohesion policy programmes on the GDP and employment of two groups of MS (main beneficiaries and EU-12). The second table shows the expected impact of the 2014-2020 cohesion policy programmes on GDP in the EU-13 and the EU-28.

These simulations, reflecting the best and most robust available knowledge, show the expected impact of the Funds in regions lagging behind, thus actively contributing to the reduction of disparities among EU regions.

- *Impact of 2007-2013 cohesion policy programmes (simulated with HERMIN)*

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

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

- *Impact of 2014-2020 cohesion policy programmes (simulated with QUEST)*

	Average 2014-2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
On GDP (as % of baseline)																		
EU-13	1.7	0.5	0.7	1.0	1.3	1.7	2.0	2.4	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.5
EU-28	0.2	0.0	0.1	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4

However, we must be aware that the estimates of impact delivered are to a large extent dependent on the assumptions built into these models¹⁶.

¹⁶ For a disclosure of the underlying assumptions, refer to the following publication providing a description of the HERMIN model: Bradley, E., Untiedt, G. and Morgenroth, E. (2003), Macro-

3.3.2. Pre-accession assistance

General objective 2 (Pre-accession assistance): DG NEAR – Chef de file
To support candidate countries and potential candidates ('beneficiary countries') in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.
2014-2020 Indicators
Impact indicators (defined and monitored by DG NEAR): Overall assessment provided by the progress report on the political reforms Degree of alignment with the <i>acquis</i> .
Evaluations: To be planned and carried out under the responsibility of DG NEAR.

3.3.3. Support to the Turkish Cypriot community

General objective 3 (Turkish Cypriot Community):	<input checked="" type="checkbox"/> including Spending programme	
To facilitate the reunification of Cyprus by supporting the settlement process under UN auspices, by encouraging the economic development of the Turkish Cypriot community through implementation of the Aid Programme, promotion of trade over the Green Line as well as support to preparations for the roll-out of the <i>acquis</i> after settlement.		
Impact indicator: Progress towards reunification <i>Source: Annual reports</i>		
Baseline (2013)	Milestone (2017)	Target (2020)
Political stalemate; social/economic separation	Substantive progress in political and technical processes	Social and economic integration, advanced <i>acquis</i> alignment

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

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

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

Concerning **economy**, the respect of appropriate procurement procedures ensures that the cost of inputs is minimized for every intervention subject to such procedures co-financed by the Funds. The assessment of compliance with procurement procedures is

regional evaluation of the structural funds using the HERMIN modelling framework, Italian Journal of Regional Science, 1, (3), 5-28.

one of the main control activities carried out at Member State (programme authorities and other actors involved in the implementation of the Funds) and at Commission (notably by REGIO auditors) levels.

Concerning **effectiveness**, the extent to which the intended objectives (as illustrated in the intervention logic above) have been achieved is assessed through the indicators associated with general and specific objectives. The provisions in relation to the performance framework introduced by the 2014-2020 regulations will ensure a more solid foundation for such an assessment, thanks to the obligation for each programme to systematically identify at priority level relevant indicators (financial, output, result, key implementation steps) with baselines, milestones and targets.

Progression against the set targets is 1) measured throughout the implementation period by programme authorities through the local monitoring systems and 2) assessed by DG REGIO notably but not only in the framework of the assessment of Annual Implementation Reports, thanks to the enhanced role of desk officers in monitoring activities. In this respect, the AIR submitted in 2017 will in addition assess:

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

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

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

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

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

4. SPECIFIC OBJECTIVES FOR OPERATIONAL ACTIVITIES

4.1. European Regional Development Fund and other regional interventions

4.1.1. Description and justification

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

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

Responsibilities of the Commission

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

4.1.2. EU added value and evidence from evaluations

EU added value

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

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

- Promotion of transparency and good governance. Cohesion Policy has a strong record in terms of good governance. Public procurement is systematically checked, strict monitoring and audit standards set and we force transparency in terms such as publication of beneficiaries on websites. This transparency will be further enhanced in the 2014-2020 period, with publication of data on performance.
- Building managerial capacity. The requirements of a multi-annual programme, combined with monitoring, evaluation and dialogue has the capacity to create a learning cycle. The governance method of the policy has strongly influenced institutional reforms and administrative practices in many MS, as these countries moved gradually from rule-oriented culture towards more management-oriented systems. Staff expertise and management has been built and there is evidence that the increased capacity has spilled over to the management of national policies.
- Interregional links and the exchange of experience. Co-operation - both cross-border and across the EU – is an area where the EU level brings clear added value. This applies not just to ETC, but across all of Cohesion Policy, where programmers are encouraged to "think outside their region" (or nation). Good examples of this include the work on TEN-T (where changing even one route within one region requires a holistic view of the network) and broader strategies such as the Baltic, Danube or Adriatic and Ionian strategies. Moreover, an EU-wide policy enables an EU-wide exchange of ideas, and Cohesion Policy has capitalised on this through exchange of experience programmes (such as URBACT) and various twinning and training initiatives.
- Involving civil society – for its own sake and for better programmes. Dialogue with civil society and a broad range of local and regional actors is one of the key features of the policy. This promotes local involvement, transparency, dialogue, and partnership while also stimulating discussion and mobilising local knowledge. So it is not just a question of citizen empowerment, but also efficient way to manage the funds - reducing the knowledge burden and therefore the number of staff in Brussels.

Evidence from evaluations

No evaluations were completed in 2014, but 12 work packages of the ex post evaluation 2007-2013 were launched which will deliver evidence in late 2015 and early 2016. Although an extensive exercise, the ex post evaluation is not exhaustive. The Board of Directors decided to focus on certain important policy areas in order to obtain more evidence and deeper insights into policy effects and effectiveness.

4.1.3. Available financial and human resources

ABB activity: ERDF	
Financial resources (€) in commitment appropriations	Human resources

Operational expenditure	Administrative expenditure (managed by the service) ¹⁷		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ¹⁸	b) ¹⁹				
26,731,095,430 ²⁰	26,618,748	83,300,000	26,862,745,116	230	38	268

4.1.4. Specific objectives and related indicators

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

Important remarks concerning the indicators

The performance information presented in the tables below mainly results from the reporting on core indicators, which are an important tool for assessing the achievement of objectives associated with operational programmes. It is however to be noted that, due to the variety of interventions supported by the ERDF and CF, the core indicators cannot cover the full spectrum of benefits resulting from the implementation of the funds on the ground. They represent the only data on the achievements of programmes which can be aggregated to the EU level. In addition, it is also to be noted that the adoption of core indicators by programme authorities was not compulsory for the period 2007-2013. Because of that, for some OPs, targets are not available for all the relevant indicators.

DG REGIO has chosen to present information concerning achievements as follows:

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

¹⁷ Including Administrative and Operational Technical assistance and 70% of the global envelope allocation

¹⁸ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

¹⁹ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

²⁰ Including Innovative actions, pilot projects and preparatory actions (minus Operational Technical assistance)

Relevant general objective 1:				
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.				
Specific objective 1.1 (falling under thematic concentration):				<input checked="" type="checkbox"/> Spending programme
Strengthening research, technological development and innovation				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of new researchers in supported entities				
<i>Source: core indicator 06: research jobs created</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
27,980	16,882	26,442		
Number of enterprises cooperating with research institutions				
<i>Source: core indicator 05: number of cooperation projects enterprises-research institutions</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
27,495	22,251	26,419		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of researchers working in improved research infrastructure facilities				
Private investment matching public support in innovation or R&D projects				
Number of enterprises supported to introduce new to the market products				
Number of enterprises supported to introduce new to the firm products				
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title				Deadline
2007-2013 Ex-post evaluation "Support to SMEs - Increasing Research and Innovation in SMEs and SME Development"				End 2015
Scope / Main topics addressed:				
How ERDF support is invested with the aim to support SME development and innovation and 2007-2013 achievements. The evaluation will analyse effective mixes of policy in different contexts and explore the relative effectiveness of different policy instruments. It will also seek to identify how a selected number of policy instruments achieve their objectives. (Core Indicators 1, 5, 6, 7 & 8)				
Title				Deadline
2014-2020 Thematic Evaluation				tbd
Scope / Main topics addressed:				
Main issue addressed by this forthcoming evaluation will be effectiveness. To this end, 2 specific pilot themes will be selected that will constitute the basis for further pilot projects. The result of this evaluation will allow defining a more comprehensive approach to evaluation of 2014-2020 programmes and will be used where necessary for 2014-2020 programmes adaptation.				

Specific objective 1.2 (falling under thematic concentration):				<input checked="" type="checkbox"/> Spending programme
Enhancing access to, and use and quality of, information and communication technologies				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Additional households with broadband access of at least 30 Mbps				
<i>Source: core indicator 12: additional population covered by broadband access</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)

5,036,637	3,961,689	7,097,599		
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title				Deadline
2007-2013 Ex Post Evaluation "Support to SMEs - Increasing Research and Innovation in SMEs and SME Development"				End 2015
Scope / Main topics addressed:				
How ERDF investment supports SME development and innovation. Measures to improve access to and efficient use of ICT by SMEs. (Core Indicators 1, 5, 6, 7 & 8)				
Title				Deadline
2014-2020 Thematic Evaluation (same as for specific objective 1.1)				tbd

Specific objective 1.3 (falling under thematic concentration): <input checked="" type="checkbox"/> Spending programme				
Enhancing the competitiveness of small and medium-sized enterprises				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of enterprises receiving support				
<i>Source: core indicator 07: direct investment aid to SMEs</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
232,289	198,067	214,948		
Number of new enterprises supported				
<i>Source: core indicator 08: number of start-ups supported</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
91,838	86,647	81,604		
Employment increase in supported enterprises				
<i>Source: core indicator 01: jobs created</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
658,204	507,058	899,229		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of enterprises receiving grants				
Number of enterprises receiving financial support other than grants				
Number of enterprises receiving non-financial support				
Private investment matching public support to enterprises (grants)				
Private investment matching public support to enterprises (non-grants)				
Employment increase in supported enterprises				
Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (sustainable tourism)				
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title				Deadline
2007-2013 Ex Post Evaluation "Support to SMEs - Increasing Research and Innovation in SMEs and SME Development"				End 2015
Scope / Main topics addressed:				
In conjunction with evaluation on "Financial Instruments for enterprise support", examination of 2007-2013 achievements in terms of support to SME development and innovation with a special attention for the rationale, implementation and early evidence of effectiveness of financial instruments. Since expenditure continues until end 2015, the same date for the completion of the evaluation, and since this was a new area of policy focus, only early evidence will be available. (Core Indicators 1, 5, 6, 7 & 8)				
Title				Deadline

2014-2020 Thematic Evaluation (same as for specific objective 1.1)	tbd
--------------------------------------------------------------------	-----

Specific objective 1.4 (falling under thematic concentration): <input checked="" type="checkbox"/> Spending programme Supporting the shift towards a low-carbon economy in all sectors				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Additional capacity of renewable energy production <i>Source: core indicator 24: additional capacity of renewable energy production (KM / MWH)</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2,945	²¹			
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of households with improved energy consumption classification				
Decrease of annual primary energy consumption of public buildings				
Number of additional energy users connected to smart grids				
Estimated annual decrease of GHG				
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title			Deadline	
No recent evaluations available or planned in this area				
Title			Deadline	
2014-2020 Thematic Evaluation (same as for specific objective 1.1)			tbd	

Specific objective 1.5: Promoting climate change adaptation, risk prevention and management <input checked="" type="checkbox"/> Spending programme				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Population benefiting from flood protection measures <i>Source: core indicator 32: number of people benefiting from flood protection measures</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
5,351,446	5,014,266	9,801,862		
Population benefiting from forest fire protection measures <i>Source: core indicator 33: number of people benefiting from forest fire protection and other protection measures</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
28,094,555	24,338,549	21,624,546		
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
No recent evaluations available or planned in this area.				

Specific objective 1.6: Preserving and protecting the environment and promoting resource efficiency <input checked="" type="checkbox"/> Spending programme			
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs			

²¹ Reported target values for this indicator are considered unreliable, due to errors in measurement units in several MS. Thus, only information concerning global achievements is reported here.

