

Preparation for 2021-2027 programming period - No time to lose

Barbara Jermol Marcinčák
European Commission

ITAPA conference, 7 December 2020



Content of presentation

- ✓ What has changed from the last ITAPA?
- ✓ Progress of legislative negotiations on post-2020 framework
- ✓ State of play of programming and challenges for SK
- ✓ Simplification

Economic response overview

State aid rules

- liquidity to economy
- support SMEs, jobs, etc.

A €540 bn safety net

- SURE: €100 billion support for unemployed
- EIB: €200 bn for companies
- ESM: €240 bn for sovereigns

Complements ECB measures

- €750 bn new measures
- €120 bn earlier

Recovery Plan for Europe

- €750 bn Next Generation EU
- €1100 bn long-term EU budget

Budget flexibility

- 'Escape Clause'
- maximum flexibility

Coronavirus Response Investment Initiative

- unspent cohesion funds
- transfers between funds, regions and priorities

What has changed in cohesion policy since last ITAPA?

- ✓ ***Just Transition Mechanism*** - Support to territories facing challenges with transition to climate neutrality (Horna Nitra, Košice) – **EUR 418 million for JTF** in Slovakia
- ✓ ***CRII modifications*** - immediate and short-term support to crisis response – **EUR 1.2 billion** for employment maintenance, health system, SME support in Slovakia
- ✓ ***REACT-EU*** - bridge the gap between first response and recovery – approx. **EUR 780 million for Slovakia**
- ✓ ***Recovery and Resilience Fund*** -support the long-term recovery and the resilience of the economy and society focusing on the green and digital transitions – **EUR 5.8 billion in grants and EUR 6.3 billion in loans**

Progress of legislative negotiations on cohesion policy legal framework for 2021-2027

- ✓ MFF agreement at the European Council in July
- ✓ **REACT-EU** - Entry into force in 1st quarter 2021
- ✓ **Common Provisions Regulation (CPR), ERDF-CF Regulation, ESF+ Regulation, Interreg regulation** – political agreement by the end of the year, entry into force April 2021
- ✓ **JTF** – entry into force mid-2021

Absorption challenge for Slovakia 2021-2027

2021-2027		Allocation (mil.EUR)
ERDF		8.117
ESF		2.404
CF		2.110
ETC		220
Total ESIF		12.851
JTF		418
RRF (grants)		5.8

Absorption challenge for Slovakia 2014-2020

2014-2020				
	Allocation 2014-2020 (EU source)	Spending from allocation in EUR (EU source)	Share of spending on allocation in %	To be spent (EUR)
OP II	6.029	1.978,00	32,81%	4.051
OP QoE	2.832	1.027,00	36,26%	1.804
OP HR	2.593	1.127,00	43,46%	1.466
IROP	1.699	450,00	26,49%	1.249
OP EPA	251	91,00	36,25%	160
OP TA	159	100,00	62,89%	58
Total	13.563,00	4.773,00	35,19%	8.788

REACT EU		Allocation
Estimated		780 MEUR

Progress in preparation of programming documents for cohesion policy

- ✓ Informal dialogue started in spring 2019 after publication of SK Country Report with Annex D – Commission's negotiation mandate
- ✓ Importance of partnership principle (Code of conduct on partnership)
- ✓ Informal dialogue meetings with the Central Coordinating body on the Partnership Agreement
- ✓ Technical meetings on territorial approach, simplification measures, enabling conditions
- ✓ Roadmap on administrative capacity building
- ✓ Waiting for first draft of the single Programme Slovakia (with ERDF, ESF+, Cohesion Fund and JTF)
- ✓ Waiting for the first draft of the RRP – to ensure synergies

Main challenges and opportunities

- ✓ Single programme Slovakia should not be the only simplification measures
- ✓ Complementarities of OP Slovakia and RRP – only a few months left
- ✓ Effective usage of territorial tools, real bottom-up approach for local, urban and regional authorities through territorial strategies – key element of the new programme
- ✓ Administrative capacity increase at all levels
- ✓ Robust institutional set-up, strong MA
- ✓ Shortening of procedures while keeping the accountability (simplified cost options, for example)
- ✓ Simplification handbook
https://ec.europa.eu/regional_policy/sources/docgener/factsheet/new_cp/simplification_handbook_sk.pdf

Programming negotiations - upcoming steps

- ✓ Finalise REACT-EU negotiations
 - ✓ Preparation of **territorial strategies** with list of projects
 - ✓ Preparation of **Territorial Just Transition Plan**
 - ✓ Waiting for the first draft of the **Recovery and Resilience Plan** – to ensure synergies
 - ✓ Submission of mature **Partnership Agreement**
 - ✓ Informal dialogue and submission of mature **OP Slovakia**
 - ✓ SCO schemes
 - ✓ Enabling conditions
-
- ✓ **Importance of national methodological documents and guidance**

Thank you!



ITAPA conference, 11 November 2019

Short term reaction – CRII and CRII plus

- Reduced administrative burden (No amendments for PA, Simplified procedure for re-programming , Facilitated adjustment of financial instruments if extended to working capital etc.)
- possibility to increase EU co-financing rates to 100% for the accounting year 2020-2021
- full flexibility to transfer 2020 resources between all Cohesion Funds and between categories of regions + no further checking the compliance with thematic concentration requirements
- offering up to 10% financial flexibility per priority at closure
- ERDF can newly cover working capital in SMEs and investments in products and services necessary for fostering the crisis response capacities in public health services

Short term reaction – CRII and CRII plus

- Reduced administrative burden (No amendments for PA, Simplified procedure for re-programming , Facilitated adjustment of financial instruments if extended to working capital etc.)
- possibility to increase EU co-financing rates to 100% for the accounting year 2020-2021
- full flexibility to transfer 2020 resources between all Cohesion Funds and between categories of regions + no further checking the compliance with thematic concentration requirements
- offering up to 10% financial flexibility per priority at closure
- ERDF can newly cover working capital in SMEs and investments in products and services necessary for fostering the crisis response capacities in public health services

RRF and Cohesion policy- partners or rivals?

- Delivery mechanism: Targets and milestones ex-ante versus costs ex-post
- Thematic concentration: Overlaps and Synergies
- Shorter Implementation period: Challenge for slim project pipelines
- Perspective: the new alternative cohesion policy or pandemic response without longterm future

.....questions need to be answered in next few months!