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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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I

(Legislative acts)

REGULATIONS

REGULATION (EU) 2021/1056 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 24 June 2021****establishing the Just Transition Fund**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 and point (a) of Article 322(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the Court of Auditors ⁽¹⁾,

Having regard to the opinions of the European Economic and Social Committee ⁽²⁾,

Having regard to the opinion of the Committee of the Regions ⁽³⁾,

Acting in accordance with the ordinary legislative procedure ⁽⁴⁾,

Whereas:

- (1) The regulatory framework governing the Union's cohesion policy for the period from 2021 to 2027, in the context of the next multiannual financial framework, contributes to the fulfilment of the Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change ⁽⁵⁾ (the 'Paris Agreement'), pursuing efforts to limit the temperature increase to 1,5 °C above pre-industrial levels, and the United Nations Sustainable Development Goals by concentrating Union funding on green objectives. This Regulation should implement one of the priorities set out in the Commission Communication of 11 December 2019 entitled 'The European Green Deal' and is part of the Sustainable Europe Investment Plan that provides dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the social, economic and environmental costs of the transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions.
- (2) The transition to a climate-neutral and circular economy constitutes one of the most important policy objectives for the Union. On 12 December 2019 the European Council endorsed the objective of achieving a climate-neutral Union by 2050, in line with the objectives of the Paris Agreement. While fighting climate change and environmental degradation will benefit all in the long term and provides opportunities and challenges for all in the medium term, not all regions and Member States start their transition from the same point or have the same capacity to respond. Some are more advanced than others, and the transition entails a wider social, economic and

⁽¹⁾ OJ C 290, 1.9.2020, p. 1.

⁽²⁾ OJ C 311, 18.9.2020, p. 55 and OJ C 429, 11.12.2020, p. 240.

⁽³⁾ OJ C 324, 1.10.2020, p. 74.

⁽⁴⁾ Position of the European Parliament of 18 May 2021 (not yet published in the Official Journal) and decision of the Council of 7 June 2021.

⁽⁵⁾ OJ L 282, 19.10.2016, p. 4.

environmental impact for those regions that rely heavily on fossil fuels for energy use - especially coal, lignite, peat and oil shale - or greenhouse gas intensive industries. Such a situation not only creates the risk of a variable speed transition in the Union as regards climate action, but also of growing disparities between regions, detrimental to the objectives of social, economic and territorial cohesion.

- (3) In order to be successful and socially acceptable for all, the transition has to be fair and inclusive. Therefore, the Union, Member States and their regions must take into account its social, economic and environmental implications from the outset, and deploy all possible instruments to mitigate adverse consequences. The Union budget has an important role in that regard.
- (4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition Mechanism should complement the other actions under the next multiannual financial framework for the period from 2021 to 2027. It should contribute to addressing the social, economic and environmental consequences, in particular for workers affected in the process of transitioning towards a climate-neutral Union by 2050, by bringing together the Union budget's spending on climate and social objectives at regional level and by aiming for high social and environmental standards.
- (5) This Regulation should establish the Just Transition Fund (JTF) which is one of the pillars of the Just Transition Mechanism implemented under cohesion policy. The aims of the JTF are to mitigate the adverse effects of the climate transition by supporting the most affected territories and workers concerned and to promote a balanced socio-economic transition. In line with the JTF's single specific objective, actions supported by the JTF should directly contribute to alleviating the impact of the transition by mitigating the negative repercussions on employment and by financing the diversification and modernisation of the local economy. The JTF's single specific objective is established at the same level and listed together with the policy objectives set out in Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽⁶⁾.
- (6) Reflecting the European Green Deal as the Union's sustainable growth strategy and the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the JTF is intended to contribute to the mainstreaming of climate action and environmental sustainability and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives and to the ambition of providing 7,5 % of annual spending under the multiannual financial framework to biodiversity objectives in 2024 and 10 % of annual spending under the multiannual financial framework to biodiversity objectives in 2026 and 2027, while taking into account the existing overlaps between climate and biodiversity goals. Resources from the JTF's own envelope are additional to the investments needed to achieve the overall target of 30 % of the Union budget expenditure contributing to climate objectives. Those resources should contribute fully to the achievement of this target along with resources transferred on a voluntary basis from the European Regional Development Fund (ERDF) established by Regulation (EU) 2021/1058 of the European Parliament and of the Council ⁽⁷⁾ and the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council ⁽⁸⁾. In this context the JTF should support activities that respect the climate and environmental standards and priorities of the Union and do no significant harm to the environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council ⁽⁹⁾, and that ensure the transition towards a low carbon economy in the pathway to achieving a climate-neutral Union by 2050.

⁽⁶⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (see page 159 of this Official Journal).

⁽⁷⁾ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (see page 60 of this Official Journal).

⁽⁸⁾ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (see page 21 of this Official Journal).

⁽⁹⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (7) The resources from the JTF should complement the resources available under cohesion policy.
- (8) Transitioning to a climate-neutral economy is a challenge for all Member States. It will be particularly demanding for those Member States that rely, or which until recently have relied, heavily on fossil fuels or greenhouse gas intensive industrial activities which need to be phased out or which need to adapt due to the transition towards a climate-neutral economy and that lack the financial means to do so. The JTF should therefore cover all Member States, but the distribution of its financial means should focus on those territories that are the most affected by the climate transition process, and that distribution should reflect the capacity of Member States to finance the necessary investments to cope with the transition towards a climate-neutral economy.
- (9) Horizontal financial rules adopted by the European Parliament and by the Council pursuant to Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. Those rules are laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽¹⁰⁾ (the 'Financial Regulation') and determine in particular the procedure for establishing and implementing the budget through grants, prizes, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts, and provide for checks on the responsibility of financial actors. Rules adopted pursuant to Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (10) In order to ensure the effective use of the JTF resources, access to the JTF should be limited to 50 % of the national allocation for those Member States that have not yet committed to implement the objective, in line with the objectives of the Paris Agreement, of achieving a climate-neutral Union by 2050, with the other 50 % being made available for programming upon acceptance of such a commitment. In order to ensure fairness and equal treatment of Member States, where a Member State has not committed to implement the objective of achieving a climate-neutral Union by 2050, by 31 December in any year starting from 2022, the budgetary commitment for the preceding year should be decommitted in its entirety the following year.
- (11) In accordance with Council Regulation (EU) 2020/2094 ⁽¹¹⁾ and within the limits of resources allocated therein, recovery and resilience measures under the JTF should be carried out to address the unprecedented impact of the COVID-19 crisis. Such additional resources should be used in such a way as to ensure compliance with the time limits provided for in that Regulation.
- (12) This Regulation should identify types of investments for which support of expenditure by the JTF would be permitted. All supported activities should be pursued in full respect of the climate, environmental and social commitments and priorities of the Union. The list of investments should include those that support local economies through stimulating their endogenous growth potential in accordance with the respective smart specialisation strategies, including sustainable tourism where appropriate. Investments need to be sustainable in the long-term, taking into account all the objectives of the European Green Deal. The projects financed should contribute to a transition to a sustainable, climate-neutral and circular economy, including measures that aim to increase resource efficiency. Waste incineration should not receive support given that this activity belongs to the lower part of the waste hierarchy in the circular economy. Consultancy services that contribute to the implementation of measures supported by the JTF should be eligible. Renaturation of sites, development of green infrastructure and water management should be able to be supported as part of a land restoration project. When supporting energy efficiency measures, the JTF should be able to support investments such as those which contribute to reducing energy poverty, principally through energy efficiency improvements of housing stock. The JTF should also be able to support the development of innovative storage technologies.

⁽¹⁰⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

⁽¹¹⁾ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23).

- (13) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the upskilling and reskilling, including training, of the affected workers, irrespective of whether they are still employed or have lost their job due to the transition. The JTF should aim to help them adapt to new employment opportunities. The JTF should also provide any appropriate form of support to jobseekers, including job search assistance and their active inclusion into the labour market. All jobseekers who have lost their job in sectors affected by the transition in a region covered by the territorial just transition plan should be eligible to be supported by the JTF even if the workers who were dismissed do not reside in that region. Due regard should be paid to citizens at risk of energy poverty, in particular when implementing energy efficiency measures for improved social housing conditions.
- (14) Support for activities in the areas of education and social inclusion should be allowed, as well as support for social infrastructure for the purposes of child- and elderly-care facilities and in training centres, provided that these activities are appropriately justified in the territorial just transition plans. For elderly care, the principle of promoting community-based care should be preserved. Social and public services in those areas could complete the investment mix. All support in those areas should require appropriate justification in the territorial just transition plans and should follow the objectives of the European Pillar of Social Rights.
- (15) To address the specific situation and role of women in the transition to the climate-neutral economy, gender equality should be promoted. Women's labour market participation and entrepreneurship, as well as equal pay, play an important role in ensuring equal opportunities. The JTF should also pay special attention to vulnerable groups that suffer disproportionately from the adverse effects of the transition, such as workers with disabilities. The identity of mining communities needs to be preserved and the continuity of past and future communities needs to be safeguarded. This involves paying special attention to their tangible and non-tangible mining heritage, including their culture.
- (16) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to enterprises and economic stakeholders, including through support to productive investments in micro, small and medium-sized enterprises ⁽¹²⁾ (SMEs). Productive investments should be understood as investment in fixed capital or immaterial assets of enterprises with a view to producing goods and services, thereby contributing to gross-capital formation and employment. For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs, and do not lead to or result from relocation. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy of the Union by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council ⁽¹³⁾ and if they result in the protection of a significant number of jobs. Any such investment should be justified accordingly in the relevant territorial just transition plan. In order to protect the integrity of the internal market and cohesion policy, support to undertakings should comply with Union State aid rules as set out in Articles 107 and 108 TFEU and, in particular, support to productive investments in enterprises other than SMEs should be limited to enterprises located in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU.
- (17) In order to provide flexibility for the programming of the JTF resources under the Investment for jobs and growth goal, it should be possible to prepare a self-standing JTF programme or to programme JTF resources in one or more dedicated priorities within programmes supported by the ERDF, the ESF+ or the Cohesion Fund. In accordance with Regulation (EU) 2021/1060, JTF resources could be reinforced on a voluntary basis with complementary funding from the ERDF and the ESF+. In such a case, the respective amounts transferred from the ERDF and the ESF+ should be consistent with the type of operations set out in the territorial just transition plans.

⁽¹²⁾ Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

⁽¹³⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

- (18) The JTF support should be conditional on the effective implementation of a transition process in a specific territory in order to achieve a climate-neutral economy. In that regard, Member States should prepare, in social dialogue and cooperation with the relevant stakeholders, in accordance with the relevant provision of Regulation (EU) 2021/1060 on partnership, and supported by the Commission, territorial just transition plans, setting out the transition process, consistent with their integrated national energy and climate plans. To that end, the Commission should set up a Just Transition Platform, which would build on the existing platform for coal regions in transition, to enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors. Member States should ensure that municipalities and cities are involved in the implementation of the JTF resources and that their needs in that context are taken into account.
- (19) The territorial just transition plans should identify the territories most negatively affected, where JTF support should be concentrated, and describe specific actions to be undertaken to reach the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, in particular as regards the conversion or closure of facilities involving fossil fuel production or other greenhouse gas intensive activities. Those territories should be precisely defined and correspond to level 3 of the common classification of territorial units for statistics (NUTS level 3 regions), as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council ⁽¹⁴⁾, or be parts thereof. The plans should set out the challenges and needs of those territories, taking into account depopulation risks, and identify the type of operations needed to contribute to job creation at the level of the beneficiaries of the plan and in a manner that ensures the coherent development of climate-resilient economic activities that are also consistent with the transition to a climate-neutral economy and the objectives of the European Green Deal. Where such territories are identified, additional attention should be given to the specificities of islands, insular areas as well as the outermost regions, where the geographical and socio-economic characteristics may require a different approach to support the transition process towards a climate-neutral economy. Only investments in accordance with the territorial just transition plans should receive financial support from the JTF. The territorial just transition plans should be part of the programmes, supported, as the case may be, by the ERDF, the ESF+, the Cohesion Fund or the JTF, which are approved by the Commission.
- (20) In order to enhance the result orientation of the use of JTF resources, the Commission, in line with the principle of proportionality, should be able to apply financial corrections in the case of serious underachievement of targets established for the specific objective of the JTF.
- (21) In order to set out an appropriate financial framework for the JTF, implementing powers should be conferred on the Commission to set out the annual breakdown of available resources by Member State.
- (22) Since the objective of this Regulation, namely to support the people, economy and environment of territories facing economic and social transformation in their transition to a climate-neutral economy, cannot be sufficiently achieved by the Member States owing to the disparities in the levels of development of the various territories and to the backwardness of the least favoured territories, as well as to the limit on the financial resources of Member States and territories, but can rather, by reason of the need for a coherent implementation framework covering several Union funds under shared management, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (23) In view of the adoption of this Regulation after the start of the programming period, and taking into account the need to implement the JTF in a coordinated and harmonised manner, and in order to allow for its prompt implementation, it should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

⁽¹⁴⁾ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

This Regulation establishes the Just Transition Fund (JTF) to provide support to the people, economies and environment of territories which face serious socio-economic challenges deriving from the transition process towards the Union's 2030 targets for energy and climate as defined in point (11) of Article 2 of Regulation (EU) 2018/1999 of the European Parliament and of the Council ⁽¹⁵⁾ and a climate-neutral economy of the Union by 2050.

It lays down the specific objective of the JTF, its geographical coverage and resources, the scope of its support with regard to the Investment for jobs and growth goal referred to in point (a) of Article 5(2) of Regulation (EU) 2021/1060, as well as specific provisions for programming and indicators necessary for monitoring.

Article 2

Specific objective

In accordance with the second subparagraph of Article 5(1) of Regulation (EU) 2021/1060, the JTF shall contribute to the single specific objective of enabling regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement.

Article 3

Geographical coverage and resources under the Investment for jobs and growth goal

1. The JTF shall support the Investment for jobs and growth goal in all Member States.
2. The resources for the JTF under the Investment for jobs and growth goal that are available for budgetary commitment for the period 2021-2027 shall be EUR 7 500 000 000 in 2018 prices as established in point (g) of Article 110(1) of Regulation (EU) 2021/1060
3. The resources referred to in paragraph 2 may be increased, as the case may be, by additional resources allocated in the Union budget, and by other resources in accordance with the applicable basic act.
4. The Commission shall adopt a decision, by means of an implementing act, setting out the annual breakdown of available resources, including any additional resources referred to in paragraph 3, by Member State in accordance with the allocations set out in Annex I.

Article 4

Resources from the European Union Recovery Instrument

1. The measures referred to in Article 1(2) of Regulation (EU) 2020/2094 shall be implemented under this Regulation with an amount of EUR 10 000 000 000 in 2018 prices as referred to in the second subparagraph of Article 109(1) of Regulation (EU) 2021/1060 and subject to Article 3(3), (4), (7) and (9) of Regulation (EU) 2020/2094.

⁽¹⁵⁾ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

This amount shall be considered other resources as referred to in Article 3(3) of this Regulation. As provided for in Article 3(1) of Regulation (EU) 2020/2094, this amount shall constitute external assigned revenue for the purpose of Article 21(5) of the Financial Regulation.

2. The amount referred to in paragraph 1 of this Article shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2023, in addition to the resources referred to in Article 3, as follows:

- 2021: EUR 2 000 000 000,
- 2022: EUR 4 000 000 000,
- 2023: EUR 4 000 000 000.

An amount of EUR 15 600 000 in 2018 prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.

3. The annual breakdown of the amount referred to in the first subparagraph of paragraph 1 of this Article by Member States shall be included in the Commission decision referred to in Article 3(4) in accordance with the allocations set out in Annex I.

4. By way of derogation from Article 14(3) of the Financial Regulation, the decommitment rules set out in Chapter IV of Title VII of Regulation (EU) 2021/1060 shall apply to the budgetary commitments based on the resources referred to in paragraph 1 of this Article. By way of derogation from point (c) of Article 12(4) of the Financial Regulation, these resources shall not be used for a succeeding programme or action.

5. Payments to programmes shall be posted to the earliest open commitment of the JTF, starting first with the commitments from the resources referred to in the first subparagraph of paragraph 1 until they are exhausted.

Article 5

Green Rewarding Mechanism

1. Where, pursuant to Article 3(3), the resources for the JTF are increased before 31 December 2024, the additional resources shall be distributed among Member States on the basis of the national shares set out in Annex I.

2. Where, pursuant to Article 3(3) of this Regulation, the resources for the JTF are increased after 31 December 2024, the additional resources shall be distributed among Member States in accordance with the methodology laid down in the second subparagraph of this paragraph, on the basis of change of greenhouse gas emissions of their industrial facilities in the period from the year 2018 to the latest year for which data is available, as reported in accordance with Article 7 of Regulation (EC) No 166/2006 of the European Parliament and of the Council ⁽¹⁶⁾. The change of greenhouse gas emissions of each Member State shall be calculated by aggregating the greenhouse gas emissions of only those NUTS level 3 regions that have been identified in the territorial just transition plans in accordance with Article 11(1) of this Regulation.

The allocation of additional resources for each Member State shall be determined in accordance with the following:

- (a) for Member States that achieved a reduction in greenhouse gas emissions, the reduction in greenhouse gas emissions achieved by each Member State shall be calculated by expressing the level of greenhouse gas emissions of the latest reference year as a percentage of the greenhouse gas emissions observed in 2018; for Member States that have not achieved a reduction in greenhouse gas emissions, that percentage shall be set at 100 %;
- (b) the final share for each Member State shall be obtained by dividing national shares set out in Annex I by the percentages resulting from point (a); and
- (c) the result from the calculation under point (b) shall be rescaled in order to sum up to 100 %.

⁽¹⁶⁾ Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC (OJ L 33, 4.2.2006, p. 1).

3. Member States shall include the additional resources in their programmes and submit a programme amendment in accordance with Article 24 of Regulation (EU) 2021/1060

Article 6

Specific allocations for outermost regions and islands

When preparing their territorial just transition plans in accordance with Article 11(1), Member States shall take particular account of the situation of islands and outermost regions facing serious socio-economic challenges deriving from the transition process towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, having regard to their specific needs as recognised in Articles 174 and 349 TFEU.

When including such territories in their territorial just transition plans, Member States shall set out the specific amount allocated for those territories with the corresponding justification, taking into account the specific challenges of those territories.

Article 7

Conditional access to resources

1. Where a Member State has not made a commitment to implement the objective of achieving a climate-neutral Union by 2050, only 50 % of the annual allocations for that Member State set out in accordance with Articles 3(4) and 4(3) shall be made available for programming and included in the priorities.

By way of derogation from Article 10(1) of this Regulation, the remaining 50 % of the annual allocations shall not be included in the priorities. In such cases, the programmes supported from the JTF and submitted in accordance with Article 21 of Regulation (EU) 2021/1060 shall include only 50 % of the annual JTF allocations in the table referred to in point (g)(ii) of Article 22(3) of that Regulation. The table referred to in point (g)(i) of Article 22(3) of that Regulation shall identify separately the allocations available for programming and those allocations that shall not be programmed.

2. The Commission shall only approve programmes containing a JTF priority, or any amendment thereto, where the requirements set out in the programmed allocation part in accordance with paragraph 1 are respected.

3. As soon as a Member State has committed to implement the objective of achieving a climate-neutral Union by 2050, it may submit a request for the amendment of each programme supported from the JTF in accordance with Article 24 of Regulation (EU) 2021/1060 and include the non-programmed allocations that have not been decommitted.

4. Budgetary commitments shall be made on the basis of the table referred to in point (g)(i) of Article 22(3) of Regulation (EU) 2021/1060. The commitments related to the non-programmed allocations shall not be used for payments and shall not be included in the basis for the calculation of the pre-financing in accordance with Article 90 of that Regulation until they are made available for programming in accordance with paragraph 3 of this Article.

By way of derogation from Article 105 of Regulation (EU) 2021/1060, in the absence of the Member State's commitment to implement the objective of achieving a climate-neutral Union by 2050 by 31 December of any given year starting from 2022, budgetary commitments for the preceding year which relate to non-programmed allocations shall be decommitted in their entirety in the following year.

Article 8

Scope of support

1. The JTF shall only support activities that are directly linked to its specific objective as set out in Article 2 and which contribute to the implementation of the territorial just transition plans established in accordance with Article 11.

2. In accordance with paragraph 1, the JTF shall exclusively support the following activities:
- (a) productive investments in SMEs, including microenterprises and start-ups, leading to economic diversification, modernisation and reconversion;
 - (b) investments in the creation of new firms, including through business incubators and consulting services, leading to job creation;
 - (c) investments in research and innovation activities, including by universities and public research organisations, and fostering the transfer of advanced technologies;
 - (d) investments in the deployment of technology as well as in systems and infrastructures for affordable clean energy, including energy storage technologies, and in greenhouse gas emission reduction;
 - (e) investments in renewable energy in accordance with Directive (EU) 2018/2001 of the European Parliament and of the Council ⁽¹⁷⁾, including the sustainability criteria set out therein, and in energy efficiency, including for the purposes of reducing energy poverty;
 - (f) investments in smart and sustainable local mobility, including decarbonisation of the local transport sector and its infrastructure;
 - (g) rehabilitation and upgrade of district heating networks with a view to improving energy efficiency of district heating systems and investments in heat production provided that the heat production installations are supplied exclusively by renewable energy sources;
 - (h) investments in digitalisation, digital innovation and digital connectivity;
 - (i) investments in regeneration and decontamination of brownfield sites, land restoration and including, where necessary, green infrastructure and repurposing projects, taking into account the 'polluter pays' principle;
 - (j) investments in enhancing the circular economy, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;
 - (k) upskilling and reskilling of workers and jobseekers;
 - (l) job-search assistance to jobseekers;
 - (m) active inclusion of jobseekers;
 - (n) technical assistance;
 - (o) other activities in the areas of education and social inclusion including, where duly justified, investments in infrastructure for the purposes of training centres, child- and elderly-care facilities as indicated in territorial just transition plans in accordance with Article 11.

Additionally, the JTF may support, in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU, productive investments in enterprises other than SMEs, provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (h) of Article 11(2) of this Regulation. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan, where they contribute to the transition to a climate-neutral economy of the Union by 2050 and to achieving related environmental targets, where their support is necessary for job creation in the identified territory, and where they do not lead to relocation as defined in point (27) of Article 2 of Regulation (EU) 2021/1060.

The JTF may also support investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (i) of Article 11(2) of this Regulation. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.

Article 9

Exclusion from the scope of support

The JTF shall not support:

⁽¹⁷⁾ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

- (a) the decommissioning or the construction of nuclear power stations;
- (b) the manufacturing, processing and marketing of tobacco and tobacco products;
- (c) an undertaking in difficulty, as defined in point (18) of Article 2 of Commission Regulation (EU) No 651/2014 ⁽¹⁸⁾, unless authorised under temporary State aid rules established to address exceptional circumstances or under de minimis aid to support investments reducing energy costs in the context of the energy transition process;
- (d) investment related to the production, processing, transport, distribution, storage or combustion of fossil fuels.

Article 10

Programming of the JTF resources

1. The JTF resources shall be programmed for the categories of regions where the territories concerned are located, on the basis of territorial just transition plans established in accordance with Article 11 and approved by the Commission as part of a programme or a programme amendment. The resources programmed shall take the form of one or more specific programmes or of one or more priorities within programmes.

The Commission shall only approve a programme, or any amendment thereto, where the identification of the territories most negatively affected by the transition process, contained within the relevant territorial just transition plan, is duly justified and the relevant territorial just transition plan is consistent with the integrated national energy and climate plan of the Member State concerned.

2. A JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the Member States and the resources transferred in accordance with Article 27 of Regulation (EU) 2021/1060. The total of the ERDF and ESF+ resources transferred to the JTF shall not exceed three times the amount of support from the JTF to that priority excluding the resources referred to in Article 4(1) of this Regulation.

3. In accordance with Article 112 of Regulation (EU) 2021/1060, the co-financing rate, applicable to the region where the territory or territories identified in the territorial just transition plans in accordance with Article 11 of this Regulation are located, for the JTF priority or priorities shall not be higher than:

- (a) 85 % for less developed regions;
- (b) 70 % for transition regions;
- (c) 50 % for more developed regions.

Article 11

Territorial just transition plans

1. Member States shall prepare, together with the relevant local and regional authorities of the territories concerned, one or more territorial just transition plans covering one or more affected territories corresponding to NUTS level 3 regions or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those most negatively affected, based on the economic and social impacts resulting from the transition, in particular with regard to the expected adaptation of workers or job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.

⁽¹⁸⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

2. A territorial just transition plan shall contain the following elements:
 - (a) a description of the transition process at national level towards a climate-neutral economy, including a timeline of the key transition steps towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050 which are consistent with the latest version of the integrated national energy and climate plan;
 - (b) a justification for identifying the territories as most negatively affected by the transition process referred to in point (a) of this paragraph and to be supported by the JTF, in accordance with paragraph 1;
 - (c) an assessment of the transition challenges faced by the identified most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy of the Union by 2050, identifying the potential number of affected jobs and job losses, the depopulation risks, and the development needs and objectives, to be reached by 2030 and linked to the transformation or closure of greenhouse gas-intensive activities in those territories;
 - (d) a description of the expected contribution of the JTF support to addressing the social, demographic, economic, health and environmental impacts of the transition to a climate-neutral economy of the Union by 2050, including the expected contribution in terms of job creation and preservation;
 - (e) an assessment of its consistency with other relevant national, regional or territorial strategies and plans;
 - (f) a description of the governance mechanisms consisting of the partnership arrangements, the monitoring and evaluation measures planned and the responsible bodies;
 - (g) a description of the type of operations envisaged and their expected contribution to alleviating the impact of the transition;
 - (h) where support is to be provided to productive investments in enterprises other than SMEs, an indicative list of operations and enterprises to be supported and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;
 - (i) where support is to be provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC, a list of operations to be supported and a justification that they contribute to a transition to a climate-neutral economy and lead to a substantial reduction in greenhouse gas emissions going substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC and provided that these operations are necessary for the protection of a significant number of jobs;
 - (j) synergies and complementarities with other relevant Union programmes to address identified development needs; and
 - (k) synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism.
3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article 8 of Regulation (EU) 2021/1060 and, where relevant, the European Investment Bank and the European Investment Fund.
4. Territorial just transition plans shall be consistent with the relevant territorial strategies referred to in Article 29 of Regulation (EU) 2021/1060 and relevant smart specialisation strategies, the integrated national energy and climate plans and the European Pillar of Social Rights.

Where the update of an integrated national energy and climate plan pursuant to Article 14 of Regulation (EU) 2018/1999 necessitates a revision of a territorial just transition plan, that revision shall be carried out as part of the mid-term review in accordance with Article 18 of Regulation (EU) 2021/1060.

5. Where Member States intend to make use of the possibility to receive support under the other pillars of the Just Transition Mechanism, their territorial just transition plans shall set out the sectors and thematic areas envisaged to be supported under those pillars.

*Article 12***Indicators**

1. Common output and result indicators, as set out in Annex III and, where duly justified in the territorial just transition plan, programme-specific output and result indicators shall be used in accordance with point (a) of the second subparagraph of Article 16(1), point (d)(ii) of Article 22(3) and point (b) of Article 42(2) of Regulation (EU) 2021/1060.
2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets shall not be revised after the request for programme amendment, submitted pursuant to Article 18(3) of Regulation (EU) 2021/1060, has been approved by the Commission.
3. Where a JTF priority supports the activities referred to in points (k), (l) or (m) of Article 8(2), data on the indicators for participants shall only be transmitted where all the data relating to that participant, required in accordance with Annex III, are available.

*Article 13***Financial corrections**

Based on the examination of the final performance report of the programme, the Commission may make financial corrections in accordance with Article 104 of Regulation (EU) 2021/1060 where less than 65 % of the target set out for one or more output indicators is achieved.

Financial corrections shall be in proportion to the achievements and shall not be applied where the failure to achieve targets is due to the impact of socio-economic or environmental factors, significant changes in the economic or environmental conditions in the Member State concerned or because of reasons of force majeure seriously affecting implementation of the priorities concerned.

*Article 14***Review**

By 30 June 2025, the Commission shall review the implementation of the JTF with regard to the specific objective set out in Article 2, taking into account possible changes in Regulation (EU) 2020/852 and the Union's climate objectives set out in a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law'), and the evolution in the implementation of the Sustainable Europe Investment Plan. On that basis, the Commission shall submit a report to the European Parliament and to the Council, which may be accompanied by legislative proposals.

*Article 15***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 June 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

MEMBER STATE ALLOCATIONS

	Allocations from the European Union Recovery Instrument	Allocations from MFF resources	Total allocations	Member States' share from total
Belgium	95	71	166	0,95 %
Bulgaria	673	505	1 178	6,73 %
Czechia	853	640	1 493	8,53 %
Denmark	46	35	81	0,46 %
Germany	1 288	966	2 254	12,88 %
Estonia	184	138	322	1,84 %
Ireland	44	33	77	0,44 %
Greece	431	324	755	4,31 %
Spain	452	339	790	4,52 %
France	535	402	937	5,35 %
Croatia	97	72	169	0,97 %
Italy	535	401	937	5,35 %
Cyprus	53	39	92	0,53 %
Latvia	100	75	174	1,00 %
Lithuania	142	107	249	1,42 %
Luxembourg	5	4	8	0,05 %
Hungary	136	102	237	1,36 %
Malta	12	9	21	0,12 %
Netherlands	324	243	567	3,24 %
Austria	71	53	124	0,71 %
Poland	2 000	1 500	3 500	20,00 %
Portugal	116	87	204	1,16 %
Romania	1 112	834	1 947	11,12 %
Slovenia	134	101	235	1,34 %
Slovakia	239	179	418	2,39 %
Finland	242	182	424	2,42 %
Sweden	81	61	142	0,81 %
EU 27	10 000	7 500	17 500	100,00 %

Allocations in EUR million, in 2018 prices and before deductions for technical assistance and administrative expenditure (totals may not tally due to rounding up or down).

ANNEX II

TEMPLATE FOR TERRITORIAL JUST TRANSITION PLANS

1. Outline of the transition process and identification of the most negatively affected territories within the Member State

Text field [12000]

Reference: point (a) of Article 11(2)

- 1.1. Outline of the expected transition process towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, in line with the objectives of the integrated national energy and climate plans and other existing transition plans with a timeline for ceasing or scaling down activities such as coal and lignite mining or coal-fired electricity production

Reference: point (b) of Article 11(2)

- 1.2. Identifying the territories expected to be the most negatively affected and justifying this choice with the corresponding estimation of the economic and employment impacts based on the outline of Section 1.1

Reference: Article 6

- 1.3. Identifying the outermost regions and islands with specific challenges within territories listed under Section 1.1 and the specific amounts allocated for those territories with corresponding justification

2. Assessment of transition challenges, for each of the identified territories

- 2.1. Assessment of the economic, social and territorial impact of the transition to a climate-neutral economy of the Union by 2050

Reference: point (c) of Article 11(2)

Text field [12000]

Identification of economic activities and industrial sectors impacted, distinguishing:

- declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;
- transforming sectors, expected to undergo a transformation of their activities, processes and outputs.

For each of the two types of sectors:

- expected job losses and requalification needs, taking into account skills forecasts;
- economic diversification potential and development opportunities.

2.2. Development needs and objectives by 2030 in view of reaching a climate-neutral economy of the Union by 2050

Reference: point (d) of Article 11(2)

Text field [6000]

- Development needs to address the transition challenges;
- Objectives and results expected through implementing the JTF priority, including the expected contribution in terms of job creation and preservation.

2.3. Consistency with other relevant national, regional or territorial strategies and plans

Reference: point (e) of Article 11(2)

Text field [6000]

- Smart specialisation strategies;
- Territorial strategies referred to in Article 29 of Regulation (EU) 2021/...;
- Other regional or national development plans.

2.4. Types of operations envisaged

Text field [12000]

Reference: point (g) of Article 11(2)

- type of operations envisaged and their expected contribution to alleviating the impact of the transition

Reference: point (h) of Article 11(2)

To fill in only if support is provided to productive investments in enterprises other than SMEs:

- an indicative list of operations and enterprises to be supported and for each of them a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment

Update or fill in this section through the revision of the territorial just transition plans, depending on the decision to provide such support.

Reference: point (i) of Article 11(2);

To fill in only if support is provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC:

- a list of operations to be supported and a justification that they contribute to the transition to a climate-neutral economy and lead to substantial reductions in greenhouse gas emissions going substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC and provided that they are necessary for the protection of a significant number of jobs

Update or fill in this section through the revision of the territorial just transition plans, depending on the decision to provide such support.

Reference: point (j) of Article 11(2)

- synergies and complementarities of the envisaged operations with other relevant Union programmes under the Investments for jobs and growth goal (supporting the transition process), other financing instruments (the Union Emissions Trading Modernisation Fund) to address identified development needs

Reference: point (k) of Article 11(2) and Article 11(5)

- synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism
- sectors and thematic areas envisaged to be supported under the other pillars

COMMON OUTPUT INDICATORS AND COMMON RESULT INDICATORS FOR THE JUST TRANSITION FUND ⁽¹⁾

REGIO Common Output Indicators (RCO) and REGIO Common Result Indicators (RCR)	
Outputs	Results
RCO 01 - Enterprises supported (of which: micro, small, medium, large) (*) RCO 02 - Enterprises supported by grants RCO 03 - Enterprises supported by financial instruments RCO 04 - Enterprises with non-financial support RCO 05 - New enterprises supported RCO 07 - Research organisations participating in joint research projects RCO 10 - Enterprises cooperating with research organisations RCO 121 – Enterprises supported to achieve the reduction of greenhouse-gas emissions from activities listed in Annex I to Directive 2003/87/EC	RCR 01 - Jobs created in supported entities RCR 102 – Research jobs created in supported entities RCR 02 - Private investments matching public support (of which: grants, financial instruments) (*) RCR 03 – Small and medium-size enterprises (SMEs) introducing product or process innovation RCR 04 - SMEs introducing marketing or organisational innovation RCR 05 - SMEs innovating in-house RCR 06 - Patent applications submitted RCR 29a – Estimated greenhouse-gas emissions from activities listed in Annex I to Directive 2003/87/EC in supported enterprises
RCO 13 – Value of digital services, products and processes developed for enterprises	RCR 11 - Users of new and upgraded public digital services, products and processes RCR 12 - Users of new and upgraded digital services, products and processes developed by enterprises
RCO 15 - Capacity of incubation created	RCR 17 - New enterprises surviving in the market RCR 18 - SMEs using incubator services after incubator creation
RCO 101 – SMEs investing in skills for smart specialisation, for industrial transition and entrepreneurship	RCR 97 – Apprenticeships supported in SMEs RCR 98 – SMEs staff completing training for skills for smart specialisation, for industrial transition and entrepreneurship (by type of skill: technical, management, entrepreneurship, green, other) (*)
RCO 18 – Dwellings with improved energy performance RCO 19 - Public buildings with improved energy performance RCO 20 - District heating and cooling network lines newly constructed or improved RCO 104 – Number of high efficiency co-generation units	RCR 26 - Annual primary energy consumption (of which: dwellings, public buildings, enterprises, other) (*) RCR 29 – Estimated greenhouse gas emissions

⁽¹⁾ For presentational reasons, indicators are grouped to provide for easier matching with the indicators included in other Fund-specific Regulations.

RCO 22 - Additional production capacity for renewable energy (of which: electricity, thermal) (*)	RCR 31 - Total renewable energy produced (of which: electricity, thermal) (*) RCR 32 – Additional operational capacity installed for renewable energy
RCO 34 - Additional capacity for waste recycling RCO 107 – Investments in facilities for separate waste collection RCO 119 - Waste prepared for re-use	RCR 47 - Waste recycled RCR 48 - Waste used as raw materials
RCO 36 - Green infrastructure supported for other purposes than adaptation to climate change RCO 38 - Surface area of rehabilitated land supported RCO 39 – Area covered by systems for monitoring air pollution installed	RCR 50 - Population benefiting from measures for air quality (**) RCR 52 - Rehabilitated land used for green areas, social housing, economic or other uses
RCO 55 - Length of new tram and metro lines RCO 56 - Length of reconstructed or modernised tram and metro lines RCO 57 – Capacity of environmentally friendly rolling stock for collective public transport RCO 58 - Dedicated cycling infrastructure supported RCO 60 - Cities and towns with new or modernised digitised urban transport systems	RCR 62 - Annual users of new or modernised public transport RCR 63 - Annual users of new or modernised tram and metro lines RCR 64 - Annual users of dedicated cycling infrastructure
RCO 61 – Surface of new or modernised facilities for employment services	RCR 65 – Annual users of new or modernised facilities for employment services
RCO 66 - Classroom capacity of new or modernised childcare facilities RCO 67 - Classroom capacity of new or modernised education facilities	RCR 70 - Annual users of new or modernised childcare facilities RCR 71 - Annual users of new or modernised education facilities
RCO 113 - Population covered by projects in the framework of integrated actions for socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups (**)	
RCO 69 - Capacity of new or modernised health care facilities RCO 70 - Capacity of new or modernised social care facilities (other than housing)	RCR 72 – Annual users of new or modernised e-health care services RCR 73 - Annual users of new or modernised health care facilities RCR 74 - Annual users of new or modernised social care facilities

Common Immediate Output Indicators (EECO) and Common Immediate Result Indicators (EECR) for participants ⁽¹⁾ ⁽²⁾

Outputs	Results
EECO 01- unemployed, including long-term unemployed (**)	EECR 01 - participants engaged in job searching upon leaving (**)
EECO 02 - long-term unemployed (**)	EECR 02 - participants in education or training upon leaving (**)
EECO 03 – inactive (**)	EECR 03 - participants gaining a qualification upon leaving (**)
EECO 04 - employed, including self-employed (**)	EECR 04 - participants in employment, including self-employment, upon leaving (**)
EECO 05 – number of children below 18 years of age (**)	
EECO 06 - young people between 18 and 29 years of age (**)	
EECO 07 - number of participants of 55 years of age and above (**)	
EECO 08 - with lower secondary education or less (ISCED 0-2) (**)	
EECO 09 - with upper secondary (ISCED 3) or post-secondary education (ISCED 4) (**)	
EECO 10 - with tertiary education (ISCED 5 to 8) (**)	
EECO 11 - total number of participants ⁽³⁾	

(*) Breakdown not requested for programming but only for reporting.

(**) Data reported are personal data according to Article 4(1) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

⁽¹⁾ All output and result indicators related to participants are to be reported.

⁽²⁾ Personal data are to be broken down by gender (women, men, non-binary persons, according to national law).

If certain results are not possible, data for those results do not have to be collected or reported.

Where appropriate, common output indicators can be reported based on the target group of the operation.

When data are collected from registers or equivalent sources, Member States may use national definitions.

⁽³⁾ This indicator shall be calculated automatically on the basis of the common output indicators relating to employment status.

REGULATION (EU) 2021/1057 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 24 June 2021
establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 46, point (d), Article 149, Article 153(2), point (a), Article 164, Article 175, third paragraph, and Article 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) On 17 November 2017, the European Pillar of Social Rights (the ‘Pillar’) was jointly proclaimed by the European Parliament, the Council and the Commission as a response to social challenges in Europe. The 20 key principles of the Pillar are structured in three categories: equal opportunities and access to the labour market; fair working conditions; and social protection and inclusion. The 20 principles of the Pillar should guide the actions under the European Social Fund Plus (ESF+). In order to contribute to the implementation of the Pillar, the ESF+ should support investments in people and systems in the policy areas of employment, education and social inclusion, thereby supporting economic, territorial and social cohesion in accordance with Article 174 of the Treaty on the Functioning of the European Union (TFEU).
- (2) At Union level, the European Semester for economic policy coordination (the ‘European Semester’) is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reform priorities. Those strategies should be presented alongside the yearly national reform programmes in order to outline and coordinate priority investment projects to be supported by Union or national funding.

They should also help to use Union funding in a coherent manner and to maximise the added value of the financial support to be received, in particular from the programmes supported by the Union under, where relevant, the European Regional Development Fund (ERDF) and Cohesion Fund the specific objectives and scope of support of which are set out in Regulation (EU) 2021/1058 of the European Parliament and of the Council ⁽⁴⁾, the ESF+, the European Maritime, Fisheries and Aquaculture Fund (EMFAF) established by a Regulation of the European Parliament and of the Council, the European Agricultural Fund for Rural Development (EAFRD) established by Regulation (EU) No 1305/2013 of the European Parliament and of the Council ⁽⁵⁾ and the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽⁶⁾ (InvestEU Programme).

⁽¹⁾ OJ C 429, 11.12.2020, p. 245.

⁽²⁾ OJ C 86, 7.3.2019, p. 84.

⁽³⁾ Position of the European Parliament of 16 January 2019 (OJ C 411, 27.11.2020, p. 324) and position of the Council at first reading of 27 May 2021 (not yet published in the Official Journal). Position of the European Parliament of 23 June 2021 (not yet published in the Official Journal).

⁽⁴⁾ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (see page 60 of this Official Journal).

⁽⁵⁾ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

⁽⁶⁾ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

- (3) Revised guidelines for the employment policies of Member States were adopted by means of Council Decision (EU) 2020/1512 ⁽⁷⁾. The text of those guidelines has been aligned with the principles of the Pillar, with a view to improving Europe's competitiveness and making it a better place to invest, create jobs and foster social cohesion. In order to ensure the full alignment of the ESF+ with the objectives of those guidelines, particularly as regards employment, education, training and the fight against social exclusion, poverty and discrimination, the ESF+ should support Member States by taking into account the relevant integrated guidelines and relevant country-specific recommendations adopted pursuant to Article 121(2) and Article 148(2) and (4) TFEU and, where appropriate, the national reform programmes underpinned by national strategies. The ESF+ should also contribute to relevant aspects of the implementation of key Union initiatives and activities, in particular the Commission communications of 10 June 2016 entitled 'A new Skills Agenda for Europe', of 30 September 2020 entitled 'European Education Area', and of 7 October 2020 entitled 'A Union of Equality: EU Roma strategic framework for equality, inclusion and participation' as well as the Council Recommendations of 15 February 2016 on the integration of the long-term unemployed into the labour market, of 19 December 2016 on Upskilling Pathways, of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and of 12 March 2021 on Roma equality, inclusion and participation.
- (4) On 20 June 2017, the Council adopted conclusions entitled 'A sustainable European future: the EU response to the 2030 Agenda for Sustainable Development'. The Council underlined the importance of achieving sustainable development across the three dimensions (economic, social and environmental) in a balanced and integrated way. It is vital that sustainable development is mainstreamed into all Union internal and external policy areas and that the Union is ambitious in its policies that address global challenges. The Council welcomed the Commission communication of 22 November 2016 entitled 'Next steps for a sustainable European future' as a first step in mainstreaming the United Nations (UN) Sustainable Development Goals (SDGs) and applying sustainable development as an essential guiding principle for all Union policies, including through its financing instruments. The ESF+ should contribute to the implementation of the SDGs by, inter alia, eradicating extreme forms of poverty (SDG 1); promoting quality and inclusive education (SDG 4); promoting gender equality (SDG 5); promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8); and reducing inequality (SDG 10).
- (5) Recent and ongoing developments have aggravated the structural challenges arising from economic globalisation, social inequalities, the management of migration flows and the increased security threat, clean energy transition, technological change, demographic decline, unemployment, in particular youth unemployment, and an increasingly ageing workforce as well as challenges stemming from growing mismatches between demand and supply of skills and labour in some sectors and regions, experienced especially by small and medium-sized enterprises (SMEs). The green and digital transitions and the transformation of European industrial ecosystems are likely to entail many new opportunities, if accompanied by the right skill sets and employment and social policies and actions. Taking into account the changing realities of the world of work, the Union should be prepared for current and future challenges by investing in relevant skills, education, training and lifelong learning making growth more inclusive and by improving employment and social policies, while taking into account economic and industrial sustainability, labour mobility and aiming to establish a gender balanced labour market.
- (6) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽⁸⁾ establishes the framework for action by the ERDF, the ESF+, the Cohesion Fund, the Just Transition Fund (JTF) established by Regulation (EU) 2021/1056 of the European Parliament and of the Council ⁽⁹⁾, the EMFAF, the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Instrument for Financial Support for Border Management and Visa Policy as a part of the Integrated Border Management Fund and lays down, in particular, the policy objectives and the rules concerning programming, monitoring and evaluation, management and control for Union funds implemented under shared management. It is therefore necessary to specify the general objectives of the ESF+ and to lay down specific provisions concerning the type of activities that may be financed by the ESF+.

⁽⁷⁾ Council Decision (EU) 2020/1512 of 13 October 2020 on guidelines for the employment policies of the Member States (OJ L 344, 19.10.2020, p. 22).

⁽⁸⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (see page 159 of this Official Journal).

⁽⁹⁾ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (see page 1 of this Official Journal).

- (7) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁽¹⁰⁾ (the 'Financial Regulation') lays down rules on the implementation of the general budget of the Union (Union budget), including the rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts. Co-financing for grants may be provided from beneficiaries' own resources, income generated by the project or financial or in-kind contributions from third parties. In order to ensure consistency in the implementation of Union programmes, the Financial Regulation is to apply to the actions to be implemented under direct or indirect management under the ESF+.
- (8) The forms of Union funding and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. For grants, this should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1), point (a), of the Financial Regulation. To implement measures linked to the socio-economic integration of third-country nationals, and in accordance with Article 94 of the Regulation (EU) 2021/1060, the Commission may reimburse Member States using simplified cost options including lump sums.
- (9) In order to streamline and simplify the funding landscape and create additional opportunities for synergies through integrated funding approaches, the actions which were supported by the Fund for European Aid to the Most Deprived established by Regulation (EU) No 223/2014 of the European Parliament and of the Council⁽¹¹⁾, and by the European Union Programme for Employment and Social Innovation established by Regulation (EU) No 1296/2013 of the European Parliament and of the Council⁽¹²⁾ should be integrated into the ESF+. The ESF+ should comprise of two strands: the strand under shared management (the 'ESF+ strand under shared management'), to be implemented under shared management, and the Employment and Social Innovation strand (the 'EaSI strand'), to be implemented under direct and indirect management. This should contribute to reducing the administrative burden linked to the management of different funds, in particular for Member States and beneficiaries, while maintaining simpler rules for simpler operations such as the distribution of food and/or basic material assistance.
- (10) In view of the wider scope of the ESF+, it is appropriate that the aims to enhance the effectiveness of labour markets, promote equal access to quality employment, improve equal access to and quality of education and training to aid reintegration into education systems, promote social inclusion, facilitate access to healthcare for vulnerable persons and contribute to eradicating poverty, are not only implemented under shared management under ESF+ strand under shared management, but also, for actions required at Union level, under direct and indirect management under the EaSI strand.
- (11) This Regulation lays down a financial envelope for the entire duration of the ESF+, which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁽¹³⁾, for the European Parliament and the Council during the annual budgetary procedure. It should specify the allocation for the ESF+ strand under shared management and the allocation for actions to be implemented under the EaSI strand.

⁽¹⁰⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

⁽¹¹⁾ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

⁽¹²⁾ Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ('EaSI') and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238).

⁽¹³⁾ OJ L 433 I, 22.12.2020, p. 28.

- (12) With a view to facilitating the implementation of the specific and operational objectives of the EaSI strand, the ESF+ should support activities related to technical and administrative assistance, such as preparatory, monitoring, control, audit and evaluation activities, while communication and dissemination activities should be part of the actions eligible under the EaSI strand.
- (13) The ESF+ should aim to promote employment by means of active interventions enabling integration and reintegration into the labour market, in particular for young people, especially through the implementation of the reinforced Youth Guarantee, for long-term unemployed people, for disadvantaged groups on the labour market and for inactive people, as well as by means of promoting self-employment and the social economy. The ESF+ should aim to improve the functioning of labour markets by supporting the modernisation of labour market institutions such as the public employment services in order to improve their capacity to provide intensified targeted counselling and guidance during the job search and the transition to employment and to enhance the mobility of workers. The ESF+ should promote a gender-balanced participation in the labour market through measures that aim to ensure, inter alia, equal working conditions, improved work-life balance and access to childcare, including early childhood education and care. The ESF+ should also aim to provide a healthy and well-adapted working environment in order to respond to health risks related to changing forms of work, and the needs of the ageing workforce.
- (14) The ESF+ should provide support for the improvement of the quality, inclusiveness, effectiveness and labour market relevance of education and training systems, including by the promotion of digital learning, the validation of non-formal and informal learning and the professional development of teaching staff, in order to facilitate the acquisition of key competences in particular as regards basic skills, including health literacy, media literacy, entrepreneurial skills, language skills, digital skills and competencies for sustainable development, which all individuals need for personal fulfilment and development, employment, social inclusion and active citizenship. The ESF+ should help progression within education and training and transition to work, should support lifelong learning and employability with a view to facilitating full participation in society for all, and should contribute to competitiveness, including through graduate tracking, and to societal and economic innovation by supporting sustainable initiatives that are capable of being scaled up in those fields and adapted to different target groups such as persons with disabilities. Such help, support and contribution could be achieved, for example, by means of online learning, work-based training, traineeships, dual education and training systems, and apprenticeships as defined in the Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships, lifelong guidance, skills anticipation in close cooperation with industry, up-to-date training materials and delivery methods, forecasting and graduate tracking, training of educators, validation of learning outcomes and recognition of qualifications and industry-based certifications.
- (15) Support from the ESF+ should be used to promote equal access for all, in particular for disadvantaged groups, to quality, non-segregated and inclusive education and training from early childhood education and care, while paying special attention to children coming from a socio-economically disadvantaged background, by means of general and vocational education and training, in particular apprenticeships, to tertiary level, as well as by means of adult education and learning, including through sport and cultural activities. The ESF+ should provide targeted support to learners in need and reduce educational inequalities, including the digital divide, prevent and reduce early school leaving, foster permeability between the education and training sectors, reinforce links with non-formal and informal learning and facilitate learning mobility for all and accessibility for persons with disabilities. Synergies with Erasmus+ established by Regulation (EU) 2021/817 of the European Parliament and of the Council ⁽¹⁴⁾, in particular to facilitate the participation of disadvantaged learners in learning mobility, should be supported in this context.

⁽¹⁴⁾ Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (OJ L 189, 28.5.2021, p. 1).

- (16) The ESF+ should promote flexible opportunities for upgrading of skills and acquiring new and different skills by all, in particular entrepreneurial and digital skills, skills for key enabling technologies and skills for the green economy as well as industrial ecosystems in line with the Commission communication of 10 March 2020 entitled 'A New Industrial Strategy for Europe'. In line with the Skills Agenda for Europe and the Council Recommendation on Upskilling Pathways ⁽¹⁵⁾, the ESF+ should support flexible pathways, including accessible, short, targeted, modular training leading to credentials, with a view to providing people with the skills that are adjusted to labour market and industrial ecosystems needs, the green and digital transitions, innovation and social and economic change, the facilitation of reskilling and upskilling and employability, career transitions, geographic and sectoral mobility and supporting in particular low-skilled persons, persons with disabilities and poorly qualified adults. The ESF+ should also facilitate the provision of support to individuals with regard to integrated skills, including employed, self-employed and unemployed persons, through instruments such as individual learning accounts.
- (17) Synergies with Horizon Europe – the Framework Programme for Research and Innovation – established by Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽¹⁶⁾ (Horizon Europe) should ensure that the ESF+ is able to mainstream and scale up innovative curricula supported by Horizon Europe in order to equip people with the skills and competences needed for the jobs of the future.
- (18) The ESF+ should support the efforts of Member States to contribute to the eradication of poverty with a view to breaking the cycle of disadvantage across generations and promote social inclusion by ensuring equal opportunities for all, reducing barriers, tackling discrimination and addressing health inequalities. Such support implies mobilising a range of policies targeting the most disadvantaged people regardless of their sex, sexual orientation, age, religion or belief, racial or ethnic origin, in particular marginalised communities such as Roma people, people with disabilities or chronic diseases, homeless people, children and elderly people. The ESF+ should promote the active inclusion of people far from the labour market with a view to ensuring their socio-economic integration. The ESF+ should also be used to enhance timely and equal access to affordable, sustainable and high-quality services that promote the access to housing and person-centred care such as healthcare and long-term care, in particular family and community-based care services. The ESF+ should contribute to the modernisation of social protection systems with a particular focus on children and disadvantaged groups and with a view, in particular, to promoting the accessibility of such systems, including for persons with disabilities.
- (19) The ESF+ should contribute to the eradication of poverty by supporting national schemes aiming to alleviate food and material deprivation and promote social integration of people at risk of poverty or social exclusion and the most deprived persons. With the overall aim that, at Union level, a minimum of 4 % of the resources of the ESF+ strand under shared management support the most deprived persons, Member States should allocate at least 3 % of their resources of the ESF+ strand under shared management to address the forms of extreme poverty with the greatest social exclusion impact, such as homelessness, child poverty and food deprivation. The provision of food and/or basic material assistance to the most deprived persons should not replace existing social benefits provided to them under national social systems or pursuant to national law. Due to the nature of the operations and the type of end recipients, it is necessary that simpler rules apply to support which addresses material deprivation of the most deprived persons.
- (20) In light of the persistent need to enhance efforts to address the management of migration flows in the Union as a whole and in order to ensure a coherent, strong and consistent support to solidarity and responsibility-sharing efforts, the ESF+ should provide support to promote the socio-economic integration of third-country nationals, including migrants, which may include initiatives at local level, complementary to the actions financed under the AMIF, the ERDF and other Union funds which can have a positive effect on the inclusion of third-country nationals.