Additional population served by improved water supply				
<i>Source: core indicator 25: additional population served by water projects</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
4,177,723	4,128,909	15,047,893		
Additional population served by improved wastewater treatment				
<i>Source: core indicator 26: additional population served by waste water projects</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target (year)
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
6,257,550	4,765,041	19,696,696		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Additional waste recycling capacity				
Total surface area of rehabilitated land				
Surface area of habitats supported to attain a better conservation status				
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title				Deadline
2007-2013 Ex Post Evaluation "Environment"				End 2015
Scope / Main topics addressed:				
Achievements of 2007-2013 ERDF investments in environmental infrastructure projects. Special emphasis will be devoted to the financial sustainability assessment of such projects. (Core Indicators 25, 26 & 27)				
Title				Deadline
2014-2020 Thematic Evaluation (same as for specific objective 1.1)				tbd
Specific objective 1.7: Promoting sustainable transport and removing <input checked="" type="checkbox"/> Spending programme bottlenecks in key network infrastructures				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Total length of new railway line				
<i>Source: core indicator 17: km of new railroads</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
317	293	354		
Total length of reconstructed or upgraded railway line				
<i>Source: core indicator 19: km of reconstructed railroads</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3,127	2,568	3,539		
Total length of newly built roads				
<i>Source: core indicator 14: km of new roads</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3,733	3,220	6,746		
Total length of reconstructed or upgraded roads				
<i>Source: core indicator 16: km of reconstructed roads</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
21,256	20,013	24,486		
Total length of new railway line of which: TEN-T				
<i>Source: core indicator 18: km of TEN railroads</i>				

Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1,296	1,205	1,527		
Total length of newly built roads of which: TEN-T				
<i>Source: core indicator 15: km of new TEN roads</i>				
Latest known results (2007-2013 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1,814	1,597	4,177		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Total length of reconstructed or upgraded railway line of which: TEN-T				
Total length of reconstructed or upgraded roads of which: TEN-T				
Total length of new or improved tram and metro lines				
Total length of improved or created inland waterway				
Main Outputs for 2015:				
Presented under 4.1.5 below				
Evaluations:				
Title				Deadline
2007-2013 Ex Post Evaluation "Transport"				End 2015
Scope / Main topics addressed:				
Main achievements of ERDF investments in all areas of transport infrastructure. Particular focus will apply to the EU contribution for the creation of comprehensive transport network and financial sustainability of the projects. (Core Indicators 13, 14, 15, 16, 17, 18, 19 & 20)				
Title				Deadline
2014-2020 Thematic Evaluation (same as for specific objective 1.1)				tbd

Specific objective 1.8: Promoting sustainable and quality employment <input checked="" type="checkbox"/> Spending programme and supporting labour mobility	
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs	
Indicator to be proposed after approval and based on the content of 2014-2020 OPs	
Main Outputs for 2015:	
Presented under 4.1.5 below	
Evaluations:	
No specific recent evaluations or any planned.	

Specific objective 1.9: Promoting social inclusion, combating poverty <input checked="" type="checkbox"/> Spending programme and any discrimination	
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs	
Population covered by improved health services	
Open space created or rehabilitated in urban areas	
Public or commercial buildings built or renovated in urban areas	
Rehabilitated housing in urban areas	
Main Outputs for 2015:	
Presented under 4.1.5 below	
Evaluations:	
Title	Deadline
2007-2013 Ex Post Evaluation "Urban Development and Social Infrastructures"	End 2015
Scope / Main topics addressed:	
Nature and objectives of co-financed investments in the fields of urban development and social infrastructures and extent to which they were delivered through integrated strategies or not. The overall aim is to explore the rationale that guides investments in these fields and their potential and actual contribution to deliver growth and jobs. (Core Indicators 36, 37, 38, 39, 40, & 41)	

Title	Deadline
2014-2020 Thematic Evaluation (same as for specific objective 1.1)	tbd

Specific objective 1.10: Investing in education, training and vocational training for skills and lifelong learning		<input checked="" type="checkbox"/> Spending programme	
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs			
Capacity of supported childcare or education infrastructure <i>Source: core indicator 37: number of benefiting students</i>			
Latest known results (2007-2013 cumulative)		Milestones	
Global achievements	Achievements with targets	2007-2015 (cumulative)	Target 2014-2023 (cumulative)
6,228,935	5,394,203	5,227,846	
Main Outputs for 2015: Presented under 4.1.5 below			
Evaluations:			
Title		Deadline	
2007-2013 Ex-post evaluation "Urban and Social Infrastructure"		Sep 2015	
Scope / Main topics addressed: To establish the nature and objectives of co-financed investments in the fields of urban development and social infrastructures and assess the extent to which they were delivered through integrated strategies or not.			

Specific objective 1.11: Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration		<input checked="" type="checkbox"/> Spending programme	
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs			
Population living in areas with integrated urban development strategies (indicators to be confirmed after approval and based on the content of 2014-2020 OPs)			
Main Outputs for 2015: Presented under 4.1.5 below			
Evaluations:			
Title		Deadline	
2007-2013 Ex Post Evaluation study on "Delivery system", in partnership with DG EMPL		Beginning 2016	
Scope / Main topics addressed: Effectiveness and efficiency of the constituting elements of Cohesion Policy delivery system. Main success factors regarding the performance of these elements in relation to legality and regularity, accountability, result orientation, timeliness, responsiveness and administrative costs to Member States and beneficiaries.			
Title		Deadline	
2014-2020 Thematic Evaluation (same as for specific objective 1.1)		tbd	

Specific objective 1.12: Developing regional and local potential through encouraging integrated development approach, capacity building, cross border and transnational cooperation and supporting networking, exchange of experience and cooperation between regions, towns and relevant social, economic and environmental actors		<input checked="" type="checkbox"/> Spending programme	
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs			
Number of participants in cross-border mobility initiatives			
Number of participants in joint local employment initiatives and joint training			
Number of participants in projects promoting gender quality, equal opportunities and social inclusion across borders			
Number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders			
Main Outputs for 2015: Presented under 4.1.5 below			
Evaluations:			

Title	Deadline
2007-2013 Ex Post Evaluation studies "European Territorial Co-Operation" and "Culture and Tourism"	End 2015
Scope / Main topics addressed: ETC: Results achieved via co-operation programmes across Europe, with particular focus on co-operation in the field of research, technology and innovation, environmental protection and enhancement, capacity building and knowledge transfer. Culture and Tourism: Nature of co-financed investments in the sector of tourism and culture, Rationale guiding their potential and actual contribution to deliver growth and jobs.	
Title	Deadline
2014-2020 Thematic Evaluation (same as for specific objective 1.1)	tbd

Specific objective 1.13: Supporting cross-border, transnational and interregional cooperation (European territorial cooperation) including cross-border cooperation between Member States and candidate or potential candidate countries <input checked="" type="checkbox"/> Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs
Number of enterprises participating in cross-border, transnational or interregional research projects
Number of research institutions participating in cross-border, transnational or interregional research projects
Main Outputs for 2015:
Presented under 4.1.5 below
Evaluations:
As for specific objective 1.12.

Comments:

There is a further significant increase in achievements reported in 2013 compared to 2012 showing that implementation continued to deliver, although not at a faster rate than recent years. The following are significant examples:

- Gross jobs created: +31%;
- Number of enterprise cooperating with supported research institutions: +27%;
- Number of SMEs supported: +17%;
- Number of start-up supported: +28%;

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

Note that all the above figures are still subject to verification, with ongoing contacts between REGIO and the Managing Authorities and a consultancy contract also underway which will complete its verification by the end of 2014.

4.1.5. *Main operational outputs in 2015*

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

Main operational outputs in 2015		
	indicator	target
Adoption of all programmes (with clear result orientation)	Commission output: Art 16 report on the outcome of the negotiations to be submitted to the other institutions	End of 2015
	Final outputs: % of programmes adopted	100% by end July 2015 Interreg 100% by end 2015
Ensure starting of effective implementation and monitoring of the programmes	Commission outputs: Nr of programmes for which the Commission has examined the designation documents	Minimum 53 Ops covered through desk review and/or on the spot missions by end 2015
	Final outputs: % of actions foreseen for completion in 2015 in relation to ex-ante conditionalities (EAC) implemented % of programmes with designated authorities	90%
	% allocated to selected projects/overall allocation by Commission for ERDF and CF for 2014-2020	90% OPs (60% CPs) by end 2015 EU aggregate 4% by end September, 6% by end 2015
Encourage the uptake of financial instruments over the lifetime of the programmes	Commission output: Delivery of assistance in accordance with work programme of FI-compass for 2015	100% of launch of Hub website, 4 conferences, 3 workshops, 45 methodological advice products, 10 training actions
	Final output: % Allocated/overall amounts foreseen for financial instruments	Overall doubling in the use of financial instruments under ESIF in the period 2014-2020 relative to 2007-2013
To encourage the use of new territorial instruments (Art 7, CLLD, ITI)	Analysis on how ERDF Art 7 (sustainable urban development) is implemented within the adopted OPS and on the uptake of the new tools (ITI and CLLD) under the ERDF	Analyses done by end 2015
Ensure that the new procedures and IT systems are operational in time for the implementation of the 2014-2020 programming period	Commission output: Delivery in accordance with the plan of all new 2014-2020 processes defined in the schéma directeur 2015 for SFC2014 and WAVE	100% according to plan

4.2. Cohesion Fund

4.2.1. Description and justification

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

Environment

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

Transport:

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

Responsibilities of the Commission

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

4.2.2. EU added value and evidence from evaluations

Reference is made to the information presented under 4.1.2 above.

4.2.3. Available financial and human resources

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

ABB activity: Cohesion Fund						
Financial resources (€ in commitment appropriations)			Human resources			
Operational expenditure	Administrative expenditure (managed by the service) ²²		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ²³	b) ²⁴				
8,346,548,261	11,408,035	28,200,000	8,395,469,555	92	22	114

²² Including Administrative and Operational technical assistance and 30 % of the Global envelope allocation

²³ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

²⁴ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

4.2.4. Specific objectives and related indicators

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

Relevant general objective 1:				
To reduce disparities between the levels of development of the various regions, in particular for rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps and to contribute to achieving the targets set out in the Europe 2020 strategy of smart, sustainable and inclusive growth, and in particular towards the achievement of quantitative headline targets identified in that strategy.				
Specific objective 1 (falling under thematic concentration):				<input checked="" type="checkbox"/> Spending programme
Supporting the shift towards a low-carbon economy in all sectors				
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Additional capacity of renewable energy production (Cohesion Fund)				
<i>Source: core indicator 24: additional capacity of renewable energy production</i>				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1,408	²⁵			
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Number of households with improved energy consumption classification				
Decrease of annual primary energy consumption of public buildings				
Number of additional energy users connected to smart grids				
Estimated annual decrease of GHG				
Main Outputs for 2015:				
Presented under 4.2.5 below				
Evaluations:				
No specific recent evaluations or any planned.				

Specific objective 2: Promoting climate change adaptation, risk prevention and management				<input checked="" type="checkbox"/> Spending programme
Indicators common/for which data will be available for both 2007-2013 and 2014-2020 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Population benefiting from flood protection measures (Cohesion Fund)				
<i>Source: core indicator 32: number of people benefiting from flood protection measures</i>				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
2,665,010	2,390,933	6,906,162		
Population benefiting from forest fire protection measures (Cohesion Fund)				
<i>Source: core indicator 33: number of people benefiting from forest fire protection and other protection measures</i>				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
27,997,870	24,241,864	21,510,746		
Main Outputs for 2015:				
Presented under 4.2.5 below				
Evaluations:				

²⁵ Reported target values for this indicator are considered unreliable, due to errors in measurement units in several MS. Thus, only information concerning global achievements is reported here.

No specific recent evaluations or any planned.

