

**Discussion with Cohesion  
region stakeholders on**

**Cohesion policy  
for 2021-2027 in Slovenia**

**December 2019**





# KEY FEATURES

## Multiannual Financial Framework 2021-2027

'A modern budget for a Union that protects, empowers and defends'



More funding for  
priority areas



A new mechanism  
to protect the  
EU budget from  
financial risks  
linked to the rule  
of law



A strong focus on  
European added  
value and on  
performance



Less red tape for  
beneficiaries



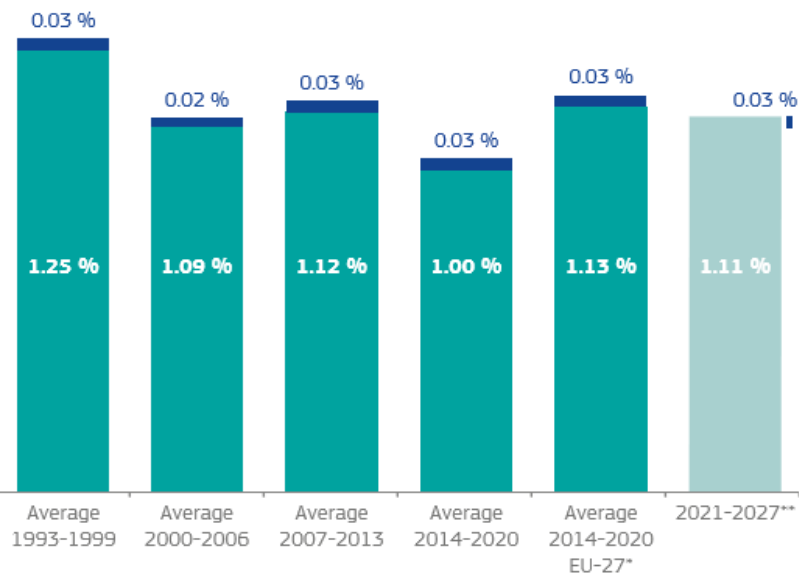
A more flexible and  
agile budget with a  
clearer and leaner  
architecture



European  
Commission

# EVOLUTION OVER TIME

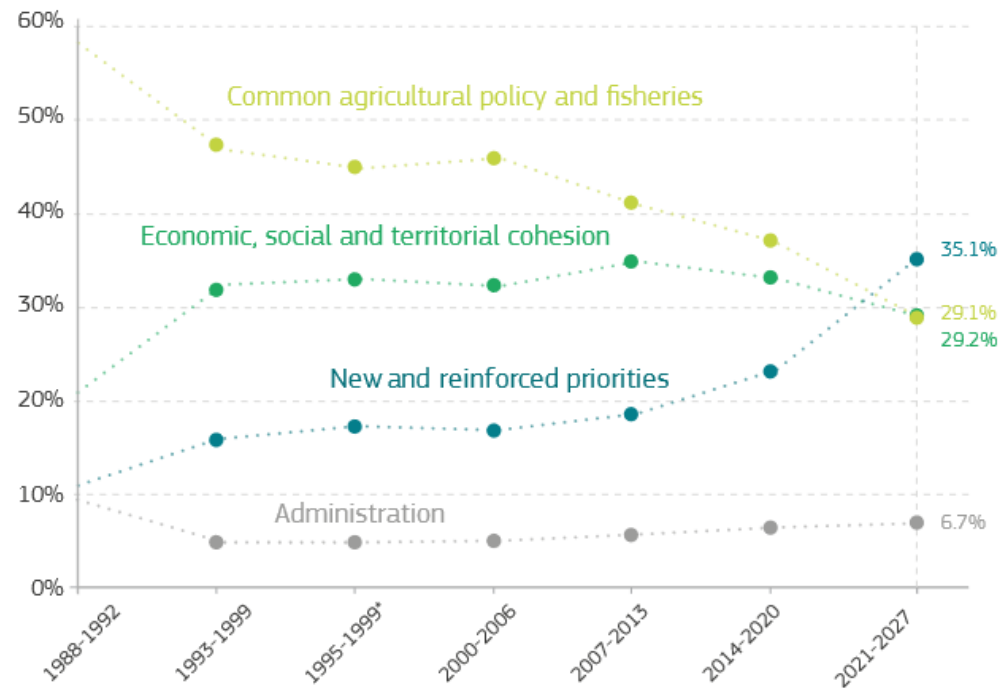
The size of the EU budget as a percentage of gross national income (GNI)



\* 2014-2020 estimated commitments excluding UK expenditure in % of EU27 GNI

\*\* European Development Fund integrated ("budgetised")