⁽¹⁵⁾ Council Recommendation of 19 December 2016 on Upskilling Pathways: New Opportunities for Adults (OJ C 484, 24.12.2016, p. 1).

⁽¹⁶⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

- (21) Due to the importance of access to healthcare, the ESF+ should ensure synergies and complementarities with the EU4Health Programme established by Regulation (EU) 2021/522 of the European Parliament and of the Council ⁽¹⁷⁾ and the scope of the ESF+ should include access to healthcare for people in vulnerable situations.
- (22) The ESF+ should support policy and system reforms in the fields of employment, social inclusion, access to healthcare for vulnerable persons, long-term care, education and training, contributing to poverty eradication. In order to strengthen alignment with the European Semester, Member States should allocate an appropriate amount of their resources of the ESF+ strand under shared management to implement relevant country-specific recommendations relating to structural challenges which it is appropriate to address through multiannual investments falling within the scope of the ESF+, taking into account the Pillar, the Social Scoreboard of indicators, as revised following the adoption of the new targets set out in the Social Pillar Action Plan, and regional specificities.

The Commission and Member States should ensure coherence, coordination and complementarity between the ESF+ strand under shared management and other Union funds, programmes and instruments such as the JTF, the ERDF, the EU4Health Programme, the Recovery and Resilience Facility established by Regulation (EU) 2021/241 of the European Parliament and of the Council ⁽¹⁸⁾, the European Globalisation Adjustment Fund for Displaced Workers established by Regulation (EU) 2021/691 of the European Parliament and of the Council ⁽¹⁹⁾, the EMFAF, Erasmus+, the AMIF, Horizon Europe, the EAFRD, the Digital Europe Programme established by Regulation (EU) 2021/694 of the European Parliament and of the Council ⁽²⁰⁾, InvestEU Programme, the Creative Europe Programme established by Regulation (EU) 2021/818 of the European Parliament and of the Council ⁽²¹⁾, the European Solidarity Corps established by Regulation (EU) 2021/888 of the European Parliament and of the Council ⁽²²⁾, and the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council ⁽²³⁾.

In particular, the Commission and Member States should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding, including technical assistance thereof.

- (23) By supporting the specific objectives set out in this Regulation, inter alia, by contributing to the policy objective 'a more social and inclusive Europe implementing the European Pillar of Social Rights' as referred to in Regulation (EU) 2021/1060, the ESF+ will continue to contribute to territorial and local development strategies in order to implement the Pillar. It will support the tools set out in Article 28 of that Regulation and thereby also contribute to the delivery of the policy objective 'a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives' as referred to in Regulation (EU) 2021/1060, including through poverty reduction and social inclusion measures, taking into account the specificities of urban, rural and coastal regions in view of tackling the socio-economic inequalities in cities and regions.
- (24) In order to ensure that the social dimension of Europe, as set out in the Pillar, is duly put forward and that a minimum amount of resources is targeting those that are most in need, Member States should allocate at least 25 % of their resources of the ESF+ strand under shared management to foster social inclusion.

⁽¹⁷⁾ Regulation (EU) 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1).

⁽¹⁸⁾ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

⁽¹⁹⁾ Regulation (EU) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013 (OJ L 153, 3.5.2021, p. 48).

⁽²⁰⁾ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

⁽²¹⁾ Regulation (EU) 2021/818 of the European Parliament and of the Council of 20 May 2021 establishing the Creative Europe Programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013 (OJ L 189, 28.5.2021, p. 34).

⁽²²⁾ Regulation (EU) 2021/888 of the European Parliament and of the Council of 20 May 2021 establishing the European Solidarity Corps Programme and repealing Regulations (EU) 2018/1475 and (EU) No 375/2014 (OJ L 202, 8.6.2021, p. 32).

⁽²³⁾ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

- (25) In order to address the persistently high level of child poverty in the Union, and in line with principle 11 of the Pillar, which states that children have the right to protection from poverty and that children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities, Member States should programme an appropriate amount of their resources of the ESF+ strand under shared management for the implementation of the Child Guarantee for activities addressing child poverty in line with the specific objectives of the ESF+ that allow for programming resources towards actions directly supporting children's equal access to childcare, education, healthcare, decent housing and adequate nutrition. Member States that had an average rate above the Union average of children of less than 18 years old at risk of poverty or social exclusion for the period between 2017 and 2019, on the basis of Eurostat data, should allocate at least 5 % of their resources of the ESF+ strand under shared management to those activities. Operations contributing to this thematic concentration requirement should count towards the 25 % of thematic concentration requirement for social inclusion when programmed under the relevant specific objectives.
- (26) In order to facilitate an inclusive economic recovery after a major crisis and to support youth employment in a changing world of work and in light of persistently high levels of youth unemployment and inactivity in a number of Member States and regions, it is necessary that Member States invest an appropriate amount of their ESF+ resources in measures to support youth employment and skills, including through the implementation of schemes under the Youth Guarantee. Building on the actions supported by the Youth Employment Initiative in the 2014 to 2020 programming period under Regulation (EU) No 1304/2013 of the European Parliament and of the Council ⁽²⁴⁾, which target individuals and on the lessons learnt, Member States should further promote quality employment and education reintegration pathways and invest in early prevention and effective outreach by prioritising, where relevant, long-term unemployed, inactive and disadvantaged young people including through youth work. Member States should also invest in measures aiming to facilitate the transition from school to work as well as adequate capacities of employment services to provide tailor-made and holistic support and better-targeted offers to young people. By fully integrating the Youth Employment Initiative into the ESF+, the delivery of targeted actions for youth employment will be more effective and efficient and the scope will be extended to structural measures and reforms, thus ensuring a better match between support from Union funding and the implementation of the reinforced Youth Guarantee.

Upgrading of skills and acquiring new and different skills should help young people seize the opportunities of growing sectors and prepare them for the changing nature of work, while harnessing the opportunities arising from the digital and green transitions and the transformation of the Union industrial ecosystems. Therefore, Member States that had an average rate above the Union average of young people of 15 to 29 years of age who are not in employment, education or training for the period between 2017 and 2019, on the basis of Eurostat data, should allocate at least 12,5 % of their resources of the ESF+ strand under shared management to those actions.

- (27) In accordance with Article 349 TFEU and Article 2 of Protocol No 6 on special provisions for Objective 6 in the framework of the Structural Funds in Finland, Norway and Sweden annexed to the 1994 Act of Accession ⁽²⁵⁾, the outermost regions and the northern sparsely populated regions are entitled to specific measures under common policies and Union programmes. Due to the permanent constraints, such as depopulation, those regions require specific support.
- (28) Efficient and effective implementation of actions supported by the ESF+ depends on good governance and partnership between all actors at the relevant territorial levels and the socio-economic actors, in particular the social partners and civil society organisations. It is therefore essential that Member States allocate an appropriate amount of their resources of the ESF+ strand under shared management to ensure meaningful participation of the social partners and civil society organisations in the implementation of the ESF+ strand under shared management. That participation should include relevant bodies representing civil society, such as environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, fundamental rights, the rights of persons with disabilities, gender equality and non-discrimination. Member States with a country-specific recommendation on capacity building of the social partners or civil society organisations should allocate at least 0,25 % of their resources of the ESF+ strand under shared management for that purpose due to the specific needs they have in that area.

⁽²⁴⁾ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

⁽²⁵⁾ OJ C 241, 29.8.1994, p. 9.

- (29) With a view to rendering policies more responsive to social change as well as to encouraging and supporting innovative solutions, support for social innovation is crucial. In particular, testing and evaluating innovative solutions before scaling them up is instrumental in improving the efficiency of the policies and thus specific support from the ESF+ is justified. Social economy enterprises could play a key role in delivering on social innovation and contributing to economic and social resilience. The definition of a social economy enterprise should be in line with the definitions provided in national law and the Council conclusions of 7 December 2015 on the promotion of the social economy as a key driver of economic and social development in Europe. Moreover, with a view to enhancing mutual learning and exchange of knowledge and practices, Member States should be encouraged to continue their transnational cooperation actions under shared management in the areas of employment, education and training, and social inclusion in line with the specific objectives of the ESF+.
- (30) Member States and the Commission should ensure that the ESF+ contributes to the promotion of equality between women and men in accordance with Article 8 TFEU to foster equality of treatment and opportunities between women and men in all areas, including participation in the labour market, terms and conditions of employment and career progression. They should also ensure that the ESF+ promotes equal opportunities for all, without discrimination in accordance with Article 10 TFEU, promotes the inclusion in society of persons with disabilities on equal basis with others and contributes to the implementation of the UN Convention on the Rights of Persons with Disabilities adopted on 13 December 2006 in New York. The ESF+ should contribute to the promotion of accessibility for persons with disabilities with a view to improving integration into employment, education and training, thereby enhancing their inclusion in all spheres of life. The promotion of such accessibility should be taken into account in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of programmes, in a timely and consistent manner while ensuring that specific actions are taken to promote gender equality and equal opportunities. The ESF+ should also promote the transition from residential or institutional care to family- and community-based care, in particular for those who face multiple discrimination. The ESF+ should not support any action that contributes to segregation or to social exclusion. Regulation (EU) 2021/1060 provides that rules on eligibility of expenditure are to be established at national level, with certain exceptions for which it is necessary to lay down specific provisions with regard to the ESF+ strand under shared management.
- (31) All operations should be selected and implemented respecting the Charter of Fundamental Rights of the European Union (the 'Charter'). The Commission should do its utmost to ensure that complaints are assessed in a timely manner, including complaints related to infringements of the Charter, and should inform the complainant of the result of the assessment in line with the Commission communication of 19 January 2017 entitled 'EU law: Better results through better application'.
- (32) In order to reduce the administrative burden for the collection of data, reporting requirements should be kept as simple as possible. Where data are available in registers or equivalent sources, Member States should be able to allow managing authorities to collect data from registers.
- (33) With regard to the processing of personal data within the framework of this Regulation, national data controllers should carry out their tasks for the purposes of this Regulation in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽²⁶⁾. The dignity of and respect for the privacy of end recipients of operations under the specific objective 'addressing material deprivation through food and/or basic material assistance to the most deprived persons, including children, and providing accompanying measures supporting their social inclusion' should be guaranteed. In order to avoid any stigmatisation, the persons receiving food and/or basic material assistance should not be required to identify themselves when receiving the support and when taking part in surveys on the most deprived persons who have benefitted from the ESF+.

⁽²⁶⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

- (34) Social experimentation is a small-scale project testing which allows gathering of evidence on the feasibility of social innovations. It should be possible and encouraged for ideas to be tested at local level and for those ideas that are feasible to be pursued on a wider scale, where appropriate, or transferred to other contexts in different regions or Member States with financial support from the ESF+ or in combination with other sources.
- (35) The ESF+ lays down provisions intended to achieve freedom of movement for workers on a non-discriminatory basis by ensuring close cooperation of the public employment services of Member States, the Commission and the social partners. The European network of employment services should promote better functioning of the labour markets by facilitating the cross-border mobility of workers, in particular through cross-border partnerships, and a greater transparency of information on the labour markets. The scope of the ESF+ should include developing and supporting targeted mobility schemes with a view to filling vacancies where labour market shortcomings have been identified.
- (36) The lack of access to finance of microenterprises, social enterprises and social economy is one of the main obstacles to business creation, especially among people furthest from the labour market. Under the EaSI strand, this Regulation should lay down provisions in order to create a market ecosystem to increase the supply of and access to finance for social enterprises as well as to meet demand from those who need it most, and, in particular, the unemployed, women and vulnerable people who wish to start up or develop a microenterprise. That objective will also be addressed through financial instruments and budgetary guarantees under the social investment and skills policy window of the InvestEU Fund. Social economy enterprises, where they are defined under national law, should be regarded as social enterprises within the context of the EaSI strand, regardless of their legal status, insofar as those enterprises fall within the definition of a social enterprise provided for in this Regulation.
- (37) Social investment market players, including philanthropic actors, could play a key role in achieving several ESF+ objectives, as they offer financing as well as innovative and complementary approaches to combatting social exclusion and poverty, reducing unemployment and contributing to the SDGs. Therefore, philanthropic actors such as foundations and donors should be involved in ESF+ actions, as appropriate and provided that they do not have a political or social agenda that is in conflict with Union ideals, in particular in those actions that aim to develop the social investment market ecosystem.
- (38) Guidance under the EaSI strand is needed with regard to the development of social infrastructures and related services, in particular for social housing, childcare and education, healthcare and long-term care, including facilities to assist transitions from institutional- to family- and community-based care services and taking into account accessibility requirements for persons with disabilities.
- (39) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement, adopted under the UN Framework Convention on Climate Change ⁽²⁷⁾, and the SDGs, this Regulation will contribute to mainstream climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives. Relevant actions will be identified during the preparation and implementation, and reassessed in the context of the mid-term evaluation.
- (40) Pursuant to Council Decision 2013/755/EU ⁽²⁸⁾, persons and entities established in overseas countries and territories are to be eligible for funding subject to the rules and objectives of the EaSI strand and arrangements applicable to the Member State to which the relevant overseas countries and territories are linked.
- (41) Third countries which are members of the European Economic Area may participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area ⁽²⁹⁾, which provides for the implementation of the programmes on the basis of a decision under that agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences.

⁽²⁷⁾ OJ L 282, 19.10.2016, p. 4.

⁽²⁸⁾ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

⁽²⁹⁾ OJ L 1, 3.1.1994, p. 3.

- (42) It is appropriate to lay down indicators for the purposes of reporting under the EaSI strand. Those indicators should be output-based, objective, easy to retrieve, and proportionate to the share of the EaSI strand within the entire ESF+. They should cover the operational objectives and funding activities under the EaSI strand, without requiring the setting of corresponding targets.
- (43) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽³⁰⁾ and Council Regulations (EC, Euratom) No 2988/95 ⁽³¹⁾, (Euratom, EC) No 2185/96 ⁽³²⁾ and (EU) 2017/1939 ⁽³³⁾, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union.

The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council ⁽³⁴⁾. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation, pursuant to Regulation (EU) 2017/1939, the EPPO and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (44) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, prizes, procurement, indirect management, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (45) Since the objectives of this Regulation, namely enhancing the effectiveness of labour markets, promoting equal access to quality employment, improving equal access to, and the quality of, education and training, promoting social inclusion and contributing to the eradication of poverty, as well as the objectives pursued under the EaSI strand cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (46) In order to amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending and supplementing the annexes on the indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽³⁵⁾. In particular,

⁽³⁰⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽³¹⁾ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

⁽³²⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁽³³⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

⁽³⁴⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

⁽³⁵⁾ OJ L 123, 12.5.2016, p. 1.

to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (47) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. The implementing powers relating to the model for the structured survey of end recipients should be exercised in accordance with the advisory procedure referred to in Article 4 of Regulation (EU) No 182/2011 of European Parliament and of the Council ⁽³⁶⁾ given the nature of this model.
- (48) In order to allow for a rapid response to exceptional or unusual circumstances, as referred to in the Stability and Growth Pact, that may arise during the programming period, implementing powers should be conferred on the Commission to adopt temporary measures to facilitate the use of support from the ESF+ in response to such circumstances, with a maximum time limit of 18 months. The Commission should adopt the measures that are most appropriate in light of the exceptional or unusual circumstances that a Member State is facing while preserving the objectives of the ESF+, but this should not include amendments to the thematic concentration requirements. Furthermore, the implementing powers in relation to the temporary measures for the use of support from the ESF+ in response to exceptional or unusual circumstances should be conferred on the Commission without committee procedures, given that the scope of application of those measures is determined by the Stability and Growth Pact and is limited to the measures set out in this Regulation. The Commission should also monitor the implementation and assess the appropriateness of the temporary measures. Where the Commission deems it to be necessary to amend this Regulation due to the exceptional or unusual circumstances, the scope of the amendment should not include the thematic concentration requirements related to youth employment nor support for the most deprived persons due to the fact that young people and the most deprived persons are often most adversely affected by such crisis situations. Therefore it is necessary to ensure that those target groups continue to receive an adequate amount of support.
- (49) In the administration of the ESF+, the Commission should be assisted by a Committee as referred to in Article 163 TFEU (the 'ESF+ Committee'). In order to enable the ESF+ Committee to have all the necessary information at its disposal and obtain a wide range of views of relevant stakeholders, the ESF+ Committee should be able to invite representatives without a voting right provided that the agenda of the meeting requires their participation, including representatives of the European Investment Bank and the European Investment Fund and relevant civil society organisations.
- (50) In order to ensure that the specificities of each ESF+ strand continue to be addressed, the ESF+ Committee should establish working groups for each ESF+ strand. Composition and tasks of those working groups are to be established by the ESF+ Committee. The working groups should have the possibility to invite civil society representatives as well as other stakeholders to their meetings. The tasks of the working groups may include ensuring coordination and cooperation between Member State authorities and the Commission on the implementation of the ESF+, including consultation on the work programme of the EaSI strand, monitoring the implementation of each ESF+ strand, exchanging experience and good practice within and across the ESF+ strands and fostering potential synergies with other Union programmes.
- (51) In order to ensure a greater transparency regarding the implementation of this Regulation, the Commission should establish the necessary links with relevant policy committees active in the social and employment field, such as the Employment Committee, the Social Protection Committee or the Advisory Committee on Safety and Health at Work.
- (52) In accordance with Article 193(2) of the Financial Regulation, a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to the signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not

⁽³⁶⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

eligible, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to Union's interests, it should be possible to provide in the financing decision, during a limited period of time at the beginning of the multiannual financial framework 2021 to 2027, and only in duly justified cases, for eligibility of activities and costs from the beginning of the 2021 financial year, even if they were implemented and incurred before the grant application was submitted.

- (53) Regulation (EU) No 1296/2013 should therefore be repealed.
- (54) In order to ensure continuity in providing support in the relevant policy area and to allow implementation as of the beginning of the multiannual financial framework 2021 to 2027, this Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union* and should apply, with retroactive effect with regard to the EaSI strand, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

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PART I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the European Social Fund Plus (ESF+), which consists of two strands: the strand under shared management (the 'ESF+ strand under shared management') and the Employment and Social Innovation strand (the 'EaSI strand').

This Regulation lays down the objectives of the ESF+, its budget for the period 2021 to 2027, the methods of implementation, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

1. For the purposes of this Regulation, the following definitions apply:
 - (1) 'lifelong learning' means learning in all its forms, namely, formal, non-formal and informal learning, that takes place at all stages in life and results in an improvement or an update in knowledge, skills, competences and attitudes or in participation in society in a personal, civic, cultural, social or employment-related perspective, including the provision of counselling and guidance services, including early childhood education and care, general education, vocational education and training, higher education, adult education, youth work and other learning settings outside formal education and training and it typically promotes cross-sectoral cooperation and flexible learning pathways;
 - (2) 'third-country national' means a person who is not a citizen of the Union, including stateless persons and persons with an undetermined nationality;
 - (3) 'basic material assistance' means goods which fulfil the basic needs of a person for a life with dignity, such as clothing, hygiene goods, including feminine hygiene products, and school material;
 - (4) 'disadvantaged group' means a group of people in vulnerable situations, including people experiencing or at risk of poverty, social exclusion or discrimination in its multiple dimensions;
 - (5) 'key competences' means the knowledge, skills and competences all individuals need, at any stage of their lives, for their personal fulfilment and development, employment, social inclusion and active citizenship, namely, literacy; multilingualism; mathematics, science, technology, arts and engineering; digital skills; media skills; personal, social and learning to learn skills; active citizenship skills; entrepreneurship; cultural and intercultural awareness and expression; and critical thinking;
 - (6) 'most deprived persons' means natural persons, whether individuals, families, households or groups of persons, including children in vulnerable situations and homeless people, whose need for assistance has been established according to the objective criteria which are set by the national competent authorities in consultation with relevant stakeholders while avoiding conflicts of interest, and which may include elements that allow for the targeting of the most deprived persons in certain geographical areas;
 - (7) 'end recipients' means the most deprived persons receiving the support as laid down in Article 4(1), point (m);
 - (8) 'social innovation' means an activity, that is social both as to its ends and its means and in particular an activity which relates to the development and implementation of new ideas concerning products, services, practices and models, that simultaneously meets social needs and creates new social relationships or collaborations between public, civil society or private organisations, thereby benefiting society and boosting its capacity to act;

- (9) 'accompanying measure' means an activity provided in addition to the distribution of food and/or basic material assistance with the aim of addressing social exclusion and contributing to the eradication of poverty, such as referrals to or providing social and health services, including psychological support, or providing relevant information on public services or advice on managing a household budget;
- (10) 'social experimentation' means a policy intervention that aims to provide an innovative response to social needs, implemented on a small scale and in conditions that enable its impact to be measured, prior to being implemented in other contexts including geographical and sectorial ones, or implemented on a larger scale, if the results prove to be positive;
- (11) 'cross-border partnership' means a structure of cooperation between public employment services, the social partners or civil society located in at least two Member States;
- (12) 'microenterprise' means an enterprise with fewer than 10 employees and an annual turnover or balance sheet below EUR 2 000 000;
- (13) 'social enterprise' means an undertaking, regardless of its legal form, including social economy enterprises, or a natural person which:
- (a) in accordance with its articles of association, statutes or with any other legal document that may result in liability under the rules of the Member State where a social enterprise is located, has the achievement of measurable, positive social impacts, which may include environmental impacts, as its primary social objective rather than the generation of profit for other purposes, and which provides services or goods that generate a social return or employs methods of production of goods or services that embody social objectives;
 - (b) uses its profits first and foremost to achieve its primary social objective, and has predefined procedures and rules that ensure that the distribution of profits does not undermine the primary social objective;
 - (c) is managed in an entrepreneurial, participatory, accountable and transparent manner, in particular by involving workers, customers and stakeholders on whom its business activities have an impact;
- (14) 'reference value' means a value which is used to set targets for common and programme specific result indicators and based on existing or previous, similar interventions;
- (15) 'cost of purchasing food and/or basic material assistance' means the actual costs which are linked to the purchase of food and/or basic material assistance by the beneficiary and are not limited to the price of the food and/or basic material assistance;
- (16) 'microfinance' includes guarantees, microcredit, equity and quasi-equity, coupled with accompanying business development services such as those provided in the form of individual counselling, training and mentoring, extended to persons and microenterprises that experience difficulties accessing credit for the purpose of professional and revenue-generating activities;
- (17) 'blending operation' means an action supported by the Union budget, including within a blending facility or platform as defined in Article 2, point (6), of the Financial Regulation, combining non-repayable forms of support or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;
- (18) 'legal entity' means a natural person, or a legal person created and recognised as such under Union, national, or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article 197(2), point (c), of the Financial Regulation;
- (19) 'common immediate result indicator' means a common result indicator which captures effects within four weeks from the day on which the participant has left the operation;
- (20) 'common longer-term result indicator' means a common result indicator which captures effects six months after the participant has left the operation.

2. The definitions set out in Article 2 of Regulation (EU) 2021/1060 also apply to the ESF+ strand under shared management.

*Article 3***General objectives of the ESF+ and methods of implementation**

1. The ESF+ aims to support Member States and regions to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work, as well as inclusive and cohesive societies aiming to eradicating poverty and delivering on the principles set out in the European Pillar of Social Rights.
2. The ESF+ shall support, complement and add value to the policies of Member States to ensure equal opportunities, equal access to the labour market, fair and quality working conditions, social protection and inclusion, in particular focussing on quality and inclusive education and training, lifelong learning, investment in children and young people and access to basic services.
3. The ESF+ shall be implemented:
 - (a) under shared management, for the part of the assistance which corresponds to the specific objectives set out in Article 4(1) (ESF+ strand under shared management); and
 - (b) under direct and indirect management, for the part of the assistance which corresponds to the objectives set out in Article 4(1) and Article 25 (EaSI strand).

*Article 4***Specific objectives of the ESF+**

1. The ESF+ shall support the following specific objectives in the policy areas of employment and labour mobility, education, social inclusion, including contributing to poverty eradication, and thereby also contributing to the policy objective 'a more social and inclusive Europe implementing the European Pillar of Social Rights' referred to in Article 5, point (d), of Regulation (EU) 2021/1060:
 - (a) improving access to employment and activation measures for all jobseekers, in particular young people, especially through the implementation of the Youth Guarantee, for long-term unemployed and disadvantaged groups on the labour market, and for inactive people, as well as through the promotion of self-employment and the social economy;
 - (b) modernising labour market institutions and services to assess and anticipate skills needs and ensure timely and tailor-made assistance and support for labour market matching, transitions and mobility;
 - (c) promoting a gender-balanced labour market participation, equal working conditions, and a better work-life balance including through access to affordable childcare, and care for dependent persons;
 - (d) promoting the adaptation of workers, enterprises and entrepreneurs to change, active and healthy ageing and a healthy and well-adapted working environment that addresses health risks;
 - (e) improving the quality, inclusiveness, effectiveness and labour market relevance of education and training systems including through validation of non-formal and informal learning, to support acquisition of key competences including entrepreneurial and digital skills, and by promoting the introduction of dual-training systems and apprenticeships;
 - (f) promoting equal access to and completion of quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, to tertiary level, as well as adult education and learning, including facilitating learning mobility for all and accessibility for persons with disabilities;
 - (g) promoting lifelong learning, in particular flexible upskilling and reskilling opportunities for all taking into account entrepreneurial and digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility;
 - (h) fostering active inclusion with a view to promoting equal opportunities, non-discrimination and active participation, and improving employability, in particular for disadvantaged groups;

- (i) promoting socio-economic integration of third-country nationals, including migrants;
- (j) promoting the socio-economic integration of marginalised communities, such as Roma people;
- (k) enhancing equal and timely access to quality, sustainable and affordable services, including services that promote the access to housing and person-centred care including healthcare; modernising social protection systems, including promoting access to social protection, with a particular focus on children and disadvantaged groups; improving accessibility including for persons with disabilities, effectiveness and resilience of healthcare systems and long-term care services;
- (l) promoting social integration of people at risk of poverty or social exclusion, including the most deprived persons and children;
- (m) addressing material deprivation through food and/or basic material assistance to the most deprived persons, including children, and providing accompanying measures supporting their social inclusion.

2. Through the actions implemented under the ESF+ strand under shared management to achieve the specific objectives referred to in paragraph 1 of this Article, the ESF+ shall aim to contribute to the other policy objectives listed in Article 5 of Regulation (EU) 2021/1060, in particular the objectives related to:

- (a) a smarter Europe through the development of skills for smart specialisation, skills for key enabling technologies, industrial transition, sectorial cooperation on skills and entrepreneurship, the training of researchers, networking activities and partnerships between higher education institutions, vocational and educational training institutions, research and technological centres and enterprises and clusters, and support for micro, small and medium-sized enterprises and the social economy;
- (b) a greener, low carbon Europe through the improvement of education and training systems necessary for the adaptation of skills and qualifications, the upskilling of all, including the labour force, the creation of new jobs in sectors related to the environment, climate, energy, the circular economy and the bioeconomy.

3. Where strictly necessary as a temporary measure to respond to exceptional or unusual circumstances as referred to in Article 20 of Regulation (EU) 2021/1060, and limited to a period of 18 months, the ESF+ may support:

- (a) the financing of short-time work schemes without the requirement that they be combined with active measures;
- (b) access to healthcare including for people who are not in imminent socio-economic vulnerability.

4. Where, upon a request submitted by the Member States concerned, the Commission finds that the conditions laid down in paragraph 3 are fulfilled, it shall adopt an implementing decision specifying the period during which the temporary additional support from the ESF+ is authorised.

5. The Commission shall monitor the implementation of paragraph 3 of this Article and assess whether the temporary additional support from ESF+ is sufficient to facilitate the use of support from the ESF+ in response to the exceptional or unusual circumstances. On the basis of its assessment, the Commission shall, where appropriate, make proposals for amendments to this Regulation, including on the thematic concentration requirements set out in Article 7, except the thematic concentration requirement as specified in Article 7(5) and (6).

Article 5

Budget

1. The financial envelope for the implementation of the ESF+ for the period 2021 to 2027 shall be EUR 87 995 063 417, in 2018 prices.

2. The part of the financial envelope for the implementation of the ESF+ strand under shared management to contribute to the investment for jobs and growth goal in Member States and regions as referred to Article 5(2), point (a), of Regulation (EU) 2021/1060 shall be EUR 87 319 331 844, in 2018 prices, of which EUR 175 000 000 shall be allocated for transnational cooperation to accelerate the transfer, and facilitate the scaling up, of innovative solutions as referred to in Article 25, point (i), of this Regulation and EUR 472 980 447, in 2018 prices, as additional funding to the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 on special provisions for Objective 6 in the framework of the Structural Funds in Finland, Norway and Sweden annexed to the 1994 Act of Accession (Protocol No 6).

3. The part of the financial envelope for the implementation of the EaSI strand for the period 2021 to 2027 shall be EUR 675 731 573, in 2018 prices.

4. The amount referred to in paragraph 3 may also be used for technical and administrative assistance for the implementation of the EaSI strand, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.

Article 6

Gender equality, equal opportunities and non-discrimination

Member States and the Commission shall support specific targeted actions to promote the horizontal principles referred to in Article 9(2) and (3) of Regulation (EU) 2021/1060 and Article 28 of this Regulation that fall within any of the objectives of the ESF+. Those actions may include actions for ensuring accessibility for persons with disabilities, including in terms of information and communication technologies, and promoting the transition from residential or institutional care to family and community-based care.

Through the ESF+, Member States and the Commission shall aim to increase the participation of women in employment as well as conciliation between working and personal life, combat the feminisation of poverty and gender discrimination in the labour market and in education and training.

PART II

IMPLEMENTATION UNDER SHARED MANAGEMENT

CHAPTER I

Common provisions on programming

Article 7

Consistency and thematic concentration

1. Member States shall programme their resources of the ESF+ strand under shared management by prioritising interventions that address the challenges identified in the European Semester, including in their national reform programmes as well as in the relevant country-specific recommendations adopted in accordance with Article 121(2) and Article 148(4) TFEU, and take into account the principles and rights set out in the European Pillar of Social Rights and the national and regional strategies relevant for ESF+ objectives, thereby contributing to the goals set out in Article 174 TFEU.

Member States and, where appropriate, the Commission shall foster synergies and ensure coordination, complementarity and coherence between the ESF+ and other Union funds, programmes and instruments, both in the planning phase and during implementation. Member States and, where appropriate, the Commission shall optimise mechanisms for coordination to avoid duplication of efforts and ensure close cooperation between entities responsible for implementation to deliver coherent and streamlined support actions.

2. Member States shall allocate an appropriate amount of their resources of the ESF+ strand under shared management to address challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) and Article 148(4) TFEU and in the European Semester falling within the scope of the specific objectives of the ESF+ set out in Article 4(1) of this Regulation.

3. Member States shall allocate an appropriate amount of their resources of the ESF+ strand under shared management for the implementation of the Child Guarantee through targeted actions and structural reforms to tackle child poverty under the specific objectives set out in Article 4(1), points (f) and (h) to (l).

Member States that had an average rate above the Union average of children of less than 18 years old at risk of poverty or social exclusion for the period between 2017 and 2019, on the basis of Eurostat data, shall allocate at least 5 % of their resources of the ESF+ strand under shared management to support targeted actions and structural reforms to tackle child poverty as set out in the first subparagraph.

4. Member States shall allocate at least 25 % of their resources of the ESF+ strand under shared management to the specific objectives for the social inclusion policy area set out in Article 4(1), points (h) to (l), including the promotion of the socio-economic integration of third-country nationals.

5. Member States shall allocate at least 3 % of their resources of the ESF+ strand under shared management to support the most deprived persons under the specific objective set out in Article 4(1), point (m), or, in duly justified cases, either the specific objective set out in Article 4(1), point (l), or both of those specific objectives.

The resources shall not be taken into account for verifying compliance with the minimum allocations set out in paragraphs 3 and 4.

6. Member States shall allocate an appropriate amount of their resources of the ESF+ strand under shared management to targeted actions and structural reforms to support youth employment, vocational education and training, in particular apprenticeships, and the transition from school to work, pathways to reintegrate into education or training and second chance education, in particular in the context of implementing schemes under the Youth Guarantee.

Member States that had an average rate above the Union average of young people of 15 to 29 years of age who are not in employment, education or training for the period between 2017 and 2019, on the basis of Eurostat data, shall allocate at least 12,5 % of their resources of the ESF+ strand under shared management for the years 2021 to 2027 to support the targeted actions and structural reforms as set out in the first subparagraph.

Outermost regions fulfilling the conditions set out in the second subparagraph shall allocate at least 12,5 % of their resources of the ESF+ strand under shared management in their programmes to the targeted actions and structural reforms as set out in the first subparagraph. This allocation shall be taken into account for verifying compliance with the minimum percentage at national level set out in the second subparagraph when applicable.

When implementing targeted actions and structural reforms referred to in this paragraph, Member States shall give priority to inactive and long-term unemployed young people and put in place targeted outreach measures.

7. Paragraphs 2 to 6 of this Article shall not apply to the specific additional allocation received by the outermost regions and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6.

8. Paragraphs 1 to 6 shall not apply to technical assistance.

Article 8

Respect for the Charter

1. All operations shall be selected and implemented while respecting the Charter of Fundamental Rights of the European Union (the 'Charter') and in accordance with the relevant provisions of Regulation (EU) 2021/1060.

2. In accordance with Article 69(7) of Regulation (EU) 2021/1060, Member States shall ensure the effective examination of complaints. This is without prejudice to the general possibility of citizens and stakeholders to address complaints to the Commission, including with regard to infringements of the Charter.

3. Where the Commission finds that there has been an infringement of the Charter, the Commission shall take into account the gravity of the infringement in its determination of the corrective measures to be applied in line with the relevant provisions of Regulation (EU) 2021/1060.

Article 9

Partnership

1. Member States shall ensure meaningful participation of the social partners and civil society organisations in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management.

2. Member States shall allocate an appropriate amount of their resources of the ESF+ strand under shared management in each programme to capacity building of the social partners and civil society organisations, including in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners.

Where capacity building of the social partners and civil society organisations is identified by a relevant country-specific recommendation adopted in accordance with Article 121(2) and Article 148(4) TFEU, the Member State concerned shall allocate an appropriate amount of at least 0,25 % of its resources of the ESF+ strand under shared management for that purpose.

Article 10

Support for the most deprived persons

The resources referred to in Article 7(5) under specific objectives set out in Article 4(1), points (l) and (m), shall be programmed under a dedicated priority or programme. The co-financing rate for that priority or programme shall be 90 %.

Article 11

Support for youth employment

Support in accordance with the second and third subparagraphs of Article 7(6) shall be programmed under a dedicated priority or programme and it shall at least include support contributing to the specific objective set out in Article 4(1), point (a), and may include support contributing to the specific objectives set out in Article 4(1), points (f) and (l).

Article 12

Support for relevant country-specific recommendations

The actions addressing the challenges identified in relevant country-specific recommendations and in the European Semester as referred to in Article 7(2) shall be programmed under any of the specific objectives set out in Article 4(1) to support the implementation of the European Pillar of Social Rights and under one or more priorities, which can be a multi-fund priority.

CHAPTER II

General support from the ESF+ strand under shared management

Article 13

Scope

This Chapter applies to support from the ESF+ strand under shared management contributing to specific objectives set out in Article 4(1), points (a) to (l) (general support from the ESF+ strand under shared management).

Article 14

Social innovative actions

1. Member States shall support actions of social innovation and social experimentation, including actions with a socio-cultural component or strengthening bottom-up approaches based on partnerships involving public authorities, the social partners, social enterprises, the private sector and civil society.
2. Member States may support the scaling up of innovative approaches tested on a small scale and developed under the EaSI strand and other Union programmes.
3. Innovative actions and approaches may be programmed under any of the specific objectives set out in Article 4(1), points (a) to (l).
4. Member States shall dedicate at least one priority to the implementation of paragraph 1 or 2, or both. The maximum co-financing rate for such priorities may be increased to 95 % for a maximum of 5 % of the national resources under the ESF+ strand under shared management.
5. Member States shall identify, either in their programmes or at a later stage during implementation, fields for social innovation and social experimentation that correspond to specific needs of Member States.
6. The Commission shall facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating and promoting good practices and methodologies.

Article 15

Transnational cooperation

Member States may support transnational cooperation actions under any of the specific objectives set out in Article 4(1), points (a) to (l).

Article 16

Eligibility

1. In addition to the non-eligible costs referred to in Article 64 of Regulation (EU) 2021/1060, the following costs shall not be eligible for general support from the ESF+ strand under shared management:
 - (a) the purchase of land and real estate as well as infrastructure; and
 - (b) the purchase of furniture, equipment and vehicles, except where such purchase is necessary for achieving the objective of the operation, or those items are fully depreciated during the operation, or the purchase of those items is the most economic option.

2. Contributions in kind in the form of allowances or salaries disbursed by a third party for the benefit of the participants in an operation may be eligible for a contribution from general support from the ESF+ strand under shared management provided that the contributions in kind are incurred in accordance with national rules, including accountancy rules, and do not exceed the cost borne by the third party.
3. The specific additional allocation received by the outermost regions and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 shall be used to support the achievement of the specific objectives set out in Article 4(1).
4. Direct staff costs shall be eligible for a contribution from general support from the ESF+ strand under shared management if they are in line with the beneficiary's usual remuneration practice for the category of function concerned or in line with applicable national law, collective agreements or official statistics.

Article 17

Indicators and reporting

1. Programmes benefitting from general support from the ESF+ strand under shared management shall use common output and result indicators, as set out in Annex I to monitor progress in implementation. The programmes may also use programme-specific indicators.
2. Where a Member State allocates its resources to the specific objective set out in Article 4(1), point (l), to target the most deprived persons, in line with the first subparagraph of Article 7(5), the common indicators as set out in Annex II shall apply.
3. The baseline for common and programme-specific output indicators shall be set at zero. Where relevant to the nature of the operations supported, cumulative quantified milestones and target values of those indicators shall be set in absolute numbers. The reported values of the output indicators shall be expressed in absolute numbers.
4. The reference value of common and programme-specific result indicators for which a target value for 2029 have been set, shall be fixed using the latest available data or other relevant sources of information. Targets for common result indicators shall be fixed in absolute numbers or as a percentage. Programme-specific result indicators and related targets may be expressed in quantitative or qualitative terms. The reported values of common result indicators shall be expressed in absolute numbers.
5. Data on the indicators for participants shall only be transmitted when all data required under point 1.1 of Annex I relating to that participant are available.
6. Where data are available in registers or equivalent sources, Member States may enable the managing authorities and other bodies entrusted with data collection necessary for the monitoring and the evaluation of general support from the ESF+ strand under shared management to obtain data from those registers or equivalent sources, in accordance with Article 6(1), points (c) and (e), of Regulation (EU) 2016/679.
7. The Commission is empowered to adopt delegated acts in accordance with Article 37 to amend the indicators in Annexes I and II where considered necessary to ensure effective assessment of progress in the implementation of programmes. Such amendments shall be proportionate, taking into account the administrative burden borne by Member States and beneficiaries. Delegated acts in accordance with this paragraph shall not change the methodology for data collection as laid down in Annexes I and II.

CHAPTER III

ESF+ support for addressing material deprivation

Article 18

Scope

This Chapter applies to ESF+ support contributing to the specific objective set out in Article 4(1), point (m).

Article 19

Principles

1. The ESF+ support for addressing material deprivation shall be used only to support the distribution of food and goods that are in conformity with the Union law on consumer product safety.
2. Member States and beneficiaries shall choose the food and/or the basic material assistance on the basis of objective criteria related to the needs of the most deprived persons. The selection criteria for the food, and where appropriate for goods, shall also take into consideration climate-related and environmental aspects, in particular with a view to reduction of food waste and single-use plastics. Where appropriate, the choice of the type of food to be distributed shall be made having considered their contribution to the balanced diet of the most deprived persons.

The food and/or basic material assistance may be provided directly to the most deprived persons or indirectly, for example, through vouchers or cards, in electronic or other form, provided that they can be redeemed only against food and/or basic material assistance. Support for the most deprived persons shall be additional to any social benefit that may be provided to end recipients by national social systems or according to national law.

The food provided for the most deprived persons may be obtained from the use, processing or sale of the products disposed of in accordance with Article 16(2) of Regulation (EU) No 1308/2013 of the European Parliament and of the Council ⁽³⁷⁾, provided that this is economically the most favourable option and does not unduly delay the delivery of food to the most deprived persons.

Any amount derived from such a transaction shall be used for the benefit of the most deprived persons, in addition to the amounts already available to the programme.

3. The Commission and Member States shall ensure that aid provided in the framework of the ESF+ support for addressing material deprivation respects the dignity and prevents stigmatisation of the most deprived persons.
4. Member States shall complement the delivery of food and/or basic material assistance by accompanying measures, such as referrals to competent services, under the specific objective set out in Article 4(1), point (m), or by promoting the social integration of the most deprived persons under the specific objective set out in Article 4(1), point (l).

Article 20

Content of the priority

1. A priority concerning support contributing to the specific objective set out in Article 4(1), point (m), shall set out:
 - (a) the type of support;

⁽³⁷⁾ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

- (b) the main target groups; and
- (c) a description of the national or regional schemes of support.

2. In the case of programmes limited to support as referred to in paragraph 1 and the related technical assistance, the priority shall also include the criteria for the selection of operations.

Article 21

Eligibility of operations

1. The food and/or basic material assistance provided to the most deprived persons may be purchased by or on behalf of the beneficiary or made available free of charge to the beneficiary.
2. The food and/or basic material assistance shall be distributed free of charge to the most deprived persons.

Article 22

Eligibility of expenditure

1. The eligible costs of the ESF+ support for addressing material deprivation shall be:
 - (a) the cost of purchasing food and/or basic material assistance, including costs related to transporting food and/or basic material assistance to the beneficiaries delivering the food and/or basic material assistance to the end recipients;
 - (b) where the transport of the food and/or basic material assistance to the beneficiaries distributing them to the end recipients is not covered by point (a), the costs borne by the purchasing body related to transporting food and/or basic material assistance to the storage depots or the beneficiaries and storage costs at a flat-rate of 1 % of the costs referred to in point (a) or, in duly justified cases, costs actually incurred and paid;
 - (c) the administrative, transport, storage and preparation costs borne by the beneficiaries involved in the distribution of the food and/or basic material assistance to the most deprived persons at a flat-rate of 7 % of the costs referred to in point (a) or 7 % of the costs of the value of the food disposed of in accordance with Article 16 of Regulation (EU) No 1308/2013;
 - (d) the cost of collection, transport, storage and distribution of food donations and directly related awareness raising activities; and
 - (e) the costs of accompanying measures undertaken by or on behalf of beneficiaries and declared by the beneficiaries delivering the food and/or basic material assistance to the most deprived persons at a flat-rate of 7 % of the costs referred to in point (a).
2. Costs for the preparation of voucher or card schemes in electronic or other form, and corresponding operating costs are eligible under technical assistance provided they are borne by the managing authority or another public body which is not a beneficiary that distributes the vouchers or cards to end recipients, or provided they are not covered by the costs set out in of paragraph 1, point (c).
3. A reduction of the eligible costs referred to in paragraph 1, point (a) because the body responsible for the purchase of food and/or basic material assistance did not comply with the applicable law, shall not lead to a reduction of the eligible costs set out in points (c) and (e) of that paragraph.
4. The following costs shall not be eligible:
 - (a) interest on debt;
 - (b) purchase of infrastructure; and
 - (c) costs of second-hand goods.

*Article 23***Indicators and reporting**

1. Priorities addressing material deprivation shall use common output and result indicators, as set out in Annex III to monitor progress in implementation. Those priorities may also use programme-specific indicators.
2. The reference values of common and programme-specific result indicators shall be established.
3. Managing authorities shall report twice to the Commission the results of a structured survey of the end recipients regarding the support received from the ESF+ and also focusing on their living conditions and the nature of their material deprivation, carried out during the previous year. That survey shall be based on the model which shall be established by the Commission by means of an implementing act. The first such reporting shall take place by 30 June 2025 and the second by 30 June 2028.
4. The Commission shall adopt an implementing act establishing the model to be used for the structured survey of end recipients in accordance with the advisory procedure referred to in Article 38(2) in order to ensure uniform conditions for the implementation of this Article.
5. The Commission is empowered to adopt delegated acts in accordance with Article 37 to amend the indicators in Annex III where considered to be necessary to ensure effective assessment of progress in the implementation of programmes. Such amendments shall be proportionate taking into account the administrative burden borne by Member States and beneficiaries. Delegated acts in accordance with this paragraph shall not change the methodology for data collection as laid down in Annex III.

*Article 24***Audit**

Audit of operations may cover all stages of their implementation and all levels of the distribution chain, with the sole exception of control of the end recipients, unless a risk assessment establishes a specific risk of irregularity or fraud.

PART III

IMPLEMENTATION UNDER DIRECT AND INDIRECT MANAGEMENT

CHAPTER I

Operational objectives*Article 25***Operational objectives**

The EaSI strand shall have the following operational objectives:

- (a) to develop high-quality comparative analytical knowledge in order to ensure that policies to achieve the specific objectives set out in Article 4(1) are based on sound evidence and are relevant to needs, challenges and local conditions;
- (b) to facilitate effective and inclusive information sharing, mutual learning, peer reviews and dialogue on policies in the policy areas set out in Article 4(1) in order to assist the design of appropriate policy measures;

- (c) to support social experimentation in the policy areas set out in Article 4(1) and build up the stakeholders' capacity at national and local levels to prepare, design and implement, transfer or scale up the tested social policy innovations, in particular with regard to the scaling up of projects developed by local stakeholders in the field of the socio-economic integration of third-country nationals;
- (d) to facilitate the voluntary geographical mobility of workers and increase employment opportunities through developing and providing specific support services to employers and jobseekers with a view to the development of integrated European labour markets, ranging from pre-recruitment preparation to post-placement assistance in order to fill vacancies in certain sectors, professions, countries, border regions or for particular groups, such as people in vulnerable situations;
- (e) to support the development of the market ecosystem around the provision of microfinance to microenterprises in start-up and development phases, in particular those that are created by or employ people in vulnerable situations;
- (f) to support networking at Union level and dialogue with and among relevant stakeholders in the policy areas set out in Article 4(1) and contribute to build up the institutional capacity of involved stakeholders, including the public employment services, public social security and health insurance institutions, civil society, microfinance institutions and institutions providing finance to social enterprises and the social economy;
- (g) to support the development of social enterprises and the emergence of a social investment market, facilitating public and private interactions and the participation of foundations and philanthropic actors in that market;
- (h) to provide guidance for the development of social infrastructure needed for the implementation of the European Pillar of Social Rights;
- (i) to support transnational cooperation in order to accelerate the transfer and facilitate the scaling up, of innovative solutions, in particular for the policy areas set out in Article 4(1); and
- (j) to support the implementation of relevant international social and labour standards in the context of harnessing globalisation and the external dimension of Union policies in the policy areas set out in Article 4(1).

CHAPTER II

Eligibility

Article 26

Eligible actions

1. Only actions pursuing the objectives referred to in Article 3(1) and (2), Article 4(1) and Article 25 shall be eligible for funding.
2. The EaSI strand may support the following actions:
 - (a) analytical activities, including in relation to third countries, in particular:
 - (i) surveys, studies, statistical data, methodologies, classifications, micro-simulations, indicators and support for European-level observatories and benchmarks;
 - (ii) social experimentation evaluating social innovations;
 - (iii) monitoring and assessment of the transposition and application of Union law;
 - (b) policy implementation, in particular:
 - (i) cross-border partnerships, in particular between public employment services, the social partners and civil society, and support services in cross-border regions;
 - (ii) a Union-wide labour-targeted mobility scheme at Union level to fill job vacancies where labour market shortcomings have been identified;

- (iii) support for microfinance institutions and institutions providing finance to social enterprises, including through blending operations such as asymmetric risk sharing or the reduction of transaction costs, as well as support for the development of social infrastructure and skills;
 - (iv) support for transnational cooperation and partnership with a view to transferring and scaling up innovative solutions;
- (c) capacity building, in particular of:
- (i) networks at Union level related to the policy areas set out in Article 4(1);
 - (ii) national contact points providing guidance, information and assistance related to the implementation of the EaSI strand;
 - (iii) the administrations, social security institutions and employment services responsible for promoting labour mobility, of microfinance institutions and institutions providing finance to social enterprises or other social investment actors, as well as networking, in Member States or third countries associated to the EaSI strand pursuant to Article 29;
 - (iv) stakeholders, including the social partners and civil society organisations, in view of transnational cooperation;
- (d) communication and dissemination activities, in particular:
- (i) mutual learning through exchange of good practices, innovative approaches, results of analytical activities, peer reviews, and benchmarking;
 - (ii) guides, reports, informative material and media coverage of initiatives related to the policy areas set out in Article 4(1);
 - (iii) information systems disseminating evidence related to the policy areas set out in Article 4(1);
 - (iv) events of the Presidency of the Council and conferences, seminars and awareness-raising activities.

Article 27

Eligible entities

1. Subject to the criteria set out in Article 197 of the Financial Regulation, the following entities shall be eligible:
 - (a) legal entities established in any of the following countries or territories:
 - (i) a Member State or an overseas country or territory linked to it;
 - (ii) a third country which is associated to the EaSI strand pursuant to Article 29;
 - (iii) a third country listed in the work programme, subject to conditions specified in paragraphs 2 and 3 of this Article;
 - (b) any legal entity established under Union law or any international organisation.
2. Legal entities established in a third country which is not associated to the EaSI strand pursuant to Article 29 shall be exceptionally eligible to participate where necessary for the achievement of the objectives of a given action.
3. Legal entities established in a third country which is not associated to the EaSI strand pursuant to Article 29 shall, in principle, bear the cost of their participation.

Article 28

Horizontal principles

1. The Commission shall ensure that gender equality, gender mainstreaming and the integration of gender perspective are taken into account and promoted throughout the preparation, implementation, monitoring, reporting, and evaluation of the operations supported from the EaSI strand.

2. The Commission shall take appropriate steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting, and evaluation of the operations supported from the EaSI strand. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of the EaSI strand.

Article 29

Participation of third countries

The EaSI strand shall be open to the participation of the following third countries by means of an agreement with the Union:

- (a) members of the European Free Trade Association which are members of the European Economic Area, in accordance with the conditions laid down in the Agreement on the European Economic Area;
- (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (c) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country in the EaSI strand, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes or strands of programmes, and their administrative costs;
 - (iii) does not confer to the third country a decisional power on the EaSI strand;
 - (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in this Article, first paragraph, point (c)(ii), shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

CHAPTER III

General provisions

Article 30

Forms of Union funding and methods of implementation

1. The EaSI strand may provide funding in any of the forms laid down in the Financial Regulation for financial contributions, in particular grants, prizes, procurement and voluntary payments to international organisations of which the Union is a member or in whose work it participates.

