



**EUROPEAN COMMISSION**

DIRECTORATE-GENERAL  
 REGIONAL AND URBAN POLICY  
 Administrative Capacity Building and Programme Implementation II  
 Bulgaria, Croatia and Slovenia

	Q	A
<b>Thematic enabling conditions – general</b>	<p>Whether certain actions that are in line with specific objectives, but are going beyond a strategy constituting an enabling condition (e.g. Smart specialization strategy), can be financed under concerned policy objective, if they are consistent with an umbrella strategy that the enabling condition is based upon?</p> <p>According to information received on seminar on 14 June, this would be possible, if it contributes to specific objectives in regulation ERDF/CF, art. 2(1)(a)(i) and (iv)?</p>	<p>In accordance with Article 11(1) CPR proposal, thematic enabling conditions are linked to specific objectives as defined in Annex IV of the Commission proposal on the CPR. All selected operations under a specific objective to which a thematic enabling condition applies must be consistent with the strategies serving as the basis for the fulfilment of the corresponding enabling condition (Article 67(3)(b) CPR proposal). To follow the PO1 example referred to in the question – all operations selected under the specific objectives set out in Article 2(1)(a) in the ERDF/CF Regulation proposal, must be consistent with the Smart specialisation strategy. In accordance with Annex IV of the CPR proposal this thematic enabling condition applies to all specific objectives under Policy objective 1.</p>
<b>PO 3 A more connected Europe by enhancing mobility and regional ICT connectivity</b>	<p>CPR, Annex IV, enabling condition 3.2:</p> <p>Clarify, what means »multimodal mapping of existing and planned infrastructures«, in particular, what means »mapping«? Does it imply software development or is it related to information system TENtec?</p>	<p>Multimodal mapping is an integral part of the comprehensive transport plan, which, in addition to other elements, should include a map/maps of the existing and future infrastructure until 2030 for all relevant modes of transport (i.e. road, rail, ports, airports) as well as the connections between them (i.e. intermodal terminals). Where needed, accompanying documents addressing the defined criteria should also be provided.</p> <p>This is not related to the TENtec</p>

		information system and the Member States are not required to develop new software for this purpose. The mapping should feature projects which are economically justified. To this end, Member States should use the available data and traffic model, as well as estimates of the corresponding investment and operating costs.
	ERDF/CF regulation, art. 2 (c(iv)): Are integrated projects connecting urban areas with hinterland and projects outside urban areas that have an impact on the traffic in the urban areas eligible?	<p>Aside from investments, which are legally excluded from ERDF/CF support, other investments can be supported if they are in line with the programme's specific objectives, are identified as a priority in an overarching plan/strategy (i.e. comprehensive national or regional transport plan, SUMP) and are coherent with other relevant plans (i.e. air quality plans).</p> <p>As implied under Article 2 point c(iv), the focus is on promoting "sustainable multimodal mobility" in urban areas. In this context, the needs of the functional urban area should be considered, which included commuting zones and hinterland connections. Sustainable mobility can be supported under PO3 in all territories including "rural areas", from CF and ERDF.</p>
	Is the promotion of sustainable mobility in rural areas eligible under cohesion regulations 2021-2027 eligible? If it is, where?	Sustainable mobility can be supported under PO3 in all territories including "rural areas", from CF and ERDF.
	Which changes are entailed by the transfer of promoting sust.multimodal urban mobility from PO3 to PO2?	A transfer of sustainable multimodal urban mobility from PO3 to PO2 was adopted in the Council's partial mandate. The final decision will be taken by the co-legislators during the trilogues.
	Does the Cohesion Fund also support investments	The Cohesion Fund can support projects, which are in line with the