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

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

Additional population served by improved water supply (Cohesion Fund)

Source: core indicator 25: additional population served by water projects

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3,695,320	3,646,506	14,439,893		

Additional population served by improved wastewater treatment (Cohesion Fund)

Source: core indicator 26: additional population served by waste water projects

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
5,725,570	4,289,697	16,773,060		

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

Additional waste recycling capacity

Total surface area of rehabilitated land

Surface area of habitats supported to attain a better conservation status

Main Outputs for 2015:

Presented under 4.2.5 below

Evaluations:

2007-2013 Ex Post Evaluation "Environment" End 2015

Scope / Main topics addressed:

Environmental infrastructure projects in the area of drinking water supply, wastewater treatment and solid waste treatment that benefit from financial assistance from ERDF or Cohesion Fund in 2007-13

Specific objective 4: Promoting sustainable transport and removing bottlenecks in key network infrastructures Spending programme

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

Total length of new railway line (Cohesion Fund)

Source: core indicator 17: km of new railroads

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
69	47	253		

Total length of reconstructed or upgraded railway line (Cohesion Fund)

Source: core indicator 19: km of reconstructed railroads

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1,487	1,230	2,372		

Total length of newly built roads (Cohesion Fund)

Source: core indicator 14: km of new roads

Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
3,350	3,084	6,368		

Total length of reconstructed or upgraded roads (Cohesion Fund)

Source: core indicator 16: km of reconstructed roads

Latest known results (2007-2012 cumulative)		Milestones		Target
Global	Achievements	2007-2015		2014-2023

achievements	with targets	(cumulative)		(cumulative)
20,731	19,796	23,874		
Total length of new railway line of which: TEN-T (Cohesion Fund)				
<i>Source: core indicator 18: km of TEN railroads</i>				
Latest known results (2007-2012 cumulative)		Milestones		Target
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
381	290	1,440		
Total length of newly built roads of which: TEN-T (Cohesion Fund)				
<i>Source: core indicator 15: km of TEN roads</i>				
Latest known results (2007-2012 cumulative)		Milestones		Target (year)
Global achievements	Achievements with targets	2007-2015 (cumulative)		2014-2023 (cumulative)
1,737	1,597	4,177		
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs				
Total length of reconstructed or upgraded railway line of which: TEN-T				
Total length of reconstructed or upgraded roads of which: TEN-T				
Total length of improved or created inland waterway				
Total length of new or improved tram and metro lines				
Main Outputs for 2015:				
Presented under 4.2.5 below				
Evaluations:				
2007-2013 Ex Post Evaluation "Transport"				End 2015
Scope / Main topics addressed:				
Main achievements of ERDF/CF investments in all areas of transport infrastructure. Particular focus will apply to the EU contribution for the creation of comprehensive transport network and financial sustainability of the projects. (Core Indicators 13, 14, 15, 16, 17, 18, 19 & 20)				

Specific objective 5: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration		<input checked="" type="checkbox"/> Spending programme
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs		
Indicator to be proposed after approval and based on the content of 2014-2020 OPs		
Main Outputs for 2015:		
Presented under 4.2.5 below		
Evaluations:		
Title	Deadline	
2007-2013 Ex Post Evaluation study on "Delivery system", in partnership with DG EMPL	Beginning 2016	
Scope / Main topics addressed:		
Effectiveness and efficiency of the constituting elements of Cohesion Policy delivery system. Main success factors regarding the performance of these elements in relation to legality and regularity, accountability, result orientation, timeliness, responsiveness and administrative costs to Member States and beneficiaries.		

Comments:

The points made in for ERDF are equally valid for the Cohesion Fund. As the information provided by programme authorities concerning achievements is reported globally for the ERDF and Cohesion Fund, the expected outputs and results reported here relate to both Funds (CF countries). An increase in outputs and results was reported by Member States in 2013. However, infrastructure projects which are co-financed by the Cohesion Fund are complex and take longer to complete than ERDF projects in other sectors, so in general Cohesion Fund results will be slower than ERDF.

4.2.5. Main operational outputs in 2015

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

Main operational outputs in 2015		
	indicator	target
Adoption of all programmes (with clear result orientation)	Commission output: Art 16 report on the outcome of the negotiations to be submitted to the other institutions	End of 2015
	Final outputs: % of programmes adopted	100% by end July 2015 Interreg 100% by end 2015
Ensure starting of effective implementation and monitoring of the programmes	Commission outputs: Nr of programmes for which the Commission has examined the designation documents	Minimum 53 Ops covered through desk review and/or on the spot missions by end 2015
	Final outputs: % of actions foreseen for completion in 2015 in relation to ex-ante conditionalities (EAC) implemented % of programmes with designated authorities	90% 90% OPs (60% CPs) by end 2015
	% allocated to selected projects/overall allocation by Commission for ERDF and CF for 2014-2020	EU aggregate 4% by end September, 6% by end 2015
Encourage the uptake of financial instruments over the lifetime of the programmes	Commission output: Delivery of assistance in accordance with work programme of FI-compass for 2015	100% of launch of Hub website, 4 conferences, 3 workshops, 45 methodological advice products, 10 training actions
	Final output: % Allocated/overall amounts foreseen for financial instruments	Overall doubling in the use of financial instruments under ESIF in the period 2014-2020 relative to 2007-2013
To encourage the use of new territorial instruments (Art 7, CLLD, ITI)	Analysis on how ERDF Art 7 (sustainable urban development) is implemented within the adopted OPS and on the uptake of the new tools (ITI and CLLD) under the ERDF	Analyses done by end 2015
Ensure that the new procedures and IT systems are operational in time for the implementation of the 2014-2020 programming period	Commission output: Delivery in accordance with the plan of all new 2014-2020 processes defined in the schéma directeur 2015 for SFC2014 and WAVE	100% according to plan

4.3. Instrument for Pre-Accession Assistance (IPA)

4.3.1. Description and justification

The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help. The IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region. The allocation of EU pre-accession funds helps translate the political priorities of the enlargement strategy into concrete actions. Through IPA, the EU reinforces its guidance to the aspiring countries on the priorities necessary for aligning with EU standards and legislation and supports the countries' necessary financial efforts for achieving such alignment.

Responsibilities of the Commission

DG REGIO is involved in IPA through the management of an envelope of external aid under the instrument's Components II (regional cooperation) and III (regional development) in 2007-2013 and under policy area "regional cooperation" in 2014-2020. REGIO's involvement in the accession process is twofold: REGIO monitors developments under chapter 22 of the EU *acquis* ("regional policy and coordination of structural instruments") and participates in the consequent accession negotiations on the said chapter, while also managing the Interreg-IPA programmes with beneficiary countries.

IPA funding priorities

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

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

IPA under the 2007-2013 legal framework

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

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

IPA under the 2014-2020 legal framework

Under the new IPA Regulation for 2014-2020, DG REGIO will continue to manage the IPA CBC programmes between Member States and beneficiary countries but no operational programmes under other policy areas. REGIO will contribute to the Commission's overall work of monitoring and assessing potential preparatory activity in the fields of its remit. However, contribution to the preparation of the project pipeline in the area of "regional development" for 2014-2020 will result from the activation of JASPERS in **Serbia, Montenegro, and the former Yugoslav Republic of Macedonia (fYROM)**. Additionally, DG REGIO remains responsible for the management of the "IPA regional development" component (5 regional development programmes adopted) in 3 Candidate Countries namely **Turkey, fYROM, and Montenegro** and the "IPA cross-border cooperation" component (actually 12 Interreg-IPA programmes adopted between Member States and candidate or potential candidate countries). Implementation of **Montenegro's** operational programme will start by the end of 2014, as the country cleared in April 2014 the identified findings blocking the conferral of decentralized management powers by the Commission.

4.3.2. EU added value and evidence from evaluations

EU added value

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

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

Evidence from evaluations

No recent evaluation results available.

4.3.3. Available financial and human resources

ABB activity: Instrument for Pre-Accession Assistance (IPA)						
Financial resources (€ in commitment appropriations)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service) p.m.		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ²⁶	b) ²⁷				
35,083,181	0	0	35,083,181	6	1	7

4.3.4. Specific objectives and related indicators

Specific objective 1: Support for political reforms <input checked="" type="checkbox"/> Spending programme
2014-2020 Indicators (defined and monitored by DG NEAR)
Progress made in achieving the political criteria, as assessed by the Progress report
Weighted score based on eight external sources (Corruption Perception (Transparency International), Press Freedom (Reporters without Borders), Freedom of Press (Freedom House), Government Effectiveness (World Bank), Control of Corruption (World Bank), Rule of Law (World Bank), Voice and Accountability (World Bank) and Regulatory Quality (World Bank))

Specific objective 2: Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth <input checked="" type="checkbox"/> Spending programme										
2014-2020 Indicators for which no exploitable data are available from 2007-2013 Information on baselines, milestones and targets for 2014-2020 to be added after approval of OPs										
(To be defined)										
2007-2013 Indicators discontinued in 2014-2020										
Absorption of available funds (%) under IPA Component III 2007-2013 (aggregate for FYROM, Turkey, Montenegro) <i>Source: (DG REGIO data)</i>										
<table border="1"> <thead> <tr> <th>Baseline (2007)</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>Target (2017)</th> </tr> </thead> <tbody> <tr> <td>0%</td> <td>32% (24% FYROM, 33% Turkey)</td> <td>57% (54% FYROM, 58% Turkey)</td> <td>77% (75% FYROM, 78% Turkey, 36% Montenegro)</td> <td>100%</td> </tr> </tbody> </table>	Baseline (2007)	2013	2014	2015	Target (2017)	0%	32% (24% FYROM, 33% Turkey)	57% (54% FYROM, 58% Turkey)	77% (75% FYROM, 78% Turkey, 36% Montenegro)	100%
Baseline (2007)	2013	2014	2015	Target (2017)						
0%	32% (24% FYROM, 33% Turkey)	57% (54% FYROM, 58% Turkey)	77% (75% FYROM, 78% Turkey, 36% Montenegro)	100%						
Submission of major projects by national authorities of FYROM, Turkey, Montenegro to DG REGIO service for approval <i>Source: (DG REGIO data)</i>										
<table border="1"> <thead> <tr> <th>Baseline (2007)</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>Target (2017)</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>41 (2 FYROM, 39 Turkey²⁸)</td> <td>42 (3 FYROM, 39 Turkey²⁹)</td> <td>43 (3 FYROM, 39 Turkey³⁰, 1 Montenegro)</td> <td>43³¹ (3 FYROM, 39 Turkey³², 1 Montenegro)</td> </tr> </tbody> </table>	Baseline (2007)	2013	2014	2015	Target (2017)	0	41 (2 FYROM, 39 Turkey ²⁸)	42 (3 FYROM, 39 Turkey ²⁹)	43 (3 FYROM, 39 Turkey ³⁰ , 1 Montenegro)	43 ³¹ (3 FYROM, 39 Turkey ³² , 1 Montenegro)
Baseline (2007)	2013	2014	2015	Target (2017)						
0	41 (2 FYROM, 39 Turkey ²⁸)	42 (3 FYROM, 39 Turkey ²⁹)	43 (3 FYROM, 39 Turkey ³⁰ , 1 Montenegro)	43 ³¹ (3 FYROM, 39 Turkey ³² , 1 Montenegro)						
Number of major projects approved by the Commission out of the total number of major projects submitted by national authorities of FYROM, Turkey, Montenegro to DG REGIO service for approval (%) <i>Source: (DG REGIO data)</i>										

²⁶ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

²⁷ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

²⁸ Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

²⁹ Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

³⁰ Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

³¹ Total number of major projects which need to be submitted in order to cover fully the aggregate available budget of all OPs.

³² Not taking into account 1 Major Project withdrawn and 2 Financial Instruments

Baseline (2007)	2013	2014	2015	Target (2017)
0 (% MP Approved/ MP needed)	66% (67% FYROM, 70% Turkey)	95% ³³ (100% FYROM, 100% Turkey)	100% ³⁴ (100% FYROM, 100% Turkey, 100% Montenegro)	100% ³⁵ (100% FYROM, 100% Turkey, 100% Montenegro)
Main Outputs for 2015:				
<ul style="list-style-type: none"> • Closure Guidelines for IPA Component III 2007-13 programmes adopted by REGIO • Requests for Commission Amending Decisions on IPA major projects assessed and approved (70% of requests submitted by mid-2015 approved by end of 2015). • IPA major projects submitted in 2015 assessed and approved (70% in less than one year) • IPA major projects submitted before 2014 assessed and approved (70% by end of 2014, residual number by Q3 2015). • IPA non-major projects submitted in 2015 assessed and approved (100% in less than 1 year) • Screening meetings on Chapter 22 conducted with Serbia • Opening benchmark for Montenegro assessed. • First screening meeting on Chapter 22 conducted with Albania, pending a Council decision by mid-2015. • Implementation of JASPERS in FYROM, Montenegro and Serbia (following the signature of a contribution Agreement with EIB in 2013). 				
Evaluations:				
No evaluations planned yet				

<p>Specific objective 3: Strengthening of the ability of the beneficiaries listed in Annex I at all levels to fulfil the obligations stemming from Union membership by supporting progressive alignment with and adoption, implementation and enforcement of the Union acquis, including preparation for management of Union structural, cohesion, agricultural and rural development funds.</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Spending programme</p>										
2014-2020 Indicators (REGIO)										
Commission Decisions on Conferral of Management (Decentralized Implementation System under IPA Component III in place for all 5 OPs of FYROM, Montenegro, Turkey)										
<i>Source: (Article 14 of Commission Regulation (EC) No 718/2007 of 12 June 2007)</i>										
<table border="1"> <thead> <tr> <th>Baseline (2007)</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>Target (2017)</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2013: 4 (1 FYROM, 3 Turkey)</td> <td>2014: 5 (1 FYROM, 3 Turkey, 1 Montenegro)</td> <td></td> <td>5 (1 FYROM, 3 Turkey, 1 Montenegro)</td> </tr> </tbody> </table>	Baseline (2007)	2013	2014	2015	Target (2017)	0	2013: 4 (1 FYROM, 3 Turkey)	2014: 5 (1 FYROM, 3 Turkey, 1 Montenegro)		5 (1 FYROM, 3 Turkey, 1 Montenegro)
Baseline (2007)	2013	2014	2015	Target (2017)						
0	2013: 4 (1 FYROM, 3 Turkey)	2014: 5 (1 FYROM, 3 Turkey, 1 Montenegro)		5 (1 FYROM, 3 Turkey, 1 Montenegro)						

³³ The progression in milestone values across the three milestone years will depend on the pace of submission of major projects by the national authorities. This pace can be uneven across the milestone years, affecting the values of the milestones of approval of major projects by the Commission.