2. The EaSI strand shall be implemented directly as provided for in Article 62(1), first subparagraph, point (a), of the Financial Regulation or indirectly with bodies referred to in Article 62(1), first subparagraph, point (c), of that Regulation.

When awarding grants, the evaluation committee referred to in Article 150 of the Financial Regulation may be composed of external experts.

3. Blending operations under the EaSI strand shall be implemented in accordance with Regulation (EU) 2021/523 and Title X of the Financial Regulation.

*Article 31***Work programme**

1. The EaSI strand shall be implemented on the basis of work programmes referred to in Article 110 of Financial Regulation. The content of those work programmes shall be established in line with the operational objectives set out in Article 25 of this Regulation and with the eligible actions set out in Article 26 of this Regulation. Work programmes shall set out, where applicable, the overall amount reserved for blending operations.
2. The Commission shall gather expertise on the preparation of the work programmes by consulting the working group referred to in Article 39(8).
3. The Commission shall foster synergies and ensure effective coordination between ESF+ and other relevant Union instruments as well as between the ESF+ strands.

*Article 32***Monitoring and reporting**

Indicators to report on the progress of the EaSI strand towards the achievement of the specific objectives set out in Article 4(1) and the operational objectives set out in Article 25 are set out in Annex IV.

The performance reporting system shall ensure that data for monitoring the implementation and results of the EaSI strand are collected efficiently, effectively and in a timely manner.

To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.

*Article 33***Protection of the financial interests of the Union**

Where a third country participates in the EaSI strand by means of a decision adopted pursuant to an international agreement, or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

*Article 34***Evaluation**

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. By 31 December 2024, the Commission shall carry out a mid-term evaluation of the EaSI strand, on the basis of sufficient information available about its implementation.

The Commission shall assess the performance of the programme pursuant to Article 34 of the Financial Regulation, and in particular its effectiveness, efficiency, coherence, relevance and Union added value, including vis-à-vis the horizontal principles referred to in Article 28 of this Regulation, and measure, on a qualitative and quantitative basis, progress made in meeting the objectives of the EaSI strand.

The mid-term evaluation shall be based on the information generated by the monitoring arrangements and indicators established pursuant to Article 32, with a view to making any adjustments needed to the policy and funding priorities.

3. By 31 December 2031, at the end of the implementation period a final evaluation of the EaSI strand shall be carried out by the Commission.

4. The Commission shall submit the conclusions of the mid-term and final evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 35

Audits

Audits on the use of the Union contribution carried out by persons or entities, including by other than those mandated by the Union institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Article 36

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

2. The Commission shall implement information and communication actions relating to the EaSI strand, to actions taken pursuant to the EaSI strand and to the results obtained.

Financial resources allocated to the EaSI strand shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 3(1) and (2), Article 4(1) and Article 25.

PART IV

FINAL PROVISIONS

Article 37

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 17(7) and Article 23(5) shall be conferred on the Commission for an indeterminate period of time from 1 July 2021.

3. The delegation of power referred to in Article 17(7) and Article 23(5) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 17(7) or Article 23(5) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

*Article 38***Committee procedure for the ESF+ strand under shared management**

1. The Commission shall be assisted by the committee referred to in Article 115(1) of Regulation (EU) 2021/1060. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

*Article 39***Committee set up under Article 163 TFEU**

1. The Commission shall be assisted by the Committee set up under Article 163 TFEU (the 'ESF+ Committee').
2. Each Member State shall appoint one government representative, one representative of the workers' organisations, one representative of the employers' organisations and one alternate for each member for a maximum period of seven years. In the absence of a member, the alternate shall be automatically entitled to take part in the proceedings.
3. The ESF+ Committee shall include one representative from each of the organisations representing workers' organisations and employers' organisations at Union level.
4. The ESF+ Committee, including its working groups referred to in paragraph 7, may invite non-voting representatives of stakeholders to attend its meetings. This may include representatives of the European Investment Bank and the European Investment Fund as well as relevant civil society organisations.
5. The ESF+ Committee shall be consulted on the planned use of technical assistance referred to in Article 35 of Regulation (EU) 2021/1060 in the case of support from the ESF+ strand under shared management, as well as on other issues having an impact on the implementation of strategies at Union level relevant to the ESF+.
6. The ESF+ Committee may deliver opinions on:
 - (a) questions related to the ESF+ contribution to the implementation of the European Pillar of Social Rights, including country-specific recommendations and European Semester-related priorities, such as national reform programmes;
 - (b) issues concerning Regulation (EU) 2021/1060 relevant for the ESF+;
 - (c) questions related to the ESF+ referred to it by the Commission other than those referred to in paragraph 5.

The opinions of the ESF+ Committee shall be adopted by an absolute majority of the votes validly cast, and shall be communicated to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, for information. The Commission shall inform the ESF+ Committee in writing of the manner in which it has taken account of its opinions.

7. The ESF+ Committee shall set up working groups for each ESF+ strand.
8. The Commission shall consult the working group dealing with the EaSI strand on the work programme. It shall inform that working group of the manner in which it has taken account of the results of that consultation. That working group shall ensure that a consultation of the work programme with stakeholders, including with representatives of civil society, takes place.

*Article 40***Transitional provisions for the ESF+ strand under shared management**

Regulation (EU) No 1304/2013, Regulation (EU) No 223/2014 or any act adopted under those Regulations shall continue to apply to programmes and operations supported under those Regulations during the 2014 to 2020 programming period.

*Article 41***Transitional provisions for the EaSI strand**

1. Regulation (EU) No 1296/2013 is repealed with effect from 1 January 2021. Any references to Regulation (EU) No 1296/2013 shall be construed as references to this Regulation.
2. The financial envelope for the implementation of the EaSI strand may also cover technical and administrative assistance expenses necessary to ensure the transition between the ESF+ and the measures adopted pursuant to Regulation (EU) No 1296/2013.
3. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses provided for in Article 5(4), to enable the management of actions not completed by 31 December 2027.
4. Repayments from financial instruments established by Regulation (EU) No 1296/2013 shall be invested in the financial instruments of the social investment and skills policy window referred to in Article 8(1), point (d), of Regulation (EU) 2021/523.
5. In accordance with Article 193(2), second subparagraph, point (a), of the Financial Regulation, in duly justified cases specified in the financing decision and for a limited period, activities supported under this Regulation and the underlying costs may be considered eligible as of 1 January 2021, even if they were implemented and incurred before the grant application was submitted.

*Article 42***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021 with regard to the EaSI strand.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 June 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

COMMON INDICATORS FOR GENERAL SUPPORT FROM THE ESF+ STRAND UNDER SHARED MANAGEMENT

Personal data are to be broken down by gender (women, men, non-binary persons ⁽¹⁾).

If certain results are not possible, data for those results do not have to be collected or reported.

Where appropriate, common output indicators can be reported based on the target group of the operation.

1. Common output indicators related to operations targeting people

1.1. Common output indicators for participants are:

- unemployed, including long-term unemployed (*),
- long-term unemployed (*),
- inactive (*),
- employed, including self-employed (*),
- number of children below 18 years of age (*),
- young people between 18 and 29 years of age (*),
- number of participants of 55 years of age and above (*),
- with lower secondary education or less (ISCED 0-2) (*),
- with upper secondary (ISCED 3) or post-secondary education (ISCED 4) (*),
- with tertiary education (ISCED 5 to 8) (*),
- total number of participants ⁽²⁾.

Indicators listed under this point do not apply to ESF+ support contributing to the specific objective set out in Article 4(1), point (l), except the following indicators: 'number of children below 18 years of age', 'young people between 18 and 29 years of age', 'number of participants of 55 years of age and above' and 'total number of participants'.

Where data are collected from registers or equivalent sources, Member States may use national definitions.

1.2. Other common output indicators for participants are:

- participants with disabilities (**),
- third-country nationals (*),
- participants with a foreign background (*),
- minorities (including marginalised communities, such as Roma people) (**),
- homeless or affected by housing exclusion (*),
- participants from rural areas (*) ⁽³⁾.

Data collection is necessary only where applicable and relevant.

Values of the indicators listed under point 1.2 can be determined based on informed estimates provided by the beneficiary.

For indicators listed under point 1.2 Member States may apply national definitions, except for the following indicators: 'third-country nationals' and 'participants from rural areas'.

⁽¹⁾ According to national law.

⁽²⁾ This indicator shall be calculated automatically on the basis of the common output indicators relating to employment status, except for ESF+ support contributing to the specific objective set out in Article 4(1), point (l), in which case the total number of participants is to be reported.

⁽³⁾ This indicator does not apply to ESF+ support contributing to the specific objective set out in Article 4(1), point (l).

2. Common output indicators for entities

Common output indicators for entities are:

- number of supported public administrations or public services at national, regional or local level,
- number of supported micro, small and medium-sized enterprises (including cooperative enterprises and social enterprises).

Where data are collected from registers or equivalent sources, Member States may use national definitions.

3. The common immediate result indicators for participants

The common immediate result indicators for participants are:

- participants engaged in job searching upon leaving (*),
- participants in education or training upon leaving (*),
- participants gaining a qualification upon leaving (*),
- participants in employment, including self-employment, upon leaving (*).

Indicators listed under this point do not apply to ESF+ support contributing to the specific objective set out in Article 4(1), point (l).

Where data are collected from registers or equivalent sources, Member States may use national definitions.

4. Common longer-term result indicators for participants

Common longer-term result indicators for participants are:

- participants in employment, including self-employment, six months after leaving (*),
- participants with an improved labour market situation six months after leaving (*).

Indicators listed under this point do not apply to ESF+ support contributing to the specific objective set out in Article 4(1), point (l).

Where data are collected from registers or equivalent sources, Member States may use national definitions.

Common longer-term result indicators for participants shall be reported by 31 January 2026 in accordance with Article 42(1) of Regulation (EU) 2021/1060 and in the final performance report referred to in Article 43 of that Regulation.

As a minimum requirement, common longer-term indicators for participants shall be based on a representative sample of participants within the specific objectives set out in Article 4(1), points (a) to (k). Internal validity of the sample is to be ensured in such a way that the data can be generalised at the level of the specific objective.

(*) Data reported are personal data according to Article 4(1) of Regulation (EU) 2016/679.

(**) Data reported comprise a special category of personal data as referred to in Article 9 of Regulation (EU) 2016/679.

ANNEX II

COMMON INDICATORS FOR THE ESF+ ACTIONS TARGETING SOCIAL INCLUSION OF THE MOST DEPRIVED PERSONS WITHIN THE SPECIFIC OBJECTIVE SET OUT IN ARTICLE 4(1), POINT (L), IN LINE WITH THE FIRST SUBPARAGRAPH OF ARTICLE 7(5)

Personal data are to be broken down by gender (women, men, non-binary persons ⁽¹⁾).

1. Common output indicators related to operations targeting people

1.1. Common output indicators for participants are:

- total number of participants,
- number of children below 18 years of age (*),
- number of young people between 18 and 29 years of age (*),
- number of participants of 65 years of age and above (*).

Values of the indicators listed under point 1.1 can be determined based on informed estimates provided by the beneficiary.

1.2. Other common output indicators are:

- participants with disabilities (**),
- third-country nationals (*),
- number of participants with a foreign background (*), minorities (including marginalised communities, such as Roma people) (**),
- homeless or affected by housing exclusion (*).

Data collection is necessary only where applicable and relevant.

Values of the indicators listed under point 1.2 can be determined based on informed estimates provided by the beneficiary.

(*) Data reported are personal data according to Article 4(1) of Regulation (EU) 2016/679.

(**) Data reported comprise a special category of personal data as referred to in Article 9 of Regulation (EU) 2016/679.

(1) According to national law.

ANNEX III

COMMON INDICATORS FOR ESF+ SUPPORT FOR ADDRESSING MATERIAL DEPRIVATION

1. Output indicators

1.1. Total monetary value of distributed food and goods:

1.1.1. total value of the food support ⁽¹⁾;

1.1.1.1. total monetary value of food for the homeless;

1.1.1.2. total monetary value of food for other target groups;

1.1.2. total value of goods distributed ⁽²⁾;

1.1.2.1. total monetary value of goods for children;

1.1.2.2. total monetary value of goods for the homeless;

1.1.2.3. total monetary value of goods for other target groups.

1.2. Total quantity of food support distributed (in tonnes) ⁽³⁾:

1.2.1. share of food for which only transport, distribution and storage were paid for by the programme (in %);

1.2.2. proportion of the ESF+ co-financed food in the total volume of food distributed the beneficiaries (in %).

Values of the indicators listed under points 1.2.1 and 1.2.2 shall be determined based on informed estimates provided by the beneficiary.

2. Common result indicators

2.1. Number of the end recipients receiving food support

— number of children below 18 years of age,

— number of young people between 18 and 29 years of age,

— number of women,

— number of end recipients of 65 years of age and above,

— number of end recipients with disabilities (*),

— number of third-country nationals (*),

— number of end recipients with a foreign background and minorities (including marginalised communities such as Roma people) (*),

— number of homeless end recipients or end-recipients affected by housing exclusion (*).

2.2. Number of the end recipients receiving material support

— number of children below 18 years of age,

— number of young people between 18 and 29 years of age,

— number of women,

— number of end recipients of 65 years of age and above,

— number of end recipients with disabilities (*),

— number of third-country nationals (*),

— number of end recipients with a foreign background and minorities (including marginalised communities, such as Roma people) (*),

— number of homeless end recipients or end-recipients affected by housing exclusion (*).

2.3. Number of the end recipients benefiting from vouchers or cards

— number of children below 18 years of age,

— number of young people between 18 and 29 years of age,

⁽¹⁾ These indicators do not apply to food assistance provided indirectly through vouchers or cards.

⁽²⁾ These indicators do not apply to goods provided indirectly through vouchers or cards.

⁽³⁾ These indicators do not apply to food assistance provided indirectly through vouchers or cards.

- number of end recipients of 65 years of age and above,
- number of women,
- number of end recipients with disabilities (*),
- number of third-country nationals (*),
- number of end recipients with a foreign background and minorities (including marginalised communities, such as Roma people) (*),
- number of homeless end recipients or end recipients affected by housing exclusion (*).

Values of the indicators listed under point 2 shall be determined based on informed estimates provided by the beneficiary.

(*) National definitions may be used.

ANNEX IV

INDICATORS FOR THE EaSI STRAND

Indicators for the EaSI strand

- number of analytical activities,
- number of information sharing and mutual learning activities,
- number of social experimentation,
- number of capacity building and networking activities,
- number of job placements under targeted mobility schemes.

Data for the indicator 'number of job placements under targeted mobility schemes' shall be collected only every two years.

REGULATION (EU) 2021/1058 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 24 June 2021
on the European Regional Development Fund and on the Cohesion Fund

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the second paragraph of Article 177, and Articles 178 and 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) Article 176 of the Treaty on the Functioning of the European Union (TFEU) provides that the European Regional Development Fund (ERDF) is intended to help to redress the main regional imbalances in the Union. Pursuant to that Article and the second and third paragraphs of Article 174 TFEU, the ERDF is to contribute to reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, among which particular attention is to be paid to regions which suffer from severe and permanent natural or demographic handicaps, including in particular handicaps resulting from demographic decline, such as the northernmost regions with very low population density, islands, and cross-border and mountain regions.
- (2) The Cohesion Fund was set up in order to contribute to the overall objective of strengthening economic, social and territorial cohesion of the Union by providing financial contributions in the fields of environment and trans-European networks in the area of transport infrastructure (TEN-T), as set out in Regulation (EU) No 1315/2013 of the European Parliament and of the Council ⁽⁴⁾.
- (3) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽⁵⁾ sets out common rules applicable to the ERDF, the European Social Fund Plus (ESF+), the Cohesion Fund, the Just Transition Fund, the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the instrument for financial support for Border Management and Visa Policy (BMVI), which operate under a common framework.
- (4) In order to simplify the rules that were applicable to both the ERDF and the Cohesion Fund during the 2014-2020 programming period, a single Regulation should set out the applicable rules covering both funds.

⁽¹⁾ OJ C 62, 15.2.2019, p. 90.

⁽²⁾ OJ C 86, 7.3.2019, p. 115.

⁽³⁾ Position of the European Parliament of 27 March 2019 (OJ C 108, 26.3.2021, p. 566) and position of the Council at first reading of 27 May 2021 (not yet published in the Official Journal). Position of the European Parliament of 23 June 2021 (not yet published in the Official Journal).

⁽⁴⁾ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

⁽⁵⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (see page 159 of this Official Journal).

- (5) Horizontal principles as set out in Article 3 of the Treaty on the European Union (TEU) and in Article 10 TFEU, including the principles of subsidiarity and proportionality as set out in Article 5 TEU, should be respected in the implementation of the ERDF and the Cohesion Fund, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations set out in the United Nations Convention on the Rights of the Child, and in the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), as well as the principles of the European Pillar of Social Rights, proclaimed by the European Parliament, the Council and the Commission in 2017, and ensure accessibility in line with Article 9 of the UNCRPD, and in accordance with the Union law harmonising accessibility requirements for products and services. In that context, the ERDF and the Cohesion Fund, in synergy with the ESF+, should be implemented in a way that promotes the transition from institutional to family-based and community-based care and should pursue their objectives with a view to contributing to the creation of quality jobs, eradication of poverty and promoting social inclusion. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Neither fund should support actions that contribute to any form of segregation or exclusion, and, when financing infrastructure, both should ensure accessibility for persons with disabilities.
- (6) The objectives of the ERDF and the Cohesion Fund should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) TFEU, taking into account the polluter pays principle. Reflecting the importance of tackling climate change in line with the Union's commitments to implement the 2015 Paris Agreement on climate change following the 21st Conference of the Parties adopted under the United Nations Framework Convention on Climate Change and to achieve the United Nations Sustainable Development Goals ('UN Sustainable Development Goals'), both funds will contribute to mainstream climate actions and to the achievement of an overall target of 30 % of the Union budget expenditure supporting climate objectives. To that end, operations under the ERDF are expected to contribute 30 % of the overall financial envelope of the ERDF to climate objectives. Operations under the Cohesion Fund are expected to contribute 37 % of the overall financial envelope of the Cohesion Fund to climate objectives. Furthermore, the actions under this Regulation should contribute to the ambition of providing 7,5 % of annual spending under the Multiannual Financial Framework (MFF) to biodiversity objectives in the year 2024 and 10 % of annual spending under the MFF to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.

Both funds should support activities that respect the climate and environmental standards and priorities of the Union and do no significant harm to the environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council ⁽⁶⁾ and that ensure the transition towards a low-carbon economy in the pathway to achieve climate neutrality by 2050. ERDF and Cohesion Fund programmes should take account of content of integrated national energy and climate plans adopted in the framework of the Governance of the Energy Union and Climate Action as established by Regulation (EU) 2018/1999 of the European Parliament and of the Council ⁽⁷⁾.

- (7) In order to protect the integrity of the internal market, ERDF and Cohesion Fund operations benefiting undertakings are to comply with Union State aid rules as set out in Articles 107 and 108 TFEU.
- (8) The principle of partnership is a key feature in the implementation of the ERDF and the Cohesion Fund, building on the multi-level governance approach and ensuring the involvement of regional, local, urban and other public authorities, civil society, economic and social partners and, where appropriate, research organisations and universities. Implementation of both funds should ensure coordination and complementarity with the ESF+, the Just Transition Fund, the EMFAF and the European Agricultural Fund for Rural Development (EAFRD).

⁽⁶⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

⁽⁷⁾ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (9) It is necessary to establish provisions regarding the support of the ERDF under the Investment for jobs and growth goal and the European territorial cooperation goal (Interreg).
- (10) In order to identify the types of activities which can be supported by the ERDF and the Cohesion Fund, specific policy objectives for providing support from both funds should be laid down to ensure that they contribute to one or more of the common policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060
- (11) With small and medium-sized enterprises (SMEs) being the backbone of the European economy, the ERDF should continue to support the development of SMEs by enhancing their sustainable growth and competitiveness. Additionally, taking into account the potentially profound impact of the COVID-19 pandemic or any other potential crisis situation arising in the future having an impact on businesses and employment, the ERDF should support the recovery from such crisis situations through supporting job creation in SMEs, including by way of productive investments.
- (12) Investments under the ERDF should contribute to the development of a comprehensive high-speed digital infrastructure network, and to promoting pollution-free and sustainable multimodal mobility with a focus on public transport, shared mobility, walking and cycling, as a part of the transition to the net-zero carbon economy.
- (13) In order to grasp the opportunities from the digital age, the ERDF should contribute to the development of an inclusive digital society where citizens, research organisations, businesses and public administrations take full advantage of the opportunities that digitalisation offers. Effective e-government at national, regional and local level involves developing tools as well as rethinking organisation and processes, in order to deliver public services more effectively, easily, quickly and at a lower cost. In particular, digital and telecommunication technologies should be used to enhance traditional networks and services for the benefit of local communities through developing projects such as smart cities and villages.
- (14) Support from the ERDF under policy objective 1 (PO 1) should be based on building capacities for smart specialisation strategies, which set priorities at national or regional level, or both, to increase their competitive advantage by developing and matching research and innovation strengths with business needs and necessary skills through an entrepreneurial discovery process. The process should allow entrepreneurial actors, including industry, education and research organisations, public administrations and civil society, to identify the most promising areas for sustainable economic development based on a region's distinctive structures and knowledge base. As the governance process of smart specialisation is crucial for the quality of the strategy, the ERDF should provide support to developing and enhancing the capacities necessary for an efficient entrepreneurial discovery process and the preparation or updating of smart specialisation strategies.
- (15) In order to promote the achievement of a climate-neutral Union by 2050, taking due account of social and economic consequences that it entails, the ERDF and the Cohesion Fund should contribute to reducing greenhouse gas emissions and to tackling energy poverty. In that context, investments in energy efficiency, including energy savings schemes, in sustainable renewable energy in accordance with the sustainability criteria set out in Directive (EU) 2018/2001 of the European Parliament and of the Council⁽⁸⁾, in smart energy systems, as well as investments aiming at disaster prevention, promoting biodiversity and green infrastructure, including preservation, valorisation and the highlighting of protected natural areas, and other measures to reduce greenhouse gas emissions, such as the preservation and restoration of natural areas with high potential for carbon absorption and storage, including by rewetting of moorlands, the capture of landfill gas or emission reduction in industrial processes or products, would be particularly important. Furthermore, investments aiming at reducing every form of pollution, such as air, water, soil, noise and light pollution, should be supported.

⁽⁸⁾ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

- (16) Integrated national energy and climate plans, which outline the policies and measures and which address energy poverty and greenhouse gas emissions, need to be taken into account while preparing programmes co-financed by the ERDF and the Cohesion Fund. With a view to contributing to achieving national objectives to reduce energy poverty set out in integrated national energy and climate plans, the ERDF should support in particular energy efficiency improvements in housing and buildings in line with the amended Directive (EU) 2018/844 of the European Parliament and of the Council (*) to contribute to the achievement of a decarbonised building stock by 2050, thus reducing energy consumption and creating savings for households affected by energy poverty.
- (17) To improve transport connectivity, the ERDF and the Cohesion Fund should promote the development of a trans-European transport network, as referred to in Regulation (EU) No 1315/2013, through investment in infrastructure for railway transport, inland waterway transport, road transport, maritime transport and multimodal transport, including noise reduction measures. The ERDF and the Cohesion Fund should also support national, regional and local, cross-border and urban mobility. In doing so, both funds should pay attention to improving safety in particular of existing bridges and tunnels.
- (18) In an increasingly interconnected world and in view of the demographic and migration dynamics, it is clear that Union migration policy requires a common approach that relies on the synergies and complementarities of the different funding instruments. Therefore, the ERDF should pay attention to demographic challenges when preparing and implementing programmes. In order to ensure coherent, strong and consistent support for solidarity and responsibility-sharing efforts between Member States in managing migration, the ERDF should provide support, at the most appropriate territorial level, to facilitate the long-term, inclusive integration of third-country nationals, including migrants, for the benefit of social and economic development, by adopting an approach aimed at protecting their dignity and rights.
- (19) In order to promote social innovation and inclusive access to high quality employment, the ERDF should support 'social economy' entities such as cooperatives, mutual societies, non-profit associations and social enterprises.
- (20) In order to promote social inclusion and combat poverty, particularly among marginalised communities, it is necessary to improve access, including through infrastructure, to social, educational, cultural and recreational services, including sports, taking into account the specific needs of persons with disabilities, children and the elderly.
- (21) The ERDF and the Cohesion Fund should promote the socioeconomic inclusion of marginalised communities, with particular attention paid to the National Roma inclusion strategic policy framework as referred to in Annex IV to Regulation (EU) 2021/1060 which set out integration measures, low-income households, including households at risk of poverty and social exclusion, and disadvantaged groups, including people with special needs. In particular, in line with principle 19 of the European Pillar of Social Rights, the ERDF and the Cohesion Fund should be able to support the provision of social housing. Taking into account challenges facing marginalised Roma communities in terms of access to basic services, the ERDF and the Cohesion Fund should contribute to improving their living conditions and development prospects.
- (22) In order to strengthen the preparedness for distance and online education and training in a socially inclusive manner, the ERDF should, in its task of improving equal access to inclusive and quality services in education, training and lifelong learning, in particular contribute to fostering resilience for distance and online learning. The efforts to ensure the continuity of education and training during the COVID-19 pandemic have revealed important shortcomings in the access to the necessary information and communication technology (ICT) equipment and connectivity by learners from a disadvantaged background and in remote regions. In that context, the ERDF should support making available the necessary ICT equipment and connectivity, thus fostering the resilience of the education and training systems for distance and online learning.

(*) Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency (OJ L 156, 19.6.2018, p. 75).

- (23) In order to strengthen the capability of public health systems to prevent, quickly respond to, and recover from health emergencies, the ERDF should also contribute to the resilience of health systems. Additionally, as the unprecedented COVID-19 pandemic has revealed the importance of immediate availability of critical supplies to provide an effective response to an emergency situation, the scope of support from the ERDF should be broadened to allow for the purchase of supplies necessary for strengthening disaster resilience and the resilience of health systems including primary care, and promoting the transition from institutional to family-based and community-based care. When purchasing supplies to strengthen the resilience of health systems, these should be consistent with and not go beyond the national health strategy and ensure complementarities with the EU4Health Programme established by Regulation (EU) 2021/522 of the European Parliament and of the Council ⁽¹⁰⁾, as well as the rescEU capacities under the Union Civil Protection Mechanism established by Decision No 1313/2013/EU of the European Parliament and of the Council ⁽¹¹⁾.
- (24) The ERDF should support and promote transition from institutional to family-based or community-based care through supporting facilities that would seek to prevent segregation from the community, would facilitate the integration of people to the society and would seek to ensure independent living conditions.
- (25) A dedicated specific objective should be provided for supporting the regional economies strongly dependent on the tourism and cultural sectors. This would allow to exploit the full potential of culture and sustainable tourism for an economic recovery, social inclusion and social innovation, without prejudice to the possibilities to provide support from the ERDF to those sectors under other specific objectives.
- (26) Investments supporting the creative and cultural industries, cultural services and cultural heritage sites could be financed under any policy objective provided that they contribute to the specific objectives and that they fall within the scope of support from the ERDF.
- (27) Sustainable tourism requires a balance between economic, social, cultural and environmental sustainability. The approach to supporting sustainable tourism should be in accordance with the Commission communication of 19 October 2007 entitled 'Agenda for a sustainable and competitive European tourism'. In particular, it should take into account the welfare of tourists, respect the natural and cultural environment and ensure the socio-economic development and competitiveness of destinations and businesses through an integrated and holistic policy approach.
- (28) In order to support the efforts of Member States and regions in facing new challenges and ensuring a high level of security for their citizens as well as the prevention of marginalisation and radicalisation, while relying on the synergies and complementarities with other Union policies, investments under the ERDF should contribute to security in areas where there is a need to ensure safe and secure public spaces and critical infrastructure, such as transport and energy, thus contributing to building more inclusive and safer societies.
- (29) The ERDF should provide support under policy objective 5 (PO 5) in an integrated manner to the economic, social and environmental development based on cross-sectoral territorial strategies using integrated territorial development tools to ensure the harmonious development of both urban and non-urban areas. Furthermore, when developing urban areas, special attention should be paid to supporting functional urban areas due to their importance in triggering cooperation between local authorities and partners across administrative borders as well strengthening urban-rural linkages.
- (30) The ERDF should support sustainable tourism in an integrated manner, in particular through strengthening cooperation within functional territories. In order to boost the impact of sustainable tourism on the economy, enterprises and public authorities should systematically cooperate to deliver quality services more efficiently in areas with a high potential for tourism, taking due care to create a stable legal and administrative environment conducive for sustainable growth of such areas. Supported actions in the area of sustainable tourism could take into account best practices in this area, such as the 'tourist district' approach.

⁽¹⁰⁾ Regulation (EU) 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1).

⁽¹¹⁾ Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

- (31) As a result of the overall aim of the Cohesion Fund provided for in the TFEU, it is necessary to set out and limit the policy objectives to which the Cohesion Fund is to provide support.
- (32) In order to improve overall administrative capacity of institutions and governance in Member States implementing programmes under the Investment for jobs and growth goal, it is necessary to enable supporting measures for programme authorities and sectoral or territorial actors responsible for carrying out activities relevant to the implementation of the ERDF and the Cohesion Fund under all of the specific objectives pursued taking into account the horizontal principles referred to in the Regulation (EU) 2021/1060, including the UN Sustainable Development Goals.
- (33) In order to encourage and boost cooperation measures within programmes implemented under the Investment for jobs and growth goal, it is necessary to enhance cooperation measures with partners including those at local and regional level within a given Member State or between different Member States in relation to support provided under all of the specific objectives. Such enhanced cooperation is additional to the cooperation under Interreg and should in particular support cooperation among structured partnerships with a view to implementing regional strategies as referred to in the Commission communication of 18 July 2017 entitled 'Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth'. Partners could therefore come from any region in the Union, but could also include cross-border regions and regions which are covered by a European Grouping of Territorial Cooperation under Regulation (EC) No 1082/2006 of the European Parliament and of the Council ⁽¹²⁾, a macro-regional or sea-basin strategy or a combination of these two types of strategies.
- (34) The ERDF should help to redress the main regional imbalances in the Union and to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions, including those facing challenges due to decarbonisation commitments and through that foster regional resilience. ERDF support under the Investment for jobs and growth goal should therefore be concentrated on key Union priorities in line with policy objectives laid down in Regulation (EU) 2021/1060. Therefore support from the ERDF should be concentrated on the policy objectives of a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity and a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management and sustainable urban mobility. The resources dedicated to sustainable urban mobility and broadband investment could be partly taken into account when calculating compliance with the thematic concentration requirements. Member States should decide in their Partnership Agreements whether to comply with the thematic concentration requirements at the level of category of region or at national level for the entire programming period. Thematic concentration at national level should be established by three groups of Member States formed according to respective gross national income and should allow for flexibility at the level of individual programmes. As the support from the Cohesion Fund could also contribute to the thematic concentration, the conditions for such a contribution should be set out. In addition, the methodology to classify Member States should be set out in detail, taking into account the specific situation of the outermost and northern sparsely populated regions.
- (35) In order to concentrate the support on key Union priorities, it is also appropriate that thematic concentration requirements should be respected throughout the programming period, including in the case of transfer between priorities within a programme or between programmes.
- (36) In order to enable the ERDF to provide support under Interreg in terms of investments in infrastructure and associated investments related thereto, as well as training and integration activities, it is necessary to provide that the ERDF should also be able to provide support for activities under the specific objectives of the ESF+, set up under Regulation (EU) 2021/1057 of the European Parliament and of the Council ⁽¹³⁾.

⁽¹²⁾ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006, p. 19).

⁽¹³⁾ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (see page 21 of this Official Journal).

- (37) In order to concentrate the use of limited resources in the most efficient way, the support by the ERDF given to productive investments under the relevant specific objective should be limited to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC ⁽¹⁴⁾, except for specific investments set out in this Regulation.
- (38) In the context of the ERDF support for productive investments, it is opportune to clarify that productive investment should be understood as investment in fixed capital or immaterial assets of enterprises, with a view to producing goods and services and thereby contributing to gross capital formation and employment. It should also be provided that, under certain conditions, the ERDF and the Cohesion Fund might support investments in enterprises other than SMEs. Furthermore, based on the experience of previous programming periods, the ERDF and the Cohesion Fund should also support investments in enterprises other than SMEs, including in particular utilities, when they concern investment in infrastructure that ensures access to services available to the public in the field of energy, environment and biodiversity, transport and digital connectivity.
- (39) This Regulation should set out the different types of activities the costs of which should be able to be supported by means of investments from the ERDF and the Cohesion Fund, under their respective objectives as set out in the TFEU, including crowdfunding. The Cohesion Fund should be able to support investments in TEN-T and the environment, including investments related to sustainable development and energy presenting environmental benefits. In that context, the Cohesion Fund should also be able to support combined energy and seismic retrofitting. With regard to the ERDF, the list of activities should take into account specific national and regional development needs as well as endogenous potential and be simplified. The ERDF should be able to support investments in infrastructure, including for research and innovation business infrastructure for SMEs, housing for marginalised communities and disadvantaged groups, low-income households and migrants, culture and heritage, sustainable tourism and services to enterprises, investments in relation to access to services with a particular focus on disadvantaged, marginalised and segregated communities, productive investments in SMEs, equipment, software and intangible assets, as well as measures with regard to information, communication, studies, networking, cooperation, exchange of experiences between partners and activities involving clusters. In order to support the programme implementation, both funds should also be able to support technical assistance activities. Finally, in order to provide support for a broader range of interventions for Interreg programmes, the scope should be enlarged to also include the sharing of a broad range of facilities and human resources and costs linked to measures within the scope of the ESF+.
- (40) Trans-European transport networks projects under Regulation (EU) No 1316/2013 of the European Parliament and of the Council ⁽¹⁵⁾ are to continue to be financed from the Cohesion Fund via both shared management and the direct implementation mode under the Connecting Europe Facility established by a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility (the 'CEF Regulation for 2021-2027').
- (41) At the same time, it is important to clarify those activities which fall outside the scope of the ERDF and the Cohesion Fund, including investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council ⁽¹⁶⁾, in order to avoid duplication of available financing, which already exists as part of that Directive, and investments in undertakings in difficulty as defined in Commission Regulation (EU) No 651/2014 ⁽¹⁷⁾ unless authorised under *de minimis* aid or temporary State aid rules established to address exceptional circumstances. The ERDF and the Cohesion Fund should also not support certain investment in airports, facilities for landfilling and residual waste treatment or fossil fuels. Therefore, the ERDF should be able to support targeted environmental mitigation, security and safety measures in regional airports as long as the primary objective of the investments would be clearly identified in terms of environmental, security or safety standards of the Union and would be in line with the State aid rules.

⁽¹⁴⁾ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

⁽¹⁵⁾ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

⁽¹⁶⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

⁽¹⁷⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

For investments increasing the capacity of facilities for the treatment of residual waste, residual waste should be understood as primarily non-separately collected municipal waste and rejects from waste treatment. Modernisation of district heating networks could be supported with a view to improving the energy efficiency of efficient district heating systems, as defined in Directive 2012/27/EU of the European Parliament and of the Council ⁽¹⁸⁾, pursuant to objectives laid down in integrated national energy and climate plans. With a view to promoting renewable energy, support could be provided for district heating boilers supplied by a combination of gas and renewable energy sources. In such cases, support from both funds should correspond pro-rata to the share of renewable energy input to such boilers. In addition, it should be explicitly set out that the overseas countries and territories listed in Annex II to the TFEU are not eligible for support from the ERDF or the Cohesion Fund.

- (42) Member States should regularly transmit to the Commission information on the progress made using the common output and result indicators set out in Annex I. Common output and result indicators could be complemented, where relevant by programme-specific output and result indicators. The information provided by Member States should be the basis on which the Commission should report on the progress towards the achievement of specific objectives over the whole programming period using for this purpose a core set of indicators set out in Annex II.
- (43) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽¹⁹⁾, the ERDF and the Cohesion Fund should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of both funds on the ground.
- (44) Within the framework of the relevant rules under the Stability and Growth Pact as clarified in the Code of Conduct, Member States should be able to make a duly justified request for further flexibility for the public or equivalent structural expenditure supported by the public administration by way of co-financing of investments activated as part of the ERDF and the Cohesion Fund. The Commission should evaluate such a request in accordance with the Stability and Growth Pact and the Code of Conduct.
- (45) The ERDF should address the problems of disadvantaged areas, in particular rural areas and areas which suffer from severe and permanent natural or demographic handicaps, including demographic decline, in accessing basic services, including digital services, enhancing attractiveness for investment, including through business investments and connectivity to large markets. In doing so, the ERDF should pay attention to specific development challenges encountered by certain island, border or mountain regions. Furthermore, the ERDF should pay particular attention to the specific difficulties of areas at NUTS level 3 and local administrative unit level, as referred to in Regulation (EC) No 1059/2003 of the European Parliament and of the Council ⁽²⁰⁾, that are sparsely populated, in accordance with the criteria set out in point 161 of the Guidelines on Regional State Aid 2014-2020, namely those that have a population density of less than 12,5 inhabitants per square kilometre, or areas that have suffered from an average annual population decrease of at least 1 % of inhabitants over the 2007-2017 period. Member States should consider developing specific voluntary action plans at local level for such areas to counter these population challenges.
- (46) In order to maximise the contribution to addressing more effectively economic, demographic, environmental and social challenges in particular in areas with natural and demographic handicaps, as envisaged in Article 174 TFEU, actions in the field of territorial development should be based on integrated territorial strategies including in urban and rural areas and paying attention to urban-rural linkages. Therefore, the ERDF support should be delivered through the forms set out in Article 28 of Regulation (EU) 2021/1060 ensuring appropriate involvement of local,

⁽¹⁸⁾ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

⁽¹⁹⁾ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

⁽²⁰⁾ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

regional and urban authorities, economic and social partners and representatives of civil society and non-governmental organisations. Territorial strategies should also be able to benefit from a multi-fund and integrated approach involving the ERDF, the ESF+, the EMFAF and the EAFRD.

- (47) To improve the resilience of communities in rural areas and their economic, social and environmental conditions, support from the ERDF should be used to develop projects such as smart villages, as referred to in the European Parliament resolution of 3 October 2018 on addressing the specific needs of rural, mountainous and remote areas, in particular by developing new opportunities, such as decentralised services and energy solutions, digital technologies and innovations.
- (48) Within the framework of sustainable urban development, it is considered necessary to support integrated territorial development in order to more effectively tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas, while taking into account the need to promote urban-rural linkages. Support targeting urban areas might take a form of a separate programme or a separate priority and should be able to benefit from a multi-fund approach. The principles for selecting the urban areas where integrated actions for sustainable urban development are to be implemented, and the indicative amounts for those actions, should be set out in the programmes under the Investment for jobs and growth goal with a minimum target of 8 % of the ERDF resources allocated at national level for that purpose. It should also be established that this percentage should be respected throughout the programming period in the case of transfer between priorities within a programme or between programmes, including at the mid-term review.
- (49) In order to identify or provide solutions which address issues relating to sustainable urban development at Union level, the Urban Innovative Actions in the area of sustainable urban development should be replaced by a European Urban Initiative, to be implemented under direct or indirect management. That initiative should cover all urban areas, including functional urban areas and support the Urban Agenda for the European Union. To stimulate participation of local authorities in the thematic partnerships under the Urban Agenda, the ERDF should provide support for organisational costs related to such participation. The initiative could include inter-governmental cooperation on urban matters, in particular cooperation aimed at capacity building at local level to achieve UN Sustainable Development Goals. Member States, regional and local authorities should be actively involved in managing and implementing the European Urban Initiative. Actions agreed within such a management model could include exchange for regional and local representatives. Actions undertaken within the European Urban Initiative should promote urban-rural linkages within functional urban areas. Cooperation with European Network for Rural Development is of particular importance in this respect.
- (50) The commercialisation and upscaling of interregional innovation projects should be promoted over the whole territory of the Union through the new interregional innovation investments which are to be managed by the Commission. By supporting innovation projects in smart specialisation areas, including pilot projects and capacity building measures, they will, in particular, benefit less developed regions, boosting their innovation eco-systems and their capacity to integrate in larger Union value chains. They should also contribute to the implementation of the Commission communication of 18 July 2017 entitled 'Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth', in particular to support thematic smart specialisation platforms on critical fields.
- (51) Specific attention should be paid to outermost regions, namely by adopting measures under Article 349 TFEU providing for an additional allocation for the outermost regions to offset the additional costs incurred in these regions as a result of one or several of the permanent restraints referred to in Article 349 TFEU, namely remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development. That allocation should be able to cover investments, operating costs and public service obligations aimed at offsetting additional costs caused by such restraints. Operating aid should be able to cover expenditure on freight transport services and start-up aid for transport services as well as expenditure on operations linked to storage constraints, the excessive size and maintenance of production tools, and the lack of human capital in the local market. That allocation should not be subject to the

thematic concentration requirements. In order to protect the integrity of the internal market, and as is the case for all operations co-financed by the ERDF and the Cohesion Fund, any ERDF support to the financing of operating and investment aid in the outermost regions should comply with State aid rules as set out in Articles 107 and 108 TFEU.

- (52) In order to allow for a rapid response to exceptional and unusual circumstances as referred to in the Stability and Growth Pact that could arise during the programming period, implementing powers should be conferred to the Commission to adopt temporary measures to facilitate the use of the support from the ERDF in response to such circumstances. The Commission should adopt the measures that are most appropriate in light of the exceptional or unusual circumstances that a Member State is facing while preserving the objectives of the fund. Furthermore, the implementing decisions in relation to a temporary measure for the use of the ERDF in response to exceptional or unusual circumstances should be adopted without committee procedures given that the scope of application is determined by the Stability and Growth Pact and limited to the measure set out in this Regulation. The Commission should also monitor the implementation and assess the appropriateness of the measures.
- (53) In order to amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of making adjustments, where justified, to Annex II which sets out a list of indicators used as a basis to provide information to the European Parliament and to the Council on performance of programmes. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (54) Since the objective of this Regulation, namely to reinforce economic, social and territorial cohesion by redressing the main regional imbalances in the Union, cannot be sufficiently achieved by the Member States but can rather, by reason of the extent of the disparities between the levels of development of the various regions and the backwardness of the least favoured regions and the limit on the financial resources of Member States and regions, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (55) In view of the adoption of this Regulation after the start of the programming period, and taking into account the need to implement both the ERDF and Cohesion Fund in a coordinated and harmonised manner, and in order to allow for its prompt implementation, it should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

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CHAPTER I

COMMON PROVISIONS

*Article 1***Subject matter**

1. This Regulation sets out the specific objectives and the scope of support from the European Regional Development Fund (ERDF) with regard to the Investment for jobs and growth goal and the European territorial cooperation goal (Interreg) referred to in Article 5(2) of Regulation (EU) 2021/1060.
2. This Regulation also sets out the specific objectives and the scope of support from the Cohesion Fund with regard to the Investment for jobs and growth goal referred to in point (a) of Article 5(2) of Regulation (EU) 2021/1060.

*Article 2***Tasks of the ERDF and the Cohesion Fund**

1. The ERDF and the Cohesion Fund shall contribute to the overall objective of strengthening the economic, social and territorial cohesion of the Union.
2. The ERDF shall contribute to reducing disparities between the levels of development of the various regions within the Union, and to reducing the backwardness of the least favoured regions through participation in the structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions, including by promoting sustainable development and addressing environmental challenges.
3. The Cohesion Fund shall contribute to projects in the field of environment and trans-European networks in the area of transport infrastructure (TEN-T).

*Article 3***Specific objectives for the ERDF and the Cohesion Fund**

1. In accordance with the policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060, the ERDF shall support the following specific objectives:
 - (a) a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity (PO 1) by:
 - (i) developing and enhancing research and innovation capacities and the uptake of advanced technologies;
 - (ii) reaping the benefits of digitisation for citizens, companies, research organisations and public authorities;
 - (iii) enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments;
 - (iv) developing skills for smart specialisation, industrial transition and entrepreneurship;
 - (v) enhancing digital connectivity;
 - (b) a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility (PO 2) by:
 - (i) promoting energy efficiency and reducing greenhouse gas emissions;
 - (ii) promoting renewable energy in accordance with Directive (EU) 2018/2001, including the sustainability criteria set out therein;
 - (iii) developing smart energy systems, grids and storage outside the Trans-European Energy Network (TEN-E);

- (iv) promoting climate change adaptation and disaster risk prevention and resilience, taking into account eco-system based approaches;
 - (v) promoting access to water and sustainable water management;
 - (vi) promoting the transition to a circular and resource efficient economy;
 - (vii) enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution;
 - (viii) promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy;
- (c) a more connected Europe by enhancing mobility (PO 3) by:
- (i) developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T;
 - (ii) developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;
- (d) a more social and inclusive Europe implementing the European Pillar of Social Rights (PO 4) by:
- (i) enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy;
 - (ii) improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training;
 - (iii) promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services;
 - (iv) promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services;
 - (v) ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family-based and community-based care;
 - (vi) enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation;
- (e) a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives (PO 5) by:
- (i) fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas;
 - (ii) fostering the integrated and inclusive social, economic and environmental local development, culture, natural heritage, sustainable tourism and security in areas other than urban areas.

Support under PO5 shall be provided through territorial and local development strategies, through the forms set out in points (a), (b) and (c) of Article 28 of Regulation (EU) 2021/1060.

2. Under the two specific objectives of point (e) of paragraph 1, Member States may also support operations which can be funded under the specific objectives set out under points (a) to (d) of that paragraph.

3. The Cohesion Fund shall support PO 2 and 3.

4. Within the specific objectives set out in paragraph 1, the ERDF or the Cohesion Fund, as appropriate, may also support activities under the Investment for jobs and growth goal, where they:

- (a) improve the capacity of programme authorities;

- (b) improve the capacity of sectoral or territorial actors responsible for carrying out activities relevant to the implementation of the ERDF and the Cohesion Fund, provided that it contributes to the objectives of the programme; or
- (c) enhance cooperation with partners both within and outside a given Member State.

Cooperation referred to in point (c) shall include cooperation with partners from cross-border regions, from non-contiguous regions or from regions located in the territory covered by a European Grouping of Territorial Cooperation, a macro-regional or sea-basin strategy or a combination thereof.

Article 4

Thematic concentration of ERDF support

1. With regard to programmes implemented under the Investment for jobs and growth goal, the total ERDF resources, other than for technical assistance, in each Member State shall be concentrated at national level or at the level of category of region in accordance with paragraphs 3 to 9.
2. With regard to the thematic concentration of support for Member States comprising outermost regions, the ERDF resources allocated specifically to programmes for the outermost regions and those allocated to all other regions shall be treated separately.
3. Member States may decide to comply with thematic concentration at national level or at the level of category of region. Each Member State shall indicate its choice in its Partnership Agreement referred to in Article 10 of Regulation (EU) 2021/1060. That choice shall apply to the total of that Member State's ERDF resources referred to in paragraph 1 of this Article for the entire programming period.
4. For the purposes of a thematic concentration at national level, Member States shall be classified, in terms of their gross national income ratio, as follows:
 - (a) those with a gross national income ratio equal to or above 100 % of the EU average ('group 1');
 - (b) those with a gross national income ratio equal to or above 75 % and below 100 % of the EU average ('group 2');
 - (c) those with a gross national income ratio below 75 % of the EU average ('group 3').

For the purposes of this Article, the gross national income ratio means the ratio between the gross national income per capita of a Member State, measured in purchasing power standards and calculated on the basis of Union figures for the period from 2015 to 2017, and the average gross national income per capita in purchasing power standards of the 27 Member States for that same reference period.

With regard to programmes under the Investment for jobs and growth goal for the outermost regions, they shall be classified as falling within group 3.

With regard to programmes under the Investment for jobs and growth goal for island Member States which receive support from the Cohesion Fund, they shall be classified as falling within group 3.

5. For the purposes of a thematic concentration at the level of category of region, regions shall be classified by categories of region in accordance with Article 108(2) of Regulation (EU) 2021/1060, as:
 - (a) more developed regions;
 - (b) transition regions;
 - (c) less developed regions.

6. Member States shall comply at national level with the following thematic concentration requirements:
- (a) Member States of group 1 or more developed regions shall allocate at least 85 % of their ERDF resources referred to in paragraph 1 to PO 1 and PO 2, and at least 30 % to PO 2;
 - (b) Member States of group 2 or transition regions shall allocate at least 40 % of their ERDF resources referred to in paragraph 1 to PO 1, and at least 30 % to PO 2;
 - (c) Member States of group 3 or less developed regions shall allocate at least 25 % of their ERDF resources referred to in paragraph 1 to PO 1, and at least 30 % to PO 2.

Where a Member State decides to comply with thematic concentration requirements at the level of category of regions, the thresholds set out in the first subparagraph of this paragraph shall apply to the ERDF resources referred to in paragraph 1 aggregated together for all regions falling in the respective category of region.

7. Where a Member State allocates to PO 2 more than 50 % of its total Cohesion Fund resources other than for technical assistance as calculated after the transfer set out in Article 110(4) of Regulation (EU) 2021/1060, excluding resources under the specific objective referred to in point (b)(viii) of the first subparagraph of Article 3(1) of this Regulation, the allocation exceeding the 50 % may be taken into account when calculating the compliance with the thematic concentration requirements set out in paragraph 6 of this Article.

If a Member State decides to comply with thematic concentration at the level of category of regions, the Cohesion Fund resources that are taken into account for thematic concentration requirements in accordance with the first subparagraph shall be allocated pro rata to the different categories of regions based on their relative share of the total population of the Member State concerned.

Member States shall set out in their Partnership Agreement referred to in Article 10 of Regulation (EU) 2021/1060 whether the Cohesion Fund resources will be taken into account for thematic concentration requirements for PO 2.

8. The resources under the specific objective referred to in point (a)(v) of the first subparagraph of Article 3(1) shall be programmed under a dedicated priority.

By way of derogation from paragraph 6, 40 % of such resources shall be taken into account when calculating compliance with the thematic concentration requirements for PO1 set out in paragraph 6.

The resources taken into account for thematic concentration requirements in accordance with the second subparagraph of this paragraph shall not exceed 40 % of the minimum thematic concentration requirements for PO 1 set out in paragraph 6.

9. The resources under the specific objective referred to in point (b)(viii) of the first subparagraph of Article 3(1) shall be programmed under a dedicated priority.

By way of derogation from paragraph 6, 50 % of such ERDF resources shall be taken into account when calculating compliance with the thematic concentration requirements for PO 2 set out in paragraph 6.

The resources taken into account for thematic concentration requirements in accordance with the second subparagraph of this paragraph shall not exceed 50 % of the minimum thematic concentration requirements for PO 2 set out in paragraph 6.

10. The thematic concentration requirements set out in paragraph 6 of this Article shall be complied with throughout the entire programming period, including when ERDF allocations are transferred between priorities of a programme or between programmes and at the mid-term review in accordance with Article 18 of Regulation (EU) 2021/1060.

11. Where the ERDF allocation with regard to PO 1 or PO 2, or both, of a given programme is reduced following a decommitment under Article 105 of Regulation (EU) 2021/1060, or due to financial corrections by the Commission in accordance with Article 104 of that Regulation, compliance with the thematic concentration requirements set out in paragraph 6 of this Article shall not be re-assessed.

12. This Article shall not apply to the additional funding for northern sparsely populated regions referred to in point (e) of Article 110(1) of Regulation (EU) 2021/1060.