Source: European Commission



# WHAT'S IN IT FOR SLOVENIA?

MS	CAP (% GNI)		Cohesion (% GNI)		National contributions (% GNI)	
	2014-2020	2021-2027	2014-2020	2021-2027	2014-2020	2021-2027
BE	0,14%	0,10%	0,08%	0,07%	0,86%	0,91%
BG	2,14%	1,52%	2,27%	1,97%	0,87%	1,06%
CZ	0,66%	0,43%	1,83%	1,12%	0,85%	0,97%
DK	0,34%	0,25%	0,03%	0,02%	0,78%	0,88%
DE	0,19%	0,14%	0,08%	0,06%	0,75%	0,88%
EE	1,03%	0,79%	2,32%	1,39%	0,86%	1,06%
IE	0,67%	0,43%	0,08%	0,05%	0,83%	0,91%
EL	1,57%	1,22%	1,36%	1,44%	0,84%	0,93%
ES	0,57%	0,44%	0,39%	0,38%	0,86%	0,95%
FR	0,41%	0,32%	0,10%	0,09%	0,85%	0,91%
HR	1,07%	1,07%	2,72%	2,32%	0,86%	0,99%
IT	0,33%	0,26%	0,29%	0,31%	0,85%	0,87%
CY	0,39%	0,28%	0,62%	0,59%	0,90%	0,97%
LV	1,31%	1,12%	2,48%	1,76%	0,86%	0,90%
LT	1,66%	1,30%	2,55%	1,60%	0,84%	0,93%
LU	0,13%	0,08%	0,02%	0,02%	0,86%	1,08%
HU	1,50%	0,93%	2,75%	1,60%	0,85%	0,98%
MT	0,19%	0,10%	1,06%	0,57%	0,88%	0,99%
NL	0,12%	0,08%	0,03%	0,02%	0,67%	0,83%
AT	0,35%	0,24%	0,05%	0,04%	0,79%	0,91%
PL	1,01%	0,66%	2,59%	1,57%	0,86%	0,97%
PT	0,70%	0,54%	1,67%	1,46%	0,88%	0,98%
RO	1,56%	1,01%	1,92%	1,51%	0,83%	0,94%
SI	0,61%	0,38%	1,10%	0,78%	0,86%	0,93%
SK	0,78%	0,52%	2,47%	1,56%	0,82%	0,93%
FI	0,38%	0,29%	0,09%	0,09%	0,84%	0,91%
SE	0,20%	0,15%	0,06%	0,06%	0,71%	0,85%
<b>EU</b>	<b>0,37%</b>	<b>0,32%</b>	<b>0,35%</b>	<b>0,33%</b>	<b>0,81%</b>	<b>0,90%</b>

\*GNI based on European Economic forecast Spring 2019

2014-2020 national contributions include the financing for the European Development Fund for comparison purposes

2021-2027 data correspond to the parameters of the Commission proposals of 2 May 2018



# A modern, dynamic policy

## 331 billion euro (2018 prices)

### Modern investment

- Focus on transition to smart, low-carbon economy
- Stronger link to European Semester
- Comprehensive performance data (near real time), open data

### Simple, flexible, dynamic

- 7 funds, 1 regulation (50% shorter)
- 80 key administrative simplifications
- Faster implementation (return to n+2)
- Responsive to emerging needs (e.g. migration)

### For all regions

- Balanced and fair allocation method
- 75% of financial resources to poorest regions and Member States, where most needed

# Faster and simpler delivery

- Extended possibility to use simplified cost options and financing not linked to costs schemes
- Reduced number of controls and audits and increased cross-reliance on audits
- Reintroduction of n+2 rule and reduced level of prefinancing - faster start of the programmes and quicker implementation
- Reinforced visibility and communication provisions
- No specific rules for operations generating net revenue
- No major projects → operations of strategic importance

# Sustainable urban development

- New dedicated specific objective for integrated development of urban areas
- 6% of ERDF to go to urban development, delivered through local development partnerships via various tools
- Requirement for local development strategies – local ownership
- European Urban Initiative: a coherent approach to capacity building, innovative actions, knowledge and policy development and communication

# 1. Negotiations

# Negotiations Parliament, Council, EC

## ✓ MFF

- ✓ objective to reach a **political agreement in 2019/2020**
- ✓ first discussions on the figures (overall levels, balances between headings) held on 17- 18 October
- ✓ Sectoral proposals can only be finalised after MFF deal (ie in 2020)

## ✓ *Regulatory proposals*

- ✓ EC presented the regulatory proposals in 2018
- ✓ Parliament and council adopted positions
- ✓ Continues with trilogues