³⁴ The progression in milestone values across the three milestone years will depend on the pace of submission of major projects by the national authorities. This pace can be uneven across the milestone years, affecting the values of the milestones of approval of major projects by the Commission.

³⁵ All milestone and target values in this row represent the total number of major projects whose timely approval by the Commission is necessary to cover fully the available aggregate budget of the OPs. This total number is a *subset* of the total number of major projects mentioned in the "Indicative List of Major Projects" annexed to each OP. The difference between the two reflects the volume of "overbooking" of the aggregate available budget. We opt for reflecting the total number of major projects necessary for covering the available budget and not for the total number of major projects mentioned in the "Indicative List of Major Projects," as the overbooking in certain OPs is so significant (up to 100% overbooking over the available budget) that reflecting the latter would have a highly distortive effect on the presentation of the real workload targets.

Screening Reports (SR) and EU Common Positions (EUCP) adopted by the conference of Member States relative to the accession of individual candidate countries				
<i>Source: E3 data</i>				
Baseline (2007)	2013	2014	2015	Target (2017)
1 (Turkey)	5 (SR + EUCP Iceland, SR + EUCP Turkey, SR Montenegro)	5 (SR + EUCP Iceland, SR + EUCP Turkey, SR Montenegro)	7 (SR + EUCP Iceland, SR + EUCP Turkey, SR Montenegro, SR + EUCP Serbia)	8 (SR + EUCP Iceland, SR + EUCP Turkey, SR Montenegro, SR + EUCP Serbia; SR Albania)
DG REGIO contribution to delivery of 2015 Main Outputs:				
<ul style="list-style-type: none"> • Contribution to Progress Reports on EU Enlargement (2015) for all candidate and potential candidate countries • Contribution to EU Enlargement Strategy (2015) • Contribution to the Commission's (under lead of DG ECFIN) Assessment of the 2015 Pre-accession Economic Programmes of the candidate countries and the 2015 Economic and Fiscal Programmes of the potential candidate countries. • Contribution to DG DEVCO's 2015 Aid Transparency Report. • Assessment of Montenegro's opening benchmark (Action Plan) for chapter 22 and adoption of the EU Common Position on opening negotiations on chapter 22 with Montenegro • 2nd Screening meeting with Serbia and adoption of the Screening Report on Chapter 22 for Serbia • Assessment of Serbia's opening benchmark (Action Plan) for chapter 22 and adoption of the EU Common Position on opening negotiations on chapter 22 with Serbia • Screening meetings on Chapter 22 conducted with Albania, pending a Council decision by mid-2015. 				
Evaluations:				
No evaluations planned yet				

Specific objective 4: Strengthening regional integration and territorial cooperation involving the beneficiaries listed in Annex I, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 231/2014 of the European Parliament and of the Council. <input checked="" type="checkbox"/> Spending programme		
2014-2020 Indicators (REGIO)		
Number of cross border co-operation programmes concluded between IPA/EU countries (regional integration and territorial cooperation amongst the IPA II beneficiaries)		
<i>Source: European Commission Cross-border cooperation programmes, concluded between IPA/EU countries and IPA/IPA countries</i>		
Baseline (2010)	Milestone (2017)	Target (2020 ³⁶)
Western Balkans CBC IPA/EU	9 ³⁷	9
Turkey ³⁸	2 ³⁹	2 ⁴⁰
Iceland ⁴¹	-	-
Evaluations:		
No evaluations planned yet		

³⁶ The target is set based on the 2014-2020 programming documents

³⁷ HR/BA/ME, HR/RS, HU/RS, RO/RS, BG/RS, BG/the former Yugoslav Republic of Macedonia, GR/the former Yugoslav Republic of Macedonia, GR/AL, IT/AL/ME,)

³⁸ CY/TK: conditions are not met yet

³⁹ BG/TK, GR/TK

⁴⁰ BG/TK, GR/TK

⁴¹ Iceland remains a potential beneficiary country under IPA II legal framework but without a specific country allocation in the budget for 2015

4.4. Solidarity Fund

4.4.1. Description and justification

The **European Union Solidarity Fund (EUSF)** is an instrument distinct from those of Cohesion policy and was set up in 2002 to grant financial assistance to Member States and to countries negotiating their accession to the EU⁴², mainly in the event of **major natural or regional disasters**. The EUSF is not included in the EU budget as such but may be mobilised over and above the normal budget on a case by case basis through an amending budget. The maximum annual allocation available to the Fund for 2014-2020 has been reduced from previously EUR 1 billion (current prices) per year to EUR 500 million (2011 prices) plus any possible remainder of the preceding year.

Over the past 12 years, since its creation in 2002, a total number of 115 applications for EUSF financial aid were received⁴³ by the Commission. The mobilisation of the EUSF has been approved on a total of 35 occasions following major disasters and 18 regional disasters.

A "major disaster" within the meaning of the amended Regulation⁴⁴ means any disaster exceeding a threshold, specific for each country, of either EUR 3 billion in 2011 prices or of more than 0.6% of its gross national income (GNI), whichever is the lower. The Fund can also intervene for smaller disasters, so-called 'regional disasters' where direct damage exceeds 1.5% of regional GDP at NUTS2 level. For outermost regions the threshold is 1% of regional GDP. In total, since 2002, the EUSF granted aid for 18 regional disasters.

Financial contributions from the Fund are limited to finance essential emergency operations undertaken by the public authorities to alleviate non-insurable damages (such as rescue services, restoring essential infrastructure, providing temporary accommodation, clean-up operations of disaster-stricken areas, protecting cultural heritage assets from further damage etc.). Damage to private property and income losses, including in agriculture, are not covered.

Solidarity Fund under the 2014-2020 legal framework

Following a proposal by the Commission the EUSF Regulation (EC) No 2012/2002 was amended and the revised Regulation entered into force on 28 June 2014. With the revised Regulation important improvements to the operation of the EUSF could be achieved with only a minimum of adjustment to the current Regulation, thus maintaining its rationale and character and without touching on matters of finance and the volume of permitted spending. Advance payments for Member States will be possible for the first time as of 2015.

42 Currently Turkey, Montenegro and Serbia.

43 State of play of October 2014

44 Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014 amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund, OJ L 189/143 of 27.6.2014.

Responsibilities of the Commission

Under shared management rules, the Commission is responsible for assessing the applications received and - if the applications are accepted - for proposing an amount of aid to the European Parliament and the Council who have to approve it. Once the budget appropriations become available, the aid is paid after the adoption of a decision awarding the financial contribution from the Fund. For non-Member States, the signing of an agreement between the Commission and the beneficiary State is mandatory. Once the financial contribution is paid out, the beneficiary State is responsible for the implementation including the selection of operations and their audit and control.

4.4.2. EU added value and evidence from evaluations

EU added value

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

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

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

Evidence from evaluations

No recent evaluation results available.

4.4.3. Available financial and human resources

ABB activity: Solidarity Fund						
Financial resources (€ in commitment appropriations)			Human resources			
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ⁴⁵	b) ⁴⁶				
50,000,000(1)	0	0	50,000,000 ⁴⁷	2	0	2

⁴⁵ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

⁴⁶ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

⁴⁷ With an annual ceiling of EUR 500 mln (in 2011 prices)

4.4.4. Specific objectives and related indicators

Specific objective 1: To assist Member States or countries negotiating their accession to the EU in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy <input checked="" type="checkbox"/> Spending programme		
Indicators common to both 2007-2013 and 2014-2020 programming periods		
Population helped in overcoming a crisis situation where their living conditions have been affected <i>Source: EI monitoring data</i>		
Baseline (2007)	Latest known result (2014)	Target
0	7 EUSF grants decided in 2014, covering 100% of the affected areas and population for which interventions were requested	100% of population affected and eligible under the EUSF Regulation upon the Member States' request
Size of disaster-stricken area where rehabilitation has been assisted <i>Source: EI monitoring data</i>		
Baseline (2007)	Latest known result (2014)	Target
0	Aid available for 100% of affected areas (choice of supported operations up to the beneficiary country)	100% of areas affected by the disaster and eligible under the EUSF Regulation upon the Member States' request
Main Outputs for 2015:		
Outputs depend on the occurrence of natural disasters which by their nature cannot be planned ahead. <u>Policy outputs:</u> <ul style="list-style-type: none"> • Annual Report on the Solidarity Fund 2014. <u>Operational outputs:</u> <ul style="list-style-type: none"> • Operational outputs depend on the number, size and nature of disasters for which Solidarity Fund applications will be received and decided in the course of 2015. By their nature, natural disasters cannot be predicted. The available budget appropriations are not fully known at this stage. They will be composed of a) EUR 500 million in 2011 prices, plus b) any unspent amount of the 2014 annual allocation. Individual Solidarity Fund contributions will depend of the magnitude of the disasters and the relative wealth of the affected country expressed in Gross national income. • 6 monitoring visits to beneficiary countries for 2014 cases. • Possible closure of up to 16 EUSF operations (for disasters occurred in 2008-2011). 		
Evaluations		
No evaluations planned yet		

4.5. Encouraging the economic development of the Turkish Cypriot community

4.5.1. Description and justification

As a result of a change in the Commissioners' portfolios, the support of the Turkish Cypriot community will be transferred from DG NEAR to REGIO as of 01.01.2015. The programme aims at facilitating the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the lifting of the suspension of the *acquis*.

DG REGIO also supervises and reports on the implementation of the Green Line Regulation (crossing of goods and persons through the 'Green Line' in Cyprus). It also coordinates the European Commission's political and technical support to the negotiations on a comprehensive settlement to the Cyprus issue under UN auspices.

The impact of a settlement will be major for both communities, allowing all Cypriots to enjoy benefits of EU citizenship.

The Commission expects the Greek and Turkish Cypriot communities to continue the fully-fledged negotiations that were started in 2014 towards a comprehensive settlement under the auspices of the United Nations. The Commission has reaffirmed its support for this process and will adapt its assistance according to developments.

4.5.2. EU added value and evidence from evaluations

EU added value

The programme is the only EU funding for the Turkish Cypriots, who are EU citizens. There is very little assistance from individual Member States due to difficult legal and political circumstances in the de facto divided island. The programme supports reunification efforts by supporting the efforts of the UN led settlement process and prepares the Turkish Cypriots for the lifting of the suspension of the *acquis*. Following the restart of the settlement process in 2014, the programme is likely to move into a more critical phase as the need for *acquis* compliance and for convergence of the economies of the two parts of the island becomes more acute. The EU contribution, both in supporting the political process and directly contributing to EU alignment and to improved living standards will be vital.

Evidence from evaluations

The major programme evaluation phase was 2012-2013, when the European Court of Auditors noted that the Commission had succeeded in developing a programme where the objectives of the instrument were reflected in the interventions funded, but also that the ultimate objective of reunification would only be achieved through the political will of the two communities. A 2013 external programme evaluation, reported that the intervention strategy was good, although without good progress in the negotiations and positive public opinion, the settlement process will struggle.

4.5.3. Available financial and human resources (to be updated/reviewed)

ABB activity: Aid regulation						
Financial resources (€ in commitment appropriations)			Human resources			
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ⁴⁸	b) ⁴⁹				
30,600,000	356,558	1,873,476	32,830,034	10	25	35

4.5.4. Specific objectives and related indicators

In line with the relevant programme statement, no specific objectives are disclosed. The indicators presented in the table below are linked to the relevant general objective.