Article 5

Scope of support from the ERDF

1. The ERDF shall support the following:
 - (a) investments in infrastructure;
 - (b) activities for applied research and innovation, including industrial research, experimental development and feasibility studies;
 - (c) investments in access to services;
 - (d) productive investments in SMEs and investments aiming at safeguarding existing jobs and creating new jobs;
 - (e) equipment, software and intangible assets;
 - (f) networking, cooperation, exchange of experience and activities involving innovation clusters including between businesses, research organisations and public authorities;
 - (g) information, communication and studies; and
 - (h) technical assistance.
2. Productive investments in enterprises other than SMEs may be supported:
 - (a) when they involve cooperation with SMEs in research and innovation activities supported under point (a)(i) of the first subparagraph of Article 3(1);
 - (b) when primarily supporting energy efficiency measures and renewable energy under points (b)(i) and (b)(ii) of the first subparagraph of Article 3(1);
 - (c) when they are made in small mid-cap and mid-cap companies as defined in points (6) and (7) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and the Council ⁽²¹⁾ through financial instruments; or
 - (d) when they are made in small mid-cap companies in research and innovation activities supported under point (a)(i) of the first subparagraph of Article 3(1).
3. In order to contribute to the specific objective under PO 1 set out in point (a)(iv) of the first subparagraph of Article 3(1), the ERDF shall also support training, life-long learning, reskilling and education activities.
4. In order to contribute to the specific objective under PO 2 set out in point (b)(iv) of the first subparagraph of Article 3(1) and to the specific objective under PO 4 set out in point (d)(v) of that subparagraph, the ERDF shall also support the purchase of supplies necessary for strengthening the resilience of health systems and for strengthening disaster resilience.
5. Under Interreg, the ERDF may also support:
 - (a) sharing of facilities and of human resources; and
 - (b) accompanying soft investments and other activities linked to PO 4 under the European Social Fund Plus as set out in Regulation (EU) 2021/1057.
6. The ERDF may support the financing of working capital in SMEs in the form of grants, where strictly necessary as a temporary measure to respond to exceptional or unusual circumstances referred to in Article 20 of Regulation (EU) 2021/1060.
7. Where, upon a request submitted by the Member States concerned, the Commission finds that the requirements laid down in paragraph 6 are fulfilled, it shall adopt an implementing decision specifying the period during which the temporary additional support from ERDF is authorised.

⁽²¹⁾ Regulation (EU) 2015/1017 of the European Parliament and the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).

8. The Commission shall keep the European Parliament and the Council informed about the implementation of paragraph 6 and assess whether the temporary additional support from the ERDF is sufficient to facilitate the use of the fund in response to the exceptional or unusual circumstances. On the basis of its assessment, the Commission shall, where deemed appropriate, make proposals for amendments to this Regulation, including on thematic concentration requirements in Article 4.

9. The European Parliament or the Council may invite the Commission for a structured dialogue on the application of paragraphs 6, 7 and 8 of this Article in accordance with Article 20(3) of Regulation (EU) 2021/1060.

Article 6

Scope of support from the Cohesion Fund

1. The Cohesion Fund shall support the following:

- (a) investments in the environment, including investments related to sustainable development and energy presenting environmental benefits, with a particular focus on renewable energy;
- (b) investments in TEN-T;
- (c) technical assistance;
- (d) information, communication, and studies.

Member States shall ensure an appropriate balance between investments under points (a) and (b), based on the investment and infrastructure needs specific to each Member State.

2. The amount of the Cohesion Fund transferred to the Connecting Europe Facility shall be used for TEN-T projects.

Article 7

Exclusion from the scope of the ERDF and the Cohesion Fund

1. The ERDF and the Cohesion Fund shall not support:

- (a) the decommissioning or the construction of nuclear power stations;
- (b) investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
- (c) the manufacturing, processing and marketing of tobacco and tobacco products;
- (d) an undertaking in difficulty, as defined in point (18) of Article 2 of Regulation (EU) No 651/2014, unless authorised under *de minimis* aid or temporary State aid rules established to address exceptional circumstances;
- (e) investment in airport infrastructure, except for outermost regions or in existing regional airports as defined in point (153) of Article 2 of Regulation (EU) No 651/2014, in any of the following cases:
 - (i) in environmental impact mitigation measures; or
 - (ii) in security, safety, and air traffic management systems resulting from Single European Sky ATM Research;
- (f) investment in disposal of waste in landfill, except:
 - (i) for the outermost regions, in duly justified cases only; or
 - (ii) for investments for decommissioning, reconverting or making safe existing landfills provided that such investments do not increase their capacity;
- (g) investment increasing the capacity of facilities for the treatment of residual waste, except for:
 - (i) the outermost regions in duly justified cases only;
 - (ii) investment in technologies to recover materials from residual waste for circular economy purposes;

- (h) investment related to production, processing, transport, distribution, storage or combustion of fossil fuels, with the exception of:
- (i) the replacement of solid fossil fuels fired, namely coal, peat, lignite, oil-shale, heating systems with gas-fired heating systems for the purpose of:
 - upgrading district heating and cooling systems to the status of ‘efficient district heating and cooling’ as defined in point (41) of Article 2 of Directive 2012/27/EU;
 - upgrading combined heat and power installations to the status of ‘high-efficiency co-generation’ as defined in point (34) of Article 2 of Directive 2012/27/EU;
 - investment in natural gas-fired boilers and heating systems in housing and buildings replacing coal-, peat-, lignite- or oil shale-based installations;
 - (ii) investment in the expansion and repurposing, conversion or retrofitting of gas transmission and distribution networks provided that such investment makes the networks ready for adding renewable and low carbon gases, such as hydrogen, biomethane and synthesis gas, into the system and allows to substitute solid fossil fuels installations;
 - (iii) investment in:
 - clean vehicles as defined in Directive 2009/33/EC of the European Parliament and of the Council ⁽²²⁾ for public purposes; and
 - vehicles, aircraft and vessels designed and constructed or adapted for use by civil protection and fire services.

2. The total amount of Union support for Union investment referred to in points (h)(i) and (h)(ii) of paragraph 1 shall not exceed the following limits of the total programmes allocation from the ERDF and the Cohesion Fund under the Investment for jobs and growth goal for the Member State concerned:

- (a) for Member States whose gross national income (GNI) per capita is below 60 % of the EU average GNI per capita, or for Member States whose GNI per capita is below 90 % of the EU average GNI per capita and which have a share of solid fossil fuels in gross inland energy consumption equal to or above 25 %, the limit shall be 1,55 %;
- (b) for Member States other than those in point (a) whose GNI per capita is below 90 % of the EU average GNI per capita, the limit shall be 1 %;
- (c) for Member States whose GNI per capita is equal to or above 90 % of the EU average GNI per capita, the limit shall be 0,2 %.

3. For the purposes of this Article, the gross national income per capita of a given Member State shall be measured in purchasing power standards and calculated on the basis of Union figures for the period from 2015 to 2017, and expressed as a percentage of the national income per capita in purchasing power standards of the 27 Member States for that same reference period.

For the purposes of this Article, the share of solid fossil fuels in energy consumption means the share of coal, lignite, peat and oil shale measured in 2018.

4. Operations supported by the ERDF and the Cohesion Fund under points (h)(i) and (h)(ii) of paragraph 1 shall be selected by the managing authority by 31 December 2025. Such operations shall not be phased to the next programming period.

5. The Cohesion Fund shall not support investment in housing unless related to the promotion of energy efficiency or renewable energy use.

6. Overseas countries and territories shall not be eligible for support from the ERDF or the Cohesion Fund, but may participate in Interreg programmes in accordance with the conditions set out in Regulation (EU) 2021/1059 of the European Parliament and of the Council ⁽²³⁾.

⁽²²⁾ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles (OJ L 120, 15.5.2009, p. 5).

⁽²³⁾ Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (see page 94 of this Official Journal).

*Article 8***Indicators**

1. Common output and result indicators, as set out in Annex I with regard to the ERDF and to the Cohesion Fund, and, where relevant, programme-specific output and result indicators shall be used in accordance with point (a) of the second subparagraph of Article 16(1), point (d)(ii) of Article 22(3) and point (b) of Article 42(2), of Regulation (EU) 2021/1060.
2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative.
3. In compliance with its reporting requirement pursuant to point (h) of Article 41(3) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽²⁴⁾ (the 'Financial Regulation'), the Commission shall present to the European Parliament and to the Council information on performance in accordance with Annex II.
4. The Commission is empowered to adopt delegated acts in accordance with Article 16 to amend Annex II in order to make the relevant adjustments to the information on performance to be provided to the European Parliament and to the Council.
5. The Commission shall assess how the strategic importance of the investments co-financed by the ERDF and the Cohesion Fund is taken into account in the context of the implementation of the Stability and Growth Pact and submit a report to the European Parliament and to the Council.

CHAPTER II

SPECIFIC PROVISIONS ON THE TREATMENT OF PARTICULAR TERRITORIAL FEATURES AND INTERREGIONAL INNOVATION INVESTMENTS*Article 9***Integrated territorial development**

1. The ERDF may support integrated territorial development within programmes under both goals referred to in Article 5(2) of Regulation (EU) 2021/1060 in accordance with Chapter II of Title III of that Regulation.
2. Member States shall implement integrated territorial development, supported by the ERDF, exclusively through the forms referred to in Article 28 of Regulation (EU) 2021/1060.

*Article 10***Support for disadvantaged areas**

In accordance with Article 174 TFEU, the ERDF shall pay special attention to addressing the challenges of disadvantaged regions and areas, in particular rural areas and areas which suffer from severe and permanent natural or demographic handicaps. Member States shall, where appropriate, set out an integrated approach to addressing demographic challenges or specific needs of such regions and areas in their partnership agreements in accordance with point (i) of the first subparagraph of Article 11 of Regulation (EU) 2021/1060. Such an integrated approach may include a commitment on dedicated funding for that purpose.

⁽²⁴⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

*Article 11***Sustainable urban development**

1. To address economic, environmental, climate, demographic and social challenges, the ERDF shall support integrated territorial development based on territorial or community-led local development strategies in accordance with Article 29 or 32 of Regulation (EU) 2021/1060, respectively, that are focused on urban areas, including functional urban areas ('sustainable urban development') within programmes under both goals referred to in Article 5(2) of that Regulation.

Special attention shall be given to tackling environmental and climate challenges, in particular the transition towards a climate-neutral economy by 2050, to harnessing the potential of digital technologies for innovation purposes, and to support the development of functional urban areas. In this context, sustainable urban development resources programmed under priorities corresponding to PO 1 and 2 shall count towards the thematic concentration requirements under Article 4.

2. At least 8 % of the ERDF resources at national level under the Investment for jobs and growth goal, other than for technical assistance, shall be allocated to sustainable urban development in one or more of the forms referred to in Article 28 of Regulation (EU) 2021/1060.

The relevant territorial authorities or bodies shall select or shall be involved in the selection of operations in accordance with Article 29(3) and point (d) of Article 32(3) of Regulation (EU) 2021/1060.

The programmes concerned shall set out the planned amounts for that purpose under point (d)(viii) of Article 22(3) of Regulation (EU) 2021/1060.

3. The percentage allocated to sustainable urban development under paragraph 2 of this Article shall be complied with throughout the entire programming period when ERDF allocations are transferred between priorities of a programme or between programmes, including at the mid-term review in accordance with Article 18 of Regulation (EU) 2021/1060.

4. Where the ERDF allocation is reduced following a decommitment under Article 105 of Regulation (EU) 2021/1060, or due to financial corrections by the Commission in accordance with Article 104 of that Regulation, compliance with paragraph 2 of this Article shall not be re-assessed.

*Article 12***European Urban Initiative**

1. The ERDF shall support the European Urban Initiative, implemented by the Commission in direct and indirect management.

This initiative shall cover all urban areas, including functional urban areas, and shall support the Urban Agenda for the EU, including support for the participation of local authorities in the thematic partnerships developed under the Urban Agenda for the EU.

2. The European Urban Initiative shall, with regard to sustainable urban development, consist of the following two strands:

- (a) support of innovative actions;
- (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication.

Upon the request of one or more Member States, the European Urban Initiative may also support inter-governmental cooperation on urban matters. Particular attention should be given to cooperation aimed at capacity building at local level to achieve UN Sustainable Development Goals.

The Commission shall submit a report every two years to the European Parliament and to the Council on developments in connection with the European Urban Initiative.

3. The governance model of the European Urban Initiative shall include the involvement of Member States, regional and local authorities and cities and shall ensure appropriate coordination and complementarities with the dedicated programme under point (b) of Article 3(3) of Regulation (EU) 2021/1059 dealing with sustainable urban development.

Article 13

Interregional Innovation Investments

1. The ERDF shall support the Interregional Innovation Investments Instrument.
2. The Interregional Innovation Investments Instrument shall support the commercialisation and scaling up of interregional innovation projects having the potential to encourage the development of European value chains.
3. The Interregional Innovation Investments Instrument shall consist of the following two strands, supporting equally:
 - (a) financial and advisory support for investments in interregional innovation projects in shared smart specialisation areas;
 - (b) financial and advisory support, and capacity building for the development of value chains in less developed regions.
4. Up to 2 % of the resources may be dedicated to learning and evaluation activities, in order to capitalise on and disseminate the outcome of projects supported under the two strands.
5. The Commission shall implement those investments under direct or indirect management.
6. The Commission shall be supported in its work by a group of experts.

The expert group shall be composed of representatives from Member States, regional authorities and cities, and representatives of business, research and civil society organisations. The composition of the expert group shall aim to ensure gender balance.

The expert group shall support the Commission in defining a long-term work programme and in preparing calls for proposals.

7. When implementing this instrument, the Commission shall ensure coordination and synergy with other Union funding programmes and instruments and in particular with strand 'Interreg C' as defined in point 3 of Article 3 of Regulation (EU) 2021/1059.
8. The Interregional Innovation Investments Instrument shall cover the entire territory of the Union.

Third countries can participate in this instrument, in accordance with the arrangements laid down in Articles 16 and 23 of Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽²⁵⁾ (the 'Horizon Europe Regulation').

Article 14

Outermost regions

1. Article 4 shall not apply to the specific additional allocation for the outermost regions. This specific additional allocation for the outermost regions shall be used to offset the additional costs incurred in these regions as a result of one or several of the permanent restraints to their development referred to in Article 349 TFEU.

⁽²⁵⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

2. The allocation referred to in paragraph 1 of this Article shall support:
 - (a) the activities within the scope as set out in Article 5 of this Regulation;
 - (b) by way of derogation from Article 5 of this Regulation, measures covering operating costs with a view to offsetting the additional costs incurred in the outermost regions as a result of one or several of the permanent restraints to their development referred to in Article 349 TFEU.

The allocation referred to in paragraph 1 of this Article may also support expenditure covering compensation granted for the provision of public service obligations and contracts in the outermost regions.

3. The allocation, referred to in paragraph 1 of this Article, shall not support:
 - (a) operations involving products listed in Annex I to the TFEU;
 - (b) aid for the transport of persons authorised under point (a) of Article 107(2) TFEU;
 - (c) tax exemptions and exemption of social charges;
 - (d) public services obligations not discharged by undertakings and where the State acts by exercising public power.
4. By way of derogation from point (c) of Article 5(1), the ERDF may support productive investments in enterprises in the outermost regions, irrespective of the size of those enterprises.

CHAPTER III

TRANSITIONAL AND FINAL PROVISIONS

Article 15

Transitional provisions

Regulations (EU) No 1300/2013 and (EU) No 1301/2013 or any act adopted thereunder shall continue to apply to programmes and operations supported by the ERDF or the Cohesion Fund under the 2014-2020 programming period.

Article 16

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 8(4) shall be conferred on the Commission for an indeterminate period of time from 1 July 2021.
3. The delegation of power referred to in Article 8(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 17

Review

The European Parliament and the Council shall review this Regulation by 31 December 2027, in accordance with Article 177 TFEU.

Article 18

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 June 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

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COMMON OUTPUT AND RESULT INDICATORS FOR ERDF AND THE COHESION FUND – ARTICLE 8(1) ⁽¹⁾

Table 1

Common output and result indicators for ERDF (Investment for jobs and growth and Interreg) and the Cohesion Fund **

Policy objective	Specific objective	Outputs	Results
(1)	(2)	(3)	(4)
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity (PO 1)	(i) Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCO ⁽¹⁾ 01 - Enterprises supported (of which: micro, small, medium, large)* ⁽²⁾ RCO 02 - Enterprises supported by grants*	RCR ⁽³⁾ 01 - Jobs created in supported entities* RCR 102 - Research jobs created in supported entities*
		RCO 03 - Enterprises supported by financial instruments* RCO 04 - Enterprises with non-financial support* RCO 05 - New enterprises supported* RCO 06 - Researchers working in supported research facilities RCO 07 - Research organisations participating in joint research projects	RCR 02 - Private investments matching public support (of which: grants, financial instruments)* ⁽²⁾ RCR 03 - Small and medium-size enterprises (SMEs) introducing product or process innovation* RCR 04 - SMEs introducing marketing or organisational innovation*
		RCO 08 - Nominal value of research and innovation equipment RCO 10 - Enterprises cooperating with research organisations RCO 96 - Interregional investments for innovation in Union projects*	RCR 05 - SMEs innovating in-house* RCR 06 - Patent applications submitted* RCR 07 - Trademark and design applications* RCR 08 - Publications from supported projects
	(ii) Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	RCO 13 - Value of digital services, products and processes developed for enterprises*	RCR 11 - Users of new and upgraded public digital services, products and processes*

⁽¹⁾ To be used, for the Investment for jobs and growth and Interreg in accordance with point (a) of the second subparagraph of Article 16(1), and point (b) of Article 41(2) of Regulation (EU) 2021/1060 (CPR) and, for Investment for jobs and growth in accordance with point (d)(ii) of Article 22(3) of Regulation (EU) 2021/1060 (CPR) and, for Interreg, in accordance with point (e)(ii) of Article 22(4) of Regulation (EU) 2021/1059 (Interreg).

		RCO 14 - Public institutions supported to develop digital services, products and processes*	RRCR 12 - Users of new and upgraded digital services, products and processes developed by enterprises* RRCR 13 - Enterprises reaching high digital intensity*
	(iii) Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCO 15 - Capacity of incubation created* RCO 103 - High growth enterprises supported*	RRCR 17 - New enterprises surviving in the market* RRCR 18 - SMEs using incubator services after incubator creation* RRCR 19 - Enterprises with higher turnover* RRCR 25 - SMEs with higher value added per employee*
	(iv) Developing skills for smart specialisation, industrial transition and entrepreneurship	RCO 16 - Participations of institutional stakeholders in entrepreneurial discovery process RCO 101 - SMEs investing in skills for smart specialisation, for industrial transition and entrepreneurship*	RRCR 97 - Apprenticeships supported in SMEs RRCR 98 - SMEs staff completing training for skills for smart specialisation, for industrial transition and entrepreneurship (by type of skill: technical, management, entrepreneurship, green, other) ⁽²⁾ *
	(v) Enhancing digital connectivity	RCO 41 - Additional dwellings with broadband access of very high capacity RCO 42 - Additional enterprises with broadband access of very high capacity	RRCR 53 - Dwellings with broadband subscriptions to a very high capacity network RRCR 54 - Enterprises with broadband subscriptions to a very high capacity network
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility (PO 2)	(i) Promoting energy efficiency and reducing greenhouse gas emissions	RCO 18 - Dwellings with improved energy performance RCO 19 - Public buildings with improved energy performance RCO 20 - District heating and cooling network lines newly constructed or improved RCO 104 - Number of high efficiency co-generation units RCO123 - Dwellings benefitting from natural gas-fired boilers and heating systems replacing solid fossil fuels based installations	RRCR 26 - Annual primary energy consumption (of which: dwellings, public buildings, enterprises, other) ⁽²⁾ RRCR 29 - Estimated greenhouse gas emissions* RRCR 105 - Estimated greenhouse emissions by boilers and heating systems converted from solid fossil fuels to gas
	(ii) Promoting renewable energy in accordance with Directive (EU) 2018/2001, including the sustainability criteria set out therein	RCO 22 - Additional production capacity for renewable energy (of which: electricity, thermal) ⁽²⁾ * RCO 97 -Renewable energy communities supported*	RRCR 31 - Total renewable energy produced (of which: electricity, thermal) ⁽²⁾ *

		RCR 32 - Additional operational capacity installed for renewable energy*
(iii) Developing smart energy systems, grids and storage outside the Trans-European Energy Network (TEN-E)	RCO 23 - Digital management systems for smart energy systems RCO 105 - Solutions for electricity storage RCO124: Gas transmission and distribution network lines newly constructed or improved	RCR 33 - Users connected to smart energy systems RCR 34 - Roll-out of projects for smart energy systems
(iv) Promoting climate change adaptation and disaster risk prevention, and resilience, taking into account eco-system based approaches	RCO 24 - Investments in new or upgraded disaster monitoring, preparedness, warning and response systems against natural disasters* RCO 122 - Investments in new or upgraded disaster monitoring, preparedness, warning and response systems against non-climate related natural risks and risks related to human activities RCO 25 - Coastal strip, river bank and lakeshore flood protection newly built or consolidated RCO 106 - Landslide protection newly built or consolidated RCO 26 - Green infrastructure built or upgraded for adaptation to climate change* RCO 27 - National and sub-national strategies addressing climate change adaptation* RCO 28 - Area covered by protection measures against wildfires RCO 121 - Area covered by protection measures against climate related natural disasters (other than floods and wildfire)	RCR 35 - Population benefiting from flood protection measures RCR 36 - Population benefiting from wildfire protection measures RCR 37 - Population benefiting from protection measures against climate related natural disasters (other than floods or wildfire) RCR 96 - Population benefiting from protection measures against non-climate related natural risks and risks related to human activities*
(v) Promoting access to water and sustainable water management	RCO 30 - Length of new or upgraded pipes for the distribution systems of public water supply	RCR 41 - Population connected to improved public water supply RCR 42 - Population connected to at least secondary public waste water treatment

	<p>RCO 31 - Length of new or upgraded pipes for the public network for collection of waste water</p> <p>RCO 32 - New or upgraded capacity for waste water treatment</p>	<p>RCR 43 - Water losses in distribution systems for public water supply</p>
(vi) Promoting the transition to a circular and resource efficient economy	<p>RCO 34 - Additional capacity for waste recycling</p> <p>RCO 107 - Investments in facilities for separate waste collection</p> <p>RCO 119 - Waste prepared for re-use</p>	<p>RCR 103 - Waste collected separately</p> <p>RCR 47 - Waste recycled</p> <p>RCR 48 - Waste used as raw materials</p>
(vii) Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	<p>RCO 36 - Green infrastructure supported for other purposes than adaptation to climate change</p> <p>RCO 37 - Surface of Natura 2000 sites covered by protection and restoration measures</p> <p>RCO 38 - Surface area of rehabilitated land supported</p> <p>RCO 39 - Area covered by systems for monitoring air pollution installed</p>	<p>RCR 50 - Population benefiting from measures for air quality*</p> <p>RCR 95 - Population having access to new or improved green infrastructure*</p> <p>RCR 52 - Rehabilitated land used for green areas, social housing, economic or other uses</p>
(viii) Promoting sustainable multi-modal urban mobility, as part of transition to a net zero carbon economy	<p>RCO 55 - Length of new tram and metro lines</p> <p>RCO 56 - Length of reconstructed or modernised tram and metro lines</p> <p>RCO 57 - Capacity of environmentally friendly rolling stock for collective public transport*</p> <p>RCO 58 - Dedicated cycling infrastructure supported*</p> <p>RCO 59 - Alternative fuels infrastructure (refuelling/recharging points)*</p> <p>RCO 60 - Cities and towns with new or modernised digitised urban transport systems</p>	<p>RCR 62 - Annual users of new or modernised public transport</p> <p>RCR 63 - Annual users of new or modernised tram and metro lines</p> <p>RCR 64 - Annual users of dedicated cycling infrastructure</p>

3. A more connected Europe by enhancing mobility (PO 3)	(i) Developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T	RCO 43 - Length of new or upgraded roads - TEN-T (*) RCO 45 - Length of roads reconstructed or modernised - TEN-T RCO 108 - Length of roads with new or modernised traffic management systems - TEN-T RCO 47 - Length of new or upgraded rail - TEN-T RCO 49 - Length of rail reconstructed or modernised - TEN-T RCO 51 - Length of new, upgraded or modernised inland waterways - TEN-T RCO 109 - Length of European Rail Traffic Management System equipped railways in operation - TEN-T	RCR 55 - Annual users of newly built, reconstructed, upgraded or modernised roads RCR 56 - Time savings due to improved road infrastructure RCR 101 - Time savings due to improved rail infrastructure RCR 58 - Annual users of newly built, upgraded, reconstructed or modernised railways RCR 59 - Freight transport on rail RCR 60 - Freight transport on inland waterways
	(ii) Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	RCO 44 - Length of new or upgraded roads -non-TEN-T RCO 46 - Length of roads reconstructed or modernised - non-TEN-T RCO 110 - Length of roads with new or modernised traffic management systems - non-TEN-T RCO 48 - Length of new or upgraded rail - non-TEN-T RCO 50 - Length of rail reconstructed or modernised - non-TEN-T RCO 111 - Length of European Rail Traffic Management System equipped railways in operation - non-TEN-T RCO 52 - Length of new, upgraded or modernised inland waterways -non-TEN-T RCO 53 - New or modernised railway stations and stops* RCO 54 - New or modernised intermodal connections*	

4. more social and inclusive Europe implementing the European Pillar of Social Rights (PO 4)	(i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy	RCO 61 - Surface of new or modernised facilities for employment services	RCR 65 - Annual users of new or modernised facilities for employment services
	(ii) Improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	RCO 66 - Classroom capacity of new or modernised childcare facilities RCO 67 - Classroom capacity of new or modernised education facilities	RCR 70 - Annual users of new or modernised childcare facilities RCR 71 - Annual users of new or modernised education facilities
	(iii) Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services	RCO 65 - Capacity of new or modernised social housing* RCO113 - Population covered by projects in the framework of integrated actions for socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups*	RCR 67 - Annual users of new or modernised social housing
	(iv) Promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services	RCO 63 - Capacity of new or modernised temporary reception facilities	RCR 66 - Annual users of new or modernised temporary reception facilities
	(v) Ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family-based and community-based care	RCO 69 - Capacity of new or modernised health care facilities	RCR 72 - Annual users of new or modernised e-health care services RCR 73 - Annual users of new or modernised health care facilities

		RCO 70 - Capacity of new or modernised social care facilities (other than housing)	RCR 74 - Annual users of new or modernised social care facilities
	(vi) Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	RCO 77 - Number of cultural and tourism sites supported*	RCR 77 - Visitors of cultural and tourism sites supported*
5. A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives (PO 5)	(i) Fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism, and security in urban areas	RCO 74 - Population covered by projects in the framework of strategies for integrated territorial development* RCO 75 - Strategies for integrated territorial development supported*	
	(ii) Fostering the integrated and inclusive social, economic and environmental local development, culture, natural heritage, sustainable tourism and security in areas other than urban areas	RCO 76 - Integrated projects for territorial development RCO 80 - Community-led local development strategies supported* RCO 112 - Stakeholders involved in the preparation and implementation of strategies for integrated territorial development RCO 114 - Open space created or rehabilitated in urban areas*	

** For presentational reasons common output and result indicators are grouped by, but not limited to, a specific objective within a policy objective. In particular, PO 5, may use relevant common indicators listed for POs 1 to 4. In addition, in order to develop a full picture of the expected and actual performance of the programmes, the common indicators indicated by * may be used by specific objectives under any of the POs 1 to 4, when relevant.

(¹) RCO: REGIO Common Output Indicator.

(²) Breakdown not requested for programming but only for reporting.

(³) RCR: REGIO Common Result Indicator.

(⁴) Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

Table 2

Additional common output and result indicators for the ERDF for Interreg

Interreg-specific indicators	RCO 81 - Participations in joint actions across borders RCO 115 - Public events across borders jointly organised RCO 82 - Participations in joint actions promoting gender equality, equal opportunities and social inclusion RCO 83 - Strategies and action plans jointly developed RCO 84 - Pilot actions developed jointly and implemented in projects	RCR 79 - Joint strategies and action plans taken up by organisations RCR 104 - Solutions taken up or up-scaled by organisations
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	<p>RCO 116 - Jointly developed solutions</p> <p>RCO 85 - Participations in joint training schemes</p> <p>RCO 117 - Solutions for legal or administrative obstacles across border identified</p> <p>RCO 86 - Joint administrative or legal agreements signed</p> <p>RCO 87 - Organisations cooperating across borders</p> <p>RCO 118 - Organisations cooperating for the multi-level governance of macroregional strategies</p> <p>RCO 90 - Projects for innovation networks across borders</p> <p>RCO 120 - Projects supporting cooperation across borders to develop urban-rural linkages</p>	<p>RRC 81 - Completions of joint training schemes</p> <p>RRC 82 - Legal or administrative obstacles across borders alleviated or resolved</p> <p>RRC 83 - Persons covered by joint administrative or legal agreements signed</p> <p>RRC 84 - Organisations cooperating across borders after project completion</p> <p>RRC 85 - Participations in joint actions across borders after project completion</p>
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ANNEX II

CORE SET OF PERFORMANCE INDICATORS FOR ERDF AND COHESION FUND REFERRED TO IN ARTICLE 8(3), TO BE USED BY THE COMMISSION IN COMPLIANCE WITH ITS REPORTING REQUIREMENT PURSUANT TO POINT (H)(III) OF ARTICLE 41(3) OF THE FINANCIAL REGULATION

Policy objective	Specific objective	Outputs	Results
(1)	(2)	(3)	(4)
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity (PO 1)	(i) Developing and enhancing research and innovation capacities and the uptake of advanced technologies	CCO (1) 01 - Enterprises supported to innovate CCO 02 - Researchers working in supported research facilities	CCR (2) 01 - Small and medium-sized enterprises (3) (SMEs) introducing product, process, marketing or organisational innovation
	(ii) Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	CCO 03 - Enterprises and public institutions supported to develop digital products, services and processes	CCR 02 - Annual users of new or upgraded digital products, services and processes
	(iii) Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	CCO 04 - SMEs supported to enhance growth and competitiveness	CCR 03 - Jobs created in enterprises supported
	(iv) Developing skills for smart specialisation, industrial transition and entrepreneurship	CCO 05 - SMEs investing in skills for smart specialisation, for industrial transition and entrepreneurship	CCR 04 - SMEs staff completing training for skills for smart specialisation, for industrial transition and entrepreneurship
	(v) Enhancing digital connectivity	CCO 13 - Additional dwellings and enterprises with broadband access of very high capacity	CCR 12 - Additional dwellings and enterprises with broadband subscriptions to a very high capacity network
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate	(i) Promoting energy efficiency measures and reducing green-house gas emissions	CCO 06 - Investments in measures to improve energy performance	CCR 05 - Savings in annual primary energy consumption
	(ii) Promoting renewable energy in accordance with Directive (EU) 2018/2001, including the sustainability criteria set out therein	CCO 07 - Additional production capacity for renewable energy	CCR 06 - Additional renewable energy produced
	(iii) Developing smart energy systems, grids and storage outside the Trans-European Energy Network (TEN-E)	CCO 08 - Digital management systems for smart energy systems	CCR 07 - Additional users connected to smart energy systems
	(iv) Promoting climate change adaptation and disaster risk prevention and resilience, taking into account eco-system based approaches	CCO 09 - Investments in new or upgraded disaster monitoring, preparedness, warning and response systems	CCR 08 - Additional population benefiting from protection measures against floods, wild fires, and other climate related natural disasters

change mitigation and adaptation, risk prevention and management, and sustainable urban mobility (PO 2)	(v) Promoting access to water and sustainable water management	CCO 10 - New or upgraded capacity for waste water treatment	CCR 09 - Additional population connected to at least secondary waste water treatment
	(vi) Promoting the transition to a circular and resource efficient economy	CCO 11 - New or upgraded capacity for waste recycling	CCR 10 - Additional waste recycled
	(vii) Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	CCO 12 - Surface area of green infrastructure	CCR 11 - Population benefiting from measures for air quality
	(viii) Promoting sustainable multi-modal urban mobility, as part of transition to a net zero carbon economy	CCO 16 - Extension and modernisation of tram and metro lines	CCR 15 - Annual users served by new and modernised tram and metro lines
3. A more connected Europe by enhancing mobility (PO 3)	(i) Developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T	CCO 14 - Road TEN-T: New upgraded, reconstructed, or modernised roads CCO 15 - Rail TEN-T: New, upgraded, reconstructed, or modernised railways	CCR 13 - Time savings due to improved road infrastructure CCR 14 - Annual number of passengers served by improved rail transport
	(ii) Developing and enhancing a sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	CCO 22 - Road non-TEN-T: New, upgraded, reconstructed, or modernised roads CCO 23 - Rail non-TEN-T: New, upgraded, reconstructed, or modernised railways	
4. A more social and inclusive Europe implementing the European Pillar of Social Rights (PO 4)	(i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy	CCO 17 - Surface of new or modernised facilities for employment services	CCR 16 - Annual users of new or modernised facilities for employment services
	(ii) Improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	CCO 18 - New or modernised capacity for childcare and education facilities	CCR 17 - Annual users served by new or modernised childcare and education facilities
	(iii) Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups	CCO 19 - New or modernised capacity of social housing facilities CCO 25 - Population covered by projects in the framework of integrated actions for socioeconomic	CCR 18 - Annual users of new or modernised social housing facilities

	including people with special needs, through integrated actions including housing and social services	inclusion of marginalised communities, low income households and disadvantaged groups	
	(iv) Promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services	CCO 26 - New or modernised capacity for temporary reception facilities	CCR20 - Annual users of new or modernised temporary reception facilities
	(v) Ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family-based and community-based care	CCO 20 - New or modernised capacity for health care facilities	CCR 19 - Annual users of new or modernised health care services
	(vi) Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	CCO24 - Culture and tourism sites supported	CCR21 - Visitors of culture and tourism sites supported
5. A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives (PO 5)	(i) Fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism, and security in urban areas	CCO 21 - Population covered by strategies for integrated territorial development	
	(ii) Fostering the integrated and inclusive social, economic and environmental local development, culture, natural heritage, sustainable tourism and security in areas other than urban areas		

⁽¹⁾ CCO: REGIO Core Common Output.

⁽²⁾ CCR: REGIO Core Common Result.

⁽³⁾ Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

REGULATION (EU) 2021/1059 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 24 June 2021****on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 178, Articles 209(1) and 212(2) and Article 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) Article 176 of the Treaty on the Functioning of the European Union (TFEU) provides that the European Regional Development Fund (ERDF) is intended to help to redress the main regional imbalances in the Union. Pursuant to that Article and to the second and third paragraphs of Article 174 TFEU, the ERDF is to contribute to reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, among which particular attention is to be paid to certain categories of regions, including a specific reference to cross-border regions.
- (2) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽⁴⁾ sets out provisions common to the ERDF and certain other funds and Regulation (EU) 2021/1058 of the European Parliament and of the Council ⁽⁵⁾ sets out provisions concerning the specific objectives and the scope of the ERDF support. It is also necessary to adopt specific provisions concerning the European territorial cooperation goal (Interreg) where one or more Member States and their regions and, where relevant, partner countries and third countries cooperate across borders with regard to effective programming, including provisions on technical assistance, monitoring, evaluation, communication, eligibility, management and control and financial management.

⁽¹⁾ OJ C 440, 6.12.2018, p. 116.

⁽²⁾ OJ C 86, 7.3.2019, p. 137.

⁽³⁾ Position of the European Parliament of 26 March 2019 (OJ C 108, 26.3.2021, p. 247) and position of the Council at first reading of 27 May 2021 (not yet published in the Official Journal). Position of the European Parliament of 23 June 2021 (not yet published in the Official Journal).

⁽⁴⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (see page 159 of this Official Journal).

⁽⁵⁾ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (see page 60 of this Official Journal).

- (3) The promotion of Interreg is a major priority of Union cohesion policy. Support for small and medium-sized enterprises for costs incurred in European territorial cooperation (ETC) projects is already block-exempted pursuant to Commission Regulation (EU) No 651/2014 ⁽⁶⁾ and special provisions in relation to regional aid for investments by undertakings of all sizes are also included in the regional aid section of that Regulation and in the Commission Guidelines on regional State aid for 2014-2020. Taking into account the 30 years' experience gained, and given the low financial value of projects and the unlikely negative impact on trade and competition, on the one hand, and the high added value brought by the existing programmes to territorial cohesion in Europe, on the other, the scope of the State aid rules with regard to public financing of ETC projects is expected to be further clarified through future amendment of Regulation (EU) No 651/2014, thereby largely exempting the public financing of Interreg projects from the obligation of prior notification and greatly facilitating the implementation of those projects.
- (4) In order to support the harmonious development of the Union's territory at different levels, the ERDF should support cross-border cooperation, transnational cooperation, interregional cooperation and outermost regions' cooperation under Interreg goal. In the process, the principles of partnership and multi-level governance should be taken into account, while ensuring that the scale of partnership for a programme remains effective.
- (5) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and to achieve the United Nations Sustainable Development Goals, the Funds will contribute to mainstream climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives. In that context the Funds should support activities that respect the climate and environmental standards and that would do no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council ⁽⁷⁾.
- (6) The cross-border cooperation strand should aim to tackle common challenges identified jointly in the border regions, and to exploit the untapped growth potential in border areas as evidenced in the Commission communication of 20 September 2017 entitled 'Boosting Growth and Cohesion in EU Border Regions' ('Border Regions Communication'). As a result, the programme areas for cross-border cooperation should be identified as those regions and areas on the border or separated by a maximum of 150 km of sea where cross-border interaction may effectively take place or in which functional areas can be identified, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas.
- (7) The cross-border cooperation strand should also involve cooperation between one or more Member States or their regions, and one or more countries or regions, or other territories outside the Union. Covering internal and external cross-border cooperation under this Regulation should result in a major simplification and streamlining of applicable provisions for the programme authorities in Member States and for the partner authorities and beneficiaries outside the Union compared to the 2014-2020 programming period.
- (8) The transnational cooperation strand should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's priorities, in full respect of subsidiarity. Transnational cooperation should cover larger territories on the mainland of the Union and around sea basins with maximum flexibility to ensure the coherence and continuity of cooperation programmes, including previous external maritime cross-border cooperation within a larger maritime cooperation framework, in particular by defining the territory covered, the specific objectives for such cooperation, the requirements for a project partnership and the possibility to set up sub-programmes and specific steering committees.

⁽⁶⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

⁽⁷⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (9) Based on the experience with cross-border and transnational cooperation during the 2014-2020 programming period in outermost regions, where the combination of both strands within a single programme per cooperation area has not brought about sufficient simplification for programme authorities and beneficiaries, a specific outermost regions' strand should be established in order to enable outermost regions to cooperate with their neighbouring countries and territories in the most effective and simple way. Under that strand, calls for proposals could be launched for combined funding under the ERDF, the Neighbourhood, Development and International Cooperation Instrument (NDICI) established by Regulation (EU) 2021/947 of the European Parliament and of the Council⁽⁸⁾ and the Overseas Association Decision (OAD) established by Council Decision 2013/755/EU⁽⁹⁾, through management modes to be agreed upon between participating Member States and regions and third countries.
- (10) Based on the experience with the interregional cooperation programmes under Interreg, the interregional cooperation strand should focus on boosting the effectiveness of cohesion policy through four specific programmes: a programme to enable the exchange of experiences, innovative approaches and capacity building focusing on policy objectives and the Interreg-specific objective 'a better cooperation governance', in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes; a programme dedicated to the exchange of experiences and capacity building in relation to the identification, transfer and capitalisation of good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas including support to actions developed in the framework of Article 11 of Regulation (EU) 2021/1058, complementing and being coordinated with the initiative outlined in Article 12 thereof; a programme for the exchange of experiences, innovative approaches and capacity building with a view to harmonising and simplifying the implementation of Interreg programmes, to harmonising and simplifying cooperation actions referred in point (d) (vi) of Article 22(3) of Regulation (EU) 2021/1060, and supporting the setting-up, functioning and use of European groupings of territorial cooperation ('EGTCs') already set up or to be set up pursuant to Regulation (EC) No 1082/2006 of the European Parliament and of the Council⁽¹⁰⁾ as well as macro-regional strategies; and a programme to improve the analysis of development trends. The four programmes under the interregional cooperation strand should cover the whole Union and should also be open for the participation of third countries.
- (11) Common objective criteria for designating eligible regions and areas should be established. To that end, the identification of eligible regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council⁽¹¹⁾.
- (12) It is necessary to continue supporting or, as appropriate, to establish cooperation in all its dimensions with the Union's neighbouring third countries, as such cooperation is an important regional development policy tool and should benefit the regions of the Member States which border third countries. To that effect, the ERDF and the external financing instruments of the Union, the Instrument for Pre-Accession Assistance (IPA III) established by a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III) (the 'IPA III Regulation'), NDICI and OAD should support programmes under cross-border cooperation, transnational cooperation, interregional cooperation and outermost regions' cooperation. The support from the ERDF and from the external financing instruments of the Union should be based on reciprocity and proportionality. However, for IPA III funds allocated to cross-border cooperation ('IPA III-CBC') and NDICI funds allocated to cross-border cooperation for the neighbourhood geographic area ('NDICI-CBC'), the ERDF support should be complemented by at least equivalent amounts under IPA III-CBC and NDICI-CBC, subject to a maximum amount set out in the respective legal act.

⁽⁸⁾ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).

⁽⁹⁾ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

⁽¹⁰⁾ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006, p. 19).

⁽¹¹⁾ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

- (13) IPA III assistance is to mainly focus on assisting the IPA III beneficiaries to strengthen democratic institutions and the rule of law, reform the judiciary and public administration, respect fundamental rights and promote gender equality, tolerance, social inclusion and non-discrimination as well as regional and local development. IPA III assistance is to continue to support the efforts of the IPA III beneficiaries to advance regional, macro-regional and cross-border cooperation as well as territorial development, including through the implementation of Union macro-regional strategies. In addition, IPA III assistance is to address security, migration and border management, ensuring access to international protection, sharing relevant information, enhancing border control and pursuing common efforts in the fight against irregular migration and migrant smuggling.
- (14) With regard to NDICI assistance, the Union should develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation. This Regulation should therefore support internal and external aspects of relevant macro-regional strategies. Those initiatives are strategically important and offer meaningful political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility.
- (15) It is important to continue observing the role of the European External Action Service as established in Council Decision 2010/427/EU ⁽¹²⁾ and that of the Commission in the preparation of the strategic programming and of Interreg programmes supported by the ERDF and the NDICI.
- (16) In view of the specific situation of outermost regions of the Union, it is necessary to adopt measures concerning the improvement of conditions under which those regions are able to have access to structural funds. Consequently, certain provisions of this Regulation should be adapted to the specificities of the outermost regions of the Union in order to simplify and foster their cooperation with overseas countries and territories ('OCTs') and third countries, while taking into account the Commission communication of 24 October 2017 entitled 'A stronger and renewed strategic partnership with the EU's outermost regions'. It should be possible for that cooperation to be carried out in close partnership with regional integration and cooperation organisations.
- (17) This Regulation should lay down the possibility of the OCTs to participate in Interreg programmes. The specificities and challenges of the OCTs should be taken into consideration in order to facilitate their effective access and participation.
- (18) It is necessary to set out the resources allocated to each of the different strands of Interreg, including each Member State's share of the global amounts for cross-border cooperation, transnational cooperation, outermost regions' cooperation and the potential available to Member States concerning flexibility between those strands.
- (19) For the most efficient use of the support from the ERDF and the external financing instruments of the Union, a mechanism should be set up to organise the return of such support in cases where external cooperation programmes cannot be adopted or have to be discontinued, including with third countries which do not receive support from any financing instrument of the Union. That mechanism should seek to achieve optimal functioning of the programmes and the maximum possible coordination between those instruments.
- (20) The ERDF should contribute, under Interreg, to the specific objectives under the cohesion policy objectives. However, the list of the specific objectives under the different policy objectives should be adapted to the specific needs of Interreg in order to allow for ESF-type interventions, according to points (a) to (l) of Article 4(1) of Regulation (EU) 2021/1057 of the European Parliament and of the Council ⁽¹³⁾ through joint actions under Interreg programmes.

⁽¹²⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

⁽¹³⁾ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (see page 21 of this Official Journal).

- (21) Within the context of the unique and specific circumstances on the island of Ireland, and with a view to supporting North-South cooperation under the Good Friday Agreement, a PEACE PLUS cross-border programme is to continue and build on the work of previous programmes between the border counties of Ireland and Northern Ireland. Taking into account its practical importance, it is necessary to ensure that, where that programme is acting in support of peace and reconciliation, the ERDF should also contribute to promoting social, economic and regional stability and cooperation in the regions concerned, in particular through actions that promote cohesion between communities. Given the specificities of that programme, it should be managed in an integrated manner with the United Kingdom contribution being integrated into that programme as external assigned revenue. Furthermore, certain rules on the selection of operations in this Regulation should not apply to that programme in relation to operations in support of peace and reconciliation.
- (22) This Regulation should add two Interreg-specific objectives: an objective to support strengthening institutional capacity, enhancing legal and administrative cooperation, in particular where linked to implementation of the Border Regions Communication, intensify cooperation between citizens and institutions and the development and coordination of macro-regional and sea-basin strategies, build up mutual trust, in particular by encouraging people-to-people actions; and a second objective to address cooperation issues on safety, security, border crossing management and migration.
- (23) The major part of the Union support should be concentrated on a limited number of policy objectives in order to maximise the impact of Interreg. Synergies and complementarities between the strands of Interreg should be strengthened.
- (24) Provisions on the preparation, approval and amendment of Interreg programmes as well as on territorial development, on the selection of operations, on monitoring and evaluation, on the programme authorities, on audit of operations, and on transparency and communication should be adapted to the specificities of Interreg programmes compared to the provisions set out in Regulation (EU) 2021/1060. Those specific provisions should be kept simple and clear in order to avoid gold-plating and additional administrative burdens for Member States and beneficiaries.
- (25) The provisions on the criteria for operations to be considered as genuinely joint and cooperative, on the partnership within an Interreg operation and on the obligations of the lead partner as set out during the 2014-2020 programming period should be continued. Interreg partners should cooperate in development and implementation as well as in staffing or financing, or both, and under outermost regions' cooperation, in two out of four of these cooperation dimensions, as it should be simpler to combine support from the ERDF and external financing instruments from the Union both on the level of programmes and operations.
- (26) Under cross-border cooperation programmes, people-to-people and small-scale projects are important and successful instruments, with high European added value, for eliminating border and cross border obstacles, fostering contacts between people locally and, bringing border regions and their citizens closer together. So far they have been supported via small-project funds or similar instruments, although they have never been covered by specific provisions, making it necessary to clarify the rules governing those funds. In order to maintain the added value and advantages of people-to-people and small-scale projects, also with regard to local and regional development, and to simplify the management of the financing of small projects by the final recipients who are often not used to applying for Union funds, the use of simplified cost options and of lump sums should be made obligatory below a certain threshold.
- (27) Due to the involvement of more than one Member State, and the resulting higher administrative costs, including for regional points of contact also known as 'antennae', which are important points of contact for those proposing and implementing projects, and therefore function as a direct line to the joint secretariats or the relevant authorities, but in particular in respect of controls and translation, the ceiling for technical assistance expenditure should be higher than that under the Investment for jobs and growth goal. In order to offset the higher administrative costs, Member States should be encouraged to reduce the administrative burden with regard to the implementation of joint projects wherever possible. In addition, Interreg programmes with limited Union support or external cross-border Interreg programmes should receive a certain minimum amount for technical assistance to ensure sufficient funding for effective technical assistance activities, including for regional branch offices of joint secretariats and contact points set up to be closer to potential beneficiaries and partners.

- (28) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽¹⁴⁾, this Regulation should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the funding on the ground.
- (29) Based on the experience gained during the 2014-2020 programming period, the system introducing a clear hierarchy of rules on eligibility of expenditure should be continued while maintaining the principle of rules on eligibility of expenditure to be established at Union level and for an Interreg programme as a whole to avoid any possible contradictions or inconsistencies between different regulations and between Union and national law. Additional rules adopted by one Member State which would only apply to the beneficiaries in that Member State should be limited to the strict minimum. In particular, Commission Delegated Regulation (EU) No 481/2014 ⁽¹⁵⁾, adopted for the 2014-2020 programming period, should be integrated into this Regulation.
- (30) Member States should be encouraged to assign the functions of the managing authority to an EGTC or to make such a grouping, like other cross-border legal bodies, responsible for managing a sub-programme, an integrated territorial investment or one or more small project funds, or to act as sole partner. In that context, a cross-border legal body, including euroregions, should be established and have legal personality pursuant to the law of one of the participating countries, and the participation of regional and local authorities from all participating countries should be granted.
- (31) In order to continue the payment chain established for the 2014-2020 programming period, namely, from the Commission to the lead partner via the certifying authority, that payment chain should be continued under the accounting function. The Union support should be paid to the lead partner, unless this would result in double fees for conversion into euro and back into another currency or vice versa between the lead partner and the other partners. If not otherwise specified, the lead partner should ensure that the other partners receive the total amount of the contribution from the respective Union fund in full and within the timeframe agreed by all partners and following the same procedure applied in respect of the lead partner.
- (32) Pursuant to Article 63(9) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽¹⁶⁾ (the 'Financial Regulation') sector-specific rules are to take account of the needs of Interreg programmes in particular as regards the audit function. The provisions on the annual audit opinion, the annual control report and the audits of operations should therefore be simplified and adapted to those programmes involving more than one Member State.
- (33) A clear chain of financial liability in respect of recovery for irregularities should be established from sole or other partners via the lead partner and the managing authority to the Commission. Provision should be made for liability of Member States, third countries, partner countries or OCTs, where obtaining recovery from the sole or other or lead partner is not successful, meaning that the Member State reimburses the managing authority. Consequently, under Interreg programmes there is no scope for irrecoverable amounts at the level of beneficiaries. It is, however, necessary to clarify the rules, should a Member State, third country, partner country or OCT not reimburse the managing authority. The obligations of the lead partner for recovery should also be clarified.

⁽¹⁴⁾ OJ L 123, 12.5.2016, p. 1.

⁽¹⁵⁾ Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes (OJ L 138, 13.5.2014, p. 45).

⁽¹⁶⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1)

- (34) In order to apply a mostly common set of rules both in the participating Member States and third countries, partner countries or OCTs, this Regulation should also apply to the participation of third countries, partner countries or OCTs, unless specific rules are set out in a specific chapter of this Regulation. Interreg programme authorities may be mirrored by comparable authorities in third countries, partner countries or OCTs. The starting point for the eligibility of expenditure should be linked to the signature of the financing agreement by the relevant third country, partner country or OCT. Procurement for beneficiaries in the third country, partner country or OCT should follow the rules for external procurement provided for in the Financial Regulation. The procedures for the conclusion of financing agreements with each of the third countries, partner countries or OCTs as well as of the agreements between the managing authority and each third country, partner country or OCT with regard to the support from an external financing instrument of the Union or in the case of transfer of an additional contribution from a third country, partner country or OCT to the Interreg programme other than national co-financing should be set out.
- (35) Although Interreg programmes with the participation of third countries, partner countries or OCTs should be implemented under shared management, it should be possible for outermost regions' cooperation to be implemented under indirect management. Specific rules should be set out on how to implement those programmes as a whole or partially under indirect management.
- (36) Based on the experience gained during the 2014-2020 programming period with large infrastructure projects within cross-border cooperation programmes under the European Neighbourhood Instrument established by Regulation (EU) No 232/2014 of the European Parliament and of the Council⁽¹⁷⁾, the procedures should be simplified. However, the Commission should retain certain rights concerning the selection of such projects.
- (37) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to adopt and amend the lists of Interreg programme areas to receive support and the list of the global amount of the Union support for each Interreg programme. Implementing powers should also be conferred on the Commission to adopt the multi-annual strategy documents for Interreg programmes supported by an external financing instrument of the Union. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁽¹⁸⁾. Although those acts are of a general nature, the advisory procedure should be used given that they only implement the provisions in a technical way. Where applicable, the multi-annual strategy documents for Interreg programmes supported by an external financial instrument should also respect the procedure set out in the IPA III Regulation and Regulation (EU) 2021/947.
- (38) In order to ensure uniform conditions for the approval Interreg programmes and of amendments thereto, implementing powers should be conferred on the Commission. Where applicable, external cross-border Interreg programmes should respect committee procedures established under the IPA III Regulation and Regulation (EU) 2021/947 with regard to the first approval decision of those programmes.
- (39) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending the Annex. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁽¹⁷⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

⁽¹⁸⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (40) In view of the adoption of this Regulation after the start of the programming period, and taking into account the need to implement Interreg in a coordinated and harmonised manner, and in order to allow for its prompt implementation, it should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (41) Since the objective of this Regulation, namely to foster cooperation between Member States and between Member States and third countries, partner countries or OCTs cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

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CHAPTER I

GENERAL PROVISIONS

SECTION I

Subject matter, scope and Interreg strands*Article 1***Subject matter and scope**

This Regulation lays down rules for the European territorial cooperation goal (Interreg) with a view to fostering cooperation between Member States and their regions inside the Union and between Member States, their regions and third countries, partner countries, other territories or overseas countries and territories (OCTs), or regional integration and cooperation organisations.