**Risk: new legislation may be delayed**

# Trilogues

- ✓ Started already with the previous EP (Feb/March) – discussion on programming – no agreement
- ✓ Technical trilogues re-started in September; first political trilogue held on 3rd October

**Objective: agreement on Blocks which are the most important for the programming proces, by December**

*(Blocks such as programming, enabling contions and performance review, management and control system)*

# Key issues related to CP

- ✓ 7-year MFF rather confirmed – MFF mid-term review and CP mid-term review still to be negotiated
- ✓ CP budget – EP calls for no reduction
- ✓ EAFRD as part of ESIF
- ✓ Mid-term review and 5+2 programming
- ✓ Use of InvestEU as a delivery mechanism (contribution agreement)

# 3. Programming negotiations – progress and upcoming events



- ✓ Commission prepared more than half a year earlier
- ✓ A detailed CPR in May 2018
- ✓ The Commission's position concerning the investment needs published in February 2019
- ✓ Launch event held in spring 2019
- ✓ Past experience – it takes 2 years from the start of the informal dialogue to adoption of programmes

# Programming negotiations - upcoming events

- ✓ During summer 2019 the Member States sent to the Commission their timetables (**roadmaps**) for cohesion policy programming including
  - a target date for the submission of mature programming documents ready for adoption before the end of 2020 and
  - an intermediate date for the submission of complete drafts
- ✓ **Indicative calendar** for programming 2021-2027 based on the roadmaps
  - **Informal dialogue** between the Commission and the Member states from the launch events until the new legislation is adopted
  - **Mature drafts** of programming documents expected to be submitted by the majority of Member States in the first half of 2020
  - **Formal submission** of programming documents ready for adoption expected by the majority of Member States in the second half of 2020

# 4. Investment needs in Slovenia

# Policy objectives & delivery tools

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

Horizontal issues:

- Financial instruments
- InvestEU
- Integrated territorial investments and Community led local development

# ERDF THEMATIC CONCENTRATION

- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

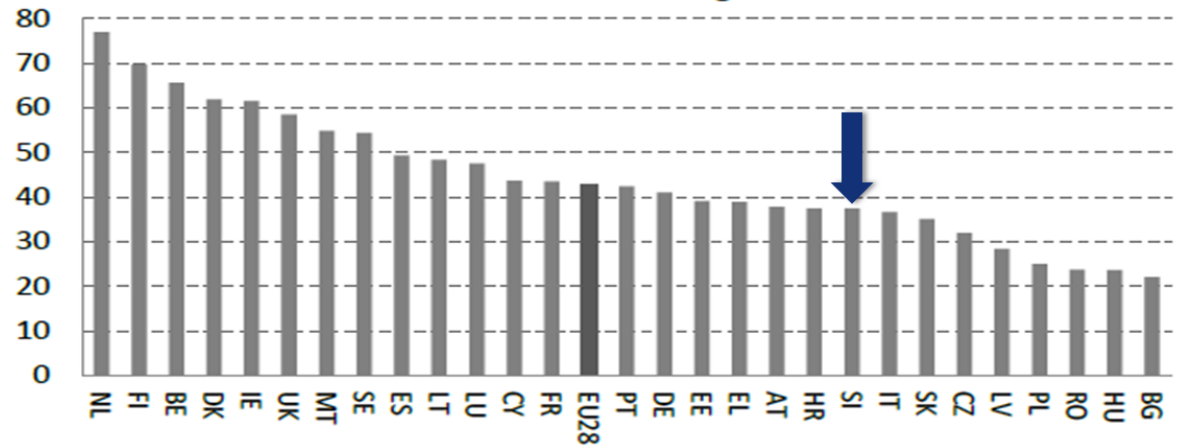
For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
<b>GNI below 75%</b>	35%	30%
<b>GNI 75-100%</b>	45%	30%
<b>GNI above 100%</b>	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships (can overlap with above)