	<p>in transport infrastructure outside the TEN-T network, e.g. regional road links?</p>	<p>Fund’s specific objectives (Article 2 of the ERDF/CF regulation proposal) and scope (Article 5 of the ERDF/CF regulation proposal). The latter means that projects have to constitute either “investments in TEN-T” (Article 5.1.b.) or “investment in the environment” (Article 5.1.a).</p>
<p><b>PO 2 A greener, low carbon and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management</b></p>	<p>CPR, Annex IV, enabling condition <u>2.4</u> Effective disaster risk management framework</p> <p>Does the description of current and long-term risks allow for the inclusion and co-financing of measures or projects related to additional risks identified by the competent national authorities as important, in accordance with the provisions of Decision No 1313/2013 / EU and Decision No 2019/420 not recognized as a key risk?</p> <p>In case of inclusion of co-financing of measures or projects related to additional risks, would the national authorities be obliged to report to the European Commission for this additional, and not only the key risks under Decision No. 1313/2013 / EU?</p>	<p>The (national or regional) disaster risk management plan is a basis for determining the overall specific national needs, priorities and measures (regardless of the funding source), as well as for determining the potential measures to be supported under SO 2.4. In case of projects related to additional risks, Managing Authorities will be obliged to ensure consistency and updates, as needed, between selected operations and the strategies for the fulfilment of enabling conditions.</p> <p>The enabling condition for investments under SO 2.4 specifically refers to key risks on which information has to be provided. It is a Member State’s prerogative to define which disaster risks it considers to be key risks.</p> <p>The reporting on disaster risk management under Article 6 of the Decision No 1313/2013/EU, as amended by Decision No 2019/420, will have to comply with the requirements set out in the aforementioned article. There, it is also the prerogative of the Member State to define which disaster risks it considers as key risks.</p>
	<p>ERDF/CF regulation, Annex I:</p> <p>Should all RCO 24 - RCO 28 and RCR 35 - RCR 38 indicators be considered when designing</p>	<p>The ERDF/CF regulation proposal does not require the Member States to apply all of the proposed indicators. The Member States themselves should determine which indicators would correspond best to the identified</p>

	operational programs under Policy Objective 2 and Specific Objective 2.4, can projects be designed to achieve only certain (in our opinion, priority) indicators?	needs , priorities and objectives thought under the programme's specific objectives.
	How is it with the funding for measures to improve population protection measures from disasters, the risk of which is present throughout the country, and not just in the Eastern Cohesion region, which is eligible for increased funding?	In line with the ERDF/CF proposal, both the ERDF and CF (which covers the whole country) can support climate change adaptation, risk prevention and disaster resilience measures. However, it is up to the Member States to determine which measures/projects could be supported under which fund.
	<p>CPR, Annex IV, enabling condition <u>2.4</u> Effective disaster risk management framework:</p> <p>Document referred to in the CPR as an enabling condition is in many cases directly related to various directives or other documents. In many cases, it does not cover all areas of the EU policy objective.</p> <p>There are no specifications regarding the concrete details and the scale of the problematic that the document should cover (definition, structure, content)</p> <p>Does the EC think that it is necessary to cover all areas with a new strategy or a specific document that will respond directly to the enabling</p>	<p>Information required for fulfilment of the enabling condition (e.g. a strategy/a strategic policy framework) does not have to be presented in one single document. It could be presented in several documents. However, these have to be consistent with each other.</p> <p>If the enabling condition requires a national strategic policy framework, the Member State should be able to demonstrate an overall policy framework (in one or several documents), from which it would be clear what is Member States' current situation, future goals and how the Member State plans to achieve them and shall contain information regarding the criteria set out in the relevant enabling condition. The measures and actions described should not be limited to EU-funded measures, but it can be demonstrated how EU funding could contribute to the implementation of the national strategies.</p> <p>The (national or regional) disaster risk management plan of enabling</p>