This Regulation also lays down the provisions necessary to ensure effective programming including on technical assistance, monitoring, evaluation, communication, eligibility, management and control, as well as financial management of programmes under Interreg ('Interreg programmes') supported by the European Regional Development Fund (ERDF).

With regard to support from the Instrument for Pre-Accession Assistance (IPA III), the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the funding for all the OCTs for the 2021-2027 programming period established as a programme by Decision 2013/755/EU (jointly referred to as 'the external financing instruments of the Union') to Interreg programmes, this Regulation sets out additional specific objectives as well as the integration of those funds into Interreg programmes, the criteria for third countries, partner countries and OCTs and their regions to be eligible and certain specific implementation rules.

With regard to support from the ERDF and the external financing instruments of the Union (jointly referred to as 'the Interreg funds') to Interreg programmes, this Regulation sets out the Interreg-specific objectives as well as the organisation of Interreg, the eligibility criteria for Member States, third countries, partner countries and OCTs and their regions, the financial resources, and the criteria for their allocation.

Regulation (EU) 2021/1060 and Regulation (EU) 2021/1058 shall apply to Interreg programmes, except where specifically provided for otherwise under those Regulations and this Regulation or where Regulation (EU) 2021/1060 can only apply to the Investment for jobs and growth goal.

*Article 2***Definitions**

For the purpose of this Regulation, the definitions in Article 2 of Regulation (EU) 2021/1060 apply. The following definitions also apply:

- (1) 'IPA III beneficiary' means a country or territory listed in the relevant annex to the IPA III Regulation;
- (2) 'third country' means a country which is not a Member State and does not receive support from the Interreg funds or which contributes to the general budget of the Union ('Union budget') by external assigned revenue;
- (3) 'partner country' means an IPA III beneficiary or a country or territory covered, for Interreg A and B programmes, by the Neighbourhood area listed in Annex I to Regulation (EU) 2021/947 or the Russian Federation, or for Interreg C and D programmes, a country or territory covered by any geographic area under NDICI, and which receives support from the external financing instruments of the Union;
- (4) 'cross-border legal body' means a legal body established pursuant to the law of one of the participating countries in an Interreg programme provided that it is set up by territorial authorities or other bodies from at least two participating countries;

- (5) 'regional integration and cooperation organisation' means, in the context of outermost regions cooperation, a group of third countries or regions in the same geographic area that aim to cooperate closely on issues of common interest, of which Member States may also be part.

For the purpose of this Regulation, where Regulation (EU) 2021/1060 refers to a 'Member State', this shall be construed as meaning 'the Member State hosting the managing authority' and where that Regulation refers to 'Each Member State' or 'Member States', this shall be construed as meaning 'the Member States and, where applicable, third countries, partner countries and OCTs participating in a given Interreg programme'.

For the purpose of this Regulation, where Regulation (EU) 2021/1060 refers to 'the Funds' as listed in point (a) of Article 1(1) of that Regulation or to Regulation (EU) 2021/1058, this shall be construed as also covering the respective external financing instrument of the Union.

Article 3

Interreg strands

Under Interreg, the ERDF and, where applicable, external financing instruments of the Union, shall support the following strands:

- (1) cross-border cooperation between adjacent regions to promote integrated and harmonious regional development between neighbouring land and maritime border regions ('Interreg A'):
 - (a) internal cross-border cooperation between adjacent border regions of two or more Member States or between adjacent border regions of at least one Member State and one or more third countries referred to in Article 4(2); or
 - (b) external cross-border cooperation, between adjacent border regions of at least one Member State and of one or more of the following:
 - (i) IPA III beneficiaries;
 - (ii) partner countries supported by NDICI; or
 - (iii) the Russian Federation, for the purpose of enabling its participation in cross-border cooperation also supported by NDICI;
- (2) transnational cooperation over larger transnational territories or around sea basins, involving national, regional and local programme partners in Member States, third countries and partner countries and OCTs, with a view to achieving a higher degree of territorial integration ('Interreg B');
- (3) interregional cooperation to reinforce the effectiveness of cohesion policy ('Interreg C') by promoting:
 - (a) exchange of experiences, innovative approaches and capacity building focusing on policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060 and the Interreg-specific objective 'a better cooperation governance', in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes (the 'Interreg Europe programme');
 - (b) exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas, supporting actions developed in the framework of Article 11 of Regulation (EU) 2021/1058 and while also complementing in a coordinated way with the initiative outlined in Article 12 of that Regulation (the 'URBACT programme');
 - (c) exchange of experiences, innovative approaches and capacity building with a view to (the 'INTERACT programme'):
 - (i) harmonising and simplifying the implementation of Interreg programmes as well as contributing to the capitalisation of their results;
 - (ii) harmonising and simplifying the possible cooperation actions referred to in point (d) (vi) of Article 22(3) of Regulation (EU) 2021/1060;

- (iii) supporting the setting-up, functioning and use of European groupings of territorial cooperation (EGTCs);
 - (d) analysis of development trends in relation to the aims of territorial cohesion (the 'ESPO programme');
- (4) outermost regions' cooperation among themselves and with their neighbouring third or partner countries or OCTs, or regional integration and cooperation organisations, or several thereof, to facilitate their regional integration and harmonious development in their neighbourhood ('Interreg D').

SECTION II

Geographical coverage

Article 4

Geographical coverage for cross-border cooperation

1. For cross-border cooperation, the regions to be supported by the ERDF shall be the NUTS level 3 regions of the Union along all internal and external land borders with third countries or partner countries and all NUTS level 3 regions of the Union along maritime borders separated by a maximum of 150 km of sea, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas and where cross-border interaction may effectively take place.
2. Internal cross-border cooperation Interreg programmes may cover regions in Norway, Switzerland and the United Kingdom which are equivalent to NUTS level 3 regions as well as Andorra, Liechtenstein, Monaco and San Marino.
3. For external cross-border cooperation, the regions to be supported by IPA III or NDICI shall be NUTS level 3 regions of the respective partner country or, in the absence of a NUTS classification, equivalent areas along all land and maritime borders between Member States and partner countries eligible under IPA III or NDICI, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas.

Article 5

Geographical coverage for transnational cooperation

1. For transnational cooperation, the regions to be supported by the ERDF shall be the NUTS level 2 regions of the Union, including outermost regions, covering larger transnational territories and taking into account, where applicable, macro-regional strategies or sea-basin strategies.
2. At the request of the Member State or Member States concerned when submitting a transnational cooperation programme, that programme may also include one or more outermost regions from the Member State or Member States concerned.
3. Transnational cooperation programmes may cover the following territories, whether or not they are supported from the Union budget:
 - (a) regions in Iceland, Norway, Switzerland and the United Kingdom as well as Andorra, Liechtenstein, Monaco and San Marino;
 - (b) OCTs;
 - (c) the Faroe Islands;
 - (d) regions of partner countries under IPA III or NDICI.
4. The regions, third countries, partner countries or OCTs referred to in paragraph 3 shall be NUTS level 2 regions or, in the absence of a NUTS classification, equivalent areas.

*Article 6***Geographical coverage for interregional cooperation**

1. For interregional cooperation, the entire territory of the Union, including the outermost regions, shall be supported by the ERDF.
2. Interregional cooperation programmes may cover the whole territory of third countries, partner countries and other territories, or a part thereof, or OCTs referred to in Articles 4, 5 and 7, whether or not they are supported by the external financing instruments of the Union.

*Article 7***Geographical coverage for outermost regions' cooperation**

1. For the outermost regions' cooperation, all regions listed in the first paragraph of Article 349 TFEU shall be supported by the ERDF.
2. Interreg programmes involving the outermost regions may cover partner countries or parts thereof supported by the NDICI or OCTs supported by the Overseas Countries and Territories Programme (OCTP), or both.

*Article 8***List of Interreg programme areas to receive support**

1. For the purposes of Articles 4 to 7, the Commission shall adopt implementing acts setting out the list of Interreg programme areas to receive support, broken down for each strand and each Interreg programme. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 63(2).

External cross-border programmes shall be listed as 'Interreg A IPA III CBC programmes' (IPA III-CBC) or 'Interreg A NEXT programmes' (NDICI-CBC).

2. The implementing acts referred to in the first subparagraph of paragraph 1 shall also contain a list specifying those NUTS level 3 regions of the Union taken into account for the ERDF allocation for cross-border cooperation at all internal borders and those external borders covered by the external financing instruments of the Union.
3. Regions of third or partner countries or territories outside the Union which do not receive support from the ERDF or from an external financing instrument of the Union, or which contribute to the Union budget by external assigned revenue, shall also be mentioned in the list referred to in the second subparagraph of paragraph 1.

SECTION III

Resources and co-financing rates*Article 9***ERDF resources for Interreg programmes**

1. The ERDF resources for Interreg programmes shall amount to EUR 8 050 000 000 in 2018 prices of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund for the 2021-2027 programming period and set out in Article 109(1) of Regulation (EU) 2021/1060.
2. The resources referred to in paragraph 1 shall be allocated as follows:
 - (a) 72,2 % (i.e., a total of EUR 5 812 790 000 for land and maritime cross-border cooperation ('strand A'));
 - (b) 18,2 % (i.e., a total of EUR 1 466 000 000 for transnational cooperation ('strand B'));

- (c) 6,1 % (i.e., a total of EUR 490 000 000 for interregional cooperation ('strand C'));
- (d) 3,5 % (i.e., a total of EUR 281 210 000 for outermost regions' cooperation ('strand D')).

3. The Commission shall communicate to each Member State its share of the global amounts for strands A, B and D, pursuant to the methodology provided for in point 8 of Annex XXVI of Regulation (EU) 2021/1060, broken down by year.

4. Each Member State may transfer up to 15% of its financial allocation for each of the strands A, B and D from one of those strands to one or more of the others.

5. Based on the amounts communicated pursuant to paragraph 3, each Member State shall inform the Commission whether and how it has used the transfer option provided for in paragraph 4 and the resulting distribution of its share among the Interreg programmes in which the Member State participates.

Article 10

Cross-fund provisions

1. The Commission shall adopt implementing acts setting out the multi-annual strategy documents with regard to external cross-border and transnational cooperation programmes supported by the ERDF and NDICI, by the ERDF and IPA III, or by the ERDF, NDICI and IPA III. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 63(2) of this Regulation and, where appropriate, with due respect for the procedure set out in the IPA III Regulation.

With regard to Interreg programmes supported by the ERDF and the NDICI, the implementing act shall set out the elements referred to in Article 14(2) of Regulation (EU) 2021/947.

With regard to Interreg programmes supported by the ERDF and IPA III, the implementing act shall also cover, where relevant, the participation of IPA III beneficiaries or partner countries in Interreg C and D programmes.

2. The contribution from the ERDF to external cross-border Interreg programmes to be also supported from the financial envelope under IPA III-CBC or from the financial envelope under NDICI-CBC shall be established by the Commission and the Member States concerned. The ERDF contribution established for each Member State shall not subsequently be reallocated between the Member States concerned.

The respective contributions from IPA III and NDICI to Interreg B, C and D programmes shall take account of the composition of the programme partnership by Member States, IPA III beneficiaries and partner countries. Those contributions may be set out in the multi-annual strategy documents covered by the first subparagraph of paragraph 1.

3. Support from the ERDF shall be granted to individual external cross-border programmes provided that at least equivalent amounts are provided by IPA III CBC and NDICI-CBC under the relevant multi-annual strategy document. That contribution shall be subject to a maximum amount set out in the IPA III Regulation or Regulation (EU) 2021/947.

However, where the review of the relevant strategic programming documents under IPA III or NDICI results in the reduction of the matching amount for the remaining years, each Member State concerned shall choose from the following options:

- (a) to request the mechanism referred to in Article 12(3);
- (b) to continue the Interreg programme with the remaining support from the ERDF and IPA III CBC or NDICI-CBC; or
- (c) to combine the options referred to in points (a) and (b) of this subparagraph.

4. The annual appropriations corresponding to the support from the ERDF, IPA III CBC or NDICI-CBC to external cross-border Interreg programmes shall be entered in the relevant budget lines for the 2021 budgetary exercise.

5. Where the Commission has included a specific financial allocation to assist partner countries or regions under Regulation (EU) 2021/947 and OCTs under Decision 2013/755/EU, or both, in strengthening their cooperation with neighbouring outermost regions of the Union in accordance with Article 33(2) of Regulation (EU) 2021/947 or Article 87 of Decision 2013/755/EU, or both, the ERDF may also contribute in accordance with this Regulation, where appropriate and on the basis of reciprocity and proportionality as regards the level of funding from the NDICI or the OCTP, or both, to actions implemented by a partner country or region or any other entity under Regulation (EU) 2021/947, by a country, territory or any other entity under Decision 2013/755/EU or by a Union outermost region under, in particular, one or more joint Interreg B, C or D programmes or under cooperation measures referred to in Article 59 of this Regulation that are established and implemented pursuant to this Regulation.

Article 11

List of Interreg programme resources

1. On the basis of the information provided by Member States pursuant to Article 9(5), the Commission shall adopt implementing acts setting out a list of all Interreg programmes and indicating for each programme the global amount of the total support from the ERDF and, where applicable, the total support from each external financing instrument of the Union. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 63(2).
2. Those implementing acts shall also contain a list of the amounts transferred pursuant to Article 9(4) broken down by Member State.

Article 12

Return of resources and discontinuation

1. If for 2022 or 2023 an external cross-border programme has not been submitted to the Commission by 31 March of the year concerned, the annual contribution from the ERDF to that programme that has not been re-allocated to another programme submitted under the same category of external cross-border Interreg programmes shall be allocated to the internal cross-border Interreg programmes in which the Member State concerned participates.
2. If, by 31 March 2024, there are still external cross-border Interreg programmes which have not been submitted to the Commission, the contribution from the ERDF referred to in Article 9(5) to those programmes for the remaining years up to 2027, which has not been re-allocated to another Interreg programme also supported by IPA III CBC or NDICI-CBC, respectively, shall be allocated to the internal cross-border Interreg programmes in which the Member State concerned participates.
3. Any external cross-border Interreg programme already approved by the Commission shall be discontinued or the allocation to that programme shall be reduced, in accordance with the applicable rules and procedures, in particular if:
 - (a) none of the partner countries covered by the Interreg programme concerned has signed the relevant financing agreement by the deadlines set out in accordance with Article 59; or
 - (b) the Interreg programme cannot be implemented as planned due to problems in relations between the participating countries.

In such cases, the contribution from the ERDF referred to in paragraph 1 corresponding to annual instalments not yet committed, or annual instalments committed and decommitted totally or partially during the same budgetary year, which have not been re-allocated to another Interreg programme also supported by IPA III CBC or NDICI-CBC, respectively, shall be allocated to the internal cross-border Interreg programmes in which the Member State concerned participates.

4. With regard to an Interreg B programme already approved by the Commission, the participation of a partner country or of an OCT shall be discontinued if one of the situations set out in points (a) or (b) of the first subparagraph of paragraph 3 is fulfilled.

The participating Member States and, where applicable, the remaining participating partner countries, shall request that:

- (a) the Interreg programme be discontinued, in particular where the main joint development challenges thereof cannot be achieved without the participation of that partner country or OCT;
- (b) the allocation to that Interreg programme be reduced, in accordance with the applicable rules and procedures; or
- (c) the Interreg programme be continued without the participation of that partner country or OCT.

Where the allocation to the Interreg programme is reduced pursuant to point (b), the contribution from the ERDF corresponding to annual instalments not yet committed, shall be allocated to another Interreg B programme in which one or more of the Member States concerned participate or, where a Member State only participates in one Interreg B programme, to one or more internal cross-border Interreg programmes in which that Member State participates.

5. The contribution from IPA III, NDICI or OCTP reduced pursuant to this Article shall be used in accordance with the IPA III Regulation, Regulation (EU) 2021/947 or Decision 2013/755/EU, respectively.

6. Where a third country, partner country or OCT which contributes to an Interreg programme with national resources which do not constitute the national co-financing of support from the ERDF or from an external financing instrument of the Union, reduces that contribution during the implementation of the Interreg programme, either globally or with regard to joint operations already selected and having received the document provided for in Article 22(6), the participating Member State or Member States shall request one of the options set out in the second subparagraph of paragraph 4 of this Article.

Article 13

Co-financing rates

1. The co-financing rate at the level of each Interreg programme shall be not higher than 80 %.
2. Notwithstanding paragraph 1 of this Article, the co-financing rate for Interreg D programmes shall be not higher than 85 % unless a higher percentage is fixed in Decision 2013/755/EU or any act adopted pursuant to that Decision or, where applicable, adopted pursuant to Regulation (EU) 2021/947, or any act adopted pursuant to that Regulation.
3. Where Interreg programmes are supported by the ERDF and IPA III CBC and where the allocation from the ERDF is 50 % or less of the total Union allocation, a higher percentage may be fixed in the IPA III Regulation or any act adopted pursuant to that Regulation.
4. Where Interreg programmes are supported by the ERDF, and either NDICI alone or both NDICI and IPA III, and where the allocation from the ERDF is 50 % or less of the total Union allocation, a higher percentage may be fixed in Regulation (EU) 2021/947 or any act adopted pursuant to that Regulation.

CHAPTER II

INTERREG-SPECIFIC OBJECTIVES AND THEMATIC CONCENTRATION

Article 14

Interreg-specific objectives

1. The ERDF, within its scope as set out in Article 5 of Regulation (EU) 2021/1058, and, where applicable, the external financing instruments of the Union shall contribute to the policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060 through joint actions under Interreg programmes.

2. In the case of the PEACE PLUS cross-border programme, where it is acting in support of peace and reconciliation, the ERDF, as a specific objective under policy objective 4, shall also contribute to promoting social, economic and regional stability in the regions concerned, in particular through actions to promote cohesion between communities. A separate priority shall support that specific objective.
3. In addition to the specific objectives for the ERDF as set out in Article 3 of Regulation (EU) 2021/1058, the ERDF and, where applicable, the external financing instruments of the Union shall also contribute to the specific objectives (a) to (l) of Article 4(1) of Regulation (EU) 2021/1057 through joint actions under Interreg programmes.
4. Under Interreg programmes, the ERDF and, where applicable, the external financing instruments of the Union, may also support the Interreg-specific objective of 'a better cooperation governance', by one or more of the following actions:
- (a) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands);
 - (b) enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, in particular with a view to resolving legal and other obstacles in border regions (strands A, C, D and, where appropriate, strand B);
 - (c) build up mutual trust, in particular by encouraging people-to-people actions (strands A, D and, where appropriate, strand B);
 - (d) enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies (all strands);
 - (e) enhance sustainable democracy and support civil society actors and their role in reforming processes and democratic transitions (all strands with involvement of third countries, partner countries or OCTs); and
 - (f) other actions to support better cooperation governance (all strands).
5. Under Interreg programmes, the ERDF and, where applicable, the external financing instruments of the Union, may also contribute to the Interreg-specific objective of 'a safer and more secure Europe', in particular by actions in the fields of border crossing management and mobility and migration management, including the protection and economic and social integration of third-country nationals, for example migrants and beneficiaries of international protection.

Article 15

Thematic concentration

1. At least 60 % of the ERDF contribution and, where applicable, of the external financing instruments of the Union allocations to each Interreg A, B and D programme shall be allocated to policy objective 2 and a maximum of two other policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060.

Interreg A programmes along internal land borders shall allocate at least 60 % of the allocated ERDF contribution to policy objectives 2 and 4 and a maximum of two other policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060.

2. Up to 20 % of the ERDF contribution and, where applicable, of the external financing instruments of the Union allocations to each Interreg A, B and D programme may be allocated to the Interreg-specific objective of 'a better cooperation governance' and up to 5 % may be allocated to the Interreg-specific objective of 'a safer and more secure Europe'.

3. Where an Interreg B programme supports a macro-regional strategy or a sea-basin strategy, at least 80 % of the ERDF contribution and, where applicable, part of the external financing instruments of the Union allocations under priorities other than for technical assistance shall contribute to the objectives of that strategy.

4. All of the policy objectives set out in the Article 5(1) of Regulation (EU) 2021/1060 and the Interreg-specific objective of 'a better cooperation governance' may be selected for Interreg Europe and URBACT programmes. For the INTERACT and ESPON programme, the total ERDF contribution and, where applicable, the external financing instruments of the Union allocations shall be allocated to the Interreg-specific objective of 'a better cooperation governance'.

CHAPTER III

PROGRAMMING

SECTION I

Preparation, approval and amendment of Interreg programmes

Article 16

Preparation and submission of Interreg programmes

1. The European territorial cooperation goal (Interreg) shall be implemented through Interreg programmes under shared management with the exception of Interreg D programmes, which may be implemented as a whole or partially under indirect management in agreement with the Member State or Member States concerned after consulting stakeholders.

2. The participating Member States and, where applicable, third countries, partner countries, OCTs, or regional integration and cooperation organisations shall prepare an Interreg programme in accordance with the template set out in the Annex for the period from 1 January 2021 to 31 December 2027.

3. The participating Member States shall prepare an Interreg programme in cooperation with the programme partners referred to in Article 8 of Regulation (EU) 2021/1060. In the preparation of Interreg B programmes, covering macro-regional or sea-basin strategies, the Member States and the programme partners shall take into account the thematic priorities of the relevant macro-regional and sea-basin strategies and consult the relevant actors, as well as ensure that these actors at macro-regional and sea-basin level are brought together at the start of the programming period in line with that Article.

The participating third countries or partner countries or, where applicable, OCTs shall also involve the programme partners, including regional integration and cooperation organisations, equivalent to those referred to in that Article.

4. The Member State hosting the prospective managing authority shall submit an Interreg programme to the Commission by 2 April 2022 on behalf of all participating Member States and, where applicable, third countries, partner countries or OCTs, or regional integration and cooperation organisations.

However, where an Interreg programme covers support from an external financing instrument of the Union, the Member State hosting the prospective managing authority shall submit the Interreg programme to the Commission not later than nine months after the adoption by the Commission of the relevant multi-annual strategy documents provided for in Article 10(1) or in accordance with the respective basic legislative act of that external financing instrument of the Union.

5. The participating Member States and, where applicable, third countries, partner countries or OCTs shall confirm in writing their agreement to the contents of an Interreg programme prior to its submission to the Commission. That agreement shall also include a commitment by all participating Member States and, where applicable, third countries, partner countries or OCTs to provide the co-financing necessary to implement the Interreg programme and, where applicable, the commitment for the financial contribution of the third countries, partner countries or OCTs.

By way of derogation from the first subparagraph, in the case of Interreg programmes involving outermost regions and third countries, partner countries or OCTs, the Member States concerned shall consult the respective third countries, partner countries or OCTs before submitting the Interreg programmes to the Commission. In that case, the agreements to the contents of the Interreg programmes and the possible financial contribution by the third countries, partner countries or OCTs may be expressed instead in the formally approved minutes of the consultation meetings with the third countries, partner countries or OCTs concerned or of the deliberations of regional integration and cooperation organisations.

6. The Commission is empowered to adopt delegated acts in accordance with Article 62 to amend the Annex in order to adapt to changes occurring during the programming period for non-essential elements thereof.

Article 17

Content of Interreg programmes

1. Each Interreg programme shall set out a joint strategy for the programme's contribution to the policy objectives set out in Article 5(1) of Regulation (EU) 2021/1060 and, where relevant, to the Interreg-specific objectives set out in Article 14(4) and (5) of this Regulation and the communication of its results.

2. Each Interreg programme shall consist of priorities.

Each priority shall correspond to a single policy objective or, where applicable, to one or both Interreg-specific objectives, respectively, and shall consist of one or more specific objectives. More than one priority may correspond to the same policy or Interreg-specific objective.

3. Each Interreg programme shall set out:

- (a) the programme area, including, whenever possible, a map thereof as a separate document;
- (b) a summary of the main joint challenges, taking into account:
 - (i) economic, social and territorial disparities as well as inequalities;
 - (ii) joint investment needs and complementarity and synergies with other funding programmes and instruments;
 - (iii) lessons learnt from past experience;
 - (iv) macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies;
- (c) a justification for the selected policy objectives and Interreg-specific objectives, corresponding priorities, specific objectives or actions under the Interreg-specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure;
- (d) the specific objectives or actions under the Interreg-specific objectives for each priority;
- (e) for each specific objective or for each action under the Interreg-specific objectives:
 - (i) the related types of actions and their expected contribution to those specific objectives or actions under the Interreg-specific objectives and, where appropriate, to macro-regional strategies and sea-basin strategies;
 - (ii) output indicators and result indicators with the corresponding milestones and targets;
 - (iii) the main target groups;
 - (iv) an indication of the specific territories targeted, including the planned use of integrated territorial investments (ITI), community-led local development or other territorial tools;
 - (v) the planned use of financial instruments; and
 - (vi) an indicative breakdown of the programmed resources by type of intervention;

- (f) a financing plan containing the following tables without any division per participating Member State, third country, partner country or OCT, unless specified otherwise therein:
 - (i) a table specifying, by year, the total financial allocation for the ERDF and, where relevant, for each external financing instrument of the Union for the whole programming period;
 - (ii) a table specifying, for each priority, the total financial allocation by the ERDF and, where relevant, by each external financing instrument of the Union by priority and the national co-financing and whether the national co-financing is made up of public and private co-financing;
- (g) the actions taken to involve the relevant programme partners referred to in Article 8 of Regulation (EU) 2021/1060 in the preparation of the Interreg programme, and the role of those programme partners in the implementation, monitoring and evaluation of that programme;
- (h) the envisaged approach to communication and visibility for the Interreg programme through defining its objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation; and
- (i) an indication of support to small-scale projects, including small projects within small project funds.

When a Member State submits the programme, it shall ensure that the programme is accompanied for information purposes by a list of planned operations of strategic importance and a timetable.

4. As regards the information referred to in paragraph 3 for the tables referred to in point (f) of that paragraph and as concerns the support from external financing instruments of the Union, those financial allocations shall be set out as follows:

- (a) for Interreg A programmes supported by IPA III and NDICI as a single amount (IPA III CBC or NEXT CBC) combining the contribution from Heading 2 'Cohesion and Values', sub-ceiling Economic, social and territorial cohesion and Heading 6 'Neighbourhood and the World';
- (b) for Interreg B and C programmes supported by IPA III, NDICI or the OCTP as a single amount ('Interreg funds') combining the contribution from Heading 2 and Heading 6 or split per financing instrument ERDF, IPA III, NDICI and OCTP, pursuant to the choice of the programme partners;
- (c) for Interreg B programmes supported by OCTP split per financing instrument (ERDF and OCTP);
- (d) for Interreg D programmes supported by the NDICI and by the OCTP split per financing instrument (ERDF, NDICI and OCTP, as appropriate).

5. With regard to point (e)(vi) of the first subparagraph of paragraph 3 of this Article, the types of intervention shall be based on a nomenclature set out in Annex I to Regulation (EU) 2021/1060.

6. The Interreg programme shall:

- (a) identify the programme authorities and the body to which payments are to be made by the Commission;
- (b) lay down the procedure for setting up the joint secretariat;
- (c) set out the apportionment of liabilities among the participating Member States and, where applicable, third or partner countries or OCTs, in the event of financial corrections imposed by the managing authority or the Commission.

7. The managing authority shall communicate to the Commission any changes in the information referred to in point (a) or (b) of paragraph 6 without requiring a programme amendment.

8. With regard to an Interreg A, B or D programme, where an A programme covers long borders with heterogeneous development challenges and needs, Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme may define sub-programme areas.

9. By way of derogation from paragraph 3, the content of Interreg C programmes shall be adapted to the specific character of those Interreg programmes, in particular as follows:

- (a) the information referred to in point (a) of paragraph 3 is not required;
- (b) the information required pursuant to points (b) and (g) of paragraph 3 shall be given as a short outline;
- (c) for each specific objective, the following information shall be given:
 - (i) with regard to INTERACT and ESPON, the definition of a single beneficiary or a limited list of beneficiaries and the granting procedure;
 - (ii) the related types of actions and their expected contribution to the specific objectives;
 - (iii) output indicators and result indicators with the corresponding milestones and targets;
 - (iv) the main target groups; and
 - (v) an indicative breakdown of the programmed resources by type of intervention.

Article 18

Approval of Interreg programmes

1. The Commission shall assess each Interreg programme and its compliance with Regulations (EU) 2021/1060 and (EU) 2021/1058 and this Regulation and, in the case of support from an external financing instrument of the Union and, where relevant, its consistency with the multi-annual strategy documents pursuant to Article 10(1) of this Regulation or the relevant strategic programming framework pursuant to the respective basic legislative act of one or more of those instruments.

2. The Commission may make observations within three months of the date of submission of the Interreg programme by the Member State hosting the prospective managing authority.

3. The participating Member States and, where applicable, third or partner countries or OCTs shall review the Interreg programme taking into account the observations made by the Commission.

4. The Commission shall adopt a decision by means of an implementing act approving each Interreg programme not later than five months after the date of the first submission of that programme by the Member State hosting the prospective managing authority.

5. With regard to external cross-border Interreg programmes, the Commission shall adopt its decisions in accordance with paragraph 4 of this Article after consultation of the 'IPA III Committee' in accordance with the relevant provision of the IPA III Regulation and of the 'Neighbourhood, Development and International Cooperation instrument committee' in accordance with Article 45 of Regulation (EU) 2021/947.

Article 19

Amendment of Interreg programmes

1. Following the consultation of and the approval by the monitoring committee and in compliance with Article 8 of Regulation (EU) 2021/1060, the managing authority may submit a reasoned request for an amendment of an Interreg programme together with the amended programme, setting out the expected impact of that amendment on the achievement of the objectives.

2. The Commission shall assess the compliance of the requested amendment with Regulations (EU) 2021/1060 and (EU) 2021/1058 and this Regulation and may make observations within two months of the submission of the amended programme.

3. The participating Member States and, where applicable, third countries, partner countries or OCTs shall review the amended programme and take into account the observations made by the Commission.

4. The Commission shall adopt a decision by means of an implementing act approving the amendment of an Interreg programme not later than four months after its submission by the managing authority.

5. Following the consultation of and the approval by the monitoring committee and in compliance with Article 8 of Regulation (EU) 2021/1060, the managing authority may transfer during the programming period an amount of up to 10 % of the initial allocation of a priority and no more than 5 % of the programme budget to another priority of the same Interreg programme.

Such transfers shall not affect previous years.

The transfer and related changes shall not be considered substantial and shall not require a decision of the Commission amending the Interreg programme. They shall, however, comply with all regulatory requirements. The managing authority shall submit to the Commission the revised table referred to in point (f)(ii) of Article 17(3) together with any related changes in the programme.

6. The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature that do not affect the implementation of the Interreg programme. The managing authority shall inform the Commission of such corrections.

SECTION II

Territorial Development

Article 20

Integrated territorial development

For Interreg programmes, the relevant territorial authorities or bodies responsible for drawing up territorial or local development strategies as listed in Article 28 of Regulation (EU) 2021/1060 or involved in the selection of operations to be supported under those strategies as referred to in Article 29(5) of that Regulation, or for both, shall represent at least two participating countries, of which at least one is a Member State.

Where a cross-border legal body or an EGTC implements an integrated territorial investment pursuant to Article 30 of Regulation (EU) 2021/1060 or another territorial tool pursuant to point (c) of the first subparagraph of Article 28 of that Regulation, it may also be the sole beneficiary pursuant to Article 23(6) of this Regulation, provided that there is a separation of functions inside the cross-border legal body or the EGTC.

Article 21

Community-led local development

Community-led local development (CLLD) provided for in point (b) of the first subparagraph of Article 28 of Regulation (EU) 2021/1060 may be implemented in Interreg programmes, provided that the relevant local action groups are composed of representatives of public and private local socio-economic interests, in which no single interest group controls the decision-making, and of at least two participating countries, of which at least one is a Member State.

SECTION III

Operations and small project funds

Article 22

Selection of Interreg operations

1. Interreg operations shall be selected in accordance with the programme's strategy and objectives by a monitoring committee set up in accordance with Article 28.

That monitoring committee may set up one or, in particular in the case of sub-programmes, more steering committees which act under its responsibility for the selection of operations. Steering committees shall apply the partnership principle as set out in Article 8 of Regulation (EU) 2021/1060.

When all or part of an operation is implemented outside the programme area inside or outside the Union, the selection of that operation shall require the explicit approval by the managing authority in the monitoring committee or, where applicable, the steering committee.

When the operation involves one or several partners located in the territory of a Member State, third country, partner country or OCT which is not represented in the monitoring committee, the managing authority shall condition its explicit approval to the submission of a written acceptance by the concerned Member State, third country, partner country or OCT to reimburse any amounts unduly paid to these partners, in accordance with Article 52(2).

When the written acceptance referred to in the fourth subparagraph of this paragraph cannot be obtained, the body implementing all or part of an operation outside the programme area shall obtain a guarantee from a bank or another financial institution for the corresponding amount of the Interreg funds granted. Such a guarantee shall be included in the document provided for in paragraph 6.

2. For the selection of operations, the monitoring committee or, where applicable, the steering committee shall establish and apply criteria and procedures which are non-discriminatory and transparent, ensure accessibility to persons with disabilities, gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Article 11 and Article 191(1) TFEU.

The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximising the contribution of Union funding to the achievement of the objectives of the Interreg programme and to implementing the cooperation dimension of operations under Interreg programmes, as set out in Article 23(1) and (4) of this Regulation.

3. At the request of the Commission the managing authority shall notify the selection criteria to the Commission prior to their initial submission to the monitoring committee or, where applicable, the steering committee. The same shall apply for any subsequent changes to those criteria.

4. In selecting operations, the monitoring committee or, where applicable, the steering committee shall:

- (a) ensure that selected operations comply with the Interreg programme and provide an effective contribution to the achievement of its specific objectives;
- (b) ensure that selected operations do not conflict with the corresponding strategies established pursuant to Article 10(1) or established for one or more of the external financing instruments of the Union;
- (c) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;
- (d) verify that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs for operations comprising investment in infrastructure or productive investment, so as to ensure their financial sustainability;
- (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council ⁽¹⁹⁾ are subject to an environmental impact assessment or a screening procedure and that the assessment of alternative solutions has been taken in due account, on the basis of the requirements of that Directive;
- (f) verify that where the operations have started before the submission of an application for funding to the managing authority, the applicable law has been complied with;
- (g) ensure that selected operations fall within the scope of the Interreg fund concerned and are attributed to a type of intervention;

⁽¹⁹⁾ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

- (h) ensure that operations do not include activities which were part of an operation subject to relocation within the meaning of point (27) of Article 2 of Regulation (EU) 2021/1060 or which would constitute a transfer of a productive activity within the meaning of point (a) of Article 65(1) of that Regulation;
- (i) ensure that selected operations are not directly affected by a reasoned opinion by the Commission in respect of an infringement within the scope of Article 258 TFEU that puts at risk the legality and regularity of expenditure or the performance of operations; and
- (j) ensure that, for investments in infrastructure with an expected lifespan of at least five years, an assessment of expected impacts of climate change is carried out.

5. The monitoring committee or, where applicable, the steering committee shall approve the methodology and criteria used for the selection of Interreg operations, including any changes thereto, without prejudice to point (b) of Article 33(3) of Regulation (EU) 2021/1060 with regard to CLLD and to Article 24 of this Regulation.

6. For each Interreg operation, the managing authority shall provide a document to the lead or sole partner setting out the conditions for support of that Interreg operation, including the specific requirements concerning the products or services to be delivered, its financing plan, the time-limit for its execution and, where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the support.

That document shall also set out the lead partner's obligations with regard to recoveries pursuant to Article 52. Those obligations shall be defined by the monitoring committee.

Article 23

Partnership within Interreg operations

1. Operations selected under Interreg A, B and D programmes shall involve partners from at least two participating countries or OCTs, at least one of which shall be a beneficiary from a Member State.

Operations selected under the Interreg Europe and URBACT programmes shall involve partners from at least three participating countries, at least two of which shall be beneficiaries from Member States.

Beneficiaries receiving support from Interreg funds and partners participating in the operation but not receiving any financial support under those funds (jointly referred to as 'partners') constitute an Interreg operation partnership.

2. An Interreg operation may be implemented in a single country or OCT, provided that the impact on and the benefits for the programme area are identified in the operation application.

3. Paragraph 1 shall not apply to operations under the PEACE PLUS cross-border programme where the programme is acting in support of peace and reconciliation.

4. Partners shall cooperate in the development and implementation of Interreg operations, as well as in the staffing or financing, or both, thereof.

For Interreg operations under Interreg D programmes, the partners from outermost regions and third countries, partner countries or OCTs shall be required to cooperate only in two of the four dimensions listed in the first subparagraph.

5. Where there are two or more partners, one of them shall be designated by all the partners as the lead partner.

6. A cross-border legal body or an EGTC may be the sole partner of an Interreg operation under Interreg A, B and D programmes, provided that the members thereof involve partners from at least two participating countries.

The cross-border legal body or EGTC shall have members from at least three participating countries under the Interreg Europe and URBACT programmes.

A legal body that implements a financial instrument, a fund of holding funds or a small project fund, as applicable, may be the sole partner of an Interreg operation without the application of the requirements for its composition set out in the first subparagraph.

7. A sole partner shall be registered in a Member State participating in the Interreg programme.

Article 24

Support to projects of limited financial volume

1. Interreg A, B and D programmes shall support projects of limited financial volume, either:
 - (a) directly within each programme; or
 - (b) within one or more small project funds.
2. Where an Interreg B or D programme is unable to fulfil the obligation laid down in paragraph 1, the reasons why the obligation cannot be fulfilled shall be set out in the programme document in accordance with point 6 of the template set out in the Annex.

Article 25

Small project funds

1. The total contribution from the ERDF or, where applicable, an external financing instrument of the Union, to small project funds within an Interreg programme shall not exceed 20 % of the total allocation of the Interreg programme.

The final recipients within a small project fund shall receive support from the ERDF or, where applicable, the external financing instruments of the Union through the beneficiary and implement the small projects within that small project fund ('small project').

2. The small project fund constitutes an operation within the meaning of point 4 of Article 2 of Regulation (EU) 2021/1060 which shall be managed by a beneficiary, taking into account its tasks and remuneration.

The beneficiary shall be a cross-border legal body or an EGTC or a body which shall have legal personality.

The beneficiary shall select the small projects which are implemented by the final recipients within the meaning of point (18) of Article 2 of Regulation (EU) 2021/1060. Where the beneficiary is not a cross-border legal body or an EGTC, a body involving representatives from at least two participating countries, of which at least one is a Member State, shall select the joint small projects.

3. The document setting out the conditions for support to a small project fund shall, in addition to the elements laid down in Article 22(6), set out the elements necessary to ensure that the beneficiary:
 - (a) establishes a non-discriminatory and transparent selection procedure;
 - (b) applies objective criteria for the selection of small projects, which avoid conflicts of interest;
 - (c) assesses applications for support;
 - (d) selects projects and fixes the amount of support for each small project;
 - (e) is accountable for the implementation of the operation and keeps at its level all supporting documents required for the audit trail in accordance with Annex XIII to Regulation (EU) 2021/1060; and
 - (f) makes available to the public the list of the final recipients which benefit from the operation.

The beneficiary shall ensure that the final recipients comply with the requirements set out in Article 36.

4. The selection of small projects shall not constitute a delegation of tasks from the managing authority to an intermediate body as referred to in Article 71(3) of Regulation (EU) 2021/1060.

5. Staff and other costs corresponding to the cost categories in Articles 39 to 43 generated at the level of the beneficiary for the management of the small project fund or funds shall not exceed 20 % of the total eligible cost of the small project fund or funds, respectively.

6. Where the public contribution to a small project does not exceed EUR 100 000, the contribution from the ERDF or, where applicable, an external financing instrument of the Union shall take the form of unit costs or lump sums or flat rate financing, except for projects for which the support constitutes State aid.

Where the total costs of each project do not exceed EUR 100 000, the amount of support for one or more small projects may be set out on the basis of a draft budget which is established on a case-by-case basis and agreed ex ante by the beneficiary managing the small project fund.

Where flat-rate financing is used, the categories of costs to which the flat rate is applied may be reimbursed in accordance with point (a) of Article 53(1) of Regulation (EU) 2021/1060.

Article 26

Tasks of the lead partner

1. The lead partner shall:

- (a) lay down the arrangements with the other partners in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the respective Union funds allocated to the Interreg operation, including the arrangements for recovering amounts unduly paid;
- (b) assume responsibility for ensuring implementation of the entire Interreg operation; and
- (c) ensure that expenditure presented by all partners has been paid in implementing the Interreg operation and corresponds to the activities agreed between all the partners, and is in accordance with the document provided by the managing authority pursuant to Article 22(6).

2. If not otherwise specified in the arrangements laid down pursuant to point (a) of paragraph 1 the lead partner shall ensure that the other partners receive the total amount of the contribution from the respective Union fund in full and within a timeframe agreed by all partners and following the same procedure applied in respect of the lead partner. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other partners.

3. Any partner in a Member State, third country, partner country or OCT participating in an Interreg operation may be designated as the lead partner.

SECTION IV

Technical assistance

Article 27

Technical assistance

1. The amount of the funds allocated to technical assistance shall be identified as part of the financial allocation of each priority of the programme in accordance with point (f) of Article 17(3) and shall not take the form of a separate priority or a specific programme.

2. Technical assistance to each Interreg programme shall be reimbursed as a flat rate by applying the percentages set out in paragraph 3 of this Article to the eligible expenditure included in each payment application pursuant to point (a) or (c) of Article 91(3) of Regulation (EU) 2021/1060 as appropriate.

3. The percentage of the ERDF contribution and the external financing instruments of the Union to be reimbursed for technical assistance shall be as follows:

- (a) for internal cross-border cooperation programmes supported by the ERDF: 7 %;
- (b) for external cross-border cooperation programmes supported by IPA III CBC or NDICI-CBC, for strand B programmes where the support from the ERDF is 50 % or less and for strand D programmes, both for the ERDF contribution and for one or more of the external financing instruments of the Union: 10 %; and
- (c) for strand B programmes where the support from the ERDF is more than 50 % and for strand C programmes, both for the ERDF contribution and, where applicable, for one or more of the external financing instruments of the Union: 8 %.

4. For Interreg programmes with a total ERDF allocation between EUR 30 000 000 and EUR 50 000 000 the amount resulting from the percentage for technical assistance shall be increased by an additional amount of EUR 500 000. The Commission shall add that amount to the first interim payment.

5. For Interreg programmes with a total ERDF allocation below EUR 30 000 000, the amount needed for technical assistance expressed in EUR and the resulting percentage shall be fixed in the Commission decision approving the Interreg programme concerned pursuant to Article 18.

CHAPTER IV

MONITORING, EVALUATION AND COMMUNICATION

SECTION I

Monitoring

Article 28

Monitoring committee

1. The Member States and, where applicable, the third countries, partner countries and OCTs participating in that programme shall set up, in agreement with the managing authority, a committee to monitor implementation of the respective Interreg programme ('monitoring committee') within three months of the date of notification to the Member States of the Commission decision approving an Interreg programme pursuant to Article 18.
2. Each monitoring committee shall adopt its rules of procedure.

The rules of procedure of the monitoring committee and, where applicable, of the steering committee shall prevent any situation of conflict of interest when selecting Interreg operations and shall include provisions regarding voting rights and rules for attending the meetings.

3. The monitoring committee shall meet at least once a year and shall review all issues that affect the programme's progress towards achieving its objectives.
4. The managing authority shall publish the rules of procedures of the monitoring committee and a summary of both data and information, including decisions, approved by the monitoring committee on the website referred to in Article 36(2).

Article 29

Composition of the monitoring committee

1. The composition of the monitoring committee of each Interreg programme shall be agreed by the Member States and, where applicable, by the third countries, partner countries and OCTs participating in that programme, and shall ensure a balanced representation of:
 - (a) the relevant authorities, including intermediate bodies;
 - (b) bodies jointly set up in the whole programme area or covering a part thereof, including EGTCs; and

- (c) representatives of the programme partners referred to in Article 8 of Regulation (EU) 2021/1060 from Member States, third countries, partner countries and OCTs.

The composition of the monitoring committee shall take into account the number of participating Member States, third countries, partner countries and OCTs in the Interreg programme concerned.

2. The managing authority shall publish a list of the members of the monitoring committee on the website referred to in Article 36(2).
3. Representatives of the Commission shall participate in the work of the monitoring committee in an advisory capacity.

Article 30

Functions of the monitoring committee

1. The monitoring committee shall examine:
 - (a) the progress in programme implementation and in achieving the milestones and targets of the Interreg programme;
 - (b) any issues that affect the performance of the Interreg programme and the measures taken to address these issues;
 - (c) with regard to financial instruments, the elements of the *ex ante* assessment listed in Article 58(3) of Regulation (EU) 2021/1060 and the strategy document referred to in Article 59(1) of that Regulation;
 - (d) the progress made in carrying out evaluations, syntheses of evaluations and any follow-up given to findings;
 - (e) the implementation of communication and visibility actions;
 - (f) the progress in implementing Interreg operations of strategic importance and, where applicable, of large infrastructure projects; and
 - (g) the progress in administrative capacity building for public institutions and beneficiaries, where relevant.
2. In addition to its tasks concerning the selection of operations listed in Article 22, the monitoring committee shall approve:
 - (a) the methodology and criteria used for the selection of operations, including any changes thereto, after notifying the Commission, where requested, pursuant to Article 22(2) of this Regulation, without prejudice to points (b), (c) and (d) of Article 33(3) of Regulation (EU) 2021/1060;
 - (b) the evaluation plan and any amendment thereto;
 - (c) any proposal by the managing authority for the amendment of the Interreg programme including for a transfer in accordance with Article 19(5); and
 - (d) the final performance report.

Article 31

Review

1. A review may be organised by the Commission to examine the performance of Interreg programmes.

The review may be carried out in writing.

2. At the request of the Commission, the managing authority shall, within one month, provide the Commission with concise information on the elements listed in Article 30(1). That information shall be based on the most recent data available to the Member States and, where applicable, third countries, partner countries and OCTs.

3. The outcome of the review shall be recorded in agreed minutes.
4. The managing authority shall follow-up issues raised by the Commission and inform the Commission, within three months of the date of the review, of the measures taken.

Article 32

Transmission of data

1. Each managing authority shall electronically transmit to the Commission cumulative data for the respective Interreg programme by 31 January, 30 April, 31 July and 31 October of each year in accordance with the template set out in Annex VII to Regulation (EU) 2021/1060, with the exception of the information required in point (b) of paragraph 2 and in paragraph 3 of this Article that shall be transmitted by 31 January and 31 July of each year.

The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.

2. The data referred to in paragraph 1 shall be broken down for each priority by specific objective and shall refer to:
 - (a) the number of selected Interreg operations, their total eligible cost, the contribution from the respective Interreg fund and the total eligible expenditure declared by the lead partners to the managing authority, all broken down by type of intervention;
 - (b) the values of output and result indicators for selected Interreg operations and values achieved by finalised Interreg operations.
3. For financial instruments, data shall also be provided on the following:
 - (a) eligible expenditure by type of financial product;
 - (b) the amount of management costs and fees declared as eligible expenditure;
 - (c) the amount, by type of financial product, of private and public resources mobilised in addition to the funds;
 - (d) interest and other gains generated by support from the Interreg funds to financial instruments as referred to in Article 60 of Regulation (EU) 2021/1060 and resources returned attributable to support from the Interreg funds as referred to in Article 62 of that Regulation;
 - (e) the total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with programme resources and which were actually disbursed to final recipients.
4. The data submitted in accordance with this Article shall be reliable and reflect the data available in the electronic system referred to in point (e) of Article 72(1) of Regulation (EU) 2021/1060 as of the end of the month preceding the month of submission.
5. The managing authority shall publish or provide a link to all the data transmitted to the Commission on the website referred to in Article 36(2).

Article 33

Final performance report

1. Each managing authority shall submit to the Commission a final performance report on the respective Interreg programme by 15 February 2031.

The final performance report shall be submitted using the template established in accordance with Article 43(5) of Regulation (EU) 2021/1060.

2. The final performance report shall assess the achievement of programme objectives based on the elements listed in Article 30 with the exception of point (c) of paragraph 1, and point (d) of paragraph 2, thereof.

3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of that report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months of receipt of the observations, of measures taken. The Commission shall inform the managing authority of the acceptance of the report within two months of receiving all necessary information from the managing authority. Where the Commission does not inform the managing authority within those deadlines, the report shall be deemed to be accepted.
4. The managing authority shall publish the final performance report on the website referred to in Article 36(2).

Article 34

Indicators for Interreg programmes

1. Common output and result indicators, as set out in Annex I to Regulation (EU) 2021/1058, and, where necessary, programme-specific output and result indicators shall be used in accordance with Article 16(1) of Regulation (EU) 2021/1060, and point (e)(ii) of Article 17(3) and point (b) of Article 32(2) of this Regulation.
2. Where relevant, programme-specific output and result indicators shall be used in addition to the indicators which were selected in accordance with paragraph 1.

All common output and result indicators listed in Table 2 of the Annex I to Regulation (EU) 2021/1058 may also be used by specific objectives under any of the policy objectives 1 to 5 or, where relevant, under the Interreg-specific objectives set out in Article 14(4) and (5) of this Regulation.

3. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative.

SECTION II

Evaluation and communication

Article 35

Evaluation during the programming period

1. The Member State or the managing authority shall carry out evaluations of the programmes related to one or more of the following criteria: effectiveness, efficiency, relevance, coherence and Union added value, with the aim to improve the quality of the design and implementation of programmes. Evaluations may also cover other relevant criteria, such as inclusiveness, non-discrimination and visibility, and may cover more than one programme.
2. In addition to the evaluations referred to in paragraph 1, an evaluation for each programme to assess its impact shall be carried out by 30 June 2029.
3. Evaluations shall be entrusted to internal or external experts who are functionally independent.
4. The managing authority shall ensure the necessary procedures to produce and collect the data necessary for evaluations.
5. The managing authority shall draw up an evaluation plan that may cover more than one Interreg programme.
6. The managing authority shall submit the evaluation plan to the monitoring committee not later than one year after the approval of the Interreg programme.
7. The managing authority shall publish all evaluations on the website referred to in Article 36(2).