# PO 1 needs

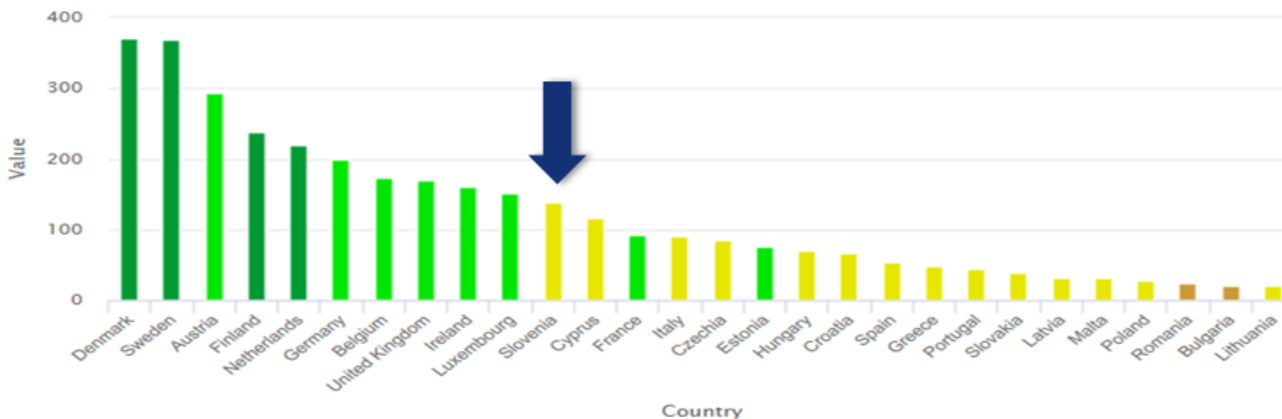
	SI	EU
SMEs with product and process innovations, %, 2016	25.9	34.3
SMEs with marketing or organisational innovations, %, 2016	27.0	35.6

DESI 2019 - Business digitisation index



## 3.2.2 Public-private co-publications

Source: European Innovation Scoreboard 2019



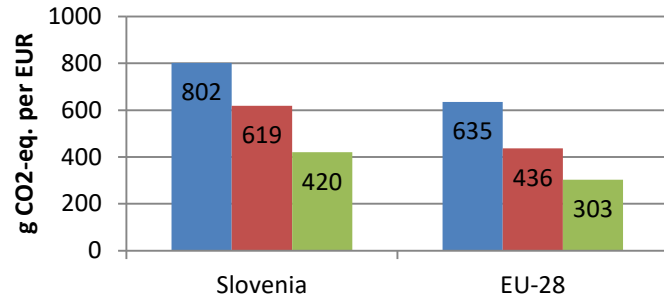
# Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

## Investment needs under PO1:

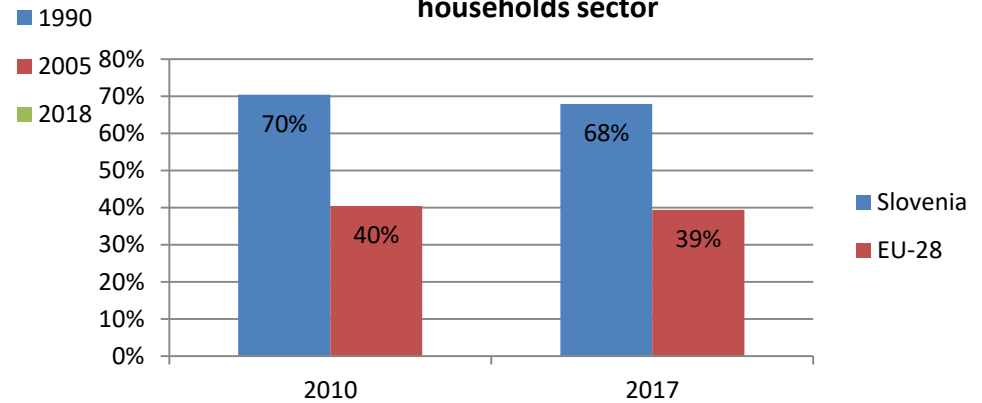
- **R&I:** improve innovation performance and cooperation and networking of business and research;
- **SMEs:** bolster scale-up rates and provide a supportive entrepreneurial ecosystem;
- **Digitisation:** increase uptake of ICT in SMEs and use of digital government services overall;
- **Skills mismatch:** address technological change, industrial transition challenges and support internationalization opportunities.

