

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



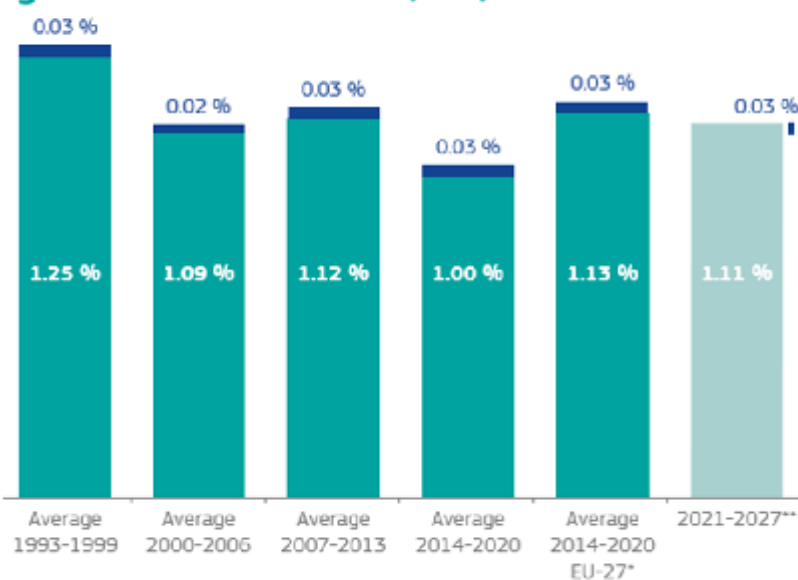
Less red tape for
beneficiaries



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

EVOLUTION OVER TIME

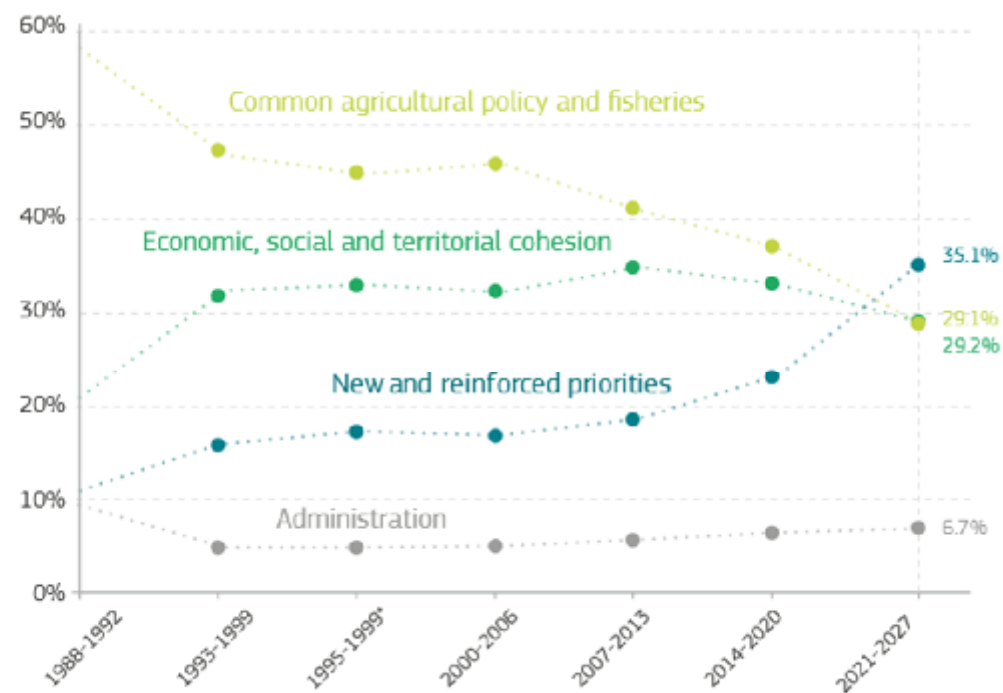
The size of the EU budget as a percentage of gross national income (GNI)