Relevant general objective: To facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the <i>acquis communautaire</i> .					
Indicators common to both 2007-2013 and 2014-2020 programming periods					
Result Indicator 1: Technically and politically support settlement process and to prepare for the application of the <i>acquis</i> to the whole island after the achievement of settlement					
<i>Source: EC Cyprus Steering Group, UN</i>					
Baseline (2013)		Milestone (2017)		Target (2020) ⁵⁰	
Political stalemate; social/economic separation		Substantive progress in political and technical processes		Social and economic integration, advanced <i>acquis</i> alignment	
Result Indicator 2: GDP per capita gap between the government-controlled areas of the Republic of Cyprus and the northern part of Cyprus in process of progressive reduction					
<i>Source: World Bank</i>					
Baseline (2010)		Milestone (2017)		Target (2020)	
TCC GDP/cap as % of that of government controlled area: 45%		52%		59% ⁵¹	
Result indicator 3: Cross Green Line trade volume in process of progressive increase					
<i>Source: TCC Chamber of Commerce</i>					
Baseline (2012)		Milestone (2017)		Target (2020)	
€ 4,196,465		€ 6,500,000		€ 8,500,000	
Indicators for 2014-2020 programming period					
Result indicator 4: Public perceptions "very good or rather good"					
<i>Source: Eurobarometer</i>					
Baseline (2013)		Milestones			Target (2020)
	2014	2015	2016	2017	
Household finances:57%	58	59	60	61	63
Life satisfaction: 49%	52	54	56	60	75
Life satisfaction 12 month outlook: 47%	50	55	60	60	75
Main Outputs for 2015:					
Description		Indicator		target	
Infrastructure development		Active sites		8	

⁴⁸ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

⁴⁹ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

⁵⁰ In case of early settlement the planning will be revised (Council Regulation 1311/2013, Article 22).

⁵¹ Slow approximation is foreseen.

Grant contracts (civil society, community development, SMEs)	Grants signed	28
Scholarships	Scholarships granted	100
Committee on Missing Persons identification of "missing"	Identifications made	130
Cultural heritage protection	Active sites	5
<i>Acquis</i> related project actions implemented	TAIEX expert missions/actions	400
Evaluations		
Support to Committee on Missing Persons (Aid Regulation objective 3), rural development sector programme, equipment supplied for metrology (Aid Regulation objective 2).		

The Aid programme to the Turkish Cypriot community will continue to target the six key areas of the Aid Regulation 389/2006 and aim for social and economic development. An important theme will be reconciliation and confidence building towards reunification. There will be longer term involvement in some particular topics with demanding requirements under the *acquis*: water/wastewater and environment; agriculture and veterinary health; road transport/safety.

Expenditure related outputs - Projects related to:	DB '2015	
	Output (no.)	€ million
1. Development of infrastructure		6.0
2. Social/economic development		7.0
3. Reconciliation, confidence building		6.0
4. Bringing Turkish Cypriots closer to the Union		4.6
5. Preparation for <i>acquis</i>		4.0
6. Horizontal		4.0
Total		31.6

The main exogenous factors/risks identified are the following:

- Legal issues arising from the non-recognition of the beneficiary raise specific risks to the implementation of the Aid Programme for the Turkish Cypriot community;
- A stagnation or reversal in the political settlement process between the two communities on the island would also be a source of risk to attainment of the objectives.

5. SPECIFIC OBJECTIVES FOR HORIZONTAL ACTIVITIES

Horizontal activities carried out by DG Regional and Urban Policy cover policy strategy and coordination and administrative support. These activities fully support the coordination and delivery of the operational activities of the DG for 2015.

In order to fully reflect the areas and objectives which require particular management focus in 2015, most of the specific objectives presented under this section correspond to the DG's operational priorities identified by senior management for 2015, already presented under section 2.2. Where relevant, additional specific objectives and indicators not immediately resulting from the DG's operational objectives for 2015 were added, in order to provide a better picture of the main horizontal activities of the DG. This concerns notably:

An indicator reflecting the overall performance of the DG's internal control:
Residual error rate for ERDF/CF expenditure certified in 2014.

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

5.1. Policy Strategy, Co-ordination and Evaluation

5.1.1. Description of the activity

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

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

This Activity includes the following functions:

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

5.1.2. Available financial and human resources

Horizontal activity: Policy Strategy and Co-ordination						
Financial resources (€ in commitment appropriations)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service) p.m.		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ⁵²	b) ⁵³				
0	18,588,775	0	18,588,775	166	25	191

5.1.3. Areas of emphasis and other operational objectives for 2015

The specific objectives and accompanying indicators DG Regional Policy will focus its attention on in 2015 are presented below.

5.1.3.1. Policy strategy definition and coordination

Specific objective:		
Determine the general strategy of DG REGIO and give the necessary impulse, direction and coordination on matters and priorities related to policy definition, preparation and implementation in accordance with the Commission policy objectives and the provisions of the Treaties, so that the overall mission of the DG is coherently fulfilled as framed and planned.		
Result Indicator: Achievement of the DG's annual operational priorities <i>Source: DGA1.01 data on monitoring of MP priorities</i>		
Baseline (2013)	Last known result (end Oct 2014)	Target (2015)
73% of operational priorities for 2013 achieved by year-end	50% of operational priorities for 2014 achieved	70% of DG's operational priorities for 2015 achieved by year-end

The general strategy of the DG is translated every year into concrete operational priorities, identified in cooperation with the concerned units and validated by the DG's senior management. As illustrated under section 2.2, the selected operational priorities and associated indicators provide the scope and the framework supporting the assessment and monitoring of DG Regional and Urban Policy performance throughout 2015.

To implement the reformed Cohesion policy for the 2014-2020 period

Specific objective:	
To adopt all the programmes (with clear results orientation)	
Output** Indicator 1: % of programmes adopted <i>Source: (SFC/Wave information systems)</i>	
Target (2015)	100% by end July 2015; 100% by end 2015 for CBC IPA
Output* Indicator 2: Art 16 report on the outcome of the negotiations to be submitted to the other institutions. <i>Source: Regulation (EU) 1303/2013</i>	
Target (2015)	Submission by end 2015
Specific objective:	
To ensure that effective implementation and monitoring of the programmes has started	
Output* Indicator 1: No. of programmes for which the Commission has examined the designation	

⁵² Heading 5 appropriations managed by the DG (global envelope) XX 01 02

⁵³ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

documents <i>Source: (SFC/Wave information systems)</i>	
Target (2015)	Minimum 53 OPs by end 2015
Output** Indicator 2: % of actions foreseen for completion in 2015 in relation to ex-ante conditionalities (EAC) implemented <i>Source: (SFC/Wave information systems)</i>	
Target (2015)	80%
Result Indicator 1 (Member States): % of programmes with designated authorities <i>Source: (SFC/Wave information systems)</i>	
Target (2015)	90% by end 2015
Result Indicator 2 (Member States): % allocated to selected projects/overall allocation by Commission for ERDF and CF for 2014-2020 <i>Source: (SFC/Wave information systems)</i>	
Milestone (end September 2015)	Target (end 2015)
4%	6%

*: Commission Output; **: Final Output

Administrative capacity building, enhancing the effectiveness of investment in low-growth regions and supporting the catch-up process of underdeveloped regions

Specific Objective:	
To provide or organise hands-on support and advice to Member States to improve their insufficient administrative capacities, in order to improve the quality of spending and enhance the use of funds, improve respect and implementation of public procurement, and achieve structural reforms	
Output* Indicator 1: Identification of action plans by the task force for low implementation <i>Source:</i> F1 data	
Target (2015)	Action plans identified by March for CZ, SK, HR, SI, RO, BG, IT and HU
Output* Indicator 2: Implementation of the Public Procurement Action Plan <i>Source:</i> E1 data	
Target (2015)	Guidance for practitioners, stock-taking study on good practice examples, organisation of two anti-fraud and anti-corruption workshops in 2015, launch of pilot on integrity pacts
Output**Indicator 3: Promotion and launch of REGIO PEER2PEER, an exchange tool for regional policy experts in Member States. <i>Source:</i> E1 data	
Target (2015)	Secondment of expert to TAIEX, training of 28 national contact points of TAIEX on Cohesion Policy, extension of TAIEX database with regional policy experts, support to 30 to 40 peer-to-peer projects in 2015
Result Indicator: Number of peer-to-peer projects implemented <i>Source:</i> TAIEX reporting	
Target (2015)	40 by end 2015
Specific Objective:	
To identify the key bottlenecks to making an investment policy, notably Cohesion Policy, work effectively in the lagging and low-growth regions. Since growth and any investments supporting growth depend on a variety of will be analysed	
Output* Indicator(s): Analyses of factors and framework conditions, relevant national/regional policies, institutions and governance arrangements that need to be adjusted to make investments effective and promote growth in the lagging regions. <i>Source:</i> B1 data	

Target (2015) ⁵⁴	I analytical report on the framework conditions for growth and investment in low-growth and underdeveloped regions Organisation of a "validation" seminar with selected academics, policy makers and IFIs to discuss the findings of the report
--------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*: Commission Output; **: Final Output

Smart, Sustainable and Inclusive Growth

Specific Objectives:	
To provide assistance to and foster thematic expertise of the DG staff and especially to the geographical units with respect to smart, sustainable and inclusive growth and transport issues of the Europe 2020 Strategy in order to facilitate the assessment process of Partnership Agreements and Operational Programmes during the negotiations for the next programming period 2014-2020.	
To ensure thematic coordination and a bridge between the thematic DGs and national and regional innovation actors and REGIO and to manage internal thematic networks in relation to smart & sustainable growth and transport.	
To manage internal thematic networks in relation to Inclusive growth.	
Output* Indicator 1: Number of expert's contracts to ensure thematic quality and consistency in 2014-2020 programming documents (smart and sustainable growth fields) <i>Source: ABAC WF + Contracts – Database of expert's contracts</i>	
Target (2015)	50 experts' contracts
Output* Indicator 2: Number of meetings of the internal thematic networks on inclusive growth <i>Source: H1 monitoring data</i>	
Target (2015)	4 in 2015
Result Indicator 1: % of OP modification adopted within 3 months <i>Source: Internal consultation informal and formal process (WAVE)</i>	
Target (2015)	80%
Specific Objective:	
To coordinate the assessment and reporting of Major Projects within DG REGIO for 2007-2013 and the preparation of the new system for the next programming period.	
Output* Indicator 1: % of Major Projects submitted to the Commission, approved or rejected. <i>Source: Internal consultation informal and formal process (WAVE)</i>	
Target (2015)	100%
Output* Indicator 2: % of modification of Major Projects adopted/rejected. <i>Source: Internal consultation informal and formal process (WFS > WAVE)</i>	
Target (2015)	100%
Output** Indicator 3: % of Major Projects submitted to the Commission for 2014-2020 <i>Source: G1 monitoring data, WAVE</i>	
Target (2015)	20% by end 2015

*: Commission Output; **: Final Output

Main outputs for 2015:

- Thematic seminars, implementation assistance and trainings for managing authorities (incl. for implementing EAC action plans) (target: 3 methodological advice products)
- Analysis of 2014-2020 OPs in support of smart & sustainable growth related policy initiatives emerging from the 10 policy guidelines, incl. measures proposed to reach expected results (target: 2 studies)

⁵⁴ Deliverables and targets for 2015 to be confirmed following discussions with Commissioner Crețu's Cabinet in February 2015

- Stimulate inter-regional cooperation in smart specialisation domains (execution of an administrative agreement with JRC/IPTS on S3 Platform, % of actions of the work plan performed)
- Support policy-learning and cooperation on smart and sustainable growth and transport policy implementation and intervention tools (AMI list experts, S3Platform, thematic guidance, Eastern Greece preparatory action, Stairway to Excellence pilot project, promotion of synergies of ESIF with other EU funds, etc.)
- Studies / external expertise on lessons learnt on smart & sustainable growth, transport and major projects with regard to Cohesion Policy policy-design and implementation mechanisms (target: 6 contracts).