# PO 2 needs

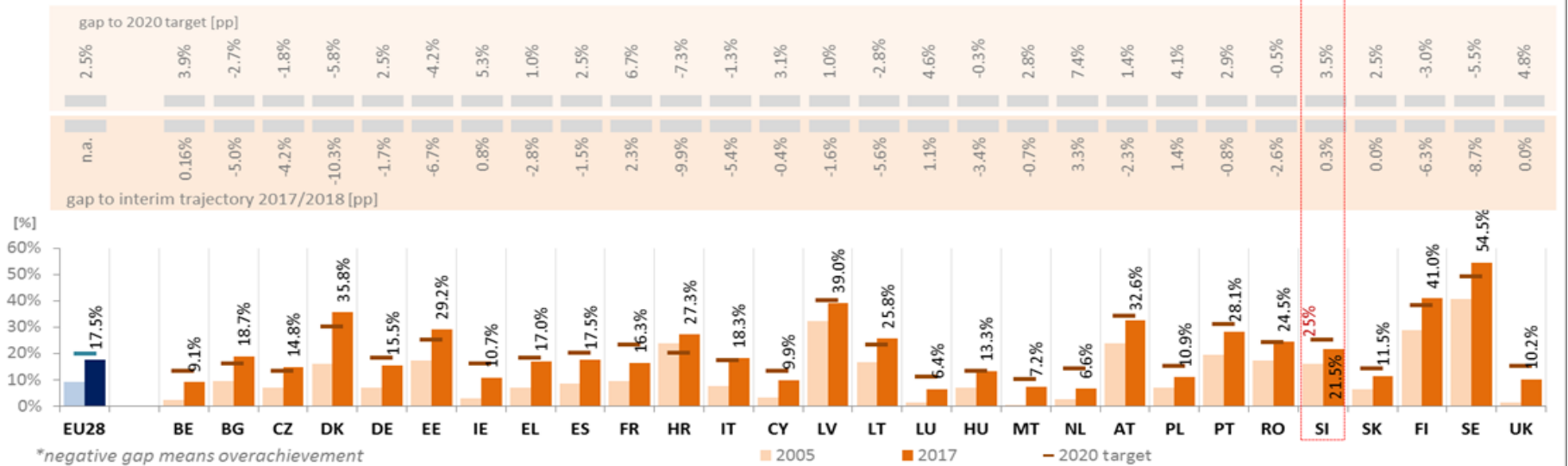
### GHG intensity of the economy in Slovenia and the EU (g CO<sub>2</sub>-eq./ EUR)



### PM10 emissions in commercial, institutional and households sector



### DE5-Renewable energy share (%in gross final energy consumption)



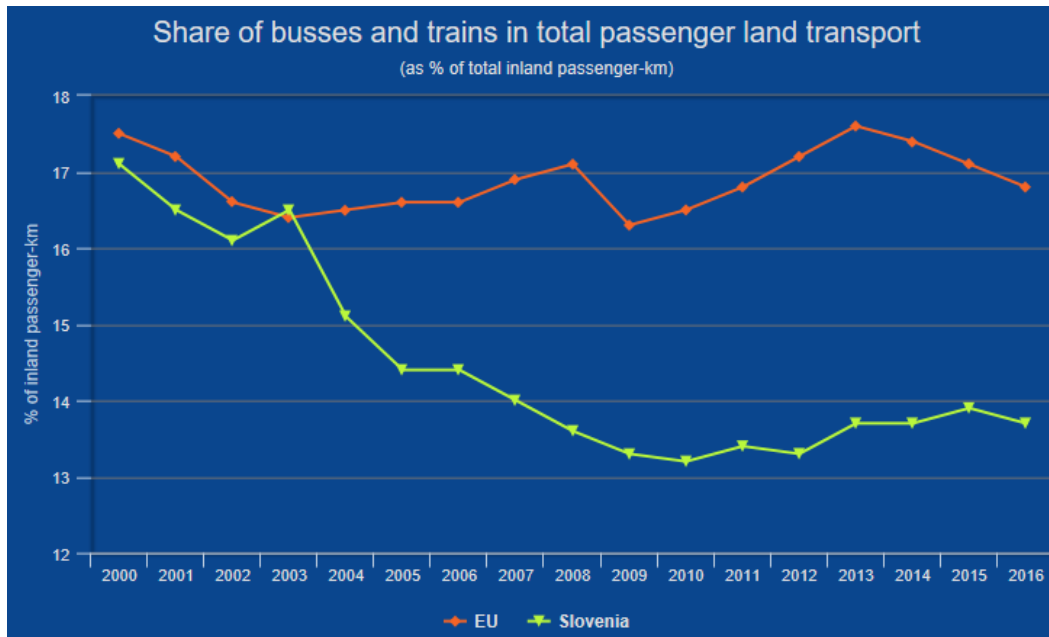
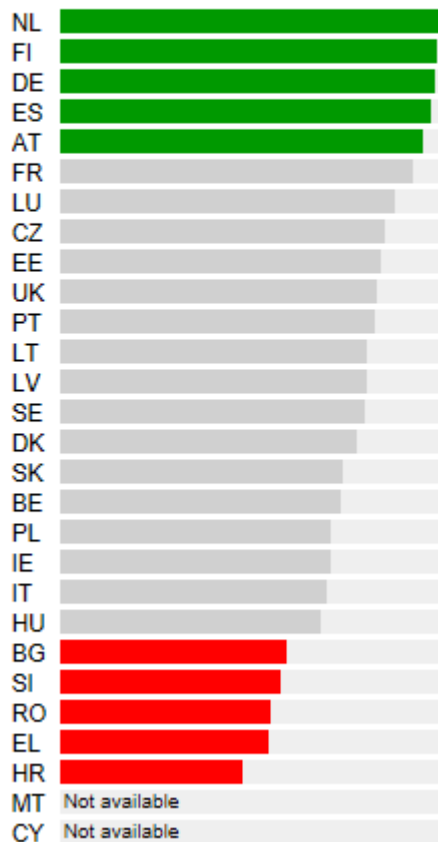
# Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