* 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%
EU	0,37%	0,32%	0,35%	0,33%	0,81%	0,90%

*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



European
Commission



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

PROGRAMMING NEGOTIATIONS

Then and now

2014 - 2020

2021 - 2027



- ✓ 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")
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

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

PO 1 needs

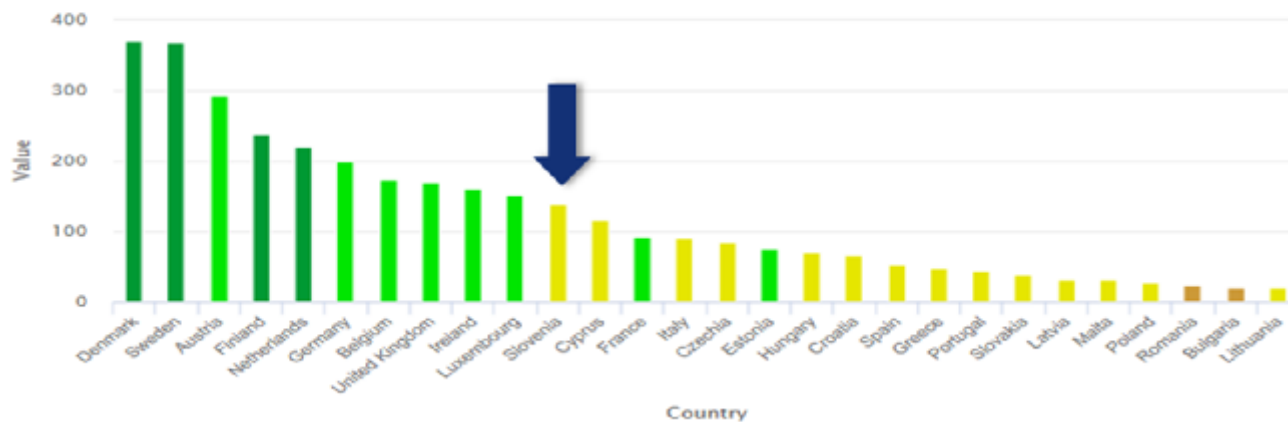
	SI	EU
SMEs with product and process innovations, %, 2016	25.9	34.3
SMEs with marketing or organisational innovations, %, 2016	27.0	35.6

DESI 2019 - Business digitisation index



3.2.2 Public-private co-publications

Source: European Innovation Scoreboard 2019



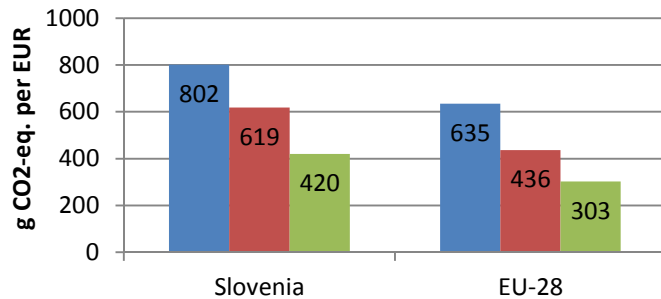
Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

Investment needs under PO1:

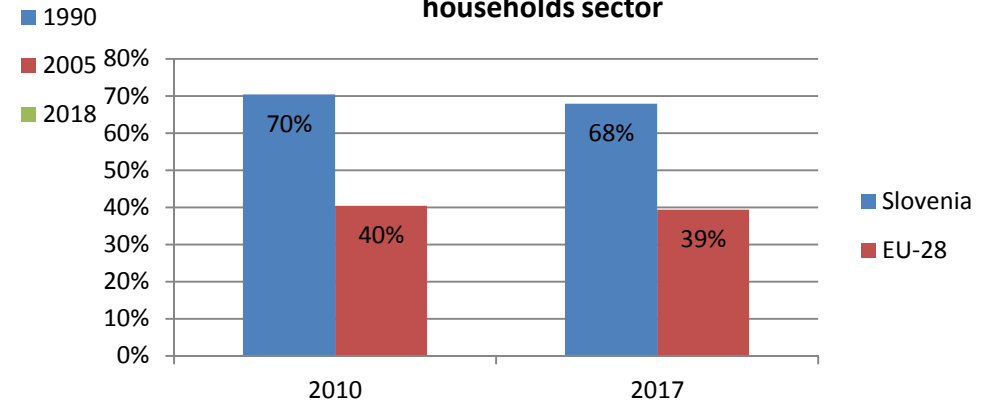
- **R&I:** improve innovation performance and cooperation and networking of business and research;
- **SMEs:** bolster scale-up rates and provide a supportive entrepreneurial ecosystem;
- **Digitisation:** increase uptake of ICT in SMEs and use of digital government services overall;
- **Skills mismatch:**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

PO 2 needs

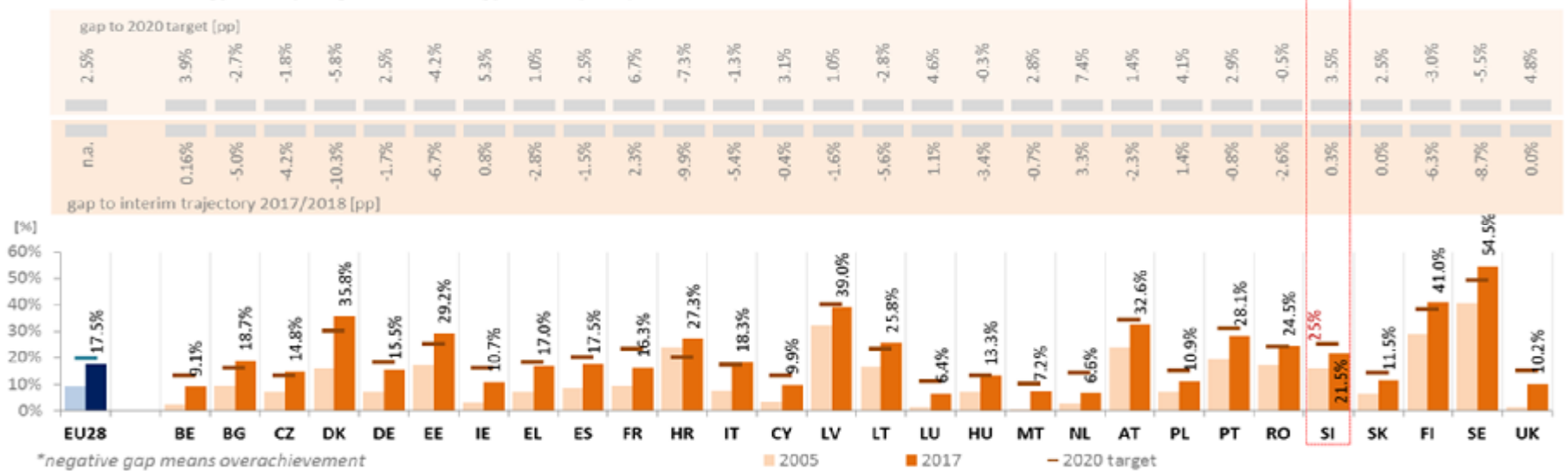
GHG intensity of the economy in Slovenia and the EU (g CO2-eq./ EUR)



PM10 emissions in commercial, institutional and households sector



DES-Renewable energy share (%in gross final energy consumption)