Urban and Territorial Development

Specific Objective:	
To contribute to policy coordination and dissemination of best practices in the area of territorial and urban development. Further develop EU Urban Agenda. Establishment and running of an Urban Development Network (UDN) promoting capacity-building, networking and exchange of experience between the urban authorities implementing sustainable urban development actions and innovative actions.	
Output* Indicator 1: Implementation of Urban Innovative Actions <i>Source: entrusted entity, H1</i>	
Target (2015)	Delegation Agreement signed with the entrusted entity, first call for UIA projects launched, proposals received
Output* Indicator 2: Animation of the Urban Development network <i>Source: H1 data</i>	
Target (2015)	1 conference, 3 workshops/training, 2 site visits, 1 study visit/expert work
Output* Indicator 3: Animation of the expert groups <i>Source: H1 data</i>	
Target (2015)	4 meetings of Territorial Cohesion and Urban Matters expert groups 4 meetings of Territorial Cohesion and Urban Development inter-service group
Output* Indicator 4: Follow up of the public consultation on Urban Agenda <i>Source: H1 data</i>	
Target (2015)	Review of the methodology for screening European legislation from an "urban perspective" Identification of policy areas where the need for such screening is more acute and propose a systematic screening approach for these areas Report summarising the activities aiming to increase coherence and consistency among the Commission's urban-related initiatives and streamline the multitude of EU initiatives addressing cities Preparation of COM document (communication or staff working paper (to be decided) defining priority areas for action and outline concrete policy action plan Launch of 1 study (on EU policies aimed at or affecting cities)
Specific Objective:	
To encourage the use of new territorial instruments (Art 7, CLLD, ITI)	
Output* Indicator 1: Analysis on how ERDF Art 7 (sustainable urban development) is implemented within the adopted OPS and on the uptake of the new tools (ITI and CLLD) under the ERDF <i>Source: all geographical units, H1, SFC</i>	
Target (2015)	Qualitative report on main areas of intervention for each tool. Contribution to overall report on the results of the negotiations according to Art.16. Launch of 3 studies: study/case studies on use of new territorial instruments, Study on promoting urban-rural linkages in practice, study on integrated urban strategies underpinning ERDF Art.7 support

*: Commission Output; **: Final Output

Main outputs for 2015:

- Follow-up of EU Urban Agenda: some report (communication or staff working or... political decision to be taken)
- Screening of proposed Operational Programmes 2014-2020: assessment from urban, territorial and inclusive growth point of view of relevant OPs from 28 MS.
- “Cities of Tomorrow: Investing in Europe” forum for urban stakeholders from MS and EU level. to propose concrete follow-up from EU Urban Agenda consultation, possibly in Riga in May or in Brussels in June (if together with a COM communication or alike).
- Launch Urban Innovative Actions (UIA) in line with ERDF Art 8: outsourcing management according to agreement by DG REGIO, launch first call and select proposals.
- Continue Urban Development Network (UDN) in line with ERDF Art 9: with two parallel strands: one in the strict sense of the legislation (i.e. Art. 7 and Art 8 cities) and one "about" the UDN as Art.7 and Art 8. Cities will be known only in the course of 2015.
- Study on the implementation of Territorial Agenda: 1 report.
- ISG for coordination of Urban and territorial development with other Commission DGs: 4 meetings
- UrbaNet (internal DG REGIO network for urban and territorial matters): 4 meetings

Financial Instruments

Specific Objectives:		
To support the development and implementation of financial instruments funded through cohesion policy programmes across all Member States.		
To coordinate with other Commission services and with the EIB Group to ensure consistency with financial instruments implemented in other policy areas.		
Output Indicator* 1: Ensure timely and effective monitoring on FEIs <i>Source: 2014 Summary of data on the progress made in implementation and financing of FEIs co-financed by the Structural Funds</i>		
Latest known results (2014)		Target (2015)
Annual summary including information on all FEIs reported in the 2013 AIR issued by 1st Oct 2014		Annual summary including information on all FEIs reported in the 2014 AIR, issued by 1st Oct 2015
Result Indicator 1: % of the FEI funds delivered to final recipients <i>Source: 2014 Summary of data on the progress made in implementation and financing of FEIs co-financed by the Structural Funds</i>		
Baseline (end 2013)	Milestone (end 2014)	Target (end 2015)
60%	75%	100%
Specific Objectives:		
To encourage the uptake of financial instruments over the lifetime of the programmes		
Output Indicator 1*: Delivery of assistance in accordance with the work programme of FI-compass for 2015 and call for proposal under multi-regional assistance <i>Source: REGIO B3 data</i>		
Target (2015)	Launch of Hub website, 4 conferences, 3 workshops, 45 methodological advice products, 10 training actions.	
Result Indicator 2: Overall doubling in the use of financial instruments under ESIF in the period 2014-2020 relative to 2007-2013 (notably delivery through financial instruments specific percentages of the allocations made in PAs in the following key investment areas: 50% in the field of SME support, 20% in the field of CO2 reduction measures, 10% in the field of Information and Communication Technology, 10% in the field of sustainable transport, 5% in the field of support for Research Development and Innovation and 5% in the field of environmental and resource efficiency) <i>Source: Commission Communication COM(2014)903 final of 26.11.2014</i>		

Target (end of 2014-2020 period)	By MS and within the end of the 2014-2020 period, distributed between investment areas as indicated above
----------------------------------	-----------------------------------------------------------------------------------------------------------

*: Commission Output; **: Final Output

Main outputs for 2015:

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

Evaluation and contribution to European Semester

Specific Objective:	
To align EU investment with the European semester priorities.	
Output** Indicator 1: % of Council recommendations relevant to the policy objectives are taken into account in the 2014-2020 programmes. <i>Source: Discussions with GU and MS</i>	
2014	100% of relevant recommendations addressed in OPs
Specific Objective:	
To provide evidence and communicate on the results of Cohesion Policy programmes 2007-2013 and 2014-2020, improve the effectiveness of the policy and ultimately demonstrate its added value.	
Output* Indicator 1: A synthesis of the updated core indicator data and categorisation data is carried out. <i>Source: Synthesis of data from SFC 2007/2014</i>	
Target (2015)	October 2015
Output* Indicator 2: Reporting on ex-post evaluations <i>Source: B2 monitoring data</i>	
Target (2015)	Bi-monthly on 13 Work packages; 6 evaluations completed by end 2015 and policy notes discussed by the Directors (on: Financial instruments, Support to large enterprises, Energy efficiency, Support to tourism and culture, Urban development and social infrastructure, Geography of expenditure)
Output* Indicator 3: Analyses of expected results for thematic objectives based on result indicators in programmes. <i>Source: Discussions with GU and MS</i>	
Milestone (April 2015)	Target (end 2015)
2 pilots (TO1&3) carried out	6 reports
Output** Indicator 4: Delivery of aggregate targets for common output indicators for 2014-2020. <i>Source: B2 data</i>	
Target (2015)	All aggregate targets to be published on open data platform by September 2015

*: Commission Output; **: Final Output

Main outputs for 2015:

- Screening of proposed Operational Programmes 2014-2020: assessment from the evaluation point of view of relevant OPs from 28 MS
- Screening of proposed Performance Frameworks 2014-2020
- Guidance on drafting evaluation plans for the 2014-2020 programming period
- Ex post evaluation exercise 2007-2013: monitoring of evaluation activity for the 12 calls for tenders.

Macro regional strategies

Specific Objective:	
To contribute to the development of the macro regional dimension of the Policy by coordinating the implementation of the existing macro regional strategies, and by developing the new EU Strategy for the Alpine Region.	
Output* Indicator 1: Monitoring implementation of the action plans of 3 on-going macro regional strategies i.e. for the Baltic Sea, the Danube and the Adriatic/Ionian Regions. <i>Source: Implementation reports for high level group meetings</i>	
Target (2015)	2015 Annual Forum for Baltic and for Danube strategies 1 common High Level Group for Baltic, Danube and Adriatic/Ionian strategies by October 2015
Result Indicator 1: Adoption of the EU Strategy for the Alpine Region (EUSALP) through the establishment of a communication and an action plan <i>Source: Related communication and action plan</i>	
Target (2015)	Adoption by June 2015

*: Commission Output; **: Final Output

Outermost regions

Specific Objective:	
To coordinate the work of the Commission for the outermost regions (OR) in order to ensure that the specific characteristics and constraints these regions face are taken into account in the European policies, as foreseen in Article 349 of the TFEU and in the context of the renewed strategy for the OR adopted in 2012.	
Indicator 1: The network for employment created by the OR during the FORUM 2014 is effective in 2015 <i>Source: AI monitoring data</i>	
Target (2015)	By end 2015
Output indicator : The Working Group for OR contributes by at least 2 sessions to the implementation of measures in the field of employment network	
Result indicator : The Regions have started the implementation of the network	
Indicator 2: The Commission is able to assess the progress made in the implementation of the 2012 OR strategy <i>Source: AI monitoring data</i>	
Target (2015)	By end 2015
Output indicator : The Working Groups for OR contributes by at least 5 sessions to the implementation of measures in fields such as tourism, research, energy, agriculture, fisheries, blue growth and to the use of financial instruments, contributing to a smart and sustainable development in the Outermost regions	
Output indicator: Report on the OR Working groups and on the progress of the implementation of 2012 OR strategy.	
Result indicator : Progress in the implementation of the OR strategy between 2012 and 2015	
Specific Objective:	
To steer the implementation of the Commission strategy for regional insertion of the Outermost Regions with focus on the preparation of Regional Neighbourhood Plans.	
Indicator 3: The responsible Working Group identifies the measures - already taken and to be taken - as regards the regional neighbourhood plans <i>Source: AI monitoring data</i>	
Target (2015)	By end of 2015
Output indicator : The Working Groups for OR contributes by at least 2 sessions to the implementation of measures in the field of regional insertion of the OR	
Output indicator: Report on the OR Working groups and on the regional neighbourhood plans	
Result indicator : The main elements of the regional neighbourhood plans have been identified for presentation at the Conference of OR Presidents in 2016	

Main outputs for 2015:

- Paper on the Regional Integration of the Outermost Regions: diagnosis and programme for actions.

5.1.3.2. Information and Communication

Specific Objectives:	
<i>External Communication</i> The main policies and initiatives of the DG, as well as their concrete benefits to the citizens of the EU, are actively promoted and made more visible and understandable to different audiences, thanks to an effective external communication strategy.	
<i>Internal Communication</i> An effective internal communication strategy is in place as an integrated part of the DG's policy and management activities, establishing direct communication, consultation and feed-back channels between management and staff. All staff understand and share the vision and objectives of their department, are motivated to work towards them by building motivation and esprit de corps, and are able to work effectively together by sharing and having access to the information they need.	
Output* Indicator 1: Implementation of Number of new datasets uploaded on REGIO's open data platform (core indicators on OP outputs from 2013 AIRs to be available in January 2015 and from 2014 AIRs in October 2015 <i>Source: REGIO 02 monitoring data</i>	
Target (2015)	Milestones implemented according to the plan agreed by the Board in December 2014
Output** Indicator 2: Number of projects proposed in the framework of the 2015 RegioStars Awards <i>Source: REGIO 02 monitoring data</i>	
Target (2015)	80
Result Indicator 1: % of 2014-2020 OPs for which a communication strategy is approved by the Monitoring Committee <i>Source: REGIO 02 monitoring data</i>	
Target (2015)	100 % of OPs adopted before end June 2015
Result Indicator 2: Levels of awareness and perceptions of Cohesion Policy <i>Source: Eurobarometer</i>	
Target (2015)	36% awareness, 80% positive perception

*: Commission Output; **: Final Output

5.1.3.3. International relations

Specific Objective:	
To strengthen cooperation on regional and urban policy between the EU and third countries, in particular, with the 12 third countries and regional organisations with which policy dialogues have been formalized and with EU strategic partners in close cooperation with the EEAS, DG DEVCO, DG NEAR and EU Delegations.	
To contribute to take forward the European Union's flagship initiatives, as the Eastern Partnership (namely the regional policy dimension of the Association Agreements with Georgia, Moldova and Ukraine) and European Neighbourhood policy (ENP) processes, the EU-China Urbanisation Partnership and to contribute to the Partnership Instrument (PI), European Neighbourhood Instrument (ENI) and Development Cooperation Instrument (DCI) priorities in the field of regional and urban policy.	
Output* Indicator 1: Number of projects/actions to be implemented with PI, ENI or DCI support <i>Source: Annual Action Plans of the instruments above, action fiches</i>	
Target (2015)	At least 3 envisaged by 31/12/2015: PI project on sustainable urban development

	cooperation with EU strategic partners, DCI project on regional policy in Latin America, ENP regional policy support programme
Output* Indicator 2: Number of technical information seminars arranged on the subject of EU regional and urban policy cooperation with third countries	
<i>Source: Invitations, summary reports of the seminars, intermediate reports</i>	
Target (2015)	Between 12 and 16 by 31/12/15
Output** Indicator 3: Number of third country and European representatives taking part in study visits in third countries or Europe	
<i>Source: Invitations, summary reports of the study visits, intermediate reports</i>	
Target (2015)	Between 160 and 200 by 31/12/15

*: Commission Output; **: Final Output

Main outputs for 2015:

- Continue the implementation of the European Parliament Preparatory Action “World cities: EU-third countries cooperation on urban development”, namely the four pilot urban platforms with China, India, Canada and Japan and the URBELAC network in Latin America (together with IDB) and Association Agreements with third countries through activities which will contribute to promoting exchanges on EU regional and urban policy such as technical assistance, studies, study visits, training courses, events, conferences, network building and contacts between EU and non EU regions, including commercial relations.
- Under the guidance of the competence centre, development of cooperation with UN Habitat with respect to shaping an urban agenda, coordinating a European contribution to the 2016 Third United Nations Conference on Housing and Sustainable Urban Development (HABITAT III).
- Prepare work programmes and action plans for the newly established regional policy dialogues in 2014 (Mexico, SICA).