*Article 36***Responsibilities of managing authorities and partners with regard to transparency and communication**

1. Each managing authority shall identify a communication officer for each Interreg programme. A communication officer may be responsible for more than one programme.
2. The managing authority shall ensure that, within six months of the Interreg programme's approval pursuant to Article 18, there is a website where information on each Interreg programme under its responsibility is available, covering the programme's objectives, activities, available funding opportunities and achievements.
3. Article 49(2) to (6) of Regulation (EU) 2021/1060 on the responsibilities of the managing authority shall apply.
4. Each partner of an Interreg operation or each body implementing a financing instrument shall acknowledge support from an Interreg fund, including resources reused for financial instruments in accordance with Article 62 of Regulation (EU) 2021/1060, to the Interreg operation by:
 - (a) providing on the partner's official website or social media sites, where such sites exist, a short description of the Interreg operation, proportionate to the level of support provided by an Interreg fund, including its aims and results, and highlighting the financial support from the Interreg fund;
 - (b) providing a statement highlighting the support from an Interreg fund in a visible manner on documents and communication material relating to the implementation of the Interreg operation, intended for the general public or for participants;
 - (c) displaying durable plaques or billboards clearly visible to the public, presenting the emblem of the Union in accordance with the technical characteristics laid down in Annex IX of Regulation (EU) 2021/1060, as soon as the physical implementation of an Interreg operation involving physical investment or the purchase of equipment starts or purchased equipment is installed, with regard to operations supported by an Interreg fund, the total cost of which exceeds EUR 100 000;
 - (d) for Interreg operations not falling under point (c), publicly displaying at least one poster of a minimum size A3 or equivalent electronic display with information about the Interreg operation highlighting the support from an Interreg fund, except where the beneficiary is a natural person;
 - (e) for operations of strategic importance and operations whose total cost exceed EUR 5 000 000 organising a communication event and involving the Commission and the responsible managing authority in a timely manner.

The term 'Interreg' shall be used next to the emblem of the Union in accordance with Article 47 of Regulation (EU) 2021/1060.

5. For small project funds and financial instruments, the beneficiary shall ensure by means of the contractual terms that final recipients comply with the requirements to communicate publicly on the Interreg operation.

For financial instruments, the final recipient shall acknowledge the origin and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and targeted information to multiple audiences, including the media and the public.

6. Where remedial actions have not been put into place, the managing authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 2 % of the support from the funds to:
 - (a) the beneficiary concerned who does not comply with its obligations falling under Article 47 of Regulation (EU) 2021/1060 or paragraphs 4 and 5 of this Article; or
 - (b) the final recipient concerned who does not comply with the requirements set out in paragraph 5.

CHAPTER V

ELIGIBILITY

Article 37

Rules on eligibility of expenditure

1. All or part of an Interreg operation may be implemented outside of a Member State, including outside the Union, provided that the Interreg operation contributes to the objectives of the respective Interreg programme.

2. Without prejudice to the eligibility rules laid down in Articles 63 to 68 of Regulation (EU) 2021/1060, in Articles 5 and 7 of (EU) 2021/1058 or in this Chapter, including in acts adopted thereunder, the participating Member States and, where applicable, third countries, partner countries and OCTs shall, by a joint decision in the monitoring committee, only establish additional rules on eligibility of expenditure for the Interreg programme on categories of expenditure not covered by those provisions. Those additional rules shall cover the Interreg programme as a whole.

However, where an Interreg programme selects operations based on calls for proposals, those additional rules shall be adopted before the calls for proposals are published. In all other cases, those additional rules shall be adopted before operations are selected.

3. For matters not covered by the eligibility rules laid down in Articles 63 to 68 of Regulation (EU) 2021/1060, in Articles 5 and 7 of Regulation (EU) 2021/1058 and in this Chapter, including in acts adopted thereunder or in rules established in accordance with paragraph 2 of this Article, the national rules of the Member State and, where applicable, of the third countries, partner countries and OCTs in which the expenditure is incurred shall apply.

4. In the event of a difference of opinion between the managing authority and the audit authority with regard to the eligibility as such of an Interreg operation selected under an Interreg programme, the opinion of the managing authority shall prevail, taking due account of the opinion of the monitoring committee.

5. OCTs shall not be eligible for support from the ERDF under Interreg programmes, but may participate in those programmes under the conditions set out in this Regulation.

Article 38

General provisions on eligibility of cost categories

1. The participating Member States and, where applicable, third countries, partner countries and OCTs, may agree in the monitoring committee of an Interreg programme that expenditure falling under one or more of the categories referred to in Articles 39 to 44 shall not be eligible under one or more priorities of an Interreg programme.

2. Any expenditure eligible in accordance with this Regulation shall relate to the costs of initiating or initiating and implementing an operation or part of an operation.

3. The following costs are not eligible:

- (a) fines, financial penalties and expenditure on legal disputes and litigation;
- (b) costs of gifts; or
- (c) costs related to fluctuation of foreign exchange rate.

4. Where the flat rate provided for in Article 56(1) of Regulation (EU) 2021/1060 is used to calculate eligible costs other than direct staff costs of an operation, it shall not be applied to direct staff costs calculated on the basis of a flat rate as referred to in point (c) of Article 39(3) of this Regulation.

5. By way of derogation from point (c) of Article 76(1) of Regulation (EU) 2021/1060, expenditure paid in another currency shall be converted into euro by each beneficiary coming from countries which have not adopted the euro as their currency using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification.

Article 39

Staff costs

1. Staff costs shall consist of gross employment costs of staff employed by the Interreg partner in one of the following ways:

- (a) full time;
- (b) part-time with a fixed percentage of time worked per month;
- (c) part-time with a flexible number of hours worked per month; or
- (d) on an hourly basis.

2. Staff costs shall be limited to the following:

- (a) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, provided for in an employment document, either in the form of an employment or work contract or an appointment decision, or by law, and relating to responsibilities specified in the job description of the staff member concerned;
- (b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council ⁽²⁰⁾, on condition that they are:
 - (i) provided for in an employment document or by law;
 - (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country or the organisation where the individual staff member is actually working, or both; and
 - (iii) not recoverable by the employer.

With regard to point (a) of the first subparagraph, payments to natural persons working for the Interreg partner under a contract other than an employment or work contract may be assimilated to salary payments and such a contract shall be considered to be an employment document.

3. Staff costs may be reimbursed either:

- (a) in accordance with point (a) of Article 53(1) of Regulation (EU) 2021/1060, proven by the employment document and payslips;
- (b) under simplified cost options as set out in points (b) to (f) of Article 53(1) of Regulation (EU) 2021/1060;
- (c) as a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate; or
- (d) as an hourly rate in accordance with Article 55(2) to (4) of Regulation (EU) 2021/1060 either for direct staff costs of individuals who work on full-time assignment on the operation or for individuals who work on part-time assignment on the operation pursuant to point (b) of paragraph 4 of this Article.

4. Staff costs related to individuals who work on part-time assignment on the operation, may be calculated as either:

- (a) a fixed percentage of the gross employment cost in accordance with Article 55(5) of Regulation (EU) 2021/1060; or

⁽²⁰⁾ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p.1).

- (b) a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.
5. For staff employed pursuant to point (d) of paragraph 1, the hourly rate shall be multiplied by the number of hours actually worked on the operation based on a time registration system.

Article 40

Office and administrative costs

1. Office and administrative costs shall be limited to the following elements:
- (a) office rent;
 - (b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (such as fire or theft insurance);
 - (c) utilities (such as electricity, heating, water);
 - (d) office supplies;
 - (e) accounting;
 - (f) archives;
 - (g) maintenance, cleaning and repairs;
 - (h) security;
 - (i) IT systems;
 - (j) communication (such as telephone, fax, internet, postal services, business cards);
 - (k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened; and
 - (l) charges for transnational financial transactions.
2. Office and administrative costs may be calculated as a fixed percentage of the gross employment cost in accordance with point (b) of the first subparagraph of Article 54 of Regulation (EU) 2021/1060.

Article 41

Travel and accommodation costs

1. Travel and accommodation costs, regardless whether such costs are incurred and paid inside or outside the programme area, shall be limited to the following cost elements:
- (a) travel costs (such as tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
 - (b) the cost of meals;
 - (c) accommodation costs;
 - (d) visa costs; and
 - (e) daily allowances.
2. Any cost element listed in points (a) to (d) of paragraph 1 covered by a daily allowance shall not be reimbursed in addition to the daily allowance.
3. Travel and accommodation costs of external experts and service providers fall under external expertise and services costs listed in Article 42.
4. Direct payment of expenditure for cost elements listed in points (a) to (d) of paragraph 1 by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.

5. Travel and accommodation costs of an operation may be calculated at a flat rate of up to 15 % of the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate.

Article 42

External expertise and services costs

External expertise and service costs shall be limited to the following services and expertise provided by a public or private body or a natural person, other than the beneficiary, and all partners of the operation:

- (a) studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- (b) training;
- (c) translations;
- (d) development, modifications and updates to IT systems and website;
- (e) promotion, communication, publicity, promotional items and activities or information linked to an operation or to a programme as such;
- (f) financial management;
- (g) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- (h) participation in events (such as registration fees);
- (i) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- (j) intellectual property rights;
- (k) verifications pursuant to point (a) of Article 74(1) of Regulation (EU) 2021/1060 and Article 46(1) of this Regulation;
- (l) costs for the accounting function on programme level pursuant to Article 76 of Regulation (EU) 2021/1060 and Article 47 of this Regulation;
- (m) audit costs on programme level pursuant to Articles 78 and 81 of Regulation (EU) 2021/1060 and pursuant to Articles 48 and 49 of this Regulation;
- (n) the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- (o) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers; and
- (p) other specific expertise and services needed for operations.

Article 43

Equipment costs

1. Costs for equipment purchased, rented or leased by the beneficiary of the operation other than those covered by Article 40 shall be limited to the following:

- (a) office equipment;
- (b) IT hardware and software;
- (c) furniture and fittings;
- (d) laboratory equipment;
- (e) machines and instruments,
- (f) tools or devices;
- (g) vehicles; and
- (h) other specific equipment needed for operations.

2. Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:
 - (a) no other assistance has been received for it from the Interreg funds or from the funds listed in point (a) of Article 1(1) of Regulation (EU) 2021/1060;
 - (b) its price does not exceed the generally accepted price on the market in question; and
 - (c) it has the technical characteristics necessary for the operation and complies with applicable norms and standards.

Article 44

Costs for infrastructure and works

Costs for infrastructure and works shall be limited to the following:

- (a) purchase of land in accordance with point (b) of Article 64(1) of Regulation (EU) 2021/1060;
- (b) building permits;
- (c) building material;
- (d) labour; and
- (e) specialised interventions (such as soil remediation, mine-clearing).

CHAPTER VI

INTERREG PROGRAMME AUTHORITIES, MANAGEMENT, CONTROL AND AUDIT

Article 45

Interreg programme authorities

1. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme shall identify, for the purposes of Article 71 of Regulation (EU) 2021/1060, a single managing authority and a single audit authority.
2. The managing authority and the audit authority shall be located in the same Member State.
3. As regards the PEACE PLUS cross-border programme, the Special EU Programmes Body, where it is identified as the managing authority, shall be considered to be located in a Member State.
4. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme may identify an EGTC as managing authority of that programme.
5. Where the managing authority identifies one or more intermediate bodies under an Interreg programme in accordance with Article 71(3) of Regulation (EU) 2021/1060, the intermediate body shall carry out those tasks in more than one participating Member State or, where applicable, in a third country, partner country or OCT. Without prejudice to Article 22 of this Regulation, one or more intermediate bodies may carry out those tasks in only one participating Member State or, where applicable, in a third country, partner country or OCT where such an approach is based on existing structures.

Article 46

Functions of the managing authority

1. The managing authority of an Interreg programme shall carry out the functions laid down in Articles 72, 74 and 75 of Regulation (EU) 2021/1060, with the exception of the task of selecting operations referred to in point (a) of Article 72(1) and Article 73 of that Regulation and, where the accounting function is carried out by a different body pursuant to Article 47 of this Regulation, of payments to beneficiaries referred to in point (b) of Article 74(1) of Regulation (EU) 2021/1060. Those functions shall be carried out in the whole territory covered by that programme, subject to derogations set out pursuant to Chapter VIII of this Regulation.

2. The managing authority, after consultation with the Member States and, where applicable, any third countries, partner countries or OCTs participating in the Interreg programme, shall set up a joint secretariat, with staff taking into account the programme partnership.

The joint secretariat shall assist the managing authority and the monitoring committee in carrying out their respective functions. The joint secretariat shall also provide information to potential beneficiaries about funding opportunities under Interreg programmes and shall assist beneficiaries and partners in the implementation of operations.

For Interreg programmes also supported by external financing instruments from the Union, one or more branch offices of the joint secretariat may be set up in one or more partner countries or OCTs in order to carry out its tasks closer to potential beneficiaries and partners from the partner country or OCT, respectively.

3. By way of derogation to point (a) of Article 74(1) of Regulation (EU) 2021/1060 and without prejudice to Article 45(5) of this Regulation, the Member States, and where applicable, the third country, partner country or OCT, participating in the Interreg programme, may decide that management verifications referred to in point (a) of Article 74(1) of Regulation (EU) 2021/1060 are to be done through the identification by each Member State of a body or person responsible for this verification on its territory (the 'controller').

4. The controllers may be the same bodies responsible for carrying out such verifications for the programmes under the Investment for jobs and growth goal or, in the case of third countries, partner countries or OCTs for carrying out comparable verifications under external financing instruments of the Union. Any controller shall be functionally independent from the audit authority or any member of the group of auditors.

5. Where it has been decided that management verifications are carried out by identified controllers pursuant to paragraph 4, the managing authority shall satisfy itself that the expenditure of beneficiaries participating in an operation has been verified by an identified controller.

6. Each Member State, third country, partner country or OCT shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned.

7. Each Member State, third country, partner country or OCT shall be responsible for verifications carried out on its territory.

8. Each Member State, third country, partner country and OCT shall identify as controller either a national or regional authority or a private body or a natural person as set out in paragraph 9.

9. Where the controller carrying out management verifications is a private body or a natural person, those controllers shall meet at least one of the following requirements:

- (a) be a member of a national accounting or auditing body or institution which in turn is a member of International Federation of Accountants (IFAC);
- (b) be a member of a national accounting or auditing body or institution without being a member of IFAC, but committing to carry out the management verifications in accordance with IFAC standards and ethics;
- (c) be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council ⁽²¹⁾; or
- (d) be registered as a statutory auditor in the public register of a public oversight body in a third country, partner country or OCT, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

⁽²¹⁾ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

*Article 47***The accounting function**

1. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme shall agree on the arrangements for carrying out the accounting function.
2. The accounting function shall consist of the tasks listed in points (a) and (b) of Article 76(1) of Regulation (EU) 2021/1060 and shall also cover the payments made by the Commission and, as a general rule, the payments made to the lead partner in accordance with point (b) of Article 74(1) of that Regulation.

*Article 48***Functions of the audit authority**

1. The audit authority of an Interreg programme shall carry out the functions provided for in this Article and in Article 49 in the whole of the territory covered by that Interreg programme.

Where the audit authority does not have the authorisation in the whole territory covered by a cooperation programme, it shall be assisted by a group of auditors composed of a representative from each Member State and, where applicable, third country, partner country or OCT, participating in the Interreg programme. Each Member State and, where applicable, each third country, partner country or OCT shall be responsible for audits carried out on its territory.

Each representative from each Member State and, where applicable, each third country, partner country or OCT, participating in the Interreg programme shall be responsible for providing the factual elements relating to expenditure on its territory that are required by the audit authority in order to perform its assessment.

The group of auditors shall be set up within three months of the decision approving the Interreg programme pursuant to Article 18. It shall draw up its rules of procedure and be chaired by the audit authority for the Interreg programme.

The auditors shall be functionally independent from bodies or persons responsible for management verifications pursuant to Article 46(3).

2. The audit authority of an Interreg programme shall be responsible for carrying out system audits and audits on operations in order to provide independent assurance to the Commission that management and control systems function effectively and that expenditure included in the accounts submitted to the Commission is legal and regular.
3. Where an Interreg programme is included in the population from which the Commission selects a common sample pursuant to Article 49(1), the audit authority shall carry out audits of operations selected by the Commission in order to provide independent assurance to the Commission that management and control systems function effectively.
4. Audit work shall be carried out in accordance with internationally accepted audit standards.
5. The audit authority shall draw up and submit to the Commission, each year by 15 February following the end of the accounting year, an annual audit opinion in accordance with Article 63(7) of the Financial Regulation using the template set out in Annex XIX to Regulation (EU) 2021/1060 and based on all audit work carried out, covering each of the following components:
 - (a) the completeness, veracity and accuracy of the accounts;
 - (b) the legality and regularity of the expenditure included in the accounts submitted to the Commission; and
 - (c) the management and control system of the Interreg programme.

Where the Interreg programme is included in the population from which the Commission selects a common sample pursuant to Article 49(1), the annual audit opinion shall only cover the elements referred to in points (a) and (c) of the first subparagraph of this paragraph.

The deadline of 15 February may exceptionally be extended by the Commission to 1 March, upon communication by the audit authority.

6. The audit authority shall draw up and submit to the Commission, each year by 15 February following the end of the accounting year, an annual control report in accordance with point (b) of Article 63(5) of the Financial Regulation using the template set out in Annex XX of Regulation (EU) 2021/1060 and, supporting the audit opinion provided for in paragraph 5 of this Article and setting out a summary of the findings, including an analysis of the nature and extent of any errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.

7. Where the Interreg programme is included in the population from which the Commission selects a common sample pursuant to Article 49(1), the audit authority shall draw up, using the template set out in Annex XX to Regulation (EU) 2021/1060, the annual control report referred to in paragraph 6 of this Article that fulfils the requirements of point (b) of Article 63(5) of the Financial Regulation and supports the audit opinion provided for in paragraph 5 of this Article.

That report shall set out a summary of the findings, including an analysis of the nature and extent of any errors and deficiencies in the systems as well as the proposed and implemented corrective actions, the results of the audits of operations carried out by the audit authority in relation to the common sample referred to in Article 49(1) and the financial corrections applied by the Interreg programme authorities in respect of any individual irregularities detected by the audit authority for these operations.

8. The audit authority shall transmit system audit reports to the Commission as soon as the required contradictory procedure with the relevant auditees is concluded.

9. The Commission and the audit authority shall meet on a regular basis and at least once a year, unless otherwise agreed, to examine the audit strategy, the annual control report and the audit opinion, to coordinate their audit plans and methods and to exchange views on issues relating to the improvement of management and control systems.

Article 49

Audit of operations

1. The Commission shall select a common sample of operations, or other sampling units, using a statistical sampling method for the audits of operations to be carried out by the audit authorities for the Interreg programmes receiving support from the ERDF or an external financing instrument of the Union in respect of each accounting year.

The common sample shall be representative of all the Interreg programmes constituting the population.

For the purposes of selecting the common sample, the Commission may stratify groups of Interreg programmes according to their specific risks.

2. The programme authorities shall provide the information necessary for the selection of a common sample to the Commission by 1 August following the end of each accounting year.

That information shall be submitted in a standardised electronic format, shall be complete and shall reconcile with the expenditure declared to the Commission for the reference accounting year.

3. Without prejudice to the requirement to carry out an audit as referred to in Article 48(2), the audit authorities for Interreg programmes covered by the common sample shall not carry out additional audits of operations under those programmes, unless requested to do so by the Commission in accordance with paragraph 8 of this Article or in cases for which an audit authority has identified specific risks.

4. The Commission shall inform the audit authorities of the Interreg programmes concerned of the common sample selected in sufficient time to allow these authorities to carry out the audits of operations, in general, by 1 September following the end of each accounting year.
5. The audit authorities concerned shall submit information on the results of these audits as well as on any financial correction taken in relation to individual irregularities detected, at the latest in the annual control reports to be submitted to the Commission pursuant to Article 48(6) and (7).
6. Following its assessment of the results of audits of operations selected pursuant to paragraph 1, the Commission shall calculate a global extrapolated error rate with regard to the Interreg programmes included in the population from which the common sample was selected, for the purposes of its own assurance process.
7. Where the global extrapolated error rate referred to in paragraph 6 is above 2 % of the total expenditure declared for the Interreg programmes included in the population from which the common sample was selected, the Commission shall calculate a global residual error rate, taking account of financial corrections applied by the respective Interreg programme authorities for individual irregularities detected by the audits of operations selected pursuant to paragraph 1.
8. Where the global residual error rate referred to in paragraph 7 is more than 2 % of the expenditure declared for the Interreg programmes included in the population from which the common sample was selected, the Commission shall determine whether it is necessary to request the audit authority of a specific Interreg programme or a group of Interreg programmes most affected to carry out additional audit work in order to further evaluate the error rate and assess the required corrective measures for the Interreg programmes affected by the irregularities detected.
9. Based on the assessment of the results of the additional audit work requested pursuant to paragraph 8 of this Article, the Commission may request additional financial corrections to be applied on the Interreg programmes affected by the irregularities detected. In such cases, the Interreg programme authorities shall carry out the required financial corrections in accordance with Article 103 of Regulation (EU) 2021/1060.
10. Each audit authority of an Interreg programme for which the information referred to in paragraph 2 of this Article is missing or incomplete or has not been submitted by the deadline laid down in the first subparagraph of that paragraph shall carry out a separate sampling exercise for the respective Interreg programme in accordance with Article 79 of Regulation (EU) 2021/1060.

CHAPTER VII

FINANCIAL MANAGEMENT

Article 50

Budgetary commitments

The Commission decisions approving Interreg programmes pursuant to Article 18 of this Regulation shall meet the requirements necessary to constitute financing decisions within the meaning of Article 110(2) of the Financial Regulation with regard to the ERDF and the support by an external financing instrument of the Union under shared management.

Article 51

Payments and pre-financing

1. The ERDF contribution and, where applicable, the support from external financing instruments of the Union to each Interreg programme shall be paid, in accordance with Article 47(2), into a single account with no national subaccounts.

2. The Commission shall pay a pre-financing based on the total support from each Interreg fund, as set out in the decision approving each Interreg programme pursuant to Article 18, subject to available funds, in yearly instalments as follows and before 1 July of the years 2022 to 2026, or, in the year of the approving decision, not later than 60 days after that decision is adopted:

- (a) 2021: 1 %;
- (b) 2022: 1 %;
- (c) 2023: 3 %;
- (d) 2024: 3 %;
- (e) 2025: 3 %;
- (f) 2026: 3 %.

3. Where Interreg programmes are supported by the ERDF and IPA III CBC and where the contribution from the ERDF is 50 % or less of the total Union allocation, the Commission shall pay a pre-financing in accordance with the relevant provision of the IPA III Regulation.

4. Where Interreg programmes are supported by the ERDF and either NDICI or both NDICI and IPA III, and where the contribution from the ERDF is 50 % or less of the total Union allocation, the Commission shall pay a pre-financing in accordance with Article 22(5) of Regulation (EU) 2021/947, taking into account the actual financial needs.

Articles 96 and 97 of Regulation (EU) 2021/1060 shall apply *mutatis mutandis* to the pre-financing pursuant to the first subparagraph of this paragraph.

5. The amount paid as pre-financing shall be cleared from the Commission accounts each year for 2021 and 2022 and not later than with the final accounting year for 2023 and subsequent years as well as for amounts paid as pre-financing set out pursuant to paragraphs 3 and 4.

Article 52

Recoveries

1. The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole partner. Partners shall repay to the lead partner any amounts unduly paid.

2. The Member States, third countries, partner countries or OCTs participating in a given Interreg programme may decide that the lead or sole partner and the programme's managing authority are not obliged to recover an amount unduly paid that does not exceed EUR 250, not including interest, in contribution from any of the Interreg funds to an operation in an accounting year.

No information needs to be provided to the Commission beyond the information about making a decision pursuant to the first subparagraph.

3. Where the lead partner does not succeed in securing repayment from other partners or where the managing authority does not succeed in securing repayment from the lead or sole partner, the Member State, third country, partner country or OCT on whose territory the partner concerned is located or, in the case of an EGTC, is registered, shall reimburse the managing authority any amounts unduly paid to that partner. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States, third countries, partner countries or OCTs set out in the Interreg programme.

4. Once the Member State, third country, partner country or OCT has reimbursed the managing authority any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner pursuant to its national law. In the event of successful recovery, the Member State, third country, partner country or OCT may use those amounts for the national co-financing of the Interreg programme concerned. The Member State, third country, partner country or OCT shall not have any reporting obligations towards the programme authorities, the monitoring committee or the Commission with regard to such national recoveries.

5. Where a Member State, third country, partner country or OCT has not reimbursed the managing authority any amounts unduly paid to a partner pursuant to paragraph 4 of this Article, those amounts shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting to the Member State, third country, partner country or OCT, respectively. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF or any external financing instrument of the Union to the respective Interreg programme. The amount recovered shall constitute assigned revenue in accordance with Article 21(3) of the Financial Regulation.

With regard to amounts not reimbursed to the managing authority by a Member State, the offsetting shall concern subsequent payments to the same Interreg programme. The managing authority shall then offset with regard to that Member State in accordance with the apportionment of liabilities among the participating Member States set out in the Interreg programme in the event of financial corrections imposed by the managing authority or the Commission.

With regard to amounts not reimbursed to the managing authority by a third country, partner country or OCT, the offsetting shall concern subsequent payments to programmes under the respective external financing instruments of the Union.

CHAPTER VIII

PARTICIPATION OF THIRD COUNTRIES OR PARTNER COUNTRIES, OCTS, OR REGIONAL INTEGRATION AND COOPERATION ORGANISATIONS IN INTERREG PROGRAMMES UNDER SHARED MANAGEMENT

Article 53

Applicable provisions

Chapters I to VII and Chapter X shall apply to the PEACE PLUS cross-border programme and to participation of third countries, partner countries and OCTs as well as regional integration and cooperation organisations supported by external financing instruments from the Union in Interreg programmes, subject to the provisions set out in this Chapter.

Article 54

Interreg programme authorities and their functions

1. Each third country, partner country and OCT participating in an Interreg programme shall identify a national or regional authority as contact point for the managing authority (the 'contact point').
2. The contact point, a body equivalent to the Interreg programme communication officer as provided for in Article 36(1), or the branch office or offices, shall support the managing authority and partners in the respective third country, partner country or OCT with regard to the tasks provided for in Article 36(2) to (6).

Article 55

Management methods

1. Interreg A programmes supported both by the ERDF and IPA III CBC or NDICI-CBC shall be implemented under shared management both in the Member States and in any participating third country or partner country.

The PEACE PLUS cross-border programme shall be implemented under shared management both in Ireland and in the United Kingdom.

2. Interreg B and C programmes combining contributions from the ERDF and from one or more external financing instrument of the Union shall be implemented under shared management both in the Member States and in any participating third country, partner country, participating OCT or, with regard to Interreg D, in any OCT, whether or not that OCT receives support under one or more external financing instruments of the Union.

3. Interreg D programmes combining contributions from the ERDF and one or more external financing instruments of the Union shall be implemented in any of the following ways:

- (a) under shared management both in the Member States and in any participating third country or OCT;
- (b) under shared management only in the Member States and in any participating third country or OCT with regard to ERDF expenditure outside the Union for one or more operations, whereas the contributions from one or more external financing instruments of the Union are managed under indirect management;
- (c) under indirect management both in the Member States and in any participating third country or OCT.

Where all or part of an Interreg D programme is implemented under indirect management, Article 61 shall apply.

Article 56

Eligibility

1. By way of derogation from Article 63(2) of Regulation (EU) 2021/1060, expenditure shall be eligible for a contribution from external financing instruments of the Union if it has been incurred and paid in the preparation and implementation of Interreg operations from 1 January 2021 or from the date of the programme submission, whichever date is earlier, but may be claimed from the programme after the date when the financing agreement with the respective third country, partner country or OCT was concluded.

However, expenditure for technical assistance managed by programme authorities located in a Member State may already be claimed from the programme before the date when the financing agreement with the respective third country, partner country or OCT was concluded.

2. Where an Interreg programme selects operations based on calls for proposals, such calls may include applications for a contribution from external financing instruments of the Union, even where the calls were launched and operations were selected before the relevant financing agreement was concluded.

The managing authority may provide the document provided for in Article 22(6) before the relevant financing agreement was concluded.

Article 57

Large infrastructure projects

1. Interreg programmes under this Chapter may support large infrastructure projects meaning operations comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of a total cost of at least EUR 2 500 000 is allocated to the acquisition, construction or modernisation of infrastructure.

2. Each beneficiary implementing a large infrastructure project or a part thereof shall apply the applicable public procurement rules.

3. The Member State hosting the managing authority of the relevant Interreg programme shall send to the Commission a list of planned large infrastructure projects indicating the prospective name, location, budget and lead partner. That list shall be sent as a separate document either when transmitting the signed copy of the financing agreement or a copy of the implementing agreement as referred to in Article 59 to the Commission or at the latest two months before the meeting of the monitoring committee or, if applicable, the steering committee selecting the first of the envisaged large infrastructure projects.

4. Where the selection of one or more large infrastructure projects is on the agenda of a monitoring committee or, where applicable, steering committee meeting, the managing authority shall transmit a concept note for each such project to the Commission, for information, at the latest two months before the date of the meeting. The concept note shall be a maximum of three pages and shall indicate the name, the location, the budget, the lead partner and the partners as well as the main objectives and deliverables thereof. If the concept note concerning one or more large infrastructure projects is not transmitted to the Commission by that deadline, the Commission may request that the chair of the monitoring committee or steering committee remove the projects concerned from the agenda of the meeting.

Article 58

Procurement

1. Where the implementation of an operation requires procurement of service, supply or works contracts by a beneficiary, the following rules shall apply:

- (a) where the beneficiary is located in a Member State and is a contracting authority or a contracting entity within the meaning of the Union law applicable to public procurement procedures, it shall apply national laws, regulations and administrative provisions;
- (b) where the beneficiary is a public authority of a partner country under IPA III or NDICI whose co-financing is transferred to the managing authority, it may apply national laws, regulations and administrative provisions, provided that the financing agreement allows it and that the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests.

2. For the award of goods, works or services in all cases other than those referred to in paragraph 1 of this Article, the procurement procedures provided for in Articles 178 and 179 of the Financial Regulation and points 36 to 41 of Chapter 3 of Annex I to that Regulation shall apply.

Article 59

Conclusion of financing agreements under shared management

1. In order to implement an Interreg programme in a third country, partner country or OCT, in accordance with Article 112(4) of the Financial Regulation, a financing agreement shall be concluded between the Commission, representing the Union, and each participating third country, partner country or OCT represented in accordance with its national legal framework.

2. Any financing agreement shall be concluded by 31 December of the year following the year when the first budget commitment was made and shall be considered to be concluded on the date when the last party has signed it.

Any financing agreement shall enter into force either on the date:

- (a) when the last party has signed it; or
- (b) when the third or partner country or OCT has completed the procedure required for ratification in accordance with its national legal framework and has informed the Commission.

3. The Commission shall provide the draft financing agreement when approving the external programme.

Where an Interreg programme involves more than one third country, partner country or OCT, at least one financing agreement shall be concluded by both parties before the date specified in paragraph 2. The other third countries, partner countries or OCTs may sign their respective financing agreements at the latest on 30 June of the second year following the year when the first budget commitment was made.

4. The Member State hosting the managing authority of the relevant Interreg programme either:

- (a) may also sign the financing agreement; or

- (b) shall sign, without delay, an implementing agreement with each third country, partner country or OCT participating in that Interreg programme setting out the mutual rights and obligations with regard to its implementation and financial management.
5. An implementing agreement signed pursuant to point (b) of paragraph 4 shall at least cover the following elements:
- (a) detailed arrangements for payments;
 - (b) financial management;
 - (c) record keeping;
 - d) reporting obligations;
 - (e) verifications, controls and audit; and
 - (f) irregularities and recoveries.
6. Where the Member State hosting the managing authority of the Interreg programme decides to sign the financing agreement pursuant to point (a) of paragraph 4 of this Article, that financing agreement shall be considered to be a tool to implement the Union budget in accordance with the Financial Regulation and not an international agreement as referred to in Articles 216 to 219 TFEU.

Article 60

Third country, partner country or OCT contribution other than co-financing

1. Where a third country, partner country or OCT transfers to the managing authority a financial contribution to support the Interreg programme, other than its co-financing of the Union support to the Interreg programme, the rules concerning that financial contribution shall be contained in the following document:
- (a) where the Member State concerned signs the financing agreement pursuant to point (a) of Article 59(4), in one of the following:
 - (i) a distinct part of that financing agreement; or
 - (ii) in a separate implementing agreement signed either between the Member State hosting the managing authority and the third country, partner country or OCT or directly between the managing authority and the competent authority in the third country, partner country or OCT; and
 - (b) where the Member State concerned signs an implementing agreement pursuant to point (b) of Article 59(4), in one of the following:
 - (i) a distinct part of that implementing agreement; or
 - (ii) an additional implementing agreement signed between the same parties referred to in point (a).

For the purposes of point (b)(i) of the first subparagraph, sections of the implementing agreement may, where applicable, cover both the transferred financial contribution and the Union support to the Interreg programme.

2. An implementing agreement provided for in paragraph 1 of this Article shall at least contain the elements concerning the third country's, partner country's or OCT's co-financing listed in Article 59(5).

In addition, it shall set out both of the following:

- (a) the amount of the additional financial contribution; and
- (b) the intended use and conditions for its use, including conditions for applications for that additional contribution.

3. With regard to the PEACE PLUS cross-border programme, the financial contribution to Union activities from the United Kingdom in the form of external assigned revenue as referred to in point (e) of Article 21(2) of the Financial Regulation shall be part of the budget appropriations for Heading 2 'Cohesion and Values', sub-ceiling 'Economic, social and territorial cohesion'.

That contribution shall be subject to a specific financing agreement with the United Kingdom in accordance with Article 59 of this Regulation. The Commission and the United Kingdom as well as Ireland shall be parties to this specific financing agreement.

The specific financing agreement shall be concluded before the beginning of the implementation of the programme, thus allowing the Special EU Programmes Body to apply the Union legislation applicable to the implementation of the programme.

CHAPTER IX

SPECIFIC PROVISIONS FOR INDIRECT MANAGEMENT

Article 61

Outermost regions' cooperation

1. Where, with the agreement of the Member State and the regions concerned, part or all of an Interreg D programme is implemented under indirect management pursuant to point (b) or (c), respectively, of Article 55(3) of this Regulation, implementation tasks shall be entrusted to one of the bodies listed in point (c) of the first subparagraph of Article 62(1) of the Financial Regulation, in particular to such a body located in the participating Member State, including the managing authority of the Interreg programme concerned.
2. In accordance with point (c) of Article 154(6) of the Financial Regulation, the Commission may decide not to require an ex-ante assessment as referred to in paragraphs 3 and 4 of that Article when the budget implementation tasks referred to in point (c) of the first subparagraph of Article 62(1) of that Regulation are entrusted to a managing authority of an outermost regions' Interreg programme identified pursuant to Article 45(1) of this Regulation and in accordance with Article 71 of Regulation (EU) 2021/1060.
3. Where the budget implementation tasks referred to in point (c) of the first subparagraph of Article 62(1) of the Financial Regulation are entrusted to a Member State organisation, Article 157 of that Regulation shall apply.
4. Where a programme or action co-financed by one or more external financing instrument is implemented by a third country, a partner country, an OCT or any of the other bodies listed to in point (c) of the first subparagraph of Article 62(1) of the Financial Regulation or referred to in Regulation (EU) 2021/947 or Decision 2013/755/EU, or both, the relevant rules of these instruments shall apply.

Conditions for the implementation of part of an Interreg strand D programme under indirect management pursuant to point (b) or (c) of Article 55(3) of this Regulation shall be defined by an agreement concluded between the Commission, the managing authority or its Member State, and the entrusted body.

CHAPTER X

FINAL PROVISIONS

Article 62

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 16(6) shall be conferred on the Commission for an indeterminate period of time from 1 July 2021.
3. The delegation of power referred to in Article 16(6) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 16(6) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 63

Committee Procedure

1. The Commission shall be assisted by the committee set up pursuant to Article 115(1) of Regulation (EU) 2021/1060. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 64

Transitional provisions

Regulation (EU) No 1299/2013 or any act adopted pursuant to that Regulation shall continue to apply to programmes and operations supported by the ERDF under the 2014-2020 programming period.

Article 65

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 June 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX

TEMPLATE FOR INTERREG PROGRAMMES

CCI	[15 characters]
Title	[255]
Version	
First year	[4]
Last year	[4]
Eligible from	
Eligible until	
Commission decision number	
Commission decision date	
Programme amending decision number	[20]
Programme amending decision entry into force date	
NUTS regions covered by the programme	
Strand	

1. Joint programme strategy: main development challenges and policy responses

1.1. Programme area (not required for Interreg C programmes)

Reference: point (a) of Article 17(3), point (a) of Article 17(9)

Text field [2 000]

1.2. Joint programme strategy: Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.

Reference: point (b) of Article 17(3), point (b) of Article 17(9)

Text field [50 000]

1.3. Justification for the selection of policy objectives and the Interreg-specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure

Reference: point (c) of Article 17(3)

Table 1

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
			[2 000 per objective]

2.1.4. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Text field [7 000]

2.1.5. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

Text field [7 000]

2.1.6. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

Text field [7 000]

2.1.7. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4

Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)

Table 5

Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)

Table 6

Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)

3. Financing plan

Reference: point (f) of Article 17(3)

3.1. Financial appropriations by year

Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Table 7

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF (territorial cooperation goal)								
IPA III CBC ⁽¹⁾								
NDICI-CBC ⁽¹⁾								
IPA III ⁽²⁾								
NDICI ⁽²⁾								
OCTP ⁽³⁾								
Interreg funds ⁽⁴⁾								
Total								
⁽¹⁾ Interreg A, external cross-border cooperation. ⁽²⁾ Interreg B and C. ⁽³⁾ Interreg B, C and D. ⁽⁴⁾ ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.								

3.2. Total financial appropriations by fund and national co-financing

Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4)

Table 8

Policy objective No	Priority	Fund (as applicable)	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)	
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)				
Priority 1		ERDF											
		IPA III CBC ⁽¹⁾											
		NDICI- CBC ⁽¹⁾											
		IPA III ⁽²⁾											
		NDICI ⁽²⁾											
		OCTP ⁽³⁾											
		Interreg funds ⁽⁴⁾											
Priority 2		(funds as above)											
Total		All funds											
		ERDF											
		IPA III CBC											
		NDICI-CBC											
		IPA III											
		NDICI											
		OCTP											
		Interreg funds											
Total		All funds											
⁽¹⁾ Interreg A, external cross-border cooperation. ⁽²⁾ Interreg B and C. ⁽³⁾ Interreg B, C and D. ⁽⁴⁾ ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.													

4. Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation

Reference: point (g) of Article 17(3)

Text field [10 000]

5. Approach to communication and visibility for the Interreg programme (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation)

Reference: point (h) of Article 17(3)

Text field [4 500]

6. Indication of support to small-scale projects, including small projects within small project funds

Reference: point (i) of Article 17(3), Article 24

Text field [7 000]

7. Implementing provisions

- 7.1. Programme authorities

Reference: point (a) of Article 17(6)

Table 9

Programme authorities	Name of the institution [255]	Contact name [200]	E-mail [200]
Managing authority			
National authority (for programmes with participating third or partner countries, if appropriate)			
Audit authority			
Group of auditors representatives			
Body to which the payments are to be made by the Commission			

- 7.2. Procedure for setting up the joint secretariat

Reference: point (b) of Article 17(6)

Text field [3 500]

- 7.3. Apportionment of liabilities among participating Member States and where applicable, the third or partner countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission
Reference: point (c) of Article 17(6)

Text field [10 500]

8. Use of unit costs, lump sums, flat rates and financing not linked to costs
Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR)

Table 10

Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95	YES	NO
From the adoption the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input type="checkbox"/>
From the adoption the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input type="checkbox"/>

Map

Map of the programme area

—

Appendix 1

Union contribution based on unit costs, lump sums and flat rates

Template for submitting data for the consideration of the Commission

(Article 94 of Regulation (EU) 2021/1060 (CPR))

Date of submitting the proposal	

This Appendix is not required when EU-level simplified cost options established by the delegated act referred to in Article 94(4) of CPR are used.

A. Summary of the main elements

Priority	Fund	Specific objective	Estimated proportion of the total financial allocation within the priority to which the simplified cost option will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of simplified cost option (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the simplified cost option
				Code ⁽¹⁾	Description	Code ⁽²⁾	Description			

⁽¹⁾ This refers to the code for the intervention field dimension in Table 1 of Annex I CPR.
⁽²⁾ This refers to the code of a common indicator, if applicable.

B. Details by type of operation (to be completed for every type of operation)

Did the managing authority receive support from an external company to set out the simplified costs below?

If so, please specify which external company:

Yes/No – Name of external company

1.1	Description of the operation type including the timeline for implementation ⁽¹⁾	
1.2	Specific objective	
1.3	Indicator triggering reimbursement ⁽²⁾	
1.4	Unit of measurement for the indicator triggering reimbursement	
1.5	Standard scale of unit cost, lump sum or flat rate	
1.6	Amount per unit of measurement or percentage (for flat rates) of the simplified cost option	
1.7	Categories of costs covered by the unit cost, lump sum or flat rate	
1.8	Do these categories of costs cover all eligible expenditure for the operation? (Y/N)	
1.9	Adjustment(s) method ⁽³⁾	
1.10	Verification of the achievement of the units delivered — describe what document(s)/system will be used to verify the achievement of the units delivered — describe what will be checked and by whom during management verifications — describe what arrangements will be made to collect and store the relevant data/documents	
1.11	Possible perverse incentives, mitigating measures ⁽⁴⁾ and the estimated level of risk (high/medium/low)	
1.12	Total amount (national and EU) expected to be reimbursed by the Commission on this basis	
⁽¹⁾ Envisaged starting date of the selection of operations and envisaged final date of their completion (ref. Article 63(5) of CPR). ⁽²⁾ For operations encompassing several simplified cost options covering different categories of costs, different projects or successive phases of an operation, the fields 1.3 to 1.11 need to be filled in for each indicator triggering reimbursement. ⁽³⁾ If applicable, indicate the frequency and timing of the adjustment and a clear reference to a specific indicator (including a link to the website where this indicator is published, if applicable). ⁽⁴⁾ Are there any potential negative implications on the quality of the supported operations and, if so, what measures (such as quality assurance) will be taken to offset this risk?		

C. Calculation of the standard scale of unit costs, lump sums or flat rates

1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.):

2. Please specify why the proposed method and calculation based on Article 88(2) of CPR is relevant to the type of operation:

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission:

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate:

5. Assessment of the audit authority or authorities of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

Appendix 2

Union contribution based on financing not linked to costs

Template for submitting data for the consideration of the Commission

(Article 95 of Regulation (EU) 2021/1060 (CPR))

Date of submitting the proposal	

This Appendix is not required when amounts for EU-level financing not linked to costs established by the delegated act referred to in Article 95(4) of CPR are used.

A. Summary of the main elements

Priority	Fund	Specific objective	The amount covered by the financing not linked to costs	Type(s) of operation covered		Conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Indicator		Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries
				Code ⁽¹⁾	Description		Code ⁽²⁾	Description		
<p>⁽¹⁾ This refers to the code for the intervention field dimension in Table 1 of Annex I to the CPR and Annex IV to the EMFAF Regulation.</p> <p>⁽²⁾ This refers to the code of a common indicator, if applicable.</p>										

B. Details by type of operation (to be completed for every type of operation)

1.1	Description of the operation type			
1.2	Specific objective			
1.3	Conditions to be fulfilled or results to be achieved			
1.4	Deadline for fulfilment of conditions or results to be achieved			
1.5	Unit of measurement for conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission			
1.6	Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements	Intermediate deliverables	Envisaged date	Amounts (in EUR)
1.7	Total amount (including Union and national funding)			
1.8	Adjustment(s) method			
1.9	Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables) — describe what document(s)/system will be used to verify the achievement of the result or condition (and where relevant, each of the intermediate deliverables) — describe how management verifications (including on-the-spot) will be carried out, and by whom — describe what arrangements will be made to collect and store relevant data/documents			
1.10	Use of grants in the form of financing not linked to costs/ Does the grant provided by Member State to beneficiaries take the form of financing not linked to costs? [Y/N]			
1.11	Arrangements to ensure the audit trail Please list the body(ies) responsible for these arrangements.			

Appendix 3

List of planned operations of strategic importance with a timetable - Article 17(3)

Text field [2 000]

REGULATION (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 24 June 2021

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 177, point (a) of Article 322(1) and Article 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Having regard to the opinion of the Court of Auditors ⁽³⁾,

Acting in accordance with the ordinary legislative procedure ⁽⁴⁾,

Whereas:

- (1) Article 174 of the Treaty on the Functioning of the European Union (TFEU) provides that, in order to strengthen its economic, social and territorial cohesion, the Union is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, and that particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. Those regions particularly benefit from cohesion policy. Article 175 TFEU requires the Union to support the achievement of those objectives by the action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments. Article 322 TFEU provides the basis for adopting financial rules determining the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts, as well as for checks on the responsibility of financial actors.
- (2) In order to further develop a coordinated and harmonised implementation of Union Funds implemented under shared management, namely the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund, the Just Transition Fund (JTF), and measures financed under shared management in the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Instrument for Financial Support for Border Management and Visa Policy (BMVI), financial rules based on Article 322 TFEU should be established for all these Funds (together referred to as 'the Funds'), clearly specifying the scope of application of the relevant provisions. In addition, common provisions based on Article 177 TFEU should be established to cover policy -specific rules for the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF.

⁽¹⁾ OJ C 62, 15.2.2019, p. 83.

⁽²⁾ OJ C 86, 7.3.2019, p. 41.

⁽³⁾ OJ C 17, 14.1.2019, p. 1.

⁽⁴⁾ Position of the European Parliament of 27 March 2019 (OJ C 108, 26.3.2021, p. 638) and position of the Council at first reading of 27 May 2021 (not yet published in the Official Journal). Position of the European Parliament of 24 June 2021 (not yet published in the Official Journal).

- (3) Due to the specificities of each Fund, specific rules applicable to each Fund and to the European territorial cooperation goal (Interreg) under the ERDF should be laid down in separate Regulations ('Fund-specific Regulations') to complement this Regulation.
- (4) The outermost regions should benefit from specific measures and from additional funding to offset their structural social and economic situation together with the handicaps resulting from the factors referred to in Article 349 TFEU.
- (5) The northern sparsely populated regions should benefit from specific measures and additional funding to offset the severe and natural or demographic handicaps referred to in Article 2 of Protocol No 6 to the 1994 Act of Accession.
- (6) Horizontal principles as set out in Article 3 of the Treaty on European Union (TEU) and in Article 10 TFEU, including the principles of subsidiarity and proportionality as set out in Article 5 TEU, should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations set out in the United Nations Convention on the Rights of the Child, and in the United Nations Convention on the Rights of Persons with Disabilities, and ensure accessibility in line with Article 9 thereof and in accordance with Union law harmonising accessibility requirements for products and services. In that context, the Funds should be implemented in a way that promotes the transition from institutional to family-based and community-based care. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation or exclusion, and, when financing infrastructure, should ensure the accessibility for persons with disabilities. The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) TFEU, taking into account the polluter pays principle, the UN Sustainable Development Goals and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change ⁽⁵⁾ (the 'Paris Agreement'). In order to protect the integrity of the internal market, operations benefiting undertakings are to comply with Union State aid rules as set out in Articles 107 and 108 TFEU. Poverty is a particularly important challenge in the Union. The objectives of the Funds should therefore be pursued with a view to contributing to the eradication of poverty. The objectives of the Funds should be pursued with a view to providing adequate support, in particular to local and regional authorities of coastal and urban areas, to address the socioeconomic challenges linked to the integration of third-country nationals and to providing adequate support to disadvantaged areas and communities in urban areas.
- (7) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽⁶⁾ ('the Financial Regulation') and determine in particular the procedure for establishing and implementing the Union budget through grants, procurement, prizes, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (8) Where a time limit is set for the Commission to take any action towards Member States, the Commission should take account of all necessary information and documents in a timely and efficient manner. Where submissions from Member States in any form under this Regulation are incomplete or non-compliant with the requirements of this Regulation and of Fund-specific Regulations, thus not allowing the Commission to take fully-informed action, that time limit should be suspended until the Member States comply with the regulatory requirements. Further, as the Commission is precluded from making payments for the expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are not fulfilled, which is included in payment applications, the time limit for the Commission to make payments should not be triggered for such expenditure.

⁽⁵⁾ OJ L 282, 19.10.2016, p. 4.

⁽⁶⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (9) In order to contribute to Union priorities, the Funds should focus their support on a limited number of policy objectives in line with their Fund-specific missions pursuant to their Treaty-based objectives. The policy objectives for the AMIF, the ISF and the BMVI should be set out in the respective Fund-specific Regulations. The JTF and any resources of the ERDF and the ESF+ that are transferred, on a voluntary basis, as a complementary support to the JTF, should contribute to a single specific objective.
- (10) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the Funds should contribute to mainstreaming climate actions and to the achievement of an overall target of 30 % of the Union budget expenditure supporting climate objectives. In that context, the Funds should support activities that would respect the climate and environmental standards and priorities of the Union and would do no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council ⁽⁷⁾. Adequate mechanisms to ensure the climate proofing of supported investment in infrastructure should be an integral part of programming and implementation of the Funds.
- (11) Reflecting the importance of tackling the loss of biodiversity, the Funds should contribute to mainstream biodiversity action in the Union policies and to the achievement of the overall ambition of providing 7,5 % of annual spending under the multiannual financial framework (MFF) to biodiversity objectives in the year 2024 and 10 % of annual spending under the MFF to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.
- (12) Part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States within the meaning of the Financial Regulation. Therefore, when implementing the Funds under shared management, the Commission and the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination.
- (13) Member States at the appropriate territorial level, in accordance with their institutional, legal and financial framework and the bodies designated by them for that purpose, should be responsible for preparing and implementing programmes. The Union and Member States should refrain from imposing unnecessary rules resulting in excessive administrative burden for beneficiaries.
- (14) The principle of partnership is a key feature in the implementation of the Funds, building on the multi-level governance approach and ensuring the involvement of regional, local, urban and other public authorities, civil society, economic and social partners and, where appropriate, research organisations and universities. In order to provide continuity in the organisation of partnership, the European code of conduct on partnership for Partnership Agreements and programmes supported by the European Structural and Investment Funds established by the Commission Delegated Regulation (EU) No 240/2014 ⁽⁸⁾ (the 'European code of conduct on partnership') should continue to apply to the Funds.
- (15) At Union level, the European Semester of economic policy coordination, including the principles of the European Pillar of Social Rights, is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reforms. Those strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national or Union funding, or both. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received, in particular from the Funds, the Recovery and Resilience Facility established by Regulation (EU) 2021/241 of the European Parliament and of the Council ⁽⁹⁾ and the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽¹⁰⁾ (the 'InvestEU Regulation').

⁽⁷⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

⁽⁸⁾ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

⁽⁹⁾ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

⁽¹⁰⁾ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

- (16) Member States should take into account relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU and complementary Commission recommendations issued in accordance with Article 34 of Regulation (EU) 2018/1999 of the European Parliament and of the Council⁽¹¹⁾, and for the AMIF, the ISF and the BMVI other relevant Union recommendations addressed to the Member State in the preparation of programming documents. During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the country-specific recommendations. During a mid-term review, Member States should, among other elements, consider the need for programme modifications to accommodate new challenges identified in relevant country-specific recommendations adopted or modified since the start of the programming period.
- (17) Member States should take account of the contents of their integrated national energy and climate plan, to be developed under Regulation (EU) 2018/1999, and the outcome of the process resulting in Union recommendations regarding these plans, for their programmes, including during the mid-term review, as well as for the financial needs allocated for low-carbon investments.
- (18) The Partnership Agreement, prepared by each Member State, should be a concise and strategic document guiding the negotiations between the Commission and the Member State concerned on the design of programmes under the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF. In order to streamline the approval process, the Commission should respect the principle of proportionality in its assessment, particularly concerning the length of the Partnership Agreement and requests for additional information. In order to reduce the administrative burden, it should not be necessary to amend Partnership Agreements during the programming period. However, if the Member State so wishes, it should be able to submit to the Commission one amendment to its Partnership Agreement to take into account the outcome of the mid-term review. To facilitate the programming and avoid overlapping content in programming documents, a Partnership Agreement can be included as part of a programme.
- (19) In order to provide Member States with sufficient flexibility in the implementation of their shared management allocations, it should be possible to transfer certain levels of funding between the Funds and between shared management and direct and indirectly managed instruments. Where the specific economic and social circumstances of a Member State justify it, that level of transfer should be higher.
- (20) Each Member State should have the flexibility to contribute to the InvestEU Programme for the provision of the EU guarantee and the InvestEU Advisory Hub for investments in that Member State, under certain conditions set out in this Regulation.
- (21) To ensure the necessary prerequisites for the effective and efficient use of Union support granted by the Funds, a limited list of enabling conditions as well as a concise and exhaustive set of objective criteria for their assessment should be established. Each enabling condition should be linked to a specific objective and should be automatically applicable where the specific objective is selected for support. Without prejudice to the rules on decommitment, where those conditions are not fulfilled, expenditure related to operations under the related specific objectives should not be reimbursed by the Commission. In order to maintain a favourable investment framework, the continued fulfilment of the enabling conditions should be monitored regularly. At the request of a Member State, the EIB should be able to contribute to the assessment of the fulfilment of enabling conditions. It is also important to ensure that operations selected for support are implemented consistently with the strategies and planning documents in place underlying the fulfilled enabling conditions, thus ensuring that all co-financed operations are in line with the Union policy framework.
- (22) While pursuing the objectives of economic, social and territorial cohesion, support to network connectivity by the ERDF and the Cohesion Fund should aim at completing missing links to the trans-European transport network.

