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**of Cohesion policy programmes 2007-2013**

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**Background paper for the seminar with Member States**

**on the effects of the crisis on Cohesion policy**

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# Introduction

This paper is a background note for the seminar with representatives of Member States on the effects of the economic and financial crisis on Cohesion policy programmes in the 2007-2013 programming period, due to be held in Brussels on the 20 May. It considers three main aspects:

1. changes over the period in the regulations governing what Cohesion policy funding could be spent on and other initiatives taken to help Member States during the crisis;
2. shifts in the allocation of funding between policy areas, or priority themes;
3. changes in EU co-financing rates and the associated changes in national co-financing as well as the overall funding available for expenditure.

The changes that occurred in each case were caused to varying extents by the economic and financial crisis which hit Member States in 2008. They were intended both to speed up the implementation of programmes and to respond to the decline in economic activity in the EU and the budgetary problems associated with it.

The intention here is to outline the main developments across the EU over the period as revealed by the data available, which are in large part based on the information reported by Member States to DG Regional and Urban Policy, and to indicate the main questions which these data give rise to. These questions form the subject-matter of the seminar. It is hoped that the discussion on them will provide valuable insights into the policy adopted by Member States as regards the use of Cohesion policy funding over the period and potential lessons for the future. The central issues to be explored are:

* how far the crisis led to changes in both what Cohesion policy funding was spent on and in the pace of implementing programmes;
* how effective these changes were in countering the effects of the crisis on growth and employment;
* how significant the action taken at EU-level was in assisting Member States to make the changes concerned and in easing the difficulties they faced in co-financing programmes;
* what other factors apart from the crisis lay behind the changes that occurred.

# Changes in regulations and other initiatives

A number of changes were made in the regulations governing Cohesion policy funding and its management in the wake of the global recession which hit the EU in the latter part of 2008. At the same time, recommendations were issued on how the funding should be spent and a number of other initiatives were taken in response to the crisis. In each case, the aim was to speed up expenditure and to direct it to areas which were most likely to stimulate growth and employment.

## Regulatory changes

The changes began with the European Economic Recovery Plan in November 2008[[1]](#footnote-1), which included additional advance payments of the Structural Funds to help Member States overcome cash-flow problems. This was followed in the succeeding months by a series of amendments to regulations[[2]](#footnote-2), which had the effect, in particular, of:

* extending eligible expenditure under the ERDF to energy efficiency and renewable energy investments in housing in the EU15 Member States, though specifically for low income households;
* relaxing the rules on State aid, allowing businesses, and SMEs especially, to access cheaper credit and reducing the minimum level of private participation from 50% to 30%;
* simplifying the requirements on export credits to allow the State to cover more of the risk;
* extending the deadline for expenditure of funding provided for the 2000-2006 period by one year from end-2008 to end-2009.

## Other initiatives

Other initiatives taken included:

* increasing the funding going to JASPERS[[3]](#footnote-3) to provide more support to Member States in preparing major projects;
* recommending Member States to use financial engineering instruments to provide support to SMEs through the JEREMIE initiative[[4]](#footnote-4) and to take up the increased access to micro-credit offered by the JASMINE initiative[[5]](#footnote-5);
* encouraging Member States to modify programmes to put more emphasis on clean technologies, environmental services and broadband networks;
* helping Member States prepare and implement major projects more quickly by introducing an accelerated procedure, reducing the overall time limit for approval from 87 days to 30 throughout 2009 and 2010.

## Questions to Member States

The changes listed above prompt a number of questions, in particular:

* What were the most important initiatives taken at EU level (whether mentioned above or not) to help Member States withstand the effects of the crisis? Can you provide examples or additional information?
* With hindsight, what should have been done differently at EU level to help Member States cope with the effects of the crisis?

# Amendments to programmes

## Scale of amendments

There were shifts of varying sizes in Member States in the planned use of ERDF and Cohesion Fund resources available over the 2007-2013 period. While some detailed information is available the full scale of the shifts concerned, however, is difficult to aggregate and to present across all programmes. This is because the information reported relates to the changes which needed to be approved by the Commission since they either altered the allocation across priority axes or modified the composition of priority axes agreed at the beginning of the period. Shifts within priority axes may not have been notified because they were in line with the objectives of the axes concerned and so within the flexibility allowed to Managing Authorities.