## Investment needs under PO2:

- **Energy:** address the high energy intensity, improve the focus on renewables and further deployment of new technologies along with investing in energy storage;
- **Environment and biodiversity:** ensure proper treatment of wastewater in targeted agglomerations, improve air quality, support biodiversity and green infrastructure;
- **Climate change adaptation:** enable ecosystem based flood protection and prevention measures;
- **Circular economy:** increase resource efficiency and use of recycled materials through synergies with PO1.

## Efficiency of train services

2018



# Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

## Investment needs under PO3:

- **Trans-European Transport Network:** complete and upgrade the railway system and support sustainable multi-modal transport;
- **Access to the Trans-European Transport Network:** improve access to TEN-T with special focus on addressing negative effects of non-sustainable transport (pollution, accidents...);
- **Sustainable urban mobility:** reduce dependency on cars in daily commuting, support multi-modal modes of transport and develop Intelligent Transport System solutions.

## Adult participation in learning, 2018

(% of population aged 25-64)

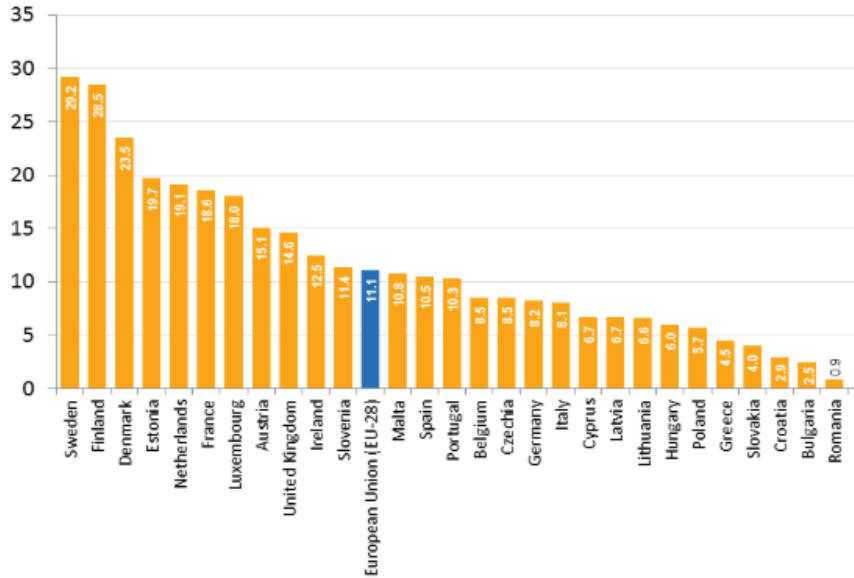
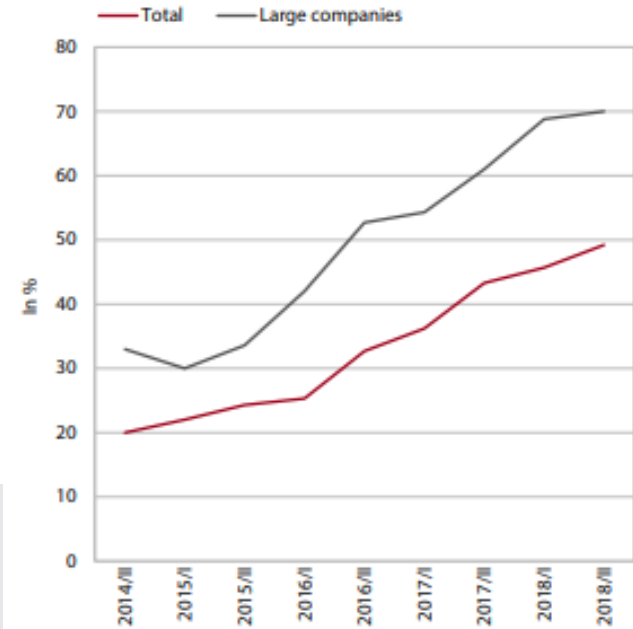
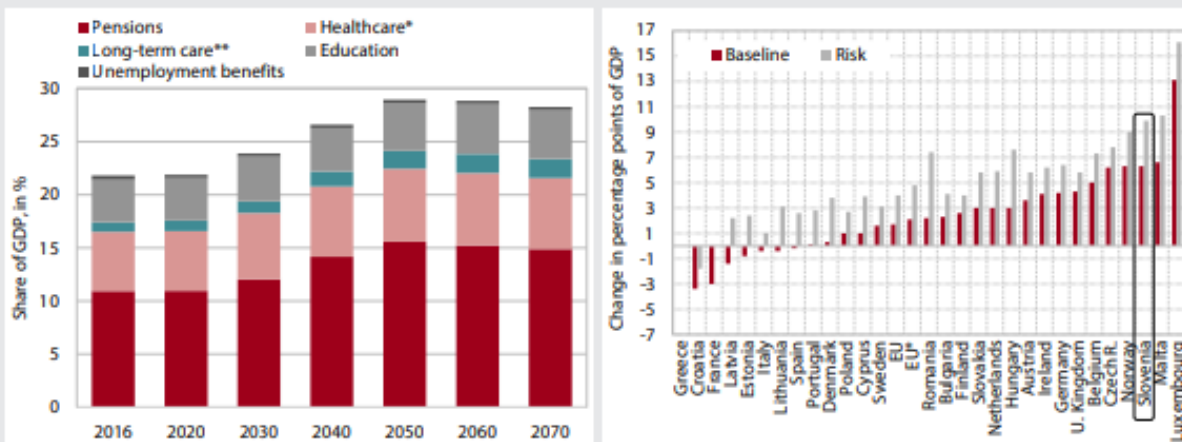