⁽¹¹⁾ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (23) Member States should establish a performance framework for each programme covering all indicators, milestones and targets to monitor, report on and evaluate programme performance. This should allow monitoring, reporting on and evaluating performance during implementation, and contribute to measuring the overall performance of the Funds.
- (24) The Member State should carry out a mid-term review of each programme supported by the ERDF, the ESF+, the Cohesion Fund and the JTF. That review should provide a fully-fledged adjustment of programmes based on programme performance, while also providing an opportunity to take account of new challenges and relevant country-specific recommendations issued in 2024, as well as progress in implementing the integrated national energy and climate plans and the principles of the European Pillar of Social Rights. For the purposes of the mid-term review, the socioeconomic situation of the Member State or region concerned, including any major negative financial, economic or social development or demographic challenges and the progress towards reaching the climate contribution targets at national level should also be taken into account. The Commission should prepare a report about the outcome of the mid-term review, including its assessment of the application of the management costs and fees under financial instruments managed by bodies selected through direct award.
- (25) Mechanisms to ensure a link between Union funding policies and the economic governance of the Union should be further refined, allowing the Commission to make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of the Member State concerned where that Member State fails to take effective action in the context of the economic governance process. The obligation of the Commission to propose a suspension should be suspended when and for as long as the so-called general escape clause under the Stability and Growth Pact has been activated. In order to ensure uniform implementation and in view of the importance of the financial effects of measures being imposed, implementing powers should be conferred on the Council which should act on the basis of a Commission proposal. To facilitate the adoption of decisions which are required to ensure effective action in the context of the economic governance process, reversed qualified majority voting should be used. Given the type of operations that are supported by the ESF+ and Interreg programmes, the ESF+ and these programmes should be excluded from the scope of those mechanisms.
- (26) In order to allow for a rapid response to exceptional or unusual circumstances as referred to in the Stability and Growth Pact that may arise during the programming period, implementing powers should be conferred on the Commission to adopt temporary measures to facilitate the use of the Funds in response to such circumstances. The Commission should adopt the measures that are most appropriate in light of the exceptional or unusual circumstances that a Member State is facing, while preserving the objectives of the Funds. The Commission should also monitor the implementation and assess the appropriateness of those measures.
- (27) It is necessary to set out common requirements as regards the content of the programmes, taking into account the specific nature of each Fund. Those common requirements can be complemented by Fund-specific rules. Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽¹²⁾ (the 'Interreg Regulation') should set out specific provisions on the content of Interreg programmes.
- (28) In order to allow for flexibility in programme implementation and reduce administrative burden, limited financial transfers should be allowed between priorities of the same programme without requiring a Commission decision amending the programme. The revised financial tables should be submitted to the Commission in order to ensure up-to-date information on financial allocations for each priority.
- (29) In order to enhance the effectiveness of the JTF, it should be possible that complementary resources from the ERDF and the ESF+ are made available to the JTF on a voluntary basis. Those complementary resources should be provided through a specific voluntary transfer from those funds to the JTF, taking into account the transition challenges set out in the territorial just transition plans, which need to be addressed. Amounts to be transferred should be provided from resources of the categories of region where the territories identified in territorial just transition plans are located. Given these specific arrangements for the use of the JTF resources, only the specific transfer mechanism should apply for the constitution of the JTF resources. Furthermore, it should be clarified that only this Regulation

⁽¹²⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (see page 159 of this Official Journal).

and Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽¹³⁾ (the 'JTF Regulation') should apply to the JTF and to the resources of the ERDF and the ESF+ transferred to the JTF, which also become JTF support. Neither Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽¹⁴⁾ (the 'ERDF and CF Regulation') nor Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽¹⁵⁾ (the 'ESF+ Regulation') should apply to the complementary support. Therefore, the ERDF resources transferred as a complementary support to the JTF should be excluded from the basis of calculation of the thematic concentration requirements set out in the ERDF and CF Regulation and from the basis of calculation of minimum allocations to sustainable urban development as set out in the ERDF and CF Regulation. The same applies to the ESF+ resources transferred as a complementary support to the JTF in respect of thematic concentration requirements set out in the ESF+ Regulation.

- (30) To strengthen the integrated territorial development approach, investments in the form of territorial tools, such as integrated territorial investments, community-led local development, referred to as 'LEADER' under the European Agricultural Fund for Rural Development (EAFRD), or any other territorial tool which supports initiatives designed by the Member State, should be based on territorial and local development strategies. The same should apply to related initiatives such as the Smart Villages. For the purposes of integrated territorial investments and territorial tools designed by Member States, minimum requirements should be set out for the content of territorial strategies. Those territorial strategies should be developed and endorsed under the responsibility of relevant authorities or bodies. To ensure the involvement of relevant authorities or bodies in implementing territorial strategies, those authorities or bodies should be responsible for the selection of operations to be supported, or be involved in that selection. Territorial strategies, when promoting sustainable tourism initiatives, should ensure an appropriate balance between the needs of both residents and tourists, such as interconnecting cycling and railway networks.
- (31) In order to address effectively the development challenges in rural areas, coordinated support from the Funds and the EAFRD should be facilitated. Member States and regions should ensure that the interventions supported through the Funds and the EAFRD are complementary and are implemented in a coordinated manner with a view to creating synergies and in order to reduce the administrative cost and burden for managing bodies and beneficiaries.
- (32) To better mobilise potential at the local level, it is necessary to strengthen and facilitate community-led local development. It should take local needs and potential as well as relevant socio-cultural characteristics into account, and should provide for structural changes, build community capacity and stimulate innovation. The close cooperation and integrated use of the Funds and the EAFRD to deliver local development strategies should be strengthened. It is crucial that local action groups, representing the interests of the community, are responsible for the design and implementation of community-led local development strategies. In order to facilitate coordinated support from different Funds and the EAFRD to community-led local development strategies and to facilitate their implementation, the use of a 'Lead Fund' approach should be facilitated. When the EAFRD is selected as a Lead Fund, it should follow the rules established for the 'Lead Fund' approach.
- (33) In order to reduce the administrative burden, it should be possible to implement technical assistance linked to programme implementation at the initiative of the Member State through a flat rate based on progress in programme implementation which may also cover horizontal tasks. However, in order to simplify the implementation for the AMIF, the ISF and the BMVI, and for Interreg programmes, only the flat-rate approach should be used. In order to facilitate financial management, Member States should have the possibility to indicate one or more bodies to which related reimbursements should be made. Since those reimbursements are based on the application of a flat rate, verifications and audits should be limited to verifying that the conditions triggering reimbursement of the Union contribution are met but underlying expenditure should not be subject to verification or audit. Nevertheless, where continuity with the 2014-2020 period is preferred, the Member State should also be provided with the possibility to continue receiving reimbursement of eligible costs actually incurred by the beneficiary and paid in implementing operations for technical assistance implemented through one or more

⁽¹³⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (see page 159 of this Official Journal).

⁽¹⁴⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (see page 159 of this Official Journal).

⁽¹⁵⁾ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+), and repealing Regulation (EU) No 1296/2013 (see page 159 of this Official Journal).

separate programmes or one or more priorities within programmes. The Member State should indicate in its Partnership Agreement its choice of the form of Union contribution for technical assistance for the entire programming period. Regardless of the option chosen, it should be possible for technical assistance to be complemented by targeted administrative capacity building measures using reimbursement methods that are not linked to costs. It should also be possible for actions and deliverables as well as corresponding Union payments to be agreed in a roadmap and lead to payments for results on the ground.

- (34) Where a Member State proposes to the Commission that a priority of a programme or a part thereof be supported through a financing scheme not linked to costs, the actions, deliverables and conditions agreed should be related to actual investments undertaken under the shared management programmes in that Member State or region. In that context, the respect of the principle of sound financial management should be ensured. In particular, as regards the appropriateness of the amounts linked to the fulfilment of the respective conditions or the achievement of results, the Commission and the Member State should ensure that resources employed are adequate for the investments undertaken. Where a financing scheme not linked to costs is used in a programme, the underlying costs linked to the implementation of that scheme should not be subject to any verifications or audits because the Commission provides an *ex-ante* agreement on the amounts linked to the fulfilment of the conditions or the achievement of results in the programme or in a delegated act. Verifications and audits should be limited instead to checking that the conditions or results triggering the reimbursement of the Union contribution are fulfilled.
- (35) In order to examine the performance of programmes, Member States should set up monitoring committees, whose composition should include representatives of relevant partners. For the ERDF, the ESF+, the Cohesion Fund and the EMFAF, annual implementation reports should be replaced by an annual structured policy dialogue based on the latest information and data on programme implementation made available by the Member State. The review meeting should be organised also for programmes covering the JTF.
- (36) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽¹⁶⁾, the Funds should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators, as a basis for evaluating the effects of the Funds on the ground. Those requirements should also enable the monitoring of the support of gender equality.
- (37) To ensure availability of comprehensive up-to-date information on programme implementation, effective and timely electronic reporting on quantitative data should be required.
- (38) In order to support the preparation of related programmes and activities of the subsequent programming period, the Commission should carry out a mid-term assessment of the Funds. At the end of the programming period, the Commission should carry out retrospective evaluations of the Funds, which should focus on the impact of the Funds. The results of these evaluations should be made public.
- (39) Programme authorities, beneficiaries and stakeholders in Member States should raise awareness of the achievements of Union funding and inform the general public accordingly. Transparency, communication and visibility activities are essential in making Union action visible on the ground and should be based on true, accurate and updated information. In order for those requirements to be enforceable, programme authorities and, in the event of non-compliance, the Commission should be able to apply remedial measures.

⁽¹⁶⁾ OJ L 123, 12.5.2016, p. 1.

- (40) Managing authorities should publish structured information on selected operations and beneficiaries on the website of the programme providing support to the operation, while taking account of requirements for data protection of personal data in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽¹⁷⁾.
- (41) With a view to simplifying the use of the Funds and reducing the risk of error, it is appropriate to define both the forms of Union contribution to Member States and the forms of support provided by Member States to beneficiaries. It should also be possible for managing authorities to provide grants through the form of financing not linked to costs where these grants are covered by reimbursement of the Union contribution based on the same form, in order to increase experience with such a simplification possibility.
- (42) As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private. Where a managing authority intends to propose the use of a simplified cost option in a call for proposals, it should be possible to consult the monitoring committee. Amounts and rates established by Member States need to be a reliable proxy to real costs. Periodic adjustments are a good practice in the context of multiannual programme implementation to take into account factors affecting rates and amounts. In order to facilitate the uptake of simplified cost options, this Regulation should also provide methods and rates that are able to be used without the requirement for Member States to carry out a calculation or define a methodology.
- (43) To enable immediate implementation of flat rates, any flat rate established by Member States in the 2014-2020 period based on a fair, equitable and verifiable calculation method should continue to be applied for similar operations supported under this Regulation without requiring a new calculation method.
- (44) In order to optimise the uptake of co-financed environmental investments, synergies should be ensured with the LIFE programme for the Environment and Climate Action established by Regulation (EU) 2021/783 of the European Parliament and of the Council ⁽¹⁸⁾, in particular through LIFE strategic integrated projects and strategic nature projects, as well as with projects funded under Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽¹⁹⁾ (the 'Horizon Europe Regulation') and other Union programmes.
- (45) In order to provide legal clarity, it is appropriate to specify the eligibility period for expenditure or costs linked to operations supported by the Funds under this Regulation and to restrict support for completed operations. The date from which expenditure becomes eligible for support from the Funds in case of adoption of new programmes or of changes in the programmes should also be clarified, including the exceptional possibility to extend the eligibility period to the start of a natural disaster in case there is urgent need to mobilise resources to respond to such disaster. At the same time, programme implementation should provide for flexibility in relation to the eligibility of expenditure for operations which contribute to the objectives of the programme, regardless of whether they are implemented outside of a Member State or the Union or in the same category of region within a Member State.
- (46) In order to provide the necessary flexibility for implementation of public-private partnerships (PPPs), the PPP agreement should specify when expenditure is considered to be eligible, in particular under which conditions it is incurred by the beneficiary or by the private partner of the PPP, irrespective of who is carrying out the payments in implementing the PPP operation.

⁽¹⁷⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

⁽¹⁸⁾ Regulation (EU) 2021/783 of the European Parliament and of the Council of 29 April 2021 establishing a Programme for the Environment and Climate Action (LIFE), and repealing Regulation (EU) No 1293/2013 (OJ L 172, 17.5.2021, p. 53).

⁽¹⁹⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

- (47) To ensure the effectiveness, fairness and sustainable impact of the Funds, there should be provisions guaranteeing that investments in infrastructure or productive investment are long-lasting and prevent the Funds from being used to undue advantage. Managing authorities should pay particular attention not to support relocation when selecting operations and to treat sums unduly paid to operations not complying with the requirement of durability as irregularities.
- (48) With a view to improving complementarities and simplifying implementation, it should be possible to combine support from the ERDF, the Cohesion Fund and the JTF with support from the ESF+ in joint programmes under the Investment for jobs and growth goal.
- (49) In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and other relevant instruments, including the Recovery and Resilience Facility and the Brexit Adjustment Reserve. Those synergies should be achieved through user-friendly key mechanisms, namely the recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.
- (50) Financial instruments should not be used to support refinancing activities, such as replacing existing loan agreements or other forms of financing for investments which have already been physically completed or fully implemented at the date of the investment decision, but rather to support any type of new investments in line with the underlying policy objectives.
- (51) The decision by the managing authorities to finance support measures through financial instruments should be determined on the basis of an *ex ante* assessment. This Regulation should lay down the mandatory elements of *ex ante* assessments, for which indicative information available at the date of their completion should be provided, and should allow Member States to make use of the *ex ante* assessments carried out for the 2014-2020 period, updated where necessary, in order to avoid administrative burden and delays in setting up financial instruments.
- (52) In order to facilitate the implementation of certain types of financial instruments where programme support in the form of grants, including in the form of capital rebates, is envisaged, it is possible to apply the rules on financial instruments on such a combination in one financial instrument operation. However, conditions for such programme support and specific conditions preventing double financing should be set out.
- (53) In full respect of the applicable State aid and public procurement rules that have been clarified during the 2014-2020 programming period, managing authorities should have the possibility to decide on the most appropriate implementation options for financial instruments in order to address the specific needs of target regions. In addition, in order to ensure continuity with the 2014-2020 programming period, managing authorities should have the possibility to implement financial instruments through a direct award of a contract to the EIB and to international financial institutions in which a Member State is a shareholder. Managing authorities should also have the possibility to award contracts directly to publicly-owned banks or institutions fulfilling the same strict conditions as provided for by the Financial Regulation for the 2014-2020 programming period. This Regulation should provide clear conditions in order to ensure that the possibility of direct award remains consistent with the principles of the internal market. In this framework, the Commission should provide support to auditors, managing authorities and beneficiaries with a view to ensuring compliance with State aid rules.
- (54) Given the protracted low-interest rate environment and in order not to unduly penalise bodies implementing financial instruments, it is necessary, subject to active treasury management by these bodies, to enable the financing of negative interest generated as a result of investments of the Funds from resources paid back to the financial instrument. Through active treasury management, the bodies implementing financial instruments should seek to optimise returns and minimise charges, to an acceptable level of risk.
- (55) In accordance with the principle and rules of shared management, Member States and the Commission should be responsible for the management and control of programmes and give assurance on the legal and regular use of the Funds. Since Member States should have the primary responsibility for such management and control and should

ensure that operations supported by the Funds comply with applicable law, their obligations in that regard should be specified. The powers and responsibilities of the Commission in that context should also be laid down.

- (56) In order to hasten the start of programme implementation, the roll-over of implementation arrangements from the previous programming period should be facilitated. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary.
- (57) To support the effective use of the Funds, EIB support should be available to all Member States at their request. Such support could cover capacity building, support for project identification, preparation and implementation, as well as advice on financial instruments and investment platforms.
- (58) A Member State should have the possibility, at its own initiative, to identify a coordinating body to liaise with and provide information to the Commission and to coordinate activities of the programme authorities in that Member State.
- (59) To streamline programme management functions, the integration of accounting functions with those of the managing authority should be maintained for the programmes supported by the AMIF, the ISF and the BMVI, and should be an option for the other Funds.
- (60) Since the managing authority bears the main responsibility for the effective and efficient implementation of the Funds and therefore fulfils a wide range of functions, its functions in relation to the selection of operations, programme management and support for the monitoring committee should be set out in detail. Procedures for the selection of operations can be competitive or non-competitive provided that criteria applied and procedures used are non-discriminatory, inclusive and transparent and the operations selected maximise the contribution of the Union funding and are in line with the horizontal principles defined in this Regulation. With a view to pursuing the objective of achieving a climate-neutral Union by 2050, Member States should ensure the climate proofing of investments in infrastructure and should prioritise operations that respect the 'energy efficiency first' principle when selecting such investments.
- (61) The synergies between the Funds and directly managed instruments should be optimised. The provision of support for operations that have already received a Seal of Excellence or were co-funded by Horizon Europe with a contribution from the Funds should be facilitated. Conditions already assessed at Union level, prior to the attributing of the Seal of Excellence quality label or the co-funding by Horizon Europe, should not be assessed again, as long as the operations comply with a limited set of requirements established in this Regulation. This should also facilitate following the appropriate rules set out in Commission Regulation (EU) No 651/2014 ⁽²⁰⁾.
- (62) To ensure an appropriate balance between the effective and efficient implementation of the Funds and the related administrative costs and burdens, the frequency, scope and coverage of management verifications should be based on a risk assessment that takes into account factors such as the number, type, size and content of operations implemented, the beneficiaries as well as the level of the risk identified by previous management verifications and audits. Management verifications should be proportionate to the risks resulting from that risk assessment and audits should be proportionate to the level of risk to the budget of the Union.
- (63) The audit authority should carry out audits and ensure that the audit opinion provided to the Commission is reliable. That audit opinion should provide assurance to the Commission on three points, namely the legality and regularity of the declared expenditure, the effective functioning of the management and control systems and the completeness, accuracy and veracity of the accounts. Where an audit based on internationally accepted audit standards providing reasonable assurance has been conducted by an independent auditor on the financial statements and reports setting out the use of a Union contribution, that audit should form the basis of the overall assurance the audit authority provides to the Commission, insofar as there is sufficient evidence of the independence and competence of the auditor in accordance with Article 127 of the Financial Regulation.

⁽²⁰⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

- (64) A reduction of verifications and audit requirements should be possible where there is assurance that the programme has functioned effectively for the latest two consecutive years, since this demonstrates that the Funds are being implemented effectively and efficiently over a prolonged period of time.
- (65) To reduce the administrative burden on beneficiaries and administrative costs as well as to avoid duplication of audits and management verifications of the same expenditure declared to the Commission, the concrete application of the single audit principle should be specified for the Funds.
- (66) In order to enhance the preventive role of audit, provide legal transparency and share good practice, the Commission should be able to share audit reports at the request of Member States, with the consent of the audited Member States.
- (67) In order to improve financial management, a simplified pre-financing scheme should be provided for. The pre-financing scheme should ensure that a Member State has the means to provide support to beneficiaries from the start of the implementation of the programme.
- (68) To reduce the administrative burden for Member States as well as for the Commission, a schedule of payment applications should be established. Commission payments should be subject to a 5 % retention until the payment of the annual balance of accounts when the Commission is able to conclude that the accounts are complete, accurate and true.
- (69) In order to reduce the administrative burden, the procedure for the annual acceptance of accounts should be simplified by providing simpler arrangements for payments and recoveries where there is no disagreement between the Commission and the Member State.
- (70) In order to safeguard the financial interests and the budget of the Union, proportionate measures should be established and implemented at the level of Member States and the Commission. The Commission should be able to interrupt payments deadlines, suspend interim payments and apply financial corrections where the respective conditions are fulfilled. The Commission should respect the principle of proportionality by taking into account the nature, gravity and frequency of irregularities and their financial implications for the budget of the Union. Where it is not possible for the Commission to quantify precisely the amount of irregular expenditure in order to apply financial corrections linked to individual cases, it should apply a flat-rate or statistically extrapolated financial correction. Suspension of interim payments based on a reasoned opinion issued by the Commission pursuant to Article 258 TFEU, should be possible provided there is a sufficiently direct link between the matter addressed by the reasoned opinion and the expenditure at stake so as to put at risk its legality and regularity.
- (71) Member States should prevent, detect and deal effectively with any irregularities, including fraud committed by economic operators. Moreover, in accordance with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽²¹⁾, and Council Regulations (EC, Euratom) No 2988/95 ⁽²²⁾ and (Euratom, EC) No 2185/96 ⁽²³⁾, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Council Regulation (EU) 2017/1939 ⁽²⁴⁾, to investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council ⁽²⁵⁾. Member States should take the necessary measures to ensure that any person or entity receiving Union funds fully cooperates in the protection of the financial interests of the Union, grants the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, EPPO, and

⁽²¹⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽²²⁾ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

⁽²³⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁽²⁴⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office (the EPPO) (OJ L 283, 31.10.2017, p. 1).

⁽²⁵⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

ensures that any third parties involved in the implementation of Union funds grant equivalent rights. Member States should swiftly report to the Commission irregularities detected, including fraud, and any follow-up action they have taken with regard to such irregularities and with regard to any OLAF investigations.

- (72) To enhance the protection of the Union's budget, the Commission should make available an integrated and interoperable information and monitoring system, including a single data-mining and risk-scoring tool to access and analyse the relevant data, and the Commission should encourage its use with a view to a generalised application by Member States.
- (73) In line with the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 16 December 2020 on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap for the introduction of new own resources ⁽²⁶⁾, in order to enhance the protection of the Union budget and Next Generation EU against irregularities including fraud, standardised measures to collect, compare and aggregate information and figures on the recipients of Union funding should be introduced for the purposes of control and audit. The collection of data on those ultimately benefiting, directly or indirectly, from Union funding under shared management, including data on beneficial owners of the recipients of Union funding, is necessary to ensure effective controls and audits.
- (74) In order to enhance the protection of the Union's budget against irregularities, including fraud, it is necessary to process personal data of beneficial owners who are natural persons. In particular, in order to effectively detect, investigate and prosecute such frauds or remedy irregularities, it is necessary to be able to identify beneficial owners who are natural persons that ultimately profit from irregularities, including fraud. For that purpose, and for the sake of simplification and in order to reduce the administrative burden, Member States should be allowed to comply with their obligation regarding information on beneficial owners by using the data stored in the register already used for the purposes of Directive (EU) 2015/849 of the European Parliament and of the Council ⁽²⁷⁾. In that regard, the purposes of processing of personal data of beneficial owners under this Regulation, namely to prevent, detect and correct and report irregularities including fraud, are compatible with the purposes of processing of personal data under the Directive (EU) 2015/849.
- (75) In order to encourage financial discipline, it is appropriate to set out the arrangements for decommitment of budgetary commitments at programme level.
- (76) In order to allow Member States appropriate time to declare to the Commission expenditure up to the available level of resources in the event of the adoption of the new rules or programmes under shared management after 1 January 2021, the amounts corresponding to the allocations not used in year 2021 should be transferred in equal proportions to the years 2022 to 2025 as envisaged under Article 7 of the Council Regulation (EU, Euratom) 2020/2093 ⁽²⁸⁾.
- (77) In order to promote the objectives of the TFEU related to economic, social and territorial cohesion, the Investment for jobs and growth goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF+ on the basis of an allocation key which is predominantly based on gross domestic product (GDP) per capita. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the Investment for jobs and growth goal from the Cohesion Fund.

⁽²⁶⁾ OJ L 433 I, 22.12.2020, p. 28.

⁽²⁷⁾ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).

⁽²⁸⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

- (78) The resources for the European territorial cooperation goal (Interreg) should be allocated to Member States on the basis of the allocation methodology which takes into account in particular population density in border areas. Additionally, to ensure continuity of existing programmes, specific provisions to define programme areas and the eligibility of regions under the different strands of Interreg should be set out in the relevant Fund-specific Regulation.
- (79) Objective criteria should be established for designating eligible regions and areas for support from the Funds. To that end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council ⁽²⁹⁾, as amended by Commission Regulation (EU) 2016/2066 ⁽³⁰⁾.
- (80) In order to set out an appropriate financial framework for the ERDF, the ESF+, the Cohesion Fund and the JTF, the Commission should set out the annual breakdown of available allocations per Member State under the Investment for jobs and growth goal, together with the list of eligible regions, as well as the allocations for the European territorial cooperation goal (Interreg).
- (81) Trans-European transport network projects under Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (the 'CEF Regulation') are to continue to be financed from the Cohesion Fund via both shared management and the direct implementation mode under the Connecting Europe Facility (CEF). Building on the successful approach of the 2014-2020 programming period, EUR 10 000 000 000 from the Cohesion Fund should be transferred to the CEF for this purpose.
- (82) A certain amount of the resources from the ERDF, the ESF+ and the Cohesion Fund should be allocated to the European Urban Initiative which should be implemented through direct or indirect management by the Commission.
- (83) With a view to ensuring an appropriate allocation to categories of region, and as a matter of principle, the total allocations to Member States in respect of less developed, transitional and more developed regions should not be transferable between the categories. Nevertheless, to accommodate Member States' needs to tackle specific challenges, Member States should be able to request a transfer from their allocations for more developed regions or transition regions to less developed regions and from more developed regions to transition regions and, in such a case, should justify that choice. In order to ensure sufficient financial resources for less developed regions, a ceiling should be established for transfers to more developed regions or transition regions. Transferability of resources between goals should not be possible except for cases strictly set out in this Regulation.
- (84) Where a region was categorised as a more developed region for the 2014-2020 period but is categorised as a transition region for the 2021-2027 period and therefore would receive less support for the 2021-2027 period based on the allocation methodology, the Member State concerned is invited to take this factor into account when deciding on its internal distribution of funding.
- (85) Within the context of the unique and specific circumstances on the island of Ireland, and with a view to supporting North-South cooperation under the Good Friday Agreement, a 'PEACE PLUS' cross-border programme is to continue and build on the work of previous programmes, Peace and Interreg, between the border counties of Ireland and Northern Ireland. Taking into account its practical importance, that programme should be supported with a specific allocation to continue support for peace and reconciliation actions, and an appropriate share of the Irish allocation under Interreg should also be allocated to that programme.

⁽²⁹⁾ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

⁽³⁰⁾ Commission Regulation (EU) 2016/2066 of 21 November 2016 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 322, 29.11.2016, p. 1).

- (86) It is necessary to establish the maximum rates of co-financing in the area of cohesion policy by category of region, where applicable, in order to ensure that the principle of co-financing is respected through an appropriate level of public or private national support. Those rates should reflect the level of economic development of regions in terms of GDP per capita in relation to the EU-27 average, while safeguarding no less favourable treatment due to shifts in their categorisation.
- (87) Within the framework of the relevant rules under the Stability and Growth Pact as clarified in the European code of conduct on partnership, Member States may make a duly justified request for further flexibility for the public or equivalent structural expenditure supported by the public administration by way of co-financing of investments.
- (88) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the elements contained in certain Annexes to this Regulation, namely for the dimensions and codes for the types of intervention, the templates for partnership agreements and programmes, the templates for the transmission of data, the template for forecasts of payment applications to the Commission, the use of the emblem of the Union, the elements for funding agreements and strategy documents, the electronic data exchange system between the Member States and the Commission, the templates for the description of the management and control system, for the management declaration, for the annual audit opinion, for the annual control report, for the annual audit report for financial instruments implemented by the EIB or other international financial institutions, for the audit strategy, for payment applications, for the accounts, for detailed rules and the template for the reporting of irregularities and for the determination of the level of financial corrections.
- (89) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the European code of conduct on partnership in order to adapt that code of conduct to this Regulation, the definition at Union level of unit costs, lump sums, flat rates and financing not linked to costs applicable to all Member States as well as the establishment of standardised off-the-shelf sampling methodologies.
- (90) It is of particular importance that the Commission carries out appropriate, transparent consultations with all interested parties during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (91) In order to ensure uniform conditions for the adoption of Partnership Agreements, the adoption or amendment of programmes as well as the application of financial corrections, implementing powers should be conferred on the Commission. The implementing powers in relation to the establishment of the breakdown of financial allocations for the ERDF, the ESF+ and the Cohesion Fund should be adopted without committee procedures, given that they merely reflect the application of a pre-defined calculation methodology. Likewise, the implementing powers in relation to the temporary measures for the use of the Funds in response to exceptional circumstances should be adopted without committee procedures, given that the scope of application is determined by the Stability and Growth Pact and limited to the measures set out in this Regulation.
- (92) The implementing powers relating to the template for the final performance report should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽³¹⁾. Although the implementing act is of a general nature, the advisory procedure should be used for its adoption, given that it only sets out technical aspects, forms and templates.

⁽³¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (93) Since Regulation (EU) No 1303/2013 of the European Parliament and of the Council ⁽³²⁾ or any act applicable to the 2014–2020 programming period should continue to apply to programmes and operations supported by the Funds covered under the 2014–2020 programming period and since the implementation period of that Regulation is expected to extend over to the programming period covered by this Regulation and in order to ensure continuity of implementation of certain operations approved by that Regulation, phasing provisions should be established. Each individual phase of the phased operation, which serves the same overall objective, should be implemented in accordance with the rules of the programming period under which it receives funding, while the managing authority may proceed with selecting the second phase on the basis of the selection procedure carried out under 2014–2020 programming period for the relevant operation, provided that it satisfies itself that the conditions set out in this Regulation for phased implementation are complied with.
- (94) Since the objectives of this Regulation, namely to strengthen economic, social and territorial cohesion and to lay down common financial rules for part of the budget of the Union implemented under shared management, cannot be sufficiently achieved by the Member States by reason of the extent of the disparities between the levels of development of the various regions and the specific challenges faced by the least favoured regions, the limit on the financial resources of the Member States and regions and the need for a coherent implementation framework covering several Union funds under shared management, but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (95) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union.
- (96) In view of the adoption of this Regulation after the start of the programming period, and taking into account the need to implement Union Funds covered by this Regulation in a coordinated and harmonised manner, and in order to allow for its prompt implementation, it should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

⁽³²⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

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TITLE I

OBJECTIVES AND GENERAL RULES ON SUPPORT

CHAPTER I

Subject matter, definitions and general rules

Article 1

Subject matter and scope

1. This Regulation lays down:
 - (a) financial rules for the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund, the Just Transition Fund (JTF), the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Instrument for Financial Support for Border Management and Visa Policy (BMVI) (together referred to as the 'Funds');
 - (b) common provisions applicable to the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF.
2. This Regulation does not apply to the Employment and Social Innovation strand of the ESF+ or to the direct or indirect management components of the EMFAF, the AMIF, the ISF and the BMVI, except for technical assistance at the initiative of the Commission.
3. Articles 5, 14, 19, 28 to 34 and 108 to 112 do not apply to the AMIF, the ISF or the BMVI.
4. Articles 108 to 112 do not apply to the EMFAF.
5. Articles 14, 15, 18, 19, 21 to 27, 37 to 42, Article 43(1) to (4), Articles 44 and 50, Article 55(1) and Articles 73, 77, 80 and 83 to 85 do not apply to Interreg programmes.
6. The Fund-specific Regulations listed below may establish rules to complement this Regulation which shall not be in contradiction with this Regulation:
 - (a) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽³³⁾ (the 'ERDF and CF Regulation');
 - (b) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽³⁴⁾ (the 'ESF+ Regulation');
 - (c) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽³⁵⁾ (the 'Interreg Regulation');
 - (d) Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁽³⁶⁾ (the 'JTF Regulation');
 - (e) Regulation of the European Parliament and of the Council establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004 (the 'EMFAF Regulation');
 - (f) Regulation of the European Parliament and of the Council establishing the Asylum, Migration and Integration Fund (the 'AMIF Regulation');
 - (g) Regulation of the European Parliament and of the Council establishing the Internal Security Fund (the 'ISF Regulation');
 - (h) Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy (the 'BMVI Regulation');

In case of doubt about the application between this Regulation and Fund-specific Regulations, this Regulation shall prevail.

⁽³³⁾ Regulation (EU) 2021/1060 (OJ L231, 30.6.2021, p. 159).

⁽³⁴⁾ Regulation (EU) 2021/1060 (OJ L231, 30.6.2021, p. 159).

⁽³⁵⁾ Regulation (EU) 2021/1060 (OJ L231, 30.6.2021, p. 159).

⁽³⁶⁾ Regulation (EU) 2021/1060 (OJ L231, 30.6.2021, p. 159).

Article 2

Definitions

For the purpose of this Regulation, the following definitions apply:

- (1) 'relevant country-specific recommendations' mean Council recommendations adopted in accordance with Articles 121(2) and 148(4) TFEU relating to structural challenges as well as complementary Commission recommendations issued in accordance with Article 34 of Regulation (EU) 2018/1999, which are appropriate to be addressed through multiannual investments that fall within the scope of the Funds as set out in Fund-specific Regulations;
- (2) 'enabling condition' means a prerequisite condition for the effective and efficient implementation of the specific objectives;
- (3) 'applicable law' means Union law and the national law relating to its application;
- (4) 'operation' means:
 - (a) a project, contract, action or group of projects selected under the programmes concerned;
 - (b) in the context of financial instruments, a programme contribution to a financial instrument and the subsequent financial support provided to final recipients by that financial instrument;
- (5) 'operation of strategic importance' means an operation which provides a significant contribution to the achievement of the objectives of a programme and which is subject to particular monitoring and communication measures;
- (6) 'priority' in the context of the AMIF, the ISF and the BMVI, means a specific objective;
- (7) 'priority' in the context of the EMFAF, for the purpose of Title VII only, means a specific objective;
- (8) 'intermediate body' means a public or private body which acts under the responsibility of a managing authority, or which carries out functions or tasks on behalf of such an authority;
- (9) 'beneficiary' means:
 - (a) a public or private body, an entity with or without legal personality, or a natural person, responsible for initiating or both initiating and implementing operations;
 - (b) in the context of public-private partnerships ('PPPs'), the public body initiating a PPP operation or the private partner selected for its implementation;
 - (c) in the context of State aid schemes, the undertaking which receives the aid;
 - (d) in the context of *de minimis* aid provided in accordance with Commission Regulations (EU) No 1407/2013 ⁽³⁷⁾ or (EU) No 717/2014 ⁽³⁸⁾, the Member State may decide that the beneficiary for the purposes of this Regulation is the body granting the aid, where it is responsible for initiating or both initiating and implementing the operation;
 - (e) in the context of financial instruments, the body that implements the holding fund or, where there is no holding fund structure, the body that implements the specific fund or, where the managing authority manages the financial instrument, the managing authority;
- (10) 'small project fund' means an operation in an Interreg programme aimed at the selection and implementation of projects, including people-to-people actions, of limited financial volume;
- (11) 'target' means a pre-agreed value to be achieved by the end of the eligibility period in relation to an indicator included under a specific objective;
- (12) 'milestone' means an intermediate value to be achieved at a given point in time during the eligibility period in relation to an output indicator included under a specific objective;
- (13) 'output indicator' means an indicator to measure the specific deliverables of the intervention;

⁽³⁷⁾ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352, 24.12.2013, p. 1).

⁽³⁸⁾ Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45).

- (14) 'result indicator' means an indicator to measure the effects of the interventions supported, with particular reference to the direct addressees, population targeted or users of infrastructure;
- (15) 'PPP operation' means an operation which is implemented under a partnership between public bodies and the private sector in line with a PPP agreement, and which aims to provide public services through risk sharing by the pooling of either private sector expertise or additional sources of capital or both;
- (16) 'financial instrument' means a form of support delivered via a structure through which financial products are provided to final recipients;
- (17) 'financial product' means equity or quasi-equity investments, loans and guarantees as defined in Article 2 of the Financial Regulation;
- (18) 'final recipient' means a legal or natural person receiving support from the Funds through a beneficiary of a small project fund or from a financial instrument;
- (19) 'programme contribution' means the support from the Funds and the national public and private, if any, co-financing to a financial instrument;
- (20) 'holding fund' means a fund set up under the responsibility of a managing authority under one or more programmes, to implement one or more specific funds;
- (21) 'specific fund' means a fund through which a managing authority or a holding fund provides financial products to final recipients;
- (22) 'body implementing a financial instrument' means a body, governed by public or private law, carrying out tasks of a holding fund or specific fund;
- (23) 'leverage effect' means the amount of reimbursable financing provided to final recipients divided by the amount of the contribution from the Funds;
- (24) 'multiplier ratio' in the context of guarantee instruments means a ratio established on the basis of a prudent *ex ante* risk assessment in respect of each a guarantee product to be offered, between the value of the underlying disbursed new loans, equity or quasi-equity investments, and the amount of the programme contribution set aside for guarantee contracts to cover expected and unexpected losses from these new loans, equity or quasi-equity investments;
- (25) 'management costs' means direct or indirect costs reimbursed against evidence of expenditure incurred in the implementation of financial instruments;
- (26) 'management fees' means a price for services rendered, as determined in the funding agreement between the managing authority and the body implementing a holding fund or a specific fund; and, where applicable, between the body implementing a holding fund and the body implementing a specific fund;
- (27) 'relocation' means a transfer of the same or similar activity or part thereof within the meaning of point (61a) of Article 2 of Regulation (EU) No 651/2014;
- (28) 'public contribution' means any contribution to the financing of operations the source of which is the budget of national, regional or local public authorities or of any European grouping of territorial cooperation (EGTC) established in accordance with Regulation (EC) No 1082/2006 of the European Parliament and of the Council ⁽³⁹⁾, the budget of the Union made available to the Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies and, for the purpose of determining the co-financing rate for ESF+ programmes or priorities, may include any financial resources collectively contributed by employers and workers;
- (29) 'accounting year' means the period from 1 July to 30 June of the following year, except for the first accounting year of the programming period, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2022; for the final accounting year, it means the period from 1 July 2029 to 30 June 2030;
- (30) 'economic operator' means any natural or legal person, or other entity involved in the implementation of the Funds, with the exception of a Member State exercising its prerogatives as a public authority;

⁽³⁹⁾ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006, p. 19).

- (31) 'irregularity' means any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;
- (32) 'serious deficiency' means a deficiency in the effective functioning of the management and control system of a programme for which significant improvements in the management and control systems are required and where any of the key requirements 2, 4, 5, 9, 12, 13 and 15 referred to in Annex XI, or two or more of the other key requirements are assessed into categories 3 and 4 of that Annex;
- (33) 'systemic irregularity' means any irregularity, which may be of a recurring nature, with a high probability of occurrence in similar types of operations, which results from a serious deficiency, including a failure to establish appropriate procedures in accordance with this Regulation and the Fund-specific rules;
- (34) 'total errors' means the sum of the projected random errors and, if applicable, delimited systemic errors and uncorrected anomalous errors;
- (35) 'total error rate' means total errors divided by the audit population;
- (36) 'residual error rate' means the total errors less the financial corrections applied by the Member State to reduce the risks identified by the audit authority, divided by the expenditure to be declared in the accounts;
- (37) 'completed operation' means an operation that has been physically completed or fully implemented and in respect of which all related payments have been made by beneficiaries and the corresponding public contribution has been paid to the beneficiaries;
- (38) 'sampling unit' means one of the units, which may be an operation, a project within an operation or a payment claim by a beneficiary, into which an audit population is divided for the purpose of sampling;
- (39) 'escrow account' means, in the case of a PPP operation, a bank account covered by a written agreement between a public body beneficiary and the private partner approved by the managing authority or an intermediate body used for payments during or after the eligibility period;
- (40) 'participant' means a natural person benefiting directly from an operation without being responsible for initiating or both initiating and implementing the operation and who, in the context of the EMFAF, does not receive financial support;
- (41) 'energy efficiency first' means taking utmost account in energy planning, and in policy and investment decisions, of alternative cost-efficient energy efficiency measures to make energy demand and energy supply more efficient, in particular by means of cost-effective end-use energy savings, demand response initiatives and more efficient conversion, transmission and distribution of energy, whilst still achieving the objectives of those decisions;
- (42) 'climate proofing' means a process to prevent infrastructure from being vulnerable to potential long-term climate impacts whilst ensuring that the 'energy efficiency first' principle is respected and that the level of greenhouse gas emissions arising from the project is consistent with the climate neutrality objective in 2050;
- (43) 'grants under conditions' means a category of grant subject to conditions linked to the repayment of support;
- (44) 'EIB' means the European Investment Bank, the European Investment Fund or any subsidiary of the European Investment Bank;
- (45) 'Seal of Excellence' means the quality label attributed by the Commission in respect of a proposal, which shows that the proposal which has been assessed in a call for proposals under a Union instrument is deemed to comply with the minimum quality requirements of that Union instrument, but could not be funded due to lack of budget available for that call for proposals, and might receive support from other Union or national sources of funding.

Article 3

Calculation of time limits for Commission actions

Where a time limit is set for an action by the Commission, that time limit shall start when all information in accordance with the requirements laid down in this Regulation or in Fund-specific Regulations have been submitted by the Member State.

That time limit shall be suspended from the day following the date on which the Commission sends its observations or a request for revised documents to the Member State and until the Member State responds to the Commission.

Article 4

Processing and protection of personal data

The Member States and the Commission shall be allowed to process personal data only where necessary for the purpose of carrying out their respective obligations under this Regulation, in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits and, where applicable, for determining the eligibility of participants. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽⁴⁰⁾, whichever is applicable.

CHAPTER II

Policy objectives and principles for the support of the funds

Article 5

Policy objectives

1. The ERDF, the ESF+, the Cohesion Fund and the EMFAF shall support the following policy objectives:
 - (a) a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity;
 - (b) a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility;
 - (c) a more connected Europe by enhancing mobility;
 - (d) a more social and inclusive Europe implementing the European Pillar of Social Rights;
 - (e) a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives.

The JTF shall support the specific objective of enabling regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement.

The first subparagraph of paragraph 1 of this Article shall not apply to the resources of the ERDF and the ESF+ that are transferred to the JTF in accordance with Article 27.

2. The ERDF, the ESF+, the Cohesion Fund and the JTF shall contribute to the actions of the Union, leading to the strengthening of its economic, social and territorial cohesion in accordance with Article 174 TFEU, by pursuing the following goals:
 - (a) the Investment for jobs and growth goal in Member States and regions, to be supported by the ERDF, the ESF+, the Cohesion Fund and the JTF; and
 - (b) the European territorial cooperation goal (Interreg), to be supported by the ERDF.

⁽⁴⁰⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

3. Member States and the Commission shall promote the coordination, complementarity and coherence between the Funds and other Union instruments and funds. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation. Accordingly, Member States and the Commission shall also take into account the relevant country-specific recommendations in the programming and implementation of the Funds.

Article 6

Climate targets and climate adjustment mechanism

1. Member States shall provide information on support for environment and climate objectives by using a methodology based on types of intervention for each of the Funds. That methodology shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the ESF+ and the Cohesion Fund, weightings shall be attached to dimensions and codes for the types of intervention established in Annex I. The ERDF and the Cohesion Fund shall contribute with 30 % and 37 % respectively of the Union contribution to expenditure supported for the achievement of the climate objectives set for the Union budget.

2. The climate contribution target for each Member State shall be established as a percentage of its total ERDF and Cohesion Fund allocation and included in programmes as a result of the types of intervention and the indicative financial breakdown pursuant to point (d)(viii) of Article 22(3). As provided for in Article 11(1), the preliminary climate contribution target shall be established in the Partnership Agreement.

3. The Member State and the Commission shall regularly monitor respect of the climate contribution targets, based on the total eligible expenditure declared by the beneficiaries to the managing authority as broken down by types of intervention in accordance with Article 42 and on data submitted by the Member State. Where the monitoring shows insufficient progress towards reaching the climate contribution target, the Member State and the Commission shall agree on remedial measures in the annual review meeting.

4. Where there is insufficient progress towards reaching the climate contribution target at national level by 31 December 2024, the Member State shall take this into account in its mid-term review in accordance with Article 18(1).

Article 7

Shared management

1. The Member States and the Commission shall implement the budget of the Union allocated to the Funds under shared management in accordance with Article 63 of the Financial Regulation. Member States shall prepare and implement programmes at the appropriate territorial level in accordance with their institutional, legal and financial framework.

2. The Commission shall implement the amount of support from the Cohesion Fund transferred to the Connecting Europe Facility (CEF), the European Urban Initiative, Interregional Innovative Investments, the amount of support transferred from the ESF+ to transnational cooperation, the amounts contributed to the InvestEU Programme and technical assistance at the initiative of the Commission under direct or indirect management in accordance with points (a) and (c) of the first subparagraph of Article 62(1) of the Financial Regulation.

3. The Commission may, with the agreement of the Member State and the regions concerned, implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.

Article 8

Partnership and multi-level governance

1. For the Partnership Agreement and each programme, each Member State shall organise and implement a comprehensive partnership in accordance with its institutional and legal framework and taking into account the specificities of the Funds. That partnership shall include at least the following partners:

- (a) regional, local, urban and other public authorities;
- (b) economic and social partners;

- (c) relevant bodies representing civil society, such as environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination;
- (d) research organisations and universities, where appropriate.

2. The partnership established under paragraph 1 of this Article shall operate in accordance with the multi-level governance principle and a bottom-up approach. The Member State shall involve partners referred to in paragraph 1 in the preparation of the Partnership Agreement and throughout the preparation, implementation and evaluation of programmes, including through participation in monitoring committees in accordance with Article 39.

In that context, Member States shall, where relevant, allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations.

- 3. For Interreg programmes, the partnership shall include partners from all participating Member States.
- 4. The organisation and implementation of partnership shall be carried out in accordance with the European code of conduct on partnership established by Delegated Regulation (EU) No 240/2014.
- 5. At least once a year, the Commission shall consult organisations which represent partners at Union level on the implementation of programmes, and shall report to the European Parliament and Council on the outcome.

Article 9

Horizontal Principles

- 1. Member States and the Commission shall ensure respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union in the implementation of the Funds.
- 2. Member States and the Commission shall ensure that equality between men and women, gender mainstreaming and the integration of a gender perspective are taken into account and promoted throughout the preparation, implementation, monitoring, reporting and evaluation of programmes.
- 3. Member States and the Commission shall take appropriate steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting and evaluation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.
- 4. The objectives of the Funds shall be pursued in line with the objective of promoting sustainable development as set out in Article 11 TFEU, taking into account the UN Sustainable Development Goals, the Paris Agreement and the "do no significant harm" principle.

The objectives of the Funds shall be pursued in full respect of the Union environmental *acquis*.

TITLE II

STRATEGIC APPROACH

CHAPTER I

Partnership Agreement

Article 10

Preparation and submission of the Partnership Agreement

- 1. Each Member State shall prepare a Partnership Agreement which sets out the strategic orientation for programming and the arrangements for using the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.

2. The Partnership Agreement shall be prepared in accordance with the European code of conduct on partnership. Where a Member State already provides for a comprehensive partnership during the preparation of its programmes, that requirement is considered to be complied with.
3. The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme.
4. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme and the integrated national energy and climate plan.
5. The Partnership Agreement shall be a strategic and concise document. It shall be no longer than 35 pages, unless the Member State, at its own initiative, decides to extend the length of the document.
6. The Member State shall draw up the Partnership Agreement in accordance with the template set out in Annex II. The Member State may include the Partnership Agreement in one of its programmes.
7. Interreg programmes may be submitted to the Commission before the submission of the Partnership Agreement.
8. The EIB may, at the request of the Member State concerned, participate in the preparation of the Partnership Agreement, as well as in activities relating to the preparation of operations, financial instruments and PPPs.

Article 11

Content of the Partnership Agreement

1. The Partnership Agreement shall contain the following elements:
 - (a) the selected policy objectives and the specific objective of the JTF, indicating by which of the funds covered by the Partnership Agreement and programmes these objectives will be pursued and a justification thereto, taking into account relevant country-specific recommendations, the integrated national energy and climate plan, the principles of the European Pillar of Social Rights and, where relevant, regional challenges;
 - (b) for each of the selected policy objectives and the specific objective of the JTF:
 - (i) a summary of the policy choices and the main results expected for each of the funds covered by the Partnership Agreement;
 - (ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes;
 - (iii) complementarities and synergies between the funds covered by the Partnership Agreement, the AMIF, the ISF, the BMVI, and other Union instruments, including LIFE strategic integrated projects and strategic nature projects, and, where appropriate, projects funded under Horizon Europe;
 - (c) the preliminary financial allocation from each of the funds covered by the Partnership Agreement by policy objective at national and where appropriate at regional level, respecting Fund-specific rules on thematic concentration and the preliminary financial allocation for the specific objective of the JTF, including any ERDF and ESF+ resources to be transferred to the JTF in accordance with Article 27;
 - (d) the preliminary climate contribution target in accordance with Article 6(2);
 - (e) where applicable, the breakdown of financial resources by category of region drawn up in accordance with Article 108(2) and the amounts of allocations proposed to be transferred pursuant to Articles 26 and 111, including a justification for such transfers;
 - (f) for technical assistance, the choice of the Member State of the form of Union contribution pursuant to Article 36(3) and, where applicable, the preliminary financial allocation from each of the funds covered by the Partnership Agreement at national level and breakdown of financial resources by programme and category of region;
 - (g) the amounts to be contributed to the InvestEU Programme by Fund and by category of region, where applicable;
 - (h) the list of planned programmes under the funds covered by the Partnership Agreement with the respective preliminary financial allocations by fund and the corresponding national contribution by category of region, where applicable;

- (i) a summary of the actions which the Member State concerned plans to take to reinforce its administrative capacity of the implementation of the funds covered by the Partnership Agreement;
- (j) where appropriate, an integrated approach to address the demographic challenges or specific needs of regions and areas.

As regards the European territorial cooperation goal (Interreg), the Partnership Agreement shall only contain the list of planned programmes.

2. The Partnership Agreement may also contain a summary of the assessment of the fulfilment of relevant enabling conditions referred to in Article 15 and Annexes III and IV.

Article 12

Approval of the Partnership Agreement

1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules while respecting the principle of proportionality, taking into account the strategic nature of the document, the number of programmes covered and the total amount of resources allocated to the Member State concerned. In its assessment, the Commission shall, in particular, take into account how the Member State intends to address relevant country-specific recommendations, its integrated national energy and climate plan as well as the European Pillar of Social Rights.
2. The Commission may make observations within 3 months of the date of submission by the Member State of the Partnership Agreement.
3. The Member State shall review the Partnership Agreement, taking into account the observations made by the Commission.
4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than 4 months after the date of first submission of that Partnership Agreement by the Member State concerned.
5. When the Partnership Agreement is included in a programme in accordance with Article 10(6), the Commission shall adopt a single decision by means of an implementing act approving both the Partnership Agreement and the programme no later than 6 months after the date of first submission of the programme by the Member State concerned.

Article 13

Amendment of the Partnership Agreement

1. A Member State may submit to the Commission by 31 March 2025 an amended Partnership Agreement, taking into account the outcome of the mid-term review.
2. The Commission shall assess the amendment and may make observations within 3 months of the submission of the amended Partnership Agreement.
3. The Member State shall review the amended Partnership Agreement, taking into account the observations made by the Commission.
4. The Commission shall approve the amendment of a Partnership Agreement no later than 6 months after its first submission by the Member State.