Nevertheless, the shifts of funding between the 86 categories of expenditure distinguished in the DG Regional and Urban Policy reporting system give an indication of the scale of the changes which were made across Member States. These amounted to EUR 29.7 billion of EU financing in total over the period up to the end of 2014, equivalent to just over 11% of the funding initially available (Figure 1)[[6]](#footnote-6). The amount shifted varied greatly between countries:

* in both Malta and Cyprus, over 30% of total funding was moved between expenditure categories;
* in Ireland, around 30% of funding was moved;
* in Portugal, the funding shifted was largest of all in absolute terms, amounting to some EUR 4.1 billion or 27% of the total;
* in 10 countries, the amounted shifted ranged from 21% (in Bulgaria) to just over 10% (in the Czech Republic).
* In another 5 countries (Slovenia, France, Poland, Hungary and the Netherlands) it ranged from just under 10% of funding to 6%;
* in Germany, less than 6% of funding was moved between categories, in Belgium, 4% and in both Latvia and Estonia, only around 2%;

In some countries, Germany and Sweden, in particular, the view taken was that the initial allocation of funding was designed to tackle long-term structural problems and the crisis had not altered the nature of these problems so that there was no need to make major changes in the planned allocation[[7]](#footnote-7).

****Figure 1 – Overall amount of funding available (ERDF and Cohesion Fund) shifted between categories of expenditure, 2007-2014 (Figures show the amounts shifted in EUR million, the horizontal scale, the shifts in percentage terms)****

In practice, there is a tendency for the shifts to have been largest in the countries which were hit hardest by the crisis, where the need to respond to the decline in economic activity and loss of jobs was most pressing. But this is not universally the case. In particular, Malta was affected less severely than most other Member States, yet it is among the countries where the amount shifted in proportionate terms was largest. Equally, the shifts were relatively small in Finland, Estonia and Latvia and below average size in Slovenia, and Spain, all of which were hit relatively hard by the crisis.

## Direction of shifts in funding

Such an overview can be obtained by aggregating the categories into broad themes which indicate the kind of expenditure involved and so distinguish the areas from which funding was withdrawn from those where it was added.

Table 1 Shifts in planned allocation of ERDF+Cohesion Fund resources between broad themes, 2007 to 2014 (EUR million)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Initial planed | Shifts | | |
|  | amounts | Negative | Positive | Net |
| 1.Innovation & RTD | 45,546 | -7,284 | 8,980 | 1,696 |
| 2.Entrepreneurship | 5,646 | -1,047 | 1,214 | 167 |
| 3.Other investments in enterprise | 13,608 | -925 | 2,637 | 1,712 |
| 4.ICT for citizens & business | 12,916 | -2,683 | 1,489 | -1,194 |
| 5.Environment | 46,821 | -6,830 | 3,871 | -2,959 |
| 6.Energy | 10,765 | -2,389 | 3,576 | 1,187 |
| 7.Broadband | 2,257 | -425 | 720 | 296 |
| 8.Road | 40,700 | -3,311 | 5,354 | 2,043 |
| 9.Rail | 24,100 | -3,457 | 2,789 | -668 |
| 10.Other transport | 17,385 | -3,604 | 2,398 | -1,207 |
| 11.Human capital | 832 | -118 | 16 | -102 |
| 12Labour market | 1,042 | -370 | 44 | -326 |
| 13.Culture & social | 22,681 | -2,489 | 4,523 | 2,034 |
| 14.Social Inclusion | 251 | -48 | 9 | -39 |
| 15.Territorial Dimension | 14,645 | -2,052 | 1,873 | -179 |
| 16.Capacity Building | 1,849 | -845 | 57 | -788 |
| 17.Technical Assistance | 8,110 | -1,246 | 665 | -580 |
| Total | 269,155 | -39,122 | 40,215 | 1,093 |
| *Note: The figures in the Negative Column are the sum of the changes in OPs across the EU which experienced a reduction in planned funding over the period 2007-2014. The figures in the Positive column are the sum of the changes in OPs where funding was increased. Funding going to European Territorial Cooperation programmes is excluded.* | | | | |
| *Source: DG Regional and Urban Policy, Inforegio* | |  |  |  |