	<p>condition?</p> <p>We also have doubts whether the principle of subsidiarity is abided in this point.</p>	<p>condition 2.4 refers to the planning required by Art. 6 of Decision No 1313/2013/EU, as amended by Decision No 2019/420. Given its importance for planning of the investment needs, it also includes a number of criteria set out in Annex IV of the Commission proposal for a Common Provisions Regulation. The document (or documents) can rely on synergies with existing plans (e.g. Flood Risk Management Plans, forest fire prevention strategies) but should not be replaced by these. Measures must be described for all key risks identified.</p>
	<p>ERDF/CF regulation, specific objective Promoting climate change adaptation, risk prevention and disaster resilience:</p> <p>The specific objective is connected to the problem of climate change and non-climate related natural risks (i.e. earthquakes), but it is unclear which types of disasters are referenced here and will have to be (i.e., the disasters) taken into account when preparing the plan that enables the Member States to fulfil this enabling condition.</p> <p>Also the preparation of a strategic document is not foreseen in the area of managing the risks of non-climate change. In</p>	<p>Specific national needs and priorities for SO 2.4 should be based on the national/regional disaster risk management planning, as required by the UCPM legislation and the enabling condition 2.4, and should be consistent with climate change adaptation strategies. The national/regional disaster risk management plans should be prepared by the competent national authorities.</p> <p>Disaster risk management plans should reflect the specific risks affecting Member States, which can be natural or man-made, climate-related or not. Information on climate change projections and scenarios would have to be presented only for climate-related risks, provided they are included among the key risks.</p> <p>The enabling condition does not require the existence of a dedicated strategic document on non-climate related risks. However, provided a Member State assesses a key risk in which cohesion policy investments should be made, it has to be demonstrated that there is an effective disaster risk management framework in place, which covers also this particular risk.</p>

	<p>Slovenia, earthquake risks are to be highlighted and have to be recognized and addressed also within the EU cohesion policy.</p> <p>What does the absence of strategic document as an enabling condition mean with regard to the implementation of these measures within cohesion policy 2021-2027?</p>	<p>In case the enabling condition is not fulfilled, the Member State may not include any expenditure in payment claims linked to this specific objective (“promoting climate change, adaptation, risk prevention and disaster resilience”) (Article 11(5) of the CPR proposal).</p>
	<p>CPR, Annex IV, 2.5 Updated planning for required investments</p> <p>The enabling condition relates to a new obligation of establishing a national investment plan. We are wondering whether the condition applies to the whole point of the specific objective 2.5?</p> <p>Another problem is the establishment of a common investment plan for two different directives that are not related to each other; it might also lead to a conclusion that proposed text actually tries to combine two independent directives or proposes a new – third</p>	<p>In line with the current Commission proposal for enabling condition 2.5, as set out in Annex IV, the national investment plan should cover both the drinking water and wastewater sectors and would be applicable to the whole SO 2.5.</p> <p>The enabling condition does not reflect an obligation from existing legislation, but does refer to issues covered under existing Directives. The title of the related SO is <i>Promoting sustainable water management</i> and the enabling condition asks for a comprehensive investment plan, which covers the whole water sector and addresses the criteria as indicated under enabling condition 2.5. There is no set template for this plan; therefore, the Member State can structure it as they see appropriate.</p> <p>We are aware that each Member State has different national rules and different actors responsible for the infrastructure; however, the purpose of this plan is not to go into detail at the municipal/local level. The plan should provide an overview for the</p>

	<p>directive. The enabling conditions should therefore be established separately for each of the objectives deriving from the different directives.</p> <p>A common national plan, as proposed, does not take into account national legal regulations, where regarding public services original competence is set at different levels. E.g, in Slovenia, it is within the competence of local authorities</p> <p>Point 3 of the enabling condition specifies the content of the national investment plan, which relates to the obligation to prepare an estimation of the necessary investments for the renewal of the waste water and drinking water infrastructure, yet it is unclear whether the funds will be available for reconstruction.</p> <p>Point 4 – it is not clear, which sources of public financing are here taken into account. Furthermore, we would like to point the attention to the inadequate use of the term “user charges” in Slovenian language.</p>	<p>whole country, whereby estimations/assessments should be based on existing data at local level (depreciation plan for renewal of infrastructures for instance) or based on other estimates.</p> <p>Even though competences in water and wastewater sectors are indeed often decentralised, the data available will have to be aggregated into a single national plan, with a view of getting an objective and comprehensive picture of investment needs and priorities.</p> <p>The national investment plan, as required under enabling condition 2.5, should cover all the investments needed for the renewal of the existing infrastructure, regardless of the source of financing. Aside from investments that are legally excluded from ERDF/CF support, other investments can be supported as long as they are justified and in line with the programme’s specific objectives.</p> <p>This depends on the MS and can refer to national, municipal or other public sources available for wastewater and drinking water. The reference to user charges relates to the need to justify the respective contribution of tariffs paid by users, in accordance with the “polluter pays” and “user pays” principles, and budgetary resources.</p> <p>As concerns the phrasing of the draft enabling conditions, including the issue of having two separate conditions for wastewater and drinking water, this has been discussed within the structural measures working party or other fora discussing the future text of the regulations. This also applies to translation issues.</p>
<p><b>Horizontal enabling conditions</b></p>	<p>CPR, Annex III – effective monitoring mechanisms of the PP market:</p>	<p>All the terms mentioned refer to having monitoring mechanisms in place that cover all procedures under</p>