5.1.3.4. Northern Ireland Task Force (NITF)

Specific Objective:	
To support, in the frame of the Northern Ireland Task Force (comprising 18 DGs and operating under the authority of the Commissioner responsible for Regional and Urban Policy) the devolved institutions and find ways to help the region to become more economically competitive, to deepen its dialogue with EU institutions and thus to align its policies with Europe 2020, namely in the areas of innovation, employment, climate change/energy and social cohesion.	
Output indicator/s	
Output* Indicator 1: Plenary meetings of the NITF (EC/NI authorities)	
<i>Source: Invitation and summary report of the plenary</i>	
Target (2015)	1 plenary meeting of the NITF
Output* Indicator 2: Technical seminars on EU policies 2014-2020 (EC/NI authorities)	
<i>Source: Invitations and summary reports of the seminars</i>	
Target (2015)	Up to 4 policy seminars in Northern Ireland

*: Commission Output; **: Final Output

5.2. Management of the DG

5.2.1. Description of the activity

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

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

The Activity includes the following functions:

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

5.2.2. Available financial and human resources

Horizontal activity: Management of the DG						
Financial resources (€ in commitment appropriations)			Human resources			
Operational expenditure	Administrative expenditure (managed by the service) p.m.		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	a) ⁵⁵	b) ⁵⁶				
0	12,455,423	0	12,455,423	99	25	124

5.2.3. HR strategy in support of the business operations

1. HR gaps and challenges

The REGIO HR Rolling Plan has been designed to support senior management in taking decisions with regard to the most optimal use of the available workforce.

It aims to do this through anticipating the changes that are inherent to the evolution of our HR population (such as retirements, end of temporary agent contracts and turnover of staff), while also taking into account future staff reductions, as a consequence of the Commission-wide staff reduction and redeployment taxations. As from beginning of 2015, the HR Rolling plan will also be extended to encompass the external staff.

⁵⁵ Heading 5 appropriations managed by the DG (global envelope) XX 01 02

⁵⁶ BA lines (XX 01 04) and, when relevant XX 01 05 and XX 01 06

In addition, the REGIO Board of Directors adopted the action plan on HR Services & Processes, the implementation of which started in the second semester of 2014. In the context of this action plan, new tools are in the process of being developed which will allow for a detailed mapping of the workload (Workforce Planning) and of the qualitative gaps between the existing skills and the skill requirements resulting from changes in DG's policy objectives and priorities (Competency Gap Analysis).

2. Strategic HR Objectives

The strategic HR objectives are closely linked to bridging the gap between the available resources and the resources needed to achieve the strategic objectives in a targeted and efficient manner. The strategic HR objectives can be categorised in four building blocks:

1. Decisions about the allocation of resources are taken at the level of the REGIO HR Strategic Committee (HRSC), which is composed of the Director-General and the two Deputy Directors-General. The HRSC decides on the use of each vacant post, taking into account the strategic priorities and needs. It can be decided to:
 - Earmark vacant posts for the payment of the EC level taxations (12 posts in total annually);
 - Use them for re-installation of colleagues returning from CCP, or other absences;
 - Transfer the post in another unit;
 - Use the post in the current unit.
2. Recruitment decisions are considered to be of strategic importance for the DG. All recruitments of administrators are subject to a multi-layered recruitment process where the final stage consists of an interview with the High Level Panel (which always comprises a Deputy-Director General and other senior management). The recruitment decisions thus take into consideration not only the immediate needs but also the global alignment of individual qualities of the candidate with the strategic needs of the DG.
3. A Learning Governance Structure of DG REGIO is being set up to help the DG overcome its strategic learning challenges by prioritising the right learning programmes to build the skills necessary to perform critical tasks, focus on priorities and support REGIO's change process. The learning and development activities are designed to achieve maximum impact within the available budget.
4. The adequate alignment of organisational priorities and needs with individual needs, skills and knowledge of the personnel of the DG is supported by the DG mobility policy. REGIO's General Mobility Policy encourages professional growth, development of new skills and spread of good practices. To that end, a number of new tools are in the process of development, including the launch of a Career Mentoring Network, a Professional development Group and a REGIO Mercato.

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

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

The major business projects that will be conducted in 2015 include:

- The development of **new 2014-2020 processes in Wave/SFC2014** (among them Partnership agreement amendment, ERDF major projects first decisions/notifications, interim and partial payments, generic document workflow procedures, acceptance of accounts, drawing conclusions on the systems/legality/regularity...). See the specific objective below.
- Other projects such as the continuation of the IT implementation of DG REGIO's **knowledge management** strategy, **reporting for the 2014-2020 period, risk scoring tool** (Arachne), **Open data** (continuation of 2014 fully-fledged performance management system based on Open data principles and communicating results data on 2007-2013 and 2014-2020 programming period), the first phase of the **phasing-out of legacy systems** (SysAudit, SysFin, SFC2007 Back-Office).

As part of the DG's general effort to improve and streamline working methods in order to be more efficient, the IT unit will dedicate efforts, in 2015 and later on, on a programme called "towards a more efficient IT unit". A strategic document is being drafted specifying the current structural issues the IT unit is facing along with their root-causes. The definition of a 3-year target for the IT unit and recommendations for reaching them are being identified. Some of these recommendations could be implemented as from 2015 through IT innovation projects gathered under the 3-year IT efficiency programme. These projects will aim at increasing IT efficiency and delivery on time as well as reducing in the long run the workload of IT officials that are overloaded beyond their capacity.

DG REGIO's afore-mentioned IT vision for 2015 is in line with Commission's vision for IT⁵⁷ and the IT corporate governance together with long-standing efforts on rationalisation (i.e. IT rationalisation⁵⁸ and EC staff and budgetary constraints).

- ✓ A great deal of work has already been done as regards the rationalisation of the IT in DG REGIO: This DG was the first DG in ITIC and it has no local data centre since 2007.
- ✓ Moreover, first steps of convergence of Information Systems have taken place already. DG REGIO in close cooperation with the DGs from the "Shared management family"⁵⁹ has contributed to the implementation of a **convergence**

⁵⁷ The vision for IT in the Commission for the next years, recently defined by the communication "e-Commission 2012-2015: delivering user-centric digital services" - SEC(2012)492 - 01/08/2012

⁵⁸ The Secretariat-General has launched an IT rationalisation process to develop a more strategic approach to IT in the EC, following the Communication "Getting the Best from IT in the Commission" from Vice-President Šefčovič - SEC(2010)1182. The SG will adapt it in 2015 following current reflexions in IT governance corporate bodies.

⁵⁹ The DGs from the "Shared management family" gather the following Structural Funds:

- DG AGRI: European Agricultural Fund for Rural Development (EAFRD), 2nd pillar of the Common Agricultural Policy (CAP),
- DG EMPL: European Social Fund (ESF),
- DG MARE: European Maritime and Fisheries Fund (EMFF),

plan towards a common solution for all DGs managing programmes under "shared management" mode. This multi-DG solution is progressively covering all the aspects of the Programme management (front-office, internal workflow system and the financial back-office). The first steps of implementation of this convergence plan have been finalised in 2013 and 2014 with DG AGRI, DG MARE and DG EMPL.

- ✓ This convergence is also progressing in other domains such as audit (MAPAR) and anti-fraud policy (Arachne).

Since 2014, the matching between REGIO business expectations and corporate requirements has become much more challenging, as all DG REGIO major Information Systems dealing with 2014-2020 period are progressively shared with other DGs, increasing the complexity of their management.

✓ Programme management domain:

- SFC2014 Back-Office (BO) is now governed fully by 5 DGs on an equal footing, aligning its governance with SFC2014 Front Office. A migration is planned in 2015 of SFC2007 BO towards SFC2014 BO leading to the decommissioning in 2016 of SFC2007 BO.
- WAVE has continued in 2014 to be enlarged to other DGs: WAVE was deployed early 2014 within DGs EMPL and REGIO. DG MARE started using it in October 2014. DG EMPL is using processes related to adoption of OPs and will reflect on further use of WAVE in early 2015.
- Further convergence of legacy systems will be done in 2015 with AGRI-RDIS migrating to RDIS II and possibly REGIO-WFS migrating later to WAVE. Further convergence of DG AGRI and DG REGIO workflow systems could start later.

✓ Audit domain:

- **WAVE** will support DG REGIO, DG MARE and DG EMPL shared desk-review audit procedures linked to 2014-2020 programming period regulation. The first audit procedure "Designation of Authorities" will be released in January 2015.
- Besides regulatory desk-review audit procedures, the IT support for audit field-work will be supported by a new ESIF⁶⁰ shared IT tool (**MAPAR**⁶¹) launched in December 2014 in the context of IT rationalisation for the new programming period.

At DG REGIO, since this IT tool will replace a part of SysAudit62 for the 2014-2020 programming period and integrate all the activities of the audit cycle (risk assessment, audit planning, execution, reporting, follow-up and financial corrections), SysAudit should be progressively replaced by MAPAR leading in 2017 to its decommissioning (as SysAudit will still be used for ACR in 2015-2016).

•DG HOME: Asylum and Migration Fund (AMF), Internal Security Fund (ISF),
•DG REGIO: European Regional Development Fund (ERDF), Cohesion Fund (CF), Instrument for Pre-Accession Assistance (IPA).

⁶⁰ European Structural and Investment Funds

⁶¹ On 24/10/2013 the ISPMB has given the green light to implement MAPAR at DG REGIO.

⁶² SysAudit is a tool for management and follow-up of audit activities. All external audits conducted by DG REGIO audit units are entered, stored and processed in this system.

✓ Financial domain:

- Direct payments and the programming period 2000-2006 are currently sustained by **SysRegio**⁶³ (**SysFin**). As DG BUDG will make substantial changes to the IT architecture of ABAC, some substantial modifications of SysFin seem necessary. Given the obsolete technology of this application, it will not be possible to maintain this tool in the long-run. A solution must be found through corporate or shared tools that would allow the continuation of service for both direct payments and possibly 2000-2006 ERDF/CF closure. The 1st iteration for SysFin phasing-out will be run in 2015 and should lead in 2016 to its decommissioning. This planning is subject to availability of corporate tools able to replace SysRegio.

The matching of REGIO business expectations and rationalisation requirements will require enhanced upstream coordination efforts with other DGs, convergence of processes wherever possible, and streamlining of multi-DG IT governance mechanisms as from 2015 onwards.

In order to ensure that DG REGIO IT unit's objectives for 2015 are reached, the following indicators have been identified:

Specific Objectives:	
To maintain a high level of service related to Information Technology (IT) infrastructures, tools and services so that the staff is adequately supported in its work.	
To integrate REGIO IT strategy with corporate IT entities and policies.	
Output** Indicator 1: Delivery in accordance with the plan of all new 2014-2020 processes defined in the IT master plan 2015 for SFC2014 and WAVE <i>Source: A4 data</i>	
Target (2015)	100%
Output* Indicator 2: Progress made on the flexibility and re-usability of WAVE system <i>Source: A4 data</i>	
Target (2015)	Publication of the third interim report on flexibility and reusability of WAVE (metrics, conditions and comparison between the previous system WFS and the next one WAVE) at the latest by end of Q4 2015.
Output* Indicator 3: Active participation of DG REGIO to corporate IT rationalisation on the "Programme management" domain <i>Source: A4 data</i>	
Target (2015)	Publication of 2 nd interim report on possible convergences between REGIO and AGRI workflow systems (respectively WAVE and RDIS II) by end 2015
Result Indicator 1: Information Systems Servers' availability <i>Source: A4 data</i>	
Baseline (2013)	Target (2015)
99.93%	≥ 98% on opening hours
Result Indicator 2: IT Help Desk Call Answer time (averaged over one year) – DIGIT services (ITIC) <i>Source: A4 data</i>	
Baseline (2013)	Target (2015)
78.29%	> 80% of calls answered in <30 sec
Result Indicator 3: Incidents' resolution time (average over one year) <i>Source: A4 data</i>	
Baseline (2013)	Target (2015)
84.88%	> 90% within 4 hours for incidents which remained within the ITIC group and which have been attributed a "normal" (not urgent) level

⁶³ SysRegio is a system for administrative and financial management of direct expenditures and operational programmes from the programming periods prior to the year 2007.

Result Indicator 4: Staff satisfaction expressed in the end of year survey on the quality of IT support service	
Baseline (2013)	Target (2015)
89%	80% "satisfied" and above comments on average, with results taken into account only if at least 20% of IT users have replied

*: Commission Output; **: Final Output

5.2.5. Areas of emphasis and main operational objectives for 2015

The specific objectives and accompanying indicators DG Regional Policy will focus its attention on in 2015 are presented below.