The main features to emerge from examination of the shifts of funding between the themes concerned are:

* In each case, the net change across the EU as a whole is the result of often much larger additions to and withdrawals from funding across OPs - i.e. in some OPs, funding for the theme concerned was increased, in others reduced, so that the policy differed across OPs. This was true not only as between countries but within them (as indicated below).
* The biggest net additions to funding were to investment in Roads and in Cultural and social infrastructure (which includes hospitals, schools, childcare centres, historic buildings and monuments and community centres), which amounted to just over EUR 2 billion in both cases. This was the outcome, however, of a reduction in funding of EUR 2-3 billion in a number of OPs which was more than offset by an increase of EUR 4-5 billion in others.
* There were also significant net additions to funding on average in Innovation and RTD and Other support to investment in enterprises (around EU 1.7 billion in both cases) as well as to that in Energy (EUR 1.2 billion). The first two differ markedly in that, whereas in the case of Other support to investment in enterprises, the reduction in funding was relatively small in the OPs where it occurred, in the case of Innovation and RTD, it was substantial (amounting to EUR 7.3 billion). The addition to funding in the latter in the OPs where it occurred was very much larger than in the former. The implication is that policy with regard to modifying the funding going to investment in Innovation and RTD varied considerably more across OPs than that with regard to Other support to investment in enterprises. Energy was somewhere in between.
* The main reduction in funding was to the Environment, which consists largely of investment in water, wastewater treatment and waste management infrastructure, which experienced a net loss of almost EUR 3 billion across the EU as a whole. Again, however, there is evidence of major differences between OPs. In many, funding was increased over the period rather than being reduced – indeed, the overall scale of the increase in the OPs concerned was more than that in Energy or Other support for investment in enterprises – but the reduction in the OPs where it occurred was even larger.
* Support for transport was shifted over the period from rail and other areas, such as waterways, ports, airports and urban transport, to roads. There were, nevertheless, a number of OPs, where support for investment in rail and other forms was increased, especially in the EU15 in the case of rail.

There is some similarity between EU12 and EU15 countries in the net shifts in funding which occurred over the period 2007- 2014, though some differences in the scale of these. Annex 2 provides detailed information on the two groups.

The main points to come out of Table 2 and Tables A.1 and A.2 in the Annex are:

* There were significant net increases to investment in Innovation and RTD, Roads and Cultural and social infrastructure in both EU12 and EU15 countries and, to a lesser extent, in Energy.
* There was a far more widespread tendency for funding to roads to be increased in the EU15 than the EU12, only in Portugal in the former was there a net reduction, whereas in the EU12, the increase was concentrated in Poland, Romania and the Czech Republic, with reductions being made in 6 countries, most notably in Hungary.
* In the case of Cultural and social infrastructure, the increase in funding in the EU15 was concentrated in Spain, Italy and, most especially, in Portugal (where it amounted to over EUR 1.1 billion), while in the EU12, it was concentrated in Romania (where over EUR 600 million) was added to funding.
* The net reduction in funding for the Environment was particularly large in the EU15 but was also substantial in the EU12 and, in both cases, it was relatively widespread across Member States, with Poland and the UK being the only countries where a sizable increase in funding occurred.
* In the case of investment in rail, the reduction in funding was widespread across EU12 countries and was most marked in Bulgaria and Romania; in the EU15, the picture is more mixed with significant increases in both Spain and Italy (together amounting to over EUR 900 million) being more than offset by a substantial reduction in Portugal (of just over EUR 1 billion).

## Questions to Member States

The figures set above raise a number of questions about the reasons for the shifts in funding which occurred over the period and the extent to which they were both a consequence of the crisis – in terms of the shortage of finances for co-funding expenditure that it gave rise to – and a response to it, in the sense that they were motivated by a concern to stimulate growth and job creation. The general questions which arise are, therefore:

* How far were the changes to the allocation of funding made over the 2007-2014 period a response to the crisis and an attempt to shift resources into areas which most likely to stimulate growth and to create more jobs?
* How far, on the other hand, were they a result of the crisis reducing the ability of regional and local authorities as well as businesses to find the co-financing required to undertaken investment projects?
* Linked to this, how far were the shifts a response to delays in implementing the projects planned and a consequent need to accelerate expenditure in order to avoid possible decommitments of funding?