Commission priorities for 2021-2027 Cohesion policy funding in Slovenia

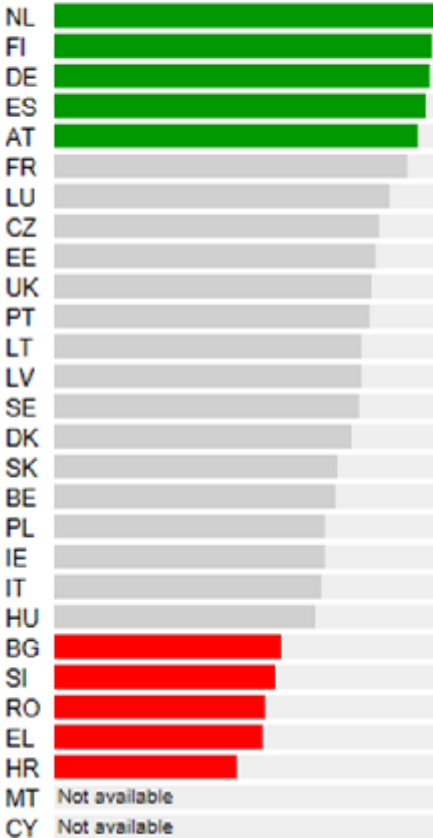
Investment needs under PO2:

- **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.

PO 3 needs