	Clarify terms »initial bidder«, »final price after completion«, »participation of SME's direct bidder«	<p>national procurement legislation.</p> <p>'Initial bidder' ('tenderer') means an economic operator that has submitted a tender.</p> <p>'Final price after completion' represents the total amount paid after contract execution, taking into account also any modifications to the contract resulting in a change of the contract value in the sense of Art. 72 of Directive 2014/24/EU on public procurement.</p> <p>'Participation of SME's as direct bidders' means a number and share of SMEs as direct bidders in the total number of tenderers.</p>
<b>Transfer of resources</b>	<p>CPR, art. 19(5):</p> <p>Is this interpretation correct: transfer of initial allocation does not refer to the funds between different regions (categories of region), but within different priorities of the same program of the same region</p>	<p>The CPR proposal, Article 19(5) states that "for the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region".</p> <p>This means that, for the programmes supported by the ERDF and ESF+, up to 5% of the initial allocation of a priority and no more than 3% of the total programme budget may be transferred to another priority within the same programme, same fund and same category of region without Commission decision. This option of the CPR does therefore not allow for transfers between categories of region. This provision should not be mixed up with rules applicable to: contribution to InvestEU (Art. 10 CPR proposal), transfers between the Funds and other EU instruments (Art. 21 CPR proposal) or transfer between categories of region (Art. 105 CPR proposal) – these all need an amendment of the Commission decision(s). Specifically, the transfer between categories of region is only possible in the PA (at the beginning of programming) or during the mid-term review through official amendment of programme(s).</p>
	CPR, art. 21:	Article 105 CPR proposal states that the Commission may accept a proposal



	<p>Does the transfer of resources from art. 21 affects the quota under art. 105?</p>	<p>by a Member State in its submission of the Partnership Agreement or in the context of the mid-term review for transferring amounts of resources between categories of regions (in line with the caps as set out in point 1 (a) and (b) of Article 105 CPR proposal)</p> <p>Article 21 CPR proposal defines the conditions for transferring up to 5% of the programme's financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management. Article 21 transfers can be done during the implementation period through a programme amendment.</p> <p>We need to distinguish between changes in breakdowns of allocation by category of region done in the PA (at the outset of programming) and during implementation: at the mid-term review (MTR) and after. Any transfer between the ERDF and the ESF+ on the basis of Article 21 CPR between the adoption of the PA and the MTR cannot affect the breakdown by category of region (i.e the transfers have to be done within the same categories of regions). At the MTR, it is possible to conduct the Article 21 and 105 CPR transfers simultaneously – and an Article 21 CPR transfer may affect the breakdown by category of region. After the MTR it is no longer possible to make use of Article 105 CPR to make transfers from one category of region to another.]</p>
<p><b>Programming general</b> –</p>	<p>Can the same specific objective be defined within the different priorities, so does the same specific objective contribute to different priorities?</p> <p>Should a CSR be fulfilled and set a specific priority</p>	<p>Specific objectives can be repeated under several priorities.</p> <p>It is possible to have a priority, which includes CSR-related measures as well as other measures. According to the Commission proposal for ESF+, Member States shall allocate 'an appropriate amount' for addressing relevant CSRs (Art. 7(3) ESF+ regulation</p>