More specific questions are:

* Why did particular Member States, such as Estonia, Latvia and, to a lesser extent, Slovenia which were hit particularly hard by the crisis make relatively few changes to the allocation of funding while other Member States, such as Lithuania, Cyprus, Portugal or Greece, which were hit similarly hard make relatively large changes?
* To what extent were the relatively large increases in funding which were made in most countries to Innovation and RTD, Other investment in enterprises, Energy, Roads and Cultural and social infrastructure a response to the crisis as opposed to being due to other factors?
* How far were the relatively large reductions in funding for Environmental infrastructure, Rail and Other transport a result of the crisis rather than, for example, difficulties in carrying out large infrastructure projects of these kinds? To what extent do the reductions reflect a shift of priorities towards other kinds of expenditure?
* What were the main reasons for the reduction in funding for ICT, which was also relatively widespread across countries? How far was this a reflection of a reduction in demand for finance to carry out investment in ICT?

# Increases in EU co-financing rates

The scale of the crisis in a number of Member States, especially in the EU15 and in the south in particular, led the EU to increase co-financing rates for these countries. The aim was to reduce national co-financing rates for the countries concerned and, accordingly, the amount of funding that they needed to find. This was to take pressure off national public finances – and to improve the rate of absorption of EU funding. The overall amount of funding going to investment in Cohesion policy programmes was reduced in the countries concerned as an inevitable consequence. The total reduction in funding across the EU as whole amounted to some EUR 25 billion. Since, however, given their financial situation, it may have proved impossible for these Member States to find the necessary co-financing had rates not been changed, this reduction is arguably more apparent than real.

In total, there were 13 Member States in which EU co-financing rates were increased over the programming period, though the extent of the increase varied greatly between countries. It was largest in Italy, from 48% to 64%, and it was also substantial in Portugal (63% to 75%), Belgium (from 41% to 51%) and Spain (from 68% to 76%) (Figure 2). The rise was significant too in Greece and Ireland (by 6 percentage points in both cases) but smaller in the other countries (between 1 percentage point in Sweden and Latvia and 4 percentage points in Romania).

Figure 2 Average EU co-financing rates for Cohesion policy programmes in 2007 and 2014

To some degree, the increases in EU co-financing rates which occurred reflect not only the severity of the financial crisis they faced and the consequent difficulties of finding co-funding but also the prevailing co-financing rates. In the EU12 Member States EU co-financing rates were already set at relatively high levels, at 85% or just below, before the crisis hit. Accordingly, the scope for increasing rates further was limited in these countries, even though they might have faced equally serious financing problems as the Member States in which rates were raised. This was the case most especially in Cyprus, Hungary and Slovenia, in all of which co-financing rates were 85% throughout the period[[8]](#footnote-8). In a number of countries where rates were below 85% before the crisis – Latvia, Poland, Greece, Romania and Lithuania – they were moved to 85% or just below as a response to financial difficulties.

As noted above, the increase in EU co-financing rates, and the consequent reduction in national co-financing, resulted in an overall decline in the resources going into Cohesion policy programmes across the EU of some EUR 25 billion, or around 7% of the total which was initially envisaged (Table 3). From a different perspective, this amount gives an indication of the extent to which public financing problems across the EU were eased as a result of the EU decision to raise its co-financing rate.

A large part of the reduction occurred in Italy, where the increase in the EU co-financing rate was largest, where total funding fell by EUR 11.4 billion, or 26%, as compared with what was initially planned. This alone is responsible for almost half of the total decline. There were substantial reductions too in Portugal (of over EUR 4 billion or 17%) and Spain (of almost the same amount in money terms but less in proportionate terms - 10%), where the reduction would have been even larger but for an increase in private funding. The reductions were also substantial in proportionate terms in Belgium (20%) and Ireland (12%), even though the overall amount of funding involved was smaller.