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.

PO 4 needs

Adult participation in learning, 2018

(% of population aged 25-64)

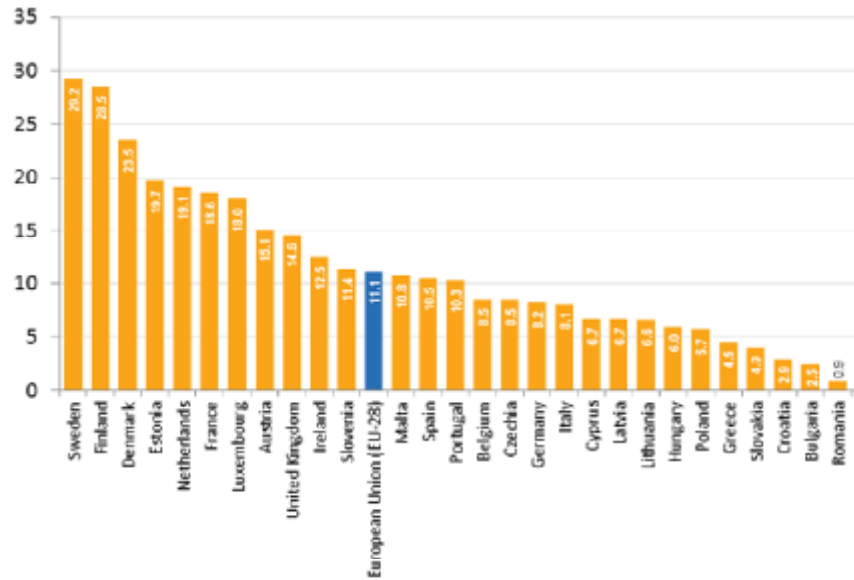
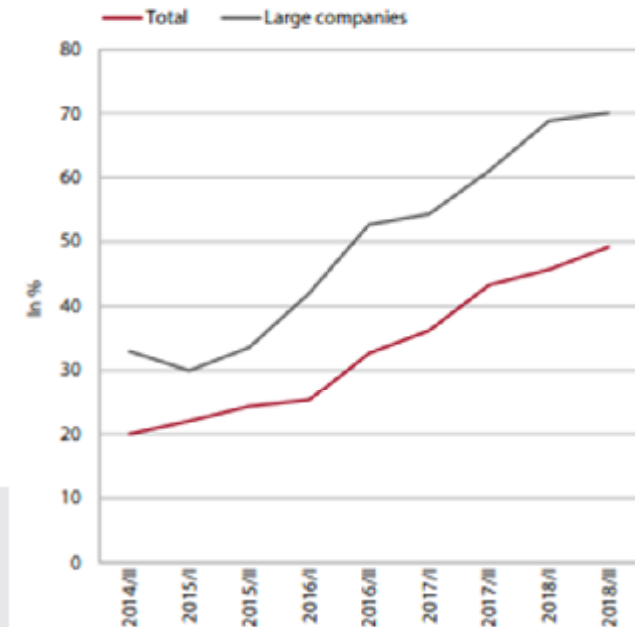
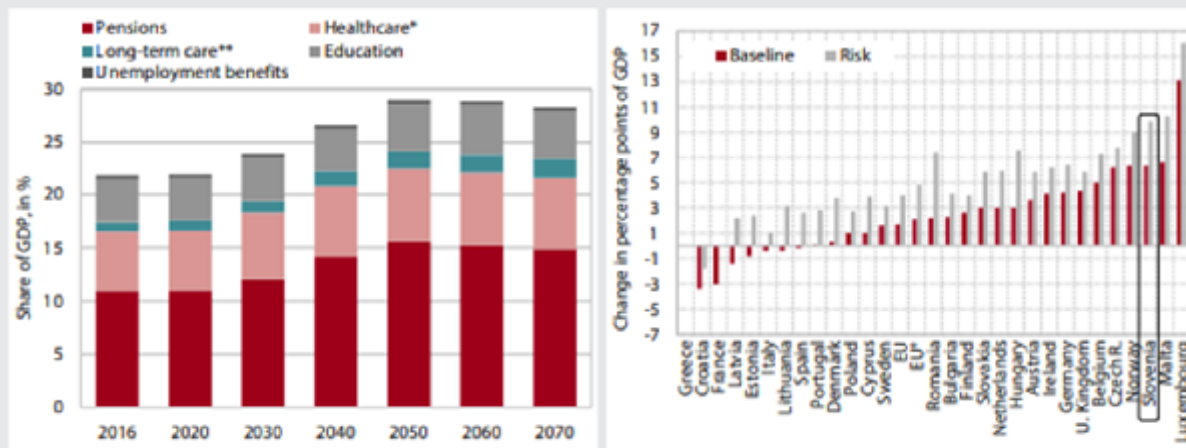