5.2.5.1. Human Resources management

Specific Objectives:	
Optimised staff allocation, aligned, as much as possible, with priorities of the Management Plan, as well as search for other efficiency gains.	
To offer a quality service; maintain a high level of competence; promote cooperation; favour conformity with relevant rules of the Commission related to human resources policy and management of premises and furniture, provide trainings in order to enhance skills and improve the staff's and organisation's efficiency.	
Output* Indicator 1: Implement Work Force Planning <i>Source: A2 data</i>	
Target (2015)	June 2015
Output* Indicator 2: Conduct a Competency Gap Analysis <i>Source: A2 data</i>	
Target (2015)	March 2015
Output* Indicator 3: Launch REGIO's General Mobility Policy <i>Source: A2 data</i>	
Target (2015)	February 2015
Output* Indicator 4: Implement actions to enhance staff engagement and staff recognition <i>Source: A2 data</i>	
Target (2015)	February 2015

*: Commission Output; **: Final Output

5.2.5.2. Financial management

Specific Objectives:	
Sound and regular management of financial resources is ensured throughout the DG's activities, thanks to effective planning, implementation, monitoring and reporting in relation to spending activities.	
Effective advice and support is provided, enhancing the smooth implementation of Technical Assistance expenditure.	
Regular advice is provided to the units and hierarchy on budgetary execution, with a view to ensuring a good absorption, respect of N+2 / N+3 rules and sound use of financial resources	
Output* Indicator 1: Budgetary execution and cash availability are monitored monthly <i>Source: Infoview/dashboard reports</i>	
Target (2015)	Reports issued monthly Flash reports to the hierarchy on ad hoc basis
Output* Indicator 2: Number of advice / training/ coaching sessions and guidance organised by Unit in charge of financial management <i>Source: A3 monitoring data</i>	
Target (2015)	5 Training sessions Coaching sessions upon request Regular update of Intracomm

Result Indicator 1: Absence of material errors in REGIO accounts <i>Source: ECA reports</i>	
Target (2015)	No critical recommendations reported by internal and external auditors
Result Indicator 2: Respect of new regulatory deadlines for direct payments established by the new financial framework <i>Source: REGIO financial data</i>	
Target (2015)	90% of direct payments to the beneficiaries, contractors completed within the deadline provided in the Financial Regulation

*: Commission Output; **: Final Output

5.2.5.3. Internal control

Specific Objective:	
To implement and maintain an effective and efficient internal control system so that reasonable assurance can be given that resources assigned to the activities are used according to the principles of sound financial management and that appropriate control procedures are put in place, which give the necessary guarantees concerning the legality and regularity of the underlying transactions while ensuring a sound and proportionate use of resources.	
Result Indicator 1: Cost effectiveness of controls for shared management (total cost of control/payment appropriations executed (%)) <i>Source: REGIO estimates of resources allocated per management mode (based on AOSDs' declarations); REGIO financial data</i>	
Baseline	Target
2015	Less than 0,50%
Result Indicator 2: Respect of deadlines for the key internal processes <i>Source: Internal monitoring data regarding: payments (33%), AIRs, major projects adoption, OP adoptions, OP modifications (33%), Interruption/pre-suspension notifications (33%)</i>	
Baseline	Target
2014	80%
Result Indicator 3: Timely implementation of the Internal Audit recommendations <i>Source: GRC system</i>	
Baseline	Target
2014	90% of the internal audit recommendations implemented on time
Specific Objective:	
To ensure an efficient and timely use of a rigorous policy on interruption and suspension of payments in order to safeguard the EU funds and ultimately to improve the management and control systems.	
Output* Indicator 1: % of initial interruption letters issued within 2 months of discovery of issue <i>Source: F1 monitoring data</i>	
Baseline	Target
2015	80%
Output* Indicator 2: % of pre-suspension letters issued within 4 months of discovery of issue <i>Source: F1 monitoring data</i>	
Baseline	Target
2015	80%
Result Indicator 1: % of the AAR 2014 reservations cases lifted in 6/9/12 months <i>Source: DGA1.01 monitoring data</i>	
Baseline	Target
2015	30% of cases lifted in 3 months; 60% in 6 months; 75% in 12 months

*: Commission Output; **: Final Output

5.2.5.4. Sound Financial Management / legality and regularity of transactions

Specific Objective:
Reasonable assurance is obtained that the expenditure declared to the Commission is legal and regular by ensuring that the audit authorities can be relied upon (single audit approach) and by

focusing DG resources on identified risks	
Output* Indicator 1: Implementation of DG Regio audit plan in relation to audit authorities <i>Source: Sysaudit, Infoview</i>	
Latest known result (end October 2014)	Target (2015)
100% of audits planned for the period Jan-Oct 2014	90% of audits in the audit plan approved by the Board carried out by 31/12/2015
Output* Indicator 2: Implementation of DG Regio audit plan in relation to high risk programmes (bridging the assurance gap) <i>Source: Sysaudit; Infoview</i>	
Latest known result (end October 2014)	Target (2015)
95% of audits planned for the period Jan-Oct 2014	90% of audits in the audit plan approved by the Board carried out by end 2015
Output* Indicator 3: % of draft audit reports sent within 3 months after the end of the on-the-spot audit <i>Source: Sysaudit, KPIs report managed by CI</i>	
Latest known result (end October 2014)	Target (2015)
92%	85%
Output* Indicator 4: % of national audit reports with assessment letters sent to MS within 3 months from receipt <i>Source:</i>	
Latest known result (end October 2014)	Target (2015)
84%	75%
Result Indicator 1: Residual error rate for ERDF/CF expenditure certified in 2013 (average for all Ops) <i>Source: ACR, Report Annex XI on Withdrawals/ Recoveries, the Cumulative residual risk table managed by CI</i>	
Latest known result (expenditure 2012)	Target (2015)
1,2%	Less than 2%
Result Indicator 2 (Member States): % of annual control reports received from audit authorities with opinion and error rate that can be relied upon for the AAR <i>Source: ACR, SFC, Sysaudit, Annexes to the country fiches issued by Directorate C</i>	
Latest known result (2013 ACRs)	Target (2014 ACRs)
89%	85%
Result Indicator 3: Financial corrections resulting from the Commission's supervisory role implemented (in €) (limited to shared management) <i>Source: REGIO estimates of resources allocated per management mode (based on AOSDs' declarations); REGIO financial data</i>	
Baseline	Target
2015	NB: Although no target can be set for this indicator (as no predictions can be made beforehand regarding the level of financial corrections resulting from the Commission supervisory role), the corresponding figure will be disclosed in the 2015 AAR and will be used to estimate the cost of controls.
Specific Objective:	
To ensure a robust DAS contradictory procedure and follow-up process and to contribute to obtaining budgetary discharge by providing evidence to the Discharge Authority of sound and efficient use of the EU funds	
Output** Indicator 1: Follow-up of DAS cases <i>Source: ECA Audit reports sent to MS/EC, Follow-up letters by Directorate C, Table managed by CI on follow-up of DAS cases</i>	
Latest known result (November 2014)	Target (2015)
84% of the cases closed in 2014 within the deadlines	> 80% of cases closed within 2 years after the publication of the report
Result Indicator 1: Obtainment of budgetary discharge** <i>Source: The EP's discharge resolution</i>	
Latest known result	Target (2015)

Budgetary discharge obtained for the year 2012	Budgetary discharge obtained for the year 2013
------------------------------------------------	------------------------------------------------

*: Commission Output; **: Final Output

5.2.5.5. Implementation of the Anti-Fraud Approach

Specific Objective:	
Minimisation of the risk of fraud through implementation of effective anti-fraud measures based on the Joint Anti-Fraud Strategy, aimed at mitigating the risk that fraudulent expenditure is declared to the Commission	
Output* Indicator 1: Risk-based assessment of the quality of the managing authorities' fraud risk assessments and anti-fraud measures at the designation stage for the riskiest OPs <i>Source: Description of the functions and procedures in place for the managing authority in relation to fraud risk assessment and effective and proportionate anti-fraud measures (designation process)</i>	
Baseline	Target
2015	Up to 15 OPs reviewed (based on risk assessment)
Output* Indicator 2: Cases of suspected fraud detected by/brought to the attention of the DG transmitted to OLAF for evaluation <i>Source: CI's database</i>	
Baseline	Target
2015	Transmission to OLAF of 100% of cases detected by/brought to the attention of the DG
Output** Indicator 3: Number of OLAF Final Case Reports for which financial follow-up has been finalised <i>Source: CI's database although this output indicator is under responsibility of Geo Directorates</i>	
Latest known result (November 2014)	Target (2015)
100%	> 100% within the deadline for follow-up indicated in OLAF's final Case Report
Output* Indicator 4: Internal/external training <i>Source: Dir. C training information</i>	
Latest known result (November 2014)	Target (2015)
1 internal 12 external	2 internal trainings/fraud-awareness events per year 3 external training/fraud-awareness events per year
Output** Indicator 5: Take-up of the Arachne tool by Member States <i>Source: Dir. C audit information</i>	
Latest known result (November 2014)	Target (2015)
7 Member States are using Arachne	12 to 14 Member States using Arachne tool (pilot) by end 2015

*: Commission Output; **: Final Output

5.2.5.6. Legal Affairs

Specific Objective:	
To advise the DG on all questions related to legal analysis and legal interpretation of the regulations relating to cohesion policy including closures of interventions and financial corrections	
Output Indicator 1: % of response given on legal questions and issues within 10 working days (provided another DG or service is not consulted on the issue or question) <i>Source: B4 workflow table</i>	
Latest known result (November 2014)	Target (2015)
96,1%	90%

*: Commission Output; **: Final Output

5.2.5.7. Document Management

Specific Objective:

To put in place and maintain an effective document management system so that any document connected with the DG's official functions can be electronically filed, stored and retrieved at any moment, irrespective of its original form and of the document management system in place	
Result Indicator 1: % of not filed documents compared to the total number of registered documents <i>Source: DIGIT/SG annual report on Ares statistical data</i>	
Latest known result (November 2014)	Target (2015)
1.35%	1,5%
Result Indicator 2: % of documents with e-signatory compared to the total number of documents registered in Ares <i>Source: DIGIT/SG annual report on Ares statistical data</i>	
Latest known result (November 2014)	Target (2015)
94.31%	Higher than the standard target fixed by the e-Domec steering committee (80%)

*: Commission Output; **: Final Output

5.2.6. *Specific efforts to improve efficiency and economy of financial and non-financial activities*

Action in the domain of audit of Structural Funds to improve economy and efficiency

The Audit Directorates of Structural Funds DGs (EMPL, REGIO and MARE) have had in place a common audit strategy for several years. In 2014 important progress has been made in the area of increased co-operation synergies between the 3 SF audit services. The efforts already deployed during 2014 will continue in 2015 as follows:

- For the 2007-2013 period, a joint working group (REGIO/EMPL/MARE) has carried out a joint risk assessment exercise of all programmes and audit authorities based on a fully harmonised methodology. The resulting audit strategy will be implemented throughout the first semester 2015, according to the consolidated mission plan defined for REGIO/EMPL/MARE (20 joint audit missions, representing 15% of the REGIO mission plan for 2014- mid 2015).
- For the 2014-2020 period, a single audit strategy based on a common risk assessment exercise was developed between REGIO/EMPL and MARE, addressing as a priority the audit work to be carried out in respect of designation and providing an outline for the assurance building work in 2015 and 2016. As a result, 17 joint missions will be carried out during the first semester 2015, representing 50% of the single audit plan for 2014-2020. The majority of these joint missions will cover multifund OPs.

In order to support the joint audit strategy and audit work, common IT tools will also be developed or promoted:

- MAPAR will allow auditors to manage on the spot audits from the preparation of the mission to the drafting of the report;
- ARACHNE is a risk scoring tool to be used by both the Commission and Member States in order to identify the most risky projects, to strengthen fraud prevention and detection."

These arrangements are expected to increase the overall efficiency of the audit function in the concerned DGs.

Differentiation

In order to foster a more efficient use of the available human resources, DG REGIO will launch in 2015 a differentiation exercise based on the activities of the implementing units. Its final aim will be to adapt its monitoring and supervisory efforts according to the specific needs of each programme/Member State, focusing its resources on the situations which require a stronger involvement from the Commission services and define the scope for applying lighter procedures, wherever possible.

This will be based on a screening exercise to be carried out in 2015, aimed at identifying a set of “minimum requirements” (i.e. activities that are to be carried out in any case) for the implementing units. Based on the results of this screening and on the Work Force Planning exercise to be carried out in the first semester 2015, the DG will be able to take decisions to optimise its staff allocation.

DG REGIO aims at applying the differentiated approach by the end of 2015.