Table 3 Changes in overall funding for Cohesion policy programmes, 2007-2014

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | EU | Nat public | Nat private | Total | Total |
|  | *EUR million* | | | | % |
| PL | 1,663 | -2,449 | 476 | -310 | -0.4 |
| SE | 0 | -39 | 0 | -39 | -1.9 |
| LV | -32 | -334 | 234 | -132 | -2.6 |
| LT | 0 | -272 | -35 | -307 | -4.3 |
| RO | -155 | -674 | 0 | -829 | -4.4 |
| UK | -29 | -746 | 163 | -612 | -5.5 |
| FR | -3 | -636 | -691 | -1,330 | -5.9 |
| GR | 0 | -1,332 | 0 | -1,332 | -6.6 |
| ES | -5 | -5,061 | 1,083 | -3,983 | -10.2 |
| IE | 0 | -114 | 0 | -114 | -12.2 |
| PT | -341 | -2,920 | -821 | -4,082 | -17.4 |
| BE | -3 | -480 | 0 | -483 | -20.1 |
| IT | -35 | -11,403 | 0 | -11,438 | -25.9 |
| EU | 1,060 | -26,461 | 409 | -24,992 | -6.8 |
| *Note: The EU figures are the aggregates of the figures for the Member States in which rates were raised (i.e. those included in the table)* | | | | | |
| *Source: DG Regional and Urban Policy, Inforegio* | | | |  |  |

## Questions to Member States

The analysis raises questions about the significance of the action taken by the EU in respect of co-financing rates and about its effects, in particular:

* How important was the increase EU co-financing rates for the Member States concerned in easing the pressure on public finances?
* Could the EU have done more in this regard to ease such pressure? If so, what?
* How far was the increase in EU co-financing rates and the consequent reduction in national co-financing requirements necessary, to enable programmes to be carried out even if on a reduced scale?
* What reductions in programmes were made as a result of the reduction in national co-financing rates – i.e. which expenditure that was planned did not go ahead?
* What impact will the reduction in the funding going into programmes have on the expected outputs and results?

# Annex 1

Table A.1 Net shifts in funding by broad theme in EU12 countries, 2007 to 2014 (EUR million)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BG | CZ | EE | CY | LV | LT | HU | MT | PL | RO | SI | SK |
|  | *Net shifts* | | | | | | | | | | | |
| 1.Innovation & RTD | -93 | 311 | 26 | -34 | -25 | 2 | -103 | 13 | 848 | 13 | 39 | 67 |
| 2.Entrepreneurship | -49 | -94 | 0 | -6 | 14 | -1 | 77 | 7 | 194 | -51 |  | 0 |
| 3.Other investment in enterprises | 230 | 118 | 23 | 18 | -28 | -29 | 452 | -3 | 196 | 427 | 15 | 34 |
| 4.ICT for citizens & business | -34 | -234 | 0 | 2 | 0 | -8 | -95 | -10 | -75 | 11 | 0 | -86 |
| 5.Environment | -84 | -250 | -14 | 6 | 0 | -82 | -29 | -73 | 79 | -447 | 17 | -18 |
| 6.Energy | 68 | 164 | -45 | 4 | 10 | 66 | 348 | 39 | 122 | -2 | 0 | 12 |
| 7.Broadband | 0 |  |  |  | 0 | 8 | 21 |  | -44 | -8 | 0 | -70 |
| 8.Road | -62 | 169 | 10 | 0 | -32 | 4 | -315 | -29 | 695 | 523 | -23 | -31 |
| 9.Rail | -123 | -50 | 0 |  | 0 | 14 | 63 |  | -14 | -161 | 0 | -74 |
| 10.Other transport | 225 | -13 | 0 | -9 | 0 | -19 | -263 | -11 | -33 | -220 | -51 | 21 |
| 11.Human capital |  | -30 |  |  |  |  | -43 |  |  |  |  |  |
| 12.Labour market | -35 | -139 |  |  | 0 |  | -30 |  |  | 0 |  | 0 |
| 13.Culture & social | 26 | 57 | 0 | -19 | 30 | 1 | -93 | 43 | -1 | 612 | 5 | 90 |
| 14.Social Inclusion |  | 0 |  |  |  |  | 0 |  |  |  |  |  |
| 15.Territorial Dimension | 19 | 75 | 0 | 37 | 0 | 66 | 0 | 24 | 118 | -865 | -5 | 186 |
| 16.Capacity Building | -77 | 9 |  |  |  |  | 0 | 0 | -34 |  |  | 0 |
| 17.Technical Assistance | -11 | -165 | 0 | 0 | -3 | -22 | 0 | 0 | -389 | 14 | 3 | 6 |
| Total | 0 | -73 | 0 | 0 | -32 | 0 | -11 | 0 | 1663 | -155 | 0 | 138 |
| *Note: The figures show the sum of the shifts in funding in OPs in each of countries; DK, LU and SE are excluded because there were no changes to programmes over the period* | | | | | | | | | | | | |
| *Source: DG Regional Policy, Inforegio database* | | | | | | | |  |  |  |  |  |

