

## REACHING CRUISING SPEED? PROGRAMME PROGRESS, PERFORMANCE TARGETS & POLICY REFORM



**IQ-Net Review Paper 42(1)**



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**June 2018**



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## EXECUTIVE SUMMARY

- The **implementation of ESIF programmes has accelerated**, although some thematic areas lag behind, as do payments.
- The average percentage of the total allocated to selected projects/operations under ESIF programmes is **54 percent** (EU and IQ-Net average). EU average expenditure eligible for reimbursement stands at **12 percent** (IQ-Net average 14 percent).
- Changing market conditions, institutional reform, new domestic legislation and new policy initiatives continue to impact on ESIF programme implementation. The **process of programme revision has become almost continuous**, especially in the run-up to the performance review.
- Project **uptake is improving** in most programmes, and peak project flow has already been passed in several. Regional and thematic variation continues especially under low carbon, environment, climate change and RTDI themes, and where labour market changes have been experienced. New implementation mechanisms introduced in 2014-20 continue to affect uptake e.g. around implementation of ITI.
- Other **implementation issues are still posing challenges**, including approval of the MCS, audit burden, State aid, public procurement and delays in certification.
- Varied use is made of **Article 70** but it appears to be most useful where a Member State has several OPs each covering different regions within the country.
- Good progress is reported in implementation of **financial instruments**, although funds have often been slow to reach final recipients and many implementation challenges still exist, relating to administrative complexity and unpredictable demand.
- **Evaluation** activity is underway in most programmes, especially with a view to informing future policy and the performance reserve.
- The main priorities for programme managers over the **next six months** include n+3, meeting the performance reserve milestones, progressing OP modifications and accelerating programme implementation.
- While achieving the mid-term targets set for the **Performance Reserve** is not expected to cause difficulties for several IQ-Net programmes, most report being at risk of not meeting targets, due to for example:
  - the progress of individual thematic areas varying widely
  - implementation delays
  - difficulties concerning indicators and targets
  - lack of demand under some areas.
- Various approaches are being taken to address these challenges, including **modifying OPs**.
- Discussion on the post-2020 reform of Cohesion policy has been ongoing, and recent publication of the **concrete legislative proposals for 2021-27** now provides a focus for continued engagement and debate on this topic by IQ-Net programmes