Figure 17: Share of employers reporting lack of suitable job candidates, Slovenia



Source: ESS, Employment Forecaster.

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



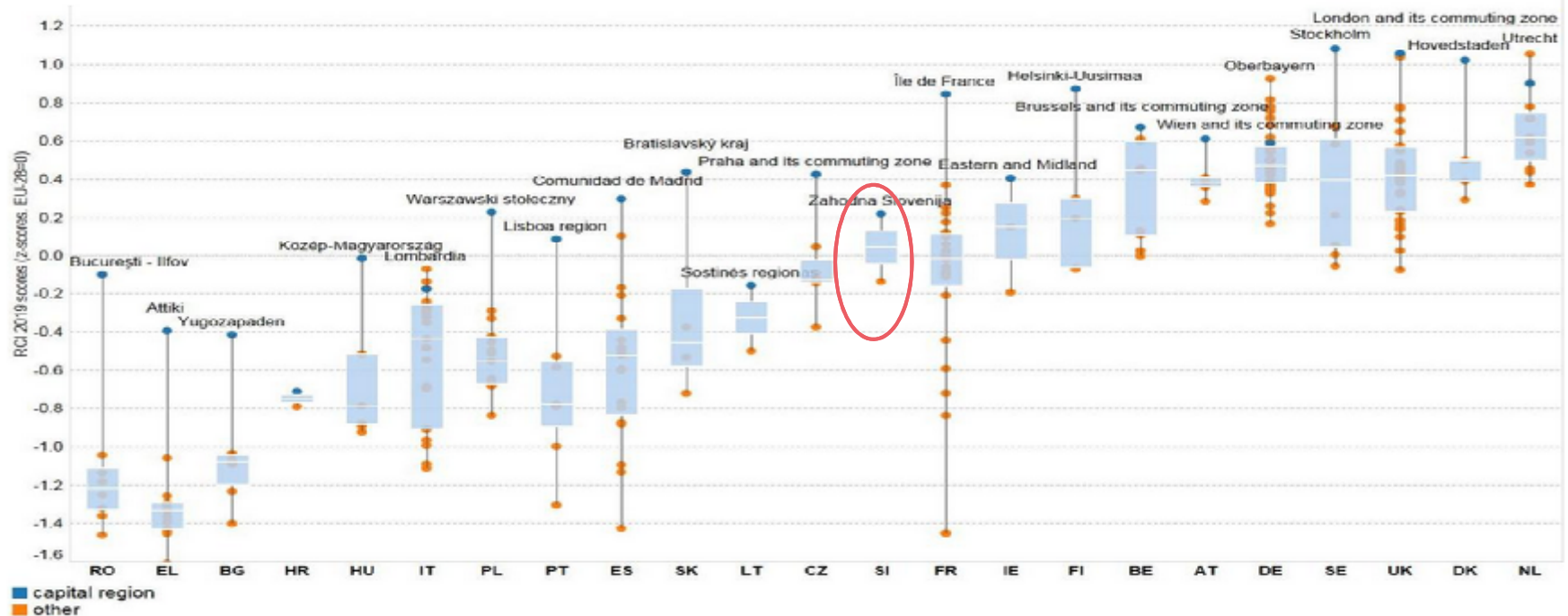
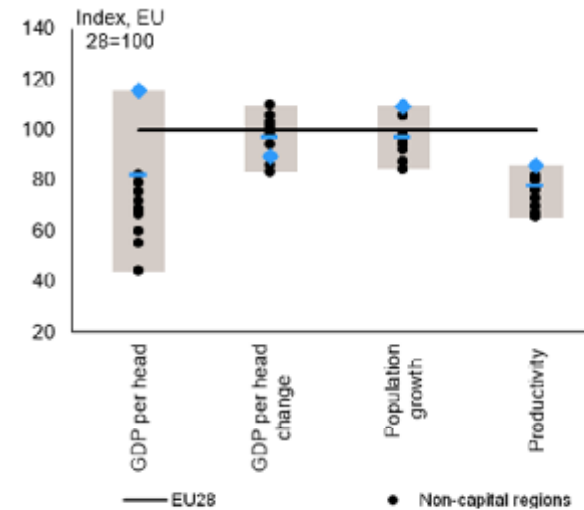
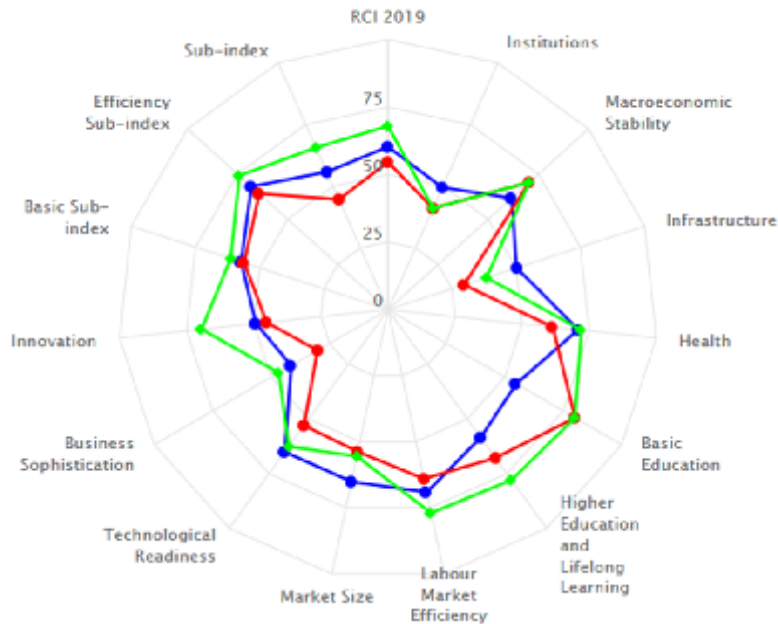
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Investment needs under PO4:

- **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