Table A.2 Net shifts in funding by broad theme in EU15 countries, 2007 to 2014 (EUR million)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | BE | DE | IE | GR | ES | FR | IT | NL | AT | PT | FI | UK |
|  | *Net shifts* | | | | | | | | | | | |
| 1.Innovation & RTD | -22 | 326 | 41 | 531 | -109 | -58 | -137 | 17 | -47 | 424 | 0 | -333 |
| 2.Entrepreneurship | -8 | -120 |  | 389 | -60 | -15 | 101 | -1 | -3 | -43 | 0 | -165 |
| 3.Other investment in enterprises | 9 | -46 | -2 | 94 | -205 | -3 | 161 | -14 | 47 | 10 | 0 | 206 |
| 4.ICT for citizens & business | 3 | -15 | -1 | -512 | 187 | -21 | -135 | -4 | -3 | -122 | 0 | -40 |
| 5.Environment | 10 | -166 | 13 | -693 | -702 | -25 | -184 | -7 | 1 | -344 | -1 | 35 |
| 6.Energy | 2 | 144 | -23 | 289 | -9 | 120 | -96 | 14 | 3 | -127 | 0 | 85 |
| 7.Broadband | 0 | 70 | -2 | -38 | 43 | 41 | 184 | 0 | 0 | -30 | 0 | 120 |
| 8.Road | 0 | 3 | 44 | 773 | 180 | 31 | 53 | -2 |  | -29 | 2 | 79 |
| 9.Rail |  | -28 | 10 | -127 | 561 | -120 | 364 | 0 | -3 | -1004 | 0 | 24 |
| 10.Other transport | 2 | -18 | -13 | -448 | -29 | 54 | -340 | -4 | 1 | -68 | 1 | 27 |
| 11.Human capital | 3 | -15 |  |  |  | -3 | 8 | 0 | -9 | -11 |  | 0 |
| 12.Labour market |  | -21 |  | -95 |  | -5 | 4 | 0 | 0 | 1 | 0 | -6 |
| 13.Culture & social | 1 | -38 | 1 | -292 | 238 | 46 | 218 | 0 | 0 | 1124 | -1 | -11 |
| 14.Social Inclusion |  | -3 |  |  |  | -2 | -1 | 0 | 0 | -25 | 0 | -9 |
| 15.Territorial Dimension | -2 | -81 | -63 | -5 | -23 | -45 | -202 | 2 | 3 | 568 | 0 | 13 |
| 16.Capacity Building |  | 7 |  | -15 | 1 | -4 | -104 | 0 | -1 | -568 | -1 | 0 |
| 17.Technical Assistance | 0 | -6 | -6 | 150 | -78 | 6 | 72 | 0 | 0 | -98 | 0 | -53 |
| Total | -3 | -8 | 0 | 0 | -5 | -3 | -35 | 0 | -13 | -341 | 0 | -29 |
| *Note: The figures show the sum of the shifts in funding in OPs in each of countries; DK, LU and SE are excluded because there were no changes to programmes over the period* | | | | | | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Source: DG Regional and Urban Policy, Inforegio database* |  |  |  |  |  |

# Annex 2

Table 2 shows the aggregation of the net shifts in the EU 15 and EU 12. In each case, the net additions to funding in the Member States where there was a net increase across OPs are summed to indicate the overall increase in these countries. The net reductions to funding in the countries where there was a net withdrawal of resources are aggregated n the same way. The figures, therefore, indicate the extent of similarity or difference between countries in the two groups in the changes which were made to funding going to the various areas (or themes). Tables A.1 and A.2 in the Annex show the figures for the net shifts between the 17 themes for each of the Member States where changes in the allocation of funding were made over the period.