Article 14

Use of the ERDF, the ESF+, the Cohesion Fund and the EMFAF delivered through the InvestEU Programme

1. Member States may allocate, in the Partnership Agreement, an amount of up to 2 % of the initial national allocation for the ERDF, the ESF+, the Cohesion Fund and the EMFAF, respectively, to be contributed to the InvestEU Programme and delivered through the EU guarantee and the InvestEU Advisory Hub in accordance with Article 10 of the InvestEU Regulation. Member States, with the agreement of the managing authority concerned, may further allocate an amount of up to 3 % of the initial national allocation of each of those Funds after 1 January 2023 through one or more programme amendment requests.

Such amounts shall contribute to the achievement of the policy objectives selected in the Partnership Agreement or the programme and shall support investments essentially in the category of contributing regions.

Such contributions shall be implemented in accordance with the rules established in the InvestEU Regulation and shall not constitute transfers of resources under Article 26.

2. Member States shall determine the total amount contributed for each year by Fund and by category of region, where applicable. For the Partnership Agreement, resources of the current and future calendar years may be allocated. Where a Member State requests an amendment of a programme, only resources of future calendar years may be allocated.

3. The amounts referred to in paragraph 1 of this Article shall be used for the provisioning of the part of the EU guarantee under the Member State compartment and for the InvestEU Advisory Hub upon conclusion of the contribution agreement in accordance with Article 10(3) of the InvestEU Regulation. The budgetary commitments of the Union in respect of each contribution agreement may be made by the Commission in annual instalments during the period between 1 January 2021 and 31 December 2027.

4. Notwithstanding Article 12 of the Financial Regulation, where a contribution agreement, as set out in Article 10(2) of the InvestEU Regulation, has not been concluded within 4 months of the date of the Commission decision adopting the Partnership Agreement, for an amount referred to in paragraph 1 of this Article allocated in the Partnership Agreement, the corresponding amount shall be allocated to a programme or programmes within the contributing Fund and category of region, where relevant following a request by the Member State.

The contribution agreement for the amounts referred to in paragraph 1 allocated in the request of the amendment of a programme shall be concluded simultaneously with the adoption of the decision amending the programme.

5. In accordance with the second subparagraph of Article 10(4) of the InvestEU Regulation, where a guarantee agreement has not been concluded within 9 months from the conclusion of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement.

Where the participation of a Member State in the InvestEU Fund is discontinued, the amounts concerned paid into the common provisioning fund as a provisioning shall be recovered as internal assigned revenue pursuant to Article 21(5) of the Financial Regulation. The Member State concerned shall submit a request for one or more programme amendments to use the amounts recovered and the amounts allocated to future calendar years according to paragraph 2 of this Article. The termination or amendment of the contribution agreement shall be concluded simultaneously with the adoption of the decisions amending the programme or programmes concerned.

6. In accordance with the third subparagraph of Article 10(4) of the InvestEU Regulation, where a guarantee agreement has not been duly implemented within 4 years from the conclusion of the guarantee agreement, the contribution agreement shall be amended. The Member State may request that amounts contributed to the EU guarantee under paragraph 1 of this Article and committed in the guarantee agreement but not covering underlying loans, equity investments or other risk bearing instruments be treated in accordance with paragraph 5 of this Article.

7. Resources generated by or attributable to the amounts contributed to the EU guarantee shall be made available to the Member State in accordance with point (a) of Article 10(5) of the InvestEU Regulation and shall be used for support under the same objective or objectives in the form of financial instruments or budgetary guarantees.

8. For the amounts to be reused in a programme in accordance with paragraphs 4, 5 and 6 of this Article, the decommitment time limit as set out in Article 105(1) shall start in the year in which the corresponding budgetary commitments are made.

CHAPTER II

Enabling conditions and performance framework

Article 15

Enabling conditions

1. For the specific objectives, enabling conditions are laid down in this Regulation.

Annex III contains horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.

Annex IV contains thematic enabling conditions for the ERDF, the ESF+ and the Cohesion Fund and the criteria necessary for the assessment of their fulfilment.

The enabling condition regarding the tools and capacity for effective application of State aid rules shall not be applicable to programmes supported by the AMIF, the ISF or the BMVI.

2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and shall provide a justification where it considers that an enabling condition has been fulfilled.

3. Where an enabling condition is not fulfilled at the time of approval of the programme or the programme amendment, the Member State shall inform the Commission as soon as it considers that the enabling condition has been fulfilled with a justification of the fulfilment.

4. The Commission shall, as soon as possible and no later than 3 months after receipt of the information referred to in paragraph 3, carry out an assessment and inform the Member State whether it agrees with the Member State regarding the fulfilment of the enabling condition.

Where the Commission disagrees with the Member State regarding the fulfilment of the enabling condition, it shall inform the Member State and set out its assessment.

Where the Member State disagrees with the Commission's assessment, it shall present its observations within 1 month and the Commission shall proceed in accordance with the first subparagraph.

Where the Member State accepts the Commission's assessment, it shall proceed in accordance with paragraph 3.

5. Without prejudice to Article 105, expenditure related to operations linked to the specific objective may be included in payment applications but shall not be reimbursed by the Commission until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to the first subparagraph of paragraph 4 of this Article.

The first subparagraph shall not apply to operations that contribute to the fulfilment of the corresponding enabling condition.

6. The Member State shall ensure that enabling conditions remain fulfilled and respected throughout the programming period. It shall inform the Commission of any modification impacting the fulfilment of enabling conditions.

Where the Commission considers that an enabling condition is no longer fulfilled, it shall inform the Member State setting out its assessment. Subsequently, the procedure set out in the second and third subparagraphs of paragraph 4 shall be followed.

Where the Commission concludes that the non-fulfilment of the enabling condition persists and without prejudice to Article 105, based on the observations of the Member State, expenditure related to the specific objective concerned may be included in payment applications but shall not be reimbursed by the Commission until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to the first subparagraph of paragraph 4 of this Article.

7. Annex IV shall not apply to priorities supported by the JTF or to any ERDF and ESF+ resources transferred to the JTF in accordance with Article 27.

Article 16

Performance framework

1. Each Member State shall establish a performance framework to allow monitoring, reporting on and evaluating programme performance during implementation of the programme, and to contribute to measuring the overall performance of the Funds.

The performance framework shall consist of:

(a) output and result indicators linked to specific objectives set out in the Fund-specific Regulations selected for the programme;

- (b) milestones to be achieved by the end of the year 2024 for output indicators; and
- (c) targets to be achieved by the end of the year 2029 for output and result indicators.

2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance and of the specific objective addressing material deprivation set out in point (m) of Article 4(1) of the ESF+ Regulation.

3. Milestones and targets shall allow the Commission and the Member State to measure progress towards the achievement of the specific objectives. They shall meet the requirements set out in Article 33(3) of the Financial Regulation.

Article 17

Methodology for the establishment of the performance framework

1. The methodology to establish the performance framework shall include:
 - (a) the criteria applied by the Member State to select indicators;
 - (b) data or evidence used, data quality assurance and the calculation method;
 - (c) factors that may influence the achievement of the milestones and targets and how they were taken into account.
2. The Member State shall make the methodology to establish the performance framework available to the Commission on request.

Article 18

Mid-term review and flexibility amount

1. For programmes supported by the ERDF, the ESF+, the Cohesion Fund and the JTF, the Member State shall review each programme, taking into account the following elements:
 - (a) the new challenges identified in relevant country-specific recommendations adopted in 2024;
 - (b) the progress in implementing the integrated national energy and climate plan, if relevant;
 - (c) the progress in implementing the principles of the European Pillar of Social Rights;
 - (d) the socioeconomic situation of the Member State or region concerned, with special emphasis on territorial needs, taking into account any major negative financial, economic or social development;
 - (e) the main results of relevant evaluations;
 - (f) the progress in achieving the milestones, taking into account major difficulties encountered in the implementation of the programme;
 - (g) for programmes supported by the JTF, the assessment carried out by the Commission, pursuant to point (b) of Article 29(1) of Regulation (EU) 2018/1999.
2. The Member State shall submit an assessment for each programme on the outcome of the mid-term review, including a proposal for the definitive allocation of the flexibility amount referred to in the second subparagraph of Article 86(1), to the Commission by 31 March 2025.
3. If deemed necessary following the mid-term review of the programme or in the event that new challenges are identified pursuant to point (a) of paragraph 1, the Member State shall submit to the Commission the assessment referred to in paragraph 2 together with the amended programme.

The revisions shall include:

- (a) the allocations of the financial resources by priority;
- (b) revised or new targets;
- (c) the amounts to be contributed to the InvestEU Programme per Fund and per category of region, where applicable.

The Commission shall approve the revised programme in accordance with Article 24, including a definitive allocation of the flexibility amount.

4. Where, as a result of the mid-term review, the Member State considers that the programme does not need to be amended, the Commission shall either:
 - (a) adopt a decision within 3 months of the submission of the assessment referred to in paragraph 2 confirming the definitive allocation of the flexibility amount; or
 - (b) request the Member State within 2 months of the submission of the assessment referred to in paragraph 2 of this Article to submit an amended programme in accordance with Article 24.
5. Until the adoption of the Commission decision confirming the definitive allocation of the flexibility amount, this amount shall not be available for selection of operations.
6. The Commission shall prepare a report about the outcome of the mid-term review and submit it to the European Parliament and to the Council by the end of 2026.

CHAPTER III

Measures linked to sound economic governance and to exceptional or unusual circumstances

Article 19

Measures linking effectiveness of Funds to sound economic governance

1. The Commission may request a Member State to review and propose amendments of relevant programmes, where this is necessary to support the implementation of relevant Council Recommendations.

Such a request may be made for the following purposes:

- (a) to support the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned;
- (b) to support the implementation of relevant Council Recommendations addressed to the Member State concerned and adopted in accordance with Article 7(2) or 8(2) of Regulation (EU) No 1176/2011 of the European Parliament and of the Council ⁽⁴¹⁾ provided that these amendments are deemed necessary to help correct the macroeconomic imbalances.

2. A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations, and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected. Such a request shall not be made before 2023 or after 2026, nor in relation to the same programmes in two consecutive years.

3. The Member State shall submit its response to the request referred to in paragraph 1 within 2 months of its receipt, setting out the amendments it considers necessary in the relevant programmes, the reasons for such amendments, identifying the programmes concerned and outlining the nature of the amendments proposed and their expected effects on the implementation of recommendations and on the implementation of the Funds. If necessary, the Commission shall make observations within 1 month of the receipt of that response.

4. The Member State shall submit a proposal to amend the relevant programmes within 2 months of the date of submission of the response referred to in paragraph 3.

5. Where the Commission has not submitted observations or where it is satisfied that any observations submitted have been duly taken into account, it shall adopt a decision approving the amendments of the relevant programmes no later than 4 months after its submission by the Member State.

6. Where the Member State fails to take effective action in response to a request made in accordance with paragraph 1, within the deadlines set out in paragraphs 3 and 4, the Commission may, within 3 months, following its observations under paragraph 3 or following the submission of the proposal of the Member State under paragraph 4, make a proposal to the Council to suspend part or all of the payments for the programmes or priorities concerned. In its proposal, the Commission shall set out the grounds for concluding that the Member State has failed to take effective action. In making its proposal, the Commission shall take account of all relevant information, and shall give due consideration to any elements arising from and opinions expressed through the structured dialogue under paragraph 14.

⁽⁴¹⁾ Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

The Council shall decide on that proposal by means of an implementing act. That implementing act shall only apply with respect to payment applications submitted after the date of the adoption of that implementing act.

7. The Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State where the Council decides in accordance with Article 126(8) or (11) TFEU that a Member State has not taken effective action to correct its excessive deficit, unless it has determined the existence of a severe economic downturn in the euro area or in the Union as a whole within the meaning of Articles 3(5) and 5(2) of Council Regulation (EC) No 1467/97 ⁽⁴²⁾.

8. The Commission may make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State in the following cases:

- (a) where the Council adopts two successive recommendations in the same excessive imbalance procedure in accordance with Article 8(3) of Regulation (EU) No 1176/2011 on the grounds that a Member State has submitted an insufficient corrective action plan;
- (b) where the Council adopts two successive decisions in the same excessive imbalance procedure in accordance with Article 10(4) of Regulation (EU) No 1176/2011 establishing non-compliance by a Member State on the grounds that it has not taken the recommended corrective action;
- (c) where the Commission concludes that a Member State has not taken measures as referred to in Council Regulation (EC) No 332/2002 ⁽⁴³⁾ and as a consequence decides not to authorise the disbursement of the financial assistance granted to that Member State;
- (d) where the Council decides that a Member State does not comply with the macroeconomic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 of the European Parliament and of the Council ⁽⁴⁴⁾, or with the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.

9. Priority shall be given to the suspension of commitments. Payments shall be suspended only when immediate action is sought and in the case of significant non-compliance. The suspension of payments shall apply to payment applications submitted for the programmes concerned after the date of the decision to suspend.

10. A proposal by the Commission for a decision to suspend commitments shall be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within 1 month of the submission of the Commission proposal.

The suspension of commitments shall apply to the commitments from the Funds for the Member State concerned from 1 January of the year following the adoption of the decision to suspend.

The Council shall adopt a decision, by means of an implementing act, on a proposal by the Commission referred to in paragraphs 7 and 8 in relation to the suspension of payments.

11. The scope and level of the suspension of commitments or payments to be imposed shall be proportionate, respect the equality of treatment between Member States and take into account the economic and social circumstances of the Member State concerned, in particular the level of unemployment, the level of poverty or social exclusion in the Member State concerned compared to the Union average and the impact of the suspension on the economy of the Member State concerned. The impact of suspensions on programmes of critical importance to address adverse economic or social conditions shall be a specific factor to be taken into account.

⁽⁴²⁾ Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

⁽⁴³⁾ Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002, p. 1).

⁽⁴⁴⁾ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

12. The suspension of commitments shall be subject to a maximum of 25 % of the commitments relating to the next calendar year for the Funds or 0,25 % of nominal GDP, whichever is lower, in any of the following cases:

- (a) in the first case of non-compliance with an excessive deficit procedure as referred to in paragraph 7;
- (b) in the first case of non-compliance relating to a corrective action plan under an excessive imbalance procedure as referred to in point (a) of paragraph 8;
- (c) in the case of non-compliance with the recommended corrective action pursuant to an excessive imbalance procedure as referred to in point (b) of paragraph 8;
- (d) in the first case of non-compliance as referred to in points (c) and (d) of paragraph 8.

In the case of persistent non-compliance, the suspension of commitments may exceed the maximum percentages set out in the first subparagraph.

13. The Council shall lift the suspension of commitments on a proposal from the Commission in the following cases:

- (a) where the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) TFEU to abrogate the decision on the existence of an excessive deficit;
- (b) where the Council has endorsed the corrective action plan submitted by the Member State concerned in accordance with Article 8(2) of Regulation (EU) No 1176/2011 or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;
- (c) where the Commission has concluded that the Member State concerned has taken appropriate measures as referred to in Regulation (EC) No 332/2002;
- (d) where the Commission has concluded that the Member State concerned has taken appropriate measures to implement the macroeconomic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 or the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.

After the Council has lifted the suspension of commitments, the Commission shall re-budget the suspended commitments in accordance with Article 6 of Regulation (EU, Euratom) 2020/2093.

Suspended commitments may not be re-budgeted beyond the year 2027.

The decommitment time limit for the re-budgeted amount in accordance with Article 105 shall start from the year in which the suspended commitment has been re-budgeted.

A decision concerning the lifting of the suspension of payments shall be taken by the Council on a proposal by the Commission where the applicable conditions set out in the first subparagraph are fulfilled. A proposal by the Commission for a decision to lift the suspension of commitments shall be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within 1 month of the submission of the Commission proposal.

14. The Commission shall keep the European Parliament informed of the implementation of this Article. In particular, the Commission shall, when one of the conditions set out in paragraph 6, 7 or 8 is fulfilled for a Member State, immediately inform the European Parliament and provide details of the Funds and programmes which could be subject to a suspension.

The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first subparagraph.

The Commission shall transmit the proposal for suspension or the proposal to lift such a suspension to the European Parliament and to the Council without delay after its adoption. The European Parliament may invite the Commission to explain the reasons for its proposal.

15. By 31 December 2025, the Commission shall carry out a review of the application of this Article. To that end, the Commission shall prepare a report which it shall transmit to the European Parliament and the Council, accompanied where necessary by a legislative proposal.

16. Where there are major changes in the social and economic situation in the Union, the Commission may submit a proposal to review the application of this Article, or the European Parliament or the Council, acting in accordance with Article 225 or 241 TFEU respectively, may request the Commission to submit such a proposal.

17. This Article shall not apply to the ESF+, the AMIF, the ISF, the BMVI or to Interreg programmes.

Article 20

Temporary measures for the use of the Funds in response to exceptional or unusual circumstances

1. Where after 1 July 2021 the Council has recognised the occurrence of an unusual event outside the control of one or more Member States, which has a major impact on the financial position of the general government or a severe economic downturn for the euro area or the Union as a whole as referred to in the tenth subparagraph of Article 5(1), the fourth subparagraph of Article 6(3), the tenth subparagraph of Article 9(1) and the fourth subparagraph of Article 10(3) of Regulation (EC) No 1466/97⁽⁴⁵⁾ or the occurrence of unexpected adverse economic events with major unfavourable consequences for government finances as referred to in Articles 3(5) and 5(2) of Regulation (EC) No 1467/97, the Commission may, by means of an implementing decision and for a period of a maximum of 18 months, adopt one or more of the following measures provided that they are strictly necessary to respond to such exceptional or unusual circumstances:

- (a) on request of one or more Member States concerned, increase interim payments by 10 percentage points above the co-financing rate applicable, not exceeding 100 %, by way of derogation from Article 112(3) and (4) of this Regulation, as well as from Article 40 of the EMFAF Regulation, Article 15 of the AMIF Regulation, Article 12 of the ISF Regulation and Article 12 of the BMVI Regulation;
- (b) allow the authorities of a Member State to select for support operations that have been physically completed or fully implemented before the application for the funding under the programme is duly submitted to the managing authority, by way of derogation from Article 63(6), provided that the operation is in response to the exceptional circumstances;
- (c) provide that expenditure for operations in response to such circumstances may be eligible from the date on which the Council endorsed the occurrence of those circumstances, by way of derogation from Article 63(7);
- (d) extend the deadlines for the submission of documents and the submission of data to the Commission by up to 3 months, by way of derogation from Articles 41(6), 42(1), 44(2) and the first subparagraph of Article 49(3).

2. The Commission shall keep the European Parliament and the Council informed of the implementation of this Article. When one of the conditions set out in paragraph 1 is fulfilled, the Commission shall immediately inform the European Parliament and the Council on its assessment of the situation and its envisaged follow-up.

3. The European Parliament or the Council may invite the Commission for a structured dialogue on the application of this Article. When assessing the situation and envisaging a follow-up, the Commission shall give due consideration to the positions taken and views expressed through the structured dialogue.

4. If after the period not exceeding 18 months, as referred to in paragraph 1, the specific circumstances that led to the adoption of these temporary measures persist, the Commission shall reassess the situation and put forward a legislative proposal, as appropriate, amending this Regulation, providing for the necessary flexibility to address these circumstances.

⁽⁴⁵⁾ Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1).

5. The Commission shall inform the European Parliament and the Council of the implementing decision adopted under paragraph 1 without delay, at the latest within 2 working days of its adoption.

TITLE III

PROGRAMMING

CHAPTER I

General provisions on the Funds

Article 21

Preparation and submission of programmes

1. Member States shall prepare, in cooperation with the partners referred to in Article 8(1), programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027.
2. Member States shall submit programmes to the Commission no later than 3 months after the submission of the Partnership Agreement. For the AMIF, the ISF and the BMVI, Member States shall submit programmes to the Commission no later than 3 months after the entry into force of this Regulation or the relevant fund-specific Regulation, whichever is later.
3. Member States shall prepare programmes in accordance with the programme template set out in Annex V.

For the AMIF, the ISF and the BMVI, Member States shall prepare programmes in accordance with the programme template set out in Annex VI.

4. Where an environmental report is prepared in accordance with Directive 2001/42/EC of the European Parliament and of the Council ⁽⁴⁶⁾, it shall be published on the programme website referred to in Article 49(1) of this Regulation.

Article 22

Content of programmes

1. Each programme shall set out a strategy for the contribution of the programme to the policy objectives or to the specific objective of the JTF and the communication of its results.
2. A programme shall consist of one or more priorities. Each priority shall correspond to a single policy objective, the specific objective of the JTF, or to technical assistance implemented pursuant to Article 36(4) or Article 37. A priority may use support from one or more Funds unless it receives support from the JTF or concerns technical assistance implemented pursuant to Article 36(4) or Article 37. A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective or to the specific objective of the JTF.

For programmes supported by the AMIF, the ISF and the BMVI, a programme shall use support from one Fund and consist of specific objectives and of technical assistance specific objectives.

3. Each programme shall set out:
 - (a) a summary of the main challenges, taking into account:
 - (i) economic, social and territorial disparities as well as inequalities, except for programmes supported by the EMFAF;
 - (ii) market failures;
 - (iii) investment needs and complementarity and synergies with other forms of support;
 - (iv) challenges identified in relevant country-specific recommendations, relevant national or regional strategies of that Member State, including its integrated national energy and climate plan, in relation to the principles of the European Pillar of Social Rights and, for the AMIF, the ISF and the BMVI, other relevant Union recommendations addressed to the Member State;

⁽⁴⁶⁾ Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

- (v) challenges in administrative capacity and governance and simplification measures;
- (vi) an integrated approach to address demographic challenges, where relevant;
- (vii) lessons learnt from past experience;
- (viii) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies;
- (ix) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union *acquis* and action plans and a justification for the choice of specific objectives;
- (x) for programmes supported by the JTF, transition challenges identified in the territorial just transition plans;

Points (i), (ii) and (viii) shall not apply to programmes supported by the AMIF, the ISF or the BMVI.

- (b) a justification for the selected policy objectives, corresponding priorities, specific objectives and the forms of support;
- (c) for each priority, except for technical assistance, specific objectives;
- (d) for each specific objective:
 - (i) the related types of actions and their expected contribution to those specific objectives, to macro-regional strategies, sea-basin strategies, and to territorial just transition plans supported by the JTF, where appropriate;
 - (ii) output indicators and result indicators with the corresponding milestones and targets;
 - (iii) the main target groups;
 - (iv) actions safeguarding equality, inclusion and non-discrimination;
 - (v) indication of the specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;
 - (vi) the interregional, cross-border and transnational actions with beneficiaries located in at least one other Member State or outside the Union, where relevant;
 - (vii) the planned use of financial instruments;
 - (viii) the types of intervention and an indicative breakdown of the programmed resources by type of intervention;
 - (ix) for the specific objective of the JTF, the justification of any amounts transferred from the ERDF and the ESF+ resources in accordance with Article 27, as well as their breakdown by category of region, reflecting the types of interventions planned in accordance with the territorial just transition plans;
- (e) for each priority on technical assistance implemented pursuant to Article 36(4):
 - (i) the related types of actions;
 - (ii) output indicators with the corresponding milestones and targets;
 - (iii) the main target groups;
 - (iv) the types of intervention and an indicative breakdown of the programmed resources by type of intervention;
- (f) the planned use of technical assistance pursuant to Article 37, if applicable, and relevant types of intervention;
- (g) a financing plan containing:
 - (i) a table specifying the total financial allocations for each of the Funds and, where applicable, for each category of region for the whole programming period and by year, including any amounts transferred pursuant to Article 26 or 27;
 - (ii) for programmes supported by ERDF, the ESF+, the Cohesion Fund and the JTF, a table specifying the total financial allocations for each priority by Fund and by category of region, where applicable, and the national contribution and whether it is made up of public or private contribution, or both;

- (iii) for programmes supported by the EMFAF, a table specifying for each specific objective, the amount of the total financial allocations of the support from the Fund and the national contribution;
- (iv) for programmes supported by the AMIF, the ISF and the BMVI, a table specifying, by specific objective, the total financial allocations by type of action, the national contribution and whether it is made up of public or private contribution, or both;
- (h) the actions taken to involve the relevant partners referred to in Article 8(1) in the preparation of the programme, and the role of those partners in the implementation, monitoring and evaluation of the programme;
- (i) for each enabling condition linked to the selected specific objective, established in accordance with Article 15 and Annexes III and IV, an assessment of whether the enabling condition is fulfilled at the date of submission of the programme;
- (j) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation;
- (k) the programme authorities and the body or, in case of technical assistance pursuant to Article 36(5), where applicable, bodies which receive payments from the Commission.

Points (a)(i), (ii) and (viii) of this paragraph shall not apply to programmes limited to supporting the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation. Point (d) of this paragraph shall not apply to the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation.

For the ERDF, the Cohesion Fund, the ESF+, the JTF and the EMFAF, the programme shall be accompanied for information purposes by a list of planned operations of strategic importance, with a timetable.

If, in accordance with point (k), more than one body is identified to receive payments from the Commission, the Member State shall set out the share of the reimbursed amounts between those bodies.

4. By way of derogation from point (b) to (e) of paragraph 3, for each specific objective of programmes supported by the AMIF, the ISF and the BMVI, the following shall be provided:

- (a) a description of the initial situation, challenges and responses supported by the Fund;
- (b) indication of the implementation measures;
- (c) an indicative list of actions and their expected contribution to the specific objectives;
- (d) where applicable, a justification for the operating support, specific actions, emergency assistance, and actions as referred to in Articles 19 and 20 of the AMIF Regulation;
- (e) output and result indicators with the corresponding milestones and targets;
- (f) an indicative breakdown of the programmed resources by type of intervention.

5. Types of intervention shall be based on a nomenclature set out in Annex I. For programmes supported by the EMFAF, the AMIF, the ISF and the BMVI, types of intervention shall be based on a nomenclature set out in the Fund-specific Regulations.

6. For ERDF, ESF+, Cohesion Fund and JTF programmes, the table referred to in point (g)(ii) of paragraph 3 shall include the amounts for the years 2021 to 2027, including the flexibility amount.

7. The Member State shall communicate to the Commission any changes in the information referred to in point (k) of the first subparagraph of paragraph (3) without requiring a programme amendment.

8. For programmes supported by the JTF, Member States shall submit to the Commission the territorial just transition plans as part of the programme or programmes or of a request for amendment.

*Article 23***Approval of programmes**

1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as, for the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF, its consistency with the relevant Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations, relevant challenges identified in the integrated national energy and climate plan, and the principles of the European Pillar of Social Rights, and the way they are addressed.
2. The Commission may make observations within 3 months of the date of submission of the programme by the Member State.
3. The Member State shall review the programme, taking into account the observations made by the Commission.
4. The Commission shall adopt a decision by means of an implementing act approving the programme no later than 5 months after the date of the first submission of the programme by the Member State.

*Article 24***Amendment of programmes**

1. The Member State may submit a reasoned request for an amendment of a programme, together with the amended programme, setting out the expected impact of that amendment on the achievement of the objectives.
2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within 2 months of the submission of the amended programme.
3. The Member State shall review the amended programme, taking into account the observations made by the Commission.
4. The Commission shall adopt a decision approving the amendment of a programme no later than 4 months after its submission by the Member State.
5. For programmes supported by the ERDF, the ESF+, the Cohesion Fund and the JTF, the Member State may transfer during the programming period an amount of up to 8 % of the initial allocation of a priority and no more than 4 % of the programme budget to another priority of the same Fund of the same programme. For programmes supported by the ERDF, the ESF+ and the JTF, the transfer shall only concern allocations for the same category of region.

For programmes supported by the EMFAF, the Member State may transfer during the programming period an amount of up to 8 % of the initial allocation of a specific objective to another specific objective, including technical assistance implemented pursuant to Article 36(4).

For programmes supported by the AMIF, the ISF and the BMVI, the Member State may transfer during the programming period allocations between types of actions within the same priority and, in addition, an amount of up to 15 % of the initial allocation of a priority to another priority of the same Fund.

Such transfers shall not affect previous years. The transfers and related changes shall be considered to be not substantial and shall not require a decision of the Commission approving the amendment of the programme. They shall however, comply with all regulatory requirements and shall be approved by the monitoring committee in advance pursuant to point (d) of Article 40(2). The Member State shall submit to the Commission the amended table referred to under points (g)(ii), (iii) or (iv) of Article 22(3), as applicable, together with any related changes in the programme.

6. The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature that do not affect the implementation of the programme. Member States shall inform the Commission of such corrections.
7. For programmes supported by the EMFAF, amendments of the programmes relating to the introduction of indicators shall not require the approval of the Commission.

*Article 25***Joint support from the ERDF, the ESF+, the Cohesion Fund and the JTF**

1. The ERDF, the ESF+, the Cohesion Fund and the JTF may jointly provide support for programmes under the Investment for jobs and growth goal.
2. The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of 15 % of support from those Funds for each priority of a programme, all or part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation. That option shall not apply to any resources of the ERDF and the ESF+ that are transferred to the JTF in accordance with Article 27.

*Article 26***Transfer of resources**

1. Member States may request, in the Partnership Agreement or in a request for an amendment of a programme if agreed by the monitoring committee of the programme pursuant to point (d) of Article 40(2), the transfer of up to 5 % of the initial national allocation of each Fund to any other instrument under direct or indirect management, where such possibility is provided for in the basic act of such an instrument.

The sum of the transfers referred to in the first subparagraph of this paragraph and the contributions in accordance with the first subparagraph of Article 14(1) shall not exceed 5 % of the initial national allocation of each Fund.

Member States may also request in the Partnership Agreement or in the request for an amendment of a programme the transfer of up to 5 % of the initial national allocation of each Fund to another Fund or Funds, except for transfers which are set out in the fourth subparagraph.

Member States may also request in the Partnership Agreement or in the request for an amendment of a programme an additional transfer of up to 20 % of the initial national allocation by Fund between the ERDF, the ESF+ or the Cohesion Fund within the Member State's global resources under the Investment for jobs and growth goal. The Member States whose average total unemployment rate for the period 2017-2019 is under 3 % may request such an additional transfer of up to 25 % of the initial national allocation.

2. Transferred resources shall be implemented in accordance with the rules of the Fund or the instrument to which the resources are transferred and, in the case of transfers to instruments under direct or indirect management, for the benefit of the Member State concerned.
3. Requests for an amendment of a programme shall set out the total amount transferred for each year by Fund and by category of region, where applicable, shall be duly justified with a view to the complementarities and impact to be achieved, and shall be accompanied by the amended programme or programmes in accordance with Article 24.
4. After consultation with the Member State concerned, the Commission shall object to a request for transfer in the related programme amendment where such a transfer would undermine the achievement of the objectives of the programme from which the resources are to be transferred.

The Commission shall also object to the request where it considers that the Member State has not provided an adequate justification for the transfer with regard to the results to be achieved or the contribution to be made to the objectives of the receiving Fund or instrument in direct or indirect management.

5. Where the request for transfer concerns an amendment of a programme, only resources of future calendar years may be transferred.
6. JTF resources, including any resources transferred from the ERDF and the ESF+ in accordance with Article 27, shall not be transferable to other Funds or instruments pursuant to paragraphs 1 to 5 of this Article.

The JTF shall not receive transfers pursuant to paragraphs 1 to 5.

7. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 1, the corresponding uncommitted resources may be transferred back to the Fund from which they have been initially transferred and allocated to one or more programmes.

To this end, the Member State shall submit a request for a programme amendment in accordance with Article 24(1), at the latest 4 months before the time limit for commitments set out in the first subparagraph of Article 114(2) of the Financial Regulation.

8. Resources transferred back to the Fund from which they have been initially transferred and allocated to one or more programmes shall be implemented in accordance with the rules set out in this Regulation and the Fund-specific Regulations as from the date of submission of the request for programme amendment.

9. For the resources transferred back to the Fund from which they have been initially transferred and allocated to a programme in accordance with paragraph 7 of this Article, the decommitment time limit as defined in Article 105(1) shall start in the year in which the corresponding budgetary commitments are made.

Article 27

Transfer of resources from the ERDF and the ESF+ to the JTF

1. Member States may request on a voluntary basis that the amount of resources available for the JTF under the Investment for jobs and growth goal in accordance with Article 3 of the JTF Regulation be complemented with resources from the ERDF, the ESF+ or a combination thereof, of the category of region where the territory concerned is located. The total of the ERDF and the ESF+ resources transferred to the JTF shall not exceed three times the amount of the JTF allocation referred to in point (g) of Article 110(1). The resources transferred from either the ERDF or the ESF+ shall not exceed 15 % of the respective ERDF and ESF+ allocation to the Member State concerned. Member States shall set out in those requests the total amount transferred for each year by category of region.

2. The respective transfers from the ERDF and the ESF+ resources to the priority or priorities supported by the JTF shall reflect the types of interventions in accordance with the information set out in the programme pursuant to point (d)(ix) of Article 22(3). Such transfers shall be considered to be definitive.

3. The JTF resources, including the resources transferred from the ERDF and the ESF+, shall be implemented in accordance with the rules set out in this Regulation and in the JTF Regulation. The rules set out in the ERDF and CF Regulation and in the ESF+ Regulation shall not apply to the ERDF and ESF+ resources transferred in accordance with paragraph 1.

CHAPTER II

Territorial development

Article 28

Integrated territorial development

Where a Member State supports integrated territorial development, it shall do so through territorial or local development strategies in any of the following forms:

- (a) integrated territorial investments;
- (b) community-led local development; or
- (c) another territorial tool supporting initiatives designed by the Member State.

Where implementing territorial or local development strategies under more than one Fund, the Member State shall ensure coherence and coordination among the Funds concerned.

Article 29

Territorial strategies

1. Territorial strategies implemented pursuant to point (a) or (c) of Article 28 shall contain the following elements:

- (a) the geographical area covered by the strategy;
- (b) an analysis of the development needs and the potential of the area, including economic, social and environmental interlinkages;

- (c) a description of an integrated approach to address the identified development needs and the potential of the area;
- (d) a description of the involvement of partners in accordance with Article 8 in the preparation and in the implementation of the strategy.

They may also contain a list of operations to be supported.

2. Territorial strategies shall be under the responsibility of the relevant territorial authorities or bodies. Existing strategic documents concerning the covered areas may be used for territorial strategies.

3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant territorial authorities or bodies shall select or shall be involved in the selection of operations.

4. When preparing territorial strategies, the authorities or bodies referred to in paragraph 2 shall cooperate with relevant managing authorities, in order to determine the scope of operations to be supported under the relevant programme.

Selected operations shall comply with the territorial strategy.

5. Where a territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.

6. Support may be provided for the preparation and design of territorial strategies.

Article 30

Integrated territorial investment

Where a territorial strategy referred to in Article 29 involves investments that receive support from one or more Funds, from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment.

Article 31

Community-led local development

1. Where a Member State considers it appropriate pursuant to Article 28, the ERDF, the ESF+, the JTF and the EMFAF shall support community-led local development.

2. The Member State shall ensure that community-led local development is:

- (a) focused on subregional areas;
- (b) led by local action groups composed of representatives of public and private local socioeconomic interests, in which no single interest group controls the decision-making;
- (c) carried out through strategies in accordance with Article 32;
- (d) supportive of networking, accessibility, innovative features in the local context and, where appropriate, cooperation with other territorial actors.

3. Where support to strategies referred to in point (c) of paragraph 2 is available from more than one Fund, the relevant managing authorities shall organise a joint call for selection of those strategies and establish a joint committee for all the Funds concerned to monitor the implementation of those strategies. The relevant managing authorities may choose one of the Funds concerned to support all preparatory, management and animation costs referred to in points (a) and (c) of Article 34(1) related to those strategies.

4. Where the implementation of such a strategy involves support from more than one Fund, the relevant managing authorities may choose one of the Funds concerned as the Lead Fund.

5. While respecting the scope and the eligibility rules of each fund involved in supporting the strategy, the rules of the Lead Fund shall apply to that strategy. The authorities of other funds shall rely on decisions and management verifications made by the competent authority of the Lead Fund.

6. The authority of the Lead Fund shall provide the authorities of other Funds with information necessary to monitor and make payments in accordance with the rules set out in the Fund-specific Regulations.

Article 32

Community-led local development strategies

1. The relevant managing authorities shall ensure that each strategy referred to in point (c) of Article 31(2) sets out the following elements:

- (a) the geographical area and population covered by that strategy;
- (b) the community involvement process in the development of that strategy;
- (c) an analysis of the development needs and potential of the area;
- (d) the objectives of that strategy, including measurable targets for results, and related planned actions;
- (e) the management, monitoring and evaluation arrangements, demonstrating the capacity of the local action group to implement that strategy;
- (f) a financial plan, including the planned allocation from each Fund, and also, where appropriate, the planned allocation from the EAFRD and each programme concerned.

It may also contain types of measures and operations to be financed by each affected Fund.

2. The relevant managing authorities shall define criteria for the selection of those strategies, set up a committee to carry out this selection and approve the strategies selected by that committee.

3. The relevant managing authorities shall complete the first round of selection of strategies and ensure the local action groups selected can fulfil their tasks set out in Article 33(3) within 12 months of the date of the decision approving the programme or, in the case of strategies supported by more than one Fund, within 12 months of the date of the decision approving the last programme concerned.

4. The decision approving a strategy shall set out the allocation of each Fund and programme concerned and set out the responsibilities for the management and control tasks under the programme or programmes.

Article 33

Local action groups

1. Local action groups shall design and implement the strategies referred to in point (c) of Article 31(2).

2. The managing authorities shall ensure that the local action groups are inclusive, and that they either select one partner within the group as a lead partner in administrative and financial matters or come together in a legally constituted common structure.

3. The following tasks shall be carried out exclusively by the local action groups:

- (a) building the capacity of local actors to develop and implement operations;
- (b) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;
- (c) preparing and publishing calls for proposals;
- (d) selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval;
- (e) monitoring progress towards the achievement of objectives of the strategy;
- (f) evaluating the implementation of the strategy.

4. Where local action groups carry out tasks not covered by paragraph 3 that fall under the responsibility of the managing authority, or of the paying agency where the EAFRD is selected as a Lead Fund, these local action groups shall be identified by the managing authority as intermediate bodies in accordance with the Fund-specific rules.

5. The local action group may be a beneficiary and may implement operations in accordance with the strategy, provided that the local action group ensures that the principle of separation of functions is respected.

Article 34

Support from Funds for community-led local development

1. The Member State shall ensure that support from the Funds for community-led local development covers:
 - (a) capacity building and preparatory actions supporting the design and future implementation of the strategy;
 - (b) the implementation of operations, including cooperation activities and their preparation, selected under the strategy;
 - (c) the management, monitoring and evaluation of the strategy and its animation, including the facilitation of exchanges between stakeholders;
2. The support referred to under point (a) of paragraph 1 shall be eligible regardless of whether the strategy is subsequently selected for funding.

The support referred to under point (c) of paragraph 1 shall not exceed 25 % of the total public contribution to the strategy.

CHAPTER III

Technical assistance

Article 35

Technical assistance at the initiative of the Commission

1. At the initiative of the Commission, the Funds may support preparatory, monitoring, control, audit, evaluation, communication including corporate communication on the political priorities of the Union, visibility and all administrative and technical assistance actions necessary for the implementation of this Regulation and, where appropriate, with third countries.
2. The actions referred to in paragraph 1 may include in particular:
 - (a) assistance for project preparation and appraisal;
 - (b) support for institutional strengthening and administrative capacity-building for the effective management of the Funds;
 - (c) studies linked to the Commission's reporting on the Funds and the cohesion report;
 - (d) measures related to the analysis, management, monitoring, information exchange and implementation of the Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;
 - (e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the Funds;
 - (f) actions to disseminate information, support networking where appropriate, carry out communication activities with particular attention to the results and added value of support from the Funds, and to raise awareness and promote cooperation and exchange of experience, including with third countries;
 - (g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;
 - (h) actions to improve evaluation methods and the exchange of information on evaluation practices;
 - (i) actions related to auditing;
 - (j) the strengthening of national and regional capacity regarding investment planning, funding needs, preparation, design and implementation of financial instruments, joint action plans and major projects;
 - (k) the dissemination of good practices in order to assist Member States to strengthen the capacity of the relevant partners referred to in Article 8(1) and their umbrella organisations.

3. The Commission shall dedicate at least 15 % of the resources for technical assistance at the initiative of the Commission to the delivery of greater efficiency in communication to the public and stronger synergies between the communication activities undertaken at the initiative of the Commission, by extending the knowledge base about results, in particular through more effective data collection and dissemination, evaluations and reporting, and especially by highlighting the contribution of the Funds to improving the lives of citizens, and by increasing the visibility of support from the Funds as well as by raising awareness about the results and the added value of such support. Information, communication and visibility measures on results and added value of support from the Funds, with particular focus on operations, shall be continued after the closure of the programmes, where appropriate. Such measures shall also contribute to the corporate communication of the political priorities of the Union as far as they are related to the general objectives of this Regulation.
4. The actions referred to in paragraph 1 may cover previous and subsequent programming periods.
5. The Commission shall set out its plans when a contribution from the Funds is envisaged in accordance with Article 110 of the Financial Regulation.
6. Depending on the purpose, the actions referred to in this Article may be financed either as operational or administrative expenditure.
7. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, in duly justified cases specified in the financing decision and for a limited period, technical assistance actions at the initiative of the Commission supported under this Regulation in direct management and the underlying costs may be considered to be eligible from 1 January 2021, even if these actions were implemented and incurred before the grant application was submitted.

Article 36

Technical assistance of Member States

1. At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds, including for the capacity building of the partners referred to in Article 8(1), as well as to provide financing for carrying out, inter alia, functions such as preparation, training, management, monitoring, evaluation, visibility and communication.

The amounts for technical assistance under this Article and Article 37 shall not be taken into account for the purposes of thematic concentration in accordance with the fund-specific rules.

2. Each Fund may support technical assistance actions eligible under any of the other Funds.
3. The Union contribution for technical assistance in a Member State shall be made either pursuant to point (b) or (e) of Article 51.

The Member State shall indicate its choice of the form of Union contribution for technical assistance in the Partnership Agreement in accordance with Annex II. That choice shall apply to all programmes in the Member State concerned for the entire programming period and cannot be modified subsequently.

For programmes supported by the AMIF, the ISF and the BMVI and for Interreg programmes the Union contribution for technical assistance shall be made only pursuant to point (e) of Article 51.

4. Where the Union contribution for technical assistance in a Member State is reimbursed pursuant to point (b) of Article 51, the following elements shall apply:
 - (a) technical assistance takes the form of a priority relating to one single Fund in one or more programmes, or of a specific programme, or a combination thereof;

- (b) the amount of the Funds allocated to technical assistance is limited to the following:
- (i) for the ERDF support under the Investment for jobs and growth goal: 3,5 %;
 - (ii) for the Cohesion Fund support: 2,5 %;
 - (iii) for the ESF+ support: 4 % and for programmes under point (m) of Article 4(1) of the ESF+ Regulation: 5 %;
 - (iv) for the JTF support: 4 %;
 - (v) for the ERDF, the ESF+ and the Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion: 6 %;
 - (vi) for the EMFAF support: 6 %;
 - (vii) for programmes under the Investment for jobs and growth goal that concern only the outermost regions, the percentage shall be increased by 1 percentage point.
5. Where the Union contribution for technical assistance is reimbursed pursuant to point (e) of Article 51, the following elements shall apply:
- (a) the amount of the Funds allocated to technical assistance is identified as part of the financial allocations of each priority of the programme in accordance with point (g)(ii) of Article 22(3), and for the EMFAF, each specific objective in accordance with point (g)(iii) of that paragraph; it does not take the form of a separate priority or a specific programme except for programmes supported by the AMIF, the ISF or the BMVI, for which it takes the form of a specific objective;
- (b) the reimbursement is made, by applying the percentages set out in points (i) to (vii) to the eligible expenditure included in each payment application pursuant to points (a) or (c) of Article 91(3) as appropriate and from the same fund to which the eligible expenditure is reimbursed, to one or more bodies which receive payments from the Commission in accordance with point (k) of Article 22(3):
- (i) for the ERDF support under the Investment for jobs and growth goal: 3,5 %;
 - (ii) for the Cohesion Fund support: 2,5 %;
 - (iii) for the ESF+ support: 4 % and for programmes under point (m) of Article 4(1) of the ESF+ Regulation: 5 %;
 - (iv) for the JTF support: 4 %;
 - (v) for the ERDF, the ESF+ and the Cohesion Fund, where the total amount allocated to a Member State under the Investment for jobs and growth goal does not exceed EUR 1 billion, the percentage reimbursed for technical assistance: 6 %;
 - (vi) for the EMFAF, the AMIF, the ISF and the BMVI support: 6 %;
 - (vii) for programmes under the Investment for jobs and growth goal that concern only the outermost regions, the percentage shall be increased by 1 percentage point;
- (c) the amounts allocated to technical assistance identified in the programme correspond to the percentages set out in points (i) to (vi) of point (b) for each priority and fund.
6. Specific rules for technical assistance for Interreg programmes shall be set out in the Interreg Regulation.

Article 37

Financing not linked to costs for technical assistance of Member States

In addition to Article 36, the Member State may propose to undertake additional technical assistance actions to reinforce the capacity and efficiency of public authorities and bodies, beneficiaries and relevant partners necessary for the effective administration and use of the Funds.

Support for such actions shall be implemented by financing not linked to costs in accordance with Article 95. Such support may also take the form of a specific programme.

TITLE IV

MONITORING, EVALUATION, COMMUNICATION AND VISIBILITY

CHAPTER I

Monitoring

Article 38

Monitoring committee

1. Each Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee'), after consulting the managing authority, within 3 months of the date of notification to the Member State concerned of the decision approving the programme.

The Member State may set up a single monitoring committee to cover more than one programme.

2. Each monitoring committee shall adopt its rules of procedure, including provisions regarding the prevention of any conflict of interest and the application of the principle of transparency.

3. The monitoring committee shall meet at least once a year and shall review all issues that affect the progress of the programme towards achieving its objectives.

4. The rules of procedure of the monitoring committee and the data and information shared with the monitoring committee shall be published on the website referred to in Article 49(1), without prejudice to Article 69(5).

5. Paragraphs 1 to 4 of this Article shall not apply to programmes limited to the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation and related technical assistance.

Article 39

Composition of the monitoring committee

1. Each Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the partners referred to in Article 8(1) through a transparent process.

Each member of the monitoring committee shall have a vote. The rules of procedures shall regulate the exercise of the voting right and the details on the procedure in the monitoring committee in accordance with the institutional, legal and financial framework of the Member State concerned.

The rules of procedure may allow non-members, including the EIB, to participate in the work of the monitoring committee.

The monitoring committee shall be chaired by a representative of the Member State or of the managing authority.

The list of the members of the monitoring committee shall be published on the website referred to in Article 49(1).

2. Representatives of the Commission shall participate in the work of the monitoring committee in a monitoring and an advisory capacity.

3. For the AMIF, the ISF and the BMVI, relevant decentralised agencies may participate in the work of the monitoring committee.

Article 40

Functions of the monitoring committee

1. The monitoring committee shall examine:

(a) the progress in programme implementation and in achieving the milestones and targets;

- (b) any issues that affect the performance of the programme and the measures taken to address those issues;
- (c) the contribution of the programme to tackling the challenges identified in the relevant country-specific recommendations that are linked to the implementation of the programme;
- (d) the elements of the *ex ante* assessment listed in Article 58(3) and the strategy document referred to in Article 59(1);
- (e) the progress made in carrying out evaluations, syntheses of evaluations and any follow-up given to findings;
- (f) the implementation of communication and visibility actions;
- (g) the progress in implementing operations of strategic importance, where relevant;
- (h) the fulfilment of enabling conditions and their application throughout the programming period;
- (i) the progress in administrative capacity building for public institutions, partners and beneficiaries, where relevant.
- (j) information regarding the implementation of the contribution of the programme to the InvestEU Programme in accordance with Article 14 or of the resources transferred in accordance with Article 26, where applicable.

As regards the programmes supported by the EMFAF, the monitoring committee shall be consulted and shall, if it considers it appropriate, give an opinion on any amendment of the programme proposed by the managing authority.

2. The monitoring committee shall approve:

- (a) the methodology and criteria used for the selection of operations, including any changes thereto, without prejudice to points (b), (c) and (d) of Article 33(3); at the request of the Commission, the methodology and criteria used for the selection of operations, including any changes thereto, shall be submitted to the Commission at least 15 working days prior to their submission to the monitoring committee.
- (b) the annual performance reports for programmes supported by the AMIF, the ISF and the BMVI, and the final performance report for programmes supported by the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF.
- (c) the evaluation plan and any amendment thereto;
- (d) any proposal by the managing authority for the amendment of a programme including for transfers in accordance with Article 24(5) and Article 26, with the exception of programmes supported by the EMFAF.

3. The monitoring committee may make recommendations to the managing authority, including on measures to reduce the administrative burden for beneficiaries.

Article 41

Annual performance review

1. Review meetings shall be organised once a year between the Commission and each Member State to examine the performance of each programme. Relevant managing authorities shall participate in the review meetings.

The review meeting may cover more than one programme.

The review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission.

2. By way of derogation from the first subparagraph of paragraph 1, for programmes supported by the AMIF, the ISF and the BMVI, the review meeting shall be organised at least twice during the programming period.

3. For programmes supported by the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF, the Member State shall no later than 1 month before the review meeting provide the Commission with concise information on the elements listed in Article 40(1). That information shall be based on the most recent data available to the Member State.

For programmes limited to the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation, the information to be provided, based on the most recent data available, shall be limited to points (a), (b), (e), (f) and (h) of Article 40(1) of this Regulation.

4. The Member State and the Commission may agree not to organise a review meeting. In such a case, the review may be carried out in writing.
5. The outcome of the review meeting shall be recorded in agreed minutes.
6. The Member State shall follow up issues raised during the review meeting which affect the implementation of the programme and shall inform the Commission within 3 months of the measures taken.
7. For programmes supported by the AMIF, the ISF and the BMVI, the Member State shall submit an annual performance report in accordance with the Fund-specific Regulations.

Article 42

Transmission of data

1. The Member State or the managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, 30 April, 31 July, 30 September and 30 November of each year, with the exception of the data required in point (b) of paragraph 2 and in paragraph 3 that shall be electronically transmitted by 31 January and 31 July of each year, in accordance with the template set out in Annex VII.

The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.

For priorities supporting the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation, data shall be transmitted annually by 31 January.

The ESF+ Regulation may determine specific rules for the frequency of collecting and transmitting longer-term result indicators.

2. The data shall be broken down for each priority by specific objective and, where applicable, by category of region and shall refer to:

- (a) the number of selected operations, their total eligible cost, the contribution from the Funds and the total eligible expenditure declared by the beneficiaries to the managing authority, all broken down by type of intervention;
- (b) the values of output and result indicators for selected operations and values achieved by operations.

3. For financial instruments data shall also be provided on the following:

- (a) eligible expenditure by type of financial product;
- (b) amount of management costs and fees declared as eligible expenditure;
- (c) the amount, by type of financial product, of private and public resources mobilised in addition to the Funds;
- (d) interest and other gains generated by support from the Funds to financial instruments referred to in Article 60 and resources returned attributable to support from the Funds as referred to in Article 62;
- (e) total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with programme resources and which were actually disbursed to final recipients.

4. The data submitted in accordance with this Article shall be reliable and reflect the data stored electronically as referred to in point (e) of Article 72(1) as at the end of the month preceding the month of submission.

5. The Member State or the managing authority shall publish or provide a link to all the data transmitted to the Commission on the website portal referred to in point (b) of Article 46 or on the website referred to in Article 49(1).

*Article 43***Final performance report**

1. For programmes supported by the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF, each managing authority shall submit to the Commission a final performance report of the programme by 15 February 2031.
2. The final performance report shall assess the achievement of programme objectives based on the elements listed in Article 40(1) with the exception of the information provided under point (d) of that paragraph.
3. The