Figure 17: Share of employers reporting lack of suitable job candidates, Slovenia



Source: ESS, Employment Forecaster.

Figure 24: Projections of age-related public expenditure, Slovenia (left), and comparison with EU countries (right), 2016-2070



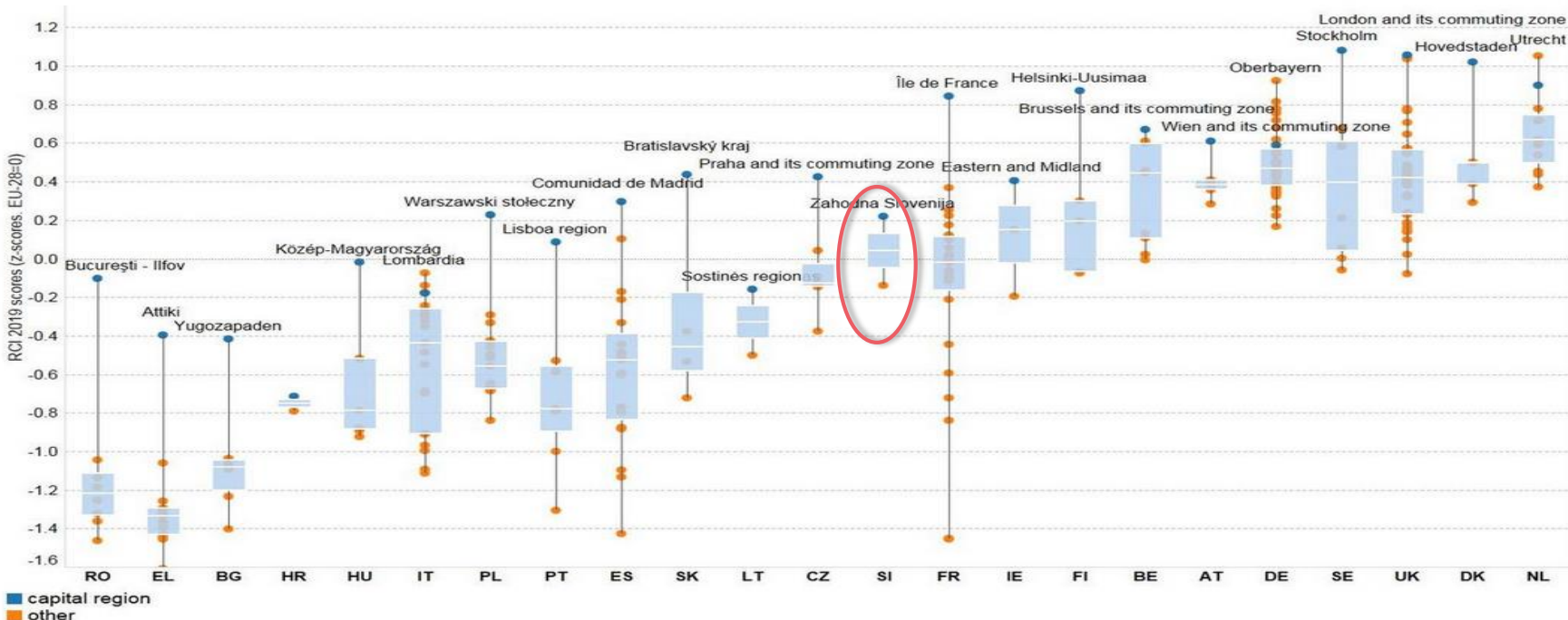
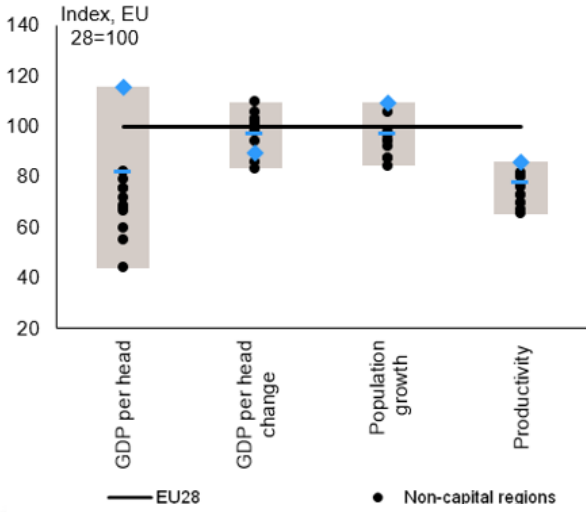
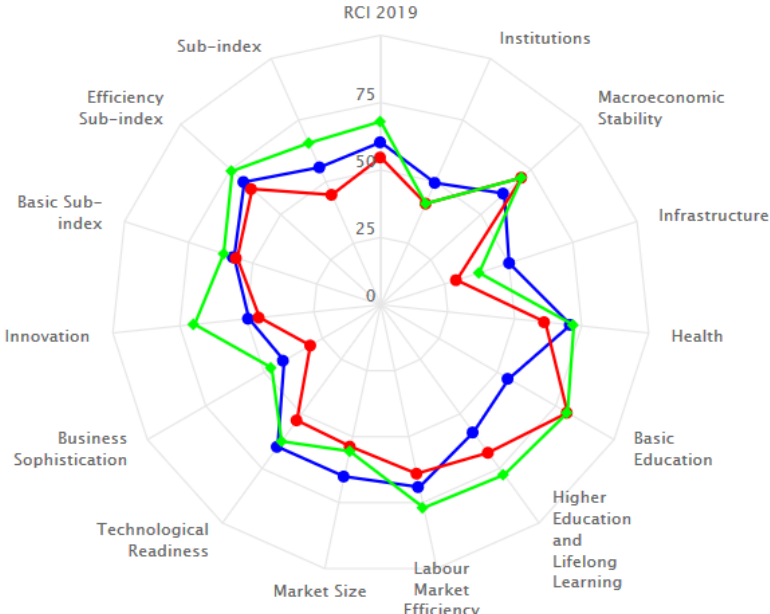
# Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

## Investment needs under PO4:

- **Employment:** modernise labour market and social policies through targeted initiatives based on analysing current and future labour supply and demand, while promoting longer working lives;
- **Education, training and skills:** support up-re/skilling (including digital skills), lifelong learning, vocational education and training along with modernizing the respective policies;
- **Social integration:**• foster active social inclusion and alleviate poverty, including by supporting transfer to community based care and home-care
- **Healthcare: and long term care:** integrated, accessible and effective services, promote healthy lifestyles.

# Regional disparities

- EU Average
- Slovenia: Vzhodna Slovenija
- Slovenia: Zahodna Slovenija



# Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

## Investment needs under PO5:

- **Integrated socio-economic development:** develop support services in order to build an inclusive society, especially focusing on socio-economically deprived persons/areas (Community Led Local Development)

## Territorial investments:

- **Integrated territorial investments:** key for addressing locally defined, bottom-up challenges throughout PO1-PO4

# Just Transition Fund

- **Focus** - on the regions and sectors most affected by the challenges of the climate and energy transition
- **Resulting from** - dependence on fossil fuels or carbon-intensive processes for the local economy, employment or energy production.
- **Country reports 2020** - will include the analysis per MS at a regional level
- Part of the **MFF** negotiations.

## Next steps

- **Informal negotiations** - make sure to express your views to the national authorities and be a part of the process
- **Draft programming documents** – stakeholder consultations
- **Talk to the us** – today as well as later

**Thank you for your attention**