A comparison of the figures for additions to funding and reductions in Table 2 with those in Table 1 gives an indication of the extent of differences between OPs within countries in the changes that were made. For example, Table 2 shows an overall reduction in funding for Innovation and RTD of EUR 961 million across the EU27, whereas Table 1 shows a reduction of EUR 7,284 million across OPs, which is considerably larger. This, therefore, indicates that a total of EUR 6,323 million was withdrawn within countries from OPs where a reduction in funding occurred which was offset by increases in other OPs and which accordingly does not show up in the net shift in funding at Member State level.

Table 2 Shifts in planned allocation of ERDF + Cohesion Fund resources between broad themes in the EU12 and EU15, 2007 to 2014 (EUR million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | EU12 | | | EU15 | | |
|  | *Negative* | *Positive* | *Net* | *Negative* | *Positive* | *Net* |
| 1.Innovation & RTD | -255 | 1319 | 1064 | -706 | 1339 | 633 |
| 2.Entrepreneurship | -201 | 292 | 91 | -415 | 490 | 75 |
| 3.Other investment in enterprises | -60 | 1513 | 1453 | -270 | 527 | 257 |
| 4.ICT for citizens & business | -542 | 13 | -529 | -853 | 190 | -663 |
| 5.Environment | -997 | 102 | -895 | -2122 | 59 | -2063 |
| 6.Energy | -47 | 833 | 786 | -255 | 657 | 402 |
| 7.Broadband | -122 | 29 | -93 | -70 | 458 | 388 |
| 8.Road | -492 | 1401 | 909 | -31 | 1165 | 1134 |
| 9.Rail | -422 | 77 | -345 | -1282 | 959 | -323 |
| 10.Other transport | -619 | 246 | -373 | -920 | 85 | -835 |
| 11.Human capital | -73 | 0 | -73 | -38 | 11 | -27 |
| 12.Labour market | -204 | 0 | -204 | -127 | 5 | -122 |
| 13.Culture & social | -113 | 864 | 751 | -342 | 1628 | 1286 |
| 14.Social Inclusion | 0 | 0 | 0 | -40 | 0 | -40 |
| 15.Territorial Dimension | -870 | 525 | -345 | -421 | 586 | 165 |
| 16.Capacity Building | -111 | 9 | -102 | -693 | 8 | -685 |
| 17.Technical Assistance | -590 | 23 | -567 | -241 | 228 | -13 |
| Total | -271 | 1801 | 1530 | -437 | 0 | -437 |
| *Note: The figures in the Negative columns are the sum of the figures for those Member States where the net change in funding across OPs was negative; the figures in the Positive columns are sum of the figures in Member States where the net change across OPs was positive.* | | | | | | |
| *Source: DG Regional Policy Inforegio database* | |  |  |  |  |  |

1. COM(2008) 800, 26.11.2008. [↑](#footnote-ref-1)
2. For example, Council Regulation (EC) No 284/2009 amending Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund concerning certain provisions relating to financial management; Regulation (EC) No 397/2009 amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing [↑](#footnote-ref-2)
3. Joint Assistance in Supporting Projects in European Regions [↑](#footnote-ref-3)
4. Joint European Resources for Micro to Medium Enterprises. [↑](#footnote-ref-4)
5. Joint Action to support Microfinance Institutions in Europe. [↑](#footnote-ref-5)
6. This represents the average of the amounts added to planned expenditure in the different categories and the amounts subtracted from it. Overall, there was a net addition to total funding over the period of EUR 1.1 billion. [↑](#footnote-ref-6)
7. See Evalnet country reports 2013 on Germany and Sweden – <http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1> [↑](#footnote-ref-7)
8. They were also at 85% in the Czech Republic, Slovakia and Malta. [↑](#footnote-ref-8)