	<p>which is intended solely for these measures, or can the priority include other measures?</p> <p>Is it necessary to provide an "earmarking" of expenditure for these purposes in the event that one priority can include several different measures (including CSR)?</p>	<p>proposal) and challenges identified in the context of the European Semester. Moreover, Article 11 of the Commission's proposal for the ESF+ Regulation requires that the appropriate amount of resources set out in Article 7(2) of the ESF+ Regulation is programmed under one or more dedicated priorities. However, by measures addressing the relevant CSRs, this includes not only the measures directly addressing the challenge, but also other measures that may also – even if indirectly – contribute to addressing the challenge (e.g in case the challenge is to promote youth employment – this may include not only measures specifically targeting young people but also measures for modernising the employment service (which may benefit other target groups besides young people).</p> <p>All the measures part of the dedicated priority are considered for meeting the "appropriate amount" requirement.</p>
<p><b>Interpretation of productive investments</b></p>	<p>Productive investments</p> <p>Do we properly understand that productive investments also include investments in research organizations or other organizations, if they fall under the state aid framework, or is the long-term and durable investment guaranteed through the state aid instrument?</p>	<p>The Commission defines productive investment as investment in fixed capital or immaterial assets for enterprises, in view of producing goods and services, thereby contributing to gross capital formation and employment.</p> <p>In case the organization in question can be defined as an enterprise, by definition an enterprise is a business-oriented organization, investments in such an entity are considered as productive investments in the meaning of the regulation.</p> <p>Irrespective of the state aid instrument, the Managing authority must ensure that such investments are long-lasting and ensure the effectiveness, fairness and sustainable impact of the Funds.</p>

<p><b>Mid-term review (CPR, art. 14)</b></p>	<p>It is not entirely clear to us the result of the mid-term review in the event that the planned indicators are not achieved. Are there foreseeable financial corrections or just a decrease in the forecast of achieving indicators?</p> <p>Is the OP modification necessary only in the case of lower achievement of indicators in the period until 2024?</p> <p>Can the choice of the policy objective be changed, if it falls outside the thematic concentration percentage that needs to be provided for concentrating at the level of a specific policy goal at the country or region level?</p>	<p>Article 12 of the CPR proposal sets out that the “Member State shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds”, including point 1 (b), which defines milestones to be achieved by the end of the year 2024 for output indicators.</p> <p>In accordance with Article 14 of the CPR proposal the Member State shall, by 31 March 2025, submit a request for the amendment of each programme, justified on the basis of the elements mentioned in Article 14 of the CPR proposal, including the progress in achieving the milestones. The achievement of milestones is therefore an element of the mid-term review and allows more qualitative judgement of performance by December 2024. Member States should also take into account, the challenges identified in country-specific recommendations and in the context of the European semester in 2024 which might require additional funding in spite of a lower achievement to achieve milestones for 2024.</p> <p>Based on the assessment of the aforementioned elements, the programme amendment proposal shall include:</p> <ul style="list-style-type: none"> <li>(a) the allocations of the financial resources by priority including the amounts for the years 2026 and 2027;</li> <li>(b) revised or new targets;</li> <li>(c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.</li> </ul> <p>The thematic concentration, as set out</p>
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		<p>by the regulations, must be respected throughout the programming period.</p> <p>The assessment of the achievements of output indicators during the MTR will be done on the case by case basis. It may lead to the amendment of a programme adjusting the targets for output or results indicators. The Commission assessment will need to take into account the methodology set out in Article 13 CPR proposal. Financial corrections are applied in case of irregular expenditure as set out in the CPR proposal. . So there will be no financial correction on the basis of the MTR, but – as a general rule – financial corrections may be related to achievement of outputs or results if the issue is connected to irregularities (reconciliation of data in relation to outputs and results are part of audit trail for grants – Annex XI).</p>
<b>Eligibility of costs</b>	<p>CPR, art. 58(1)(c):</p> <p>Is VAT eligible for direct budgetary users? Are there any other cases where VAT is eligible?</p>	<p>Regardless of the national rules on recoverability of VAT, VAT may be considered as part of the eligible expenditure in all operations where the total cost is below 5.000.000.</p>
	<p>Regulation on ERDF/CF, art. 4</p> <p>Are labor costs justified, eg in connection with investments for energy efficiency renovation of buildings?</p>	<p>Articles 4 and 5 of ERDF/CF regulation proposal define the scope of support from the ERDF and the CF. Investments in infrastructure are eligible and these may comprise labour costs as well.”</p>
<b>Management and control system</b>	<p>CPR, art. 77(a)</p> <p>Should each claim for payment be reviewed or a minimum amount may be set to carry out a management verification, such as, for example, for certain operations where a very small risk of errors / irregularities is found? What exactly does it</p>	<p>As stipulated in Article 68 (1)(a) and (2) CPR proposal, management verifications referred to in point (a) of paragraph 1 of Article 48 CPR proposal shall be risk-based and proportionate to the risks identified as defined in a risk management strategy, instead of covering 100% of operations.</p> <p>Article 77 CPR proposal allows further simplification and enables Member states to derogate to Article 68(1)(a) and (b) CPR proposal and to apply</p>

	<p>mean in concrete terms that only national procedures for carrying out management verification can be used?</p>	<p>national rules on management verifications, provided that conditions set by Article 78 CPR proposal are fulfilled:</p> <ul style="list-style-type: none"> <li>• Proper functioning of the management and control system and</li> <li>• Error rate below 2% in the two precedent years,</li> <li>• Participation of the MS in the EU Public Prosecutor's Office.</li> </ul> <p>If these criteria are fulfilled, Article 68(1)(a) and (2) CPR proposal does not apply: Only national procedures are applied to carry out management verifications, i.e. the same procedures the national authorities apply to verify national resources.</p>
<b>Financial corrections</b>	<p>CPR, art. 97</p> <p>Will the general financial corrections be defined in the Annex of the Regulation or in the guidelines of the EC?</p>	<p>Given that in the CPR proposal there is no divergence from the meaning of "financial correction" in Article 143 of the current CPR, for the sake of simplification, no additional definition or guidance are planned.</p>
<b>Indicators</b>	<p>Regulation on ERDF/CF, Annex I, Table 1:</p> <p>Will it be possible to fund content that will not directly contribute to a set of common output and result indicators?</p> <p>Will it be possible to fund content that will not directly contribute to a specific key set of performance benchmarks for ERDF and CF?</p>	<p>First of all, it is recalled that the definition of indicators do not define eligibility and have thus no impact on eligibility. Eligibility of the expenditure is determined on the basis of national rules, except where there are specific rules in the CPR and in the Fund-specific regulations (Article 57(1) of the CPR proposal). Therefore, the definition of the indicator does not determine what can be done to achieve the specific objective.</p> <p>Article 17(3)(d)(ii) and 37(2)(b) of the CPR proposal mention output and result indicators rather than common output and result indicators. This allows for certain actions to contribute to programme-specific indicators outside of Annex I on the common indicators. As these indicators are to be used for the performance framework, this also means that actions may be funded which do not directly</p>

		<p>contribute to the performance benchmarks, but are compliant with the eligibility rules and fall within the scope of the programme, i.e. these actions need to correspond to the type of actions set out in the programme (see Article 17(3)(d)(i) of the CPR proposal). Moreover, interventions supported by the ERDF and the Cohesion Fund need to correspond to the interventions selected in the programme (see and Article 57(7) second subparagraph of the CPR proposal on expenditure that becomes eligible following a programme amendment and therefore also on the eligibility of the expenditure prior to the programme amendment).</p> <p>Article 12 CPR proposal stipulates that the performance framework needs to contribute to measuring the overall performance of the Funds – therefore a significant part of the actions need to contribute to the progress/achievements measured by the indicators. It is expected that policy coverage of RCO and RCR will increase from 50-60% in the current period, to 70-80% in the next one. Thus, there will be less content not contributing to RCO and RCR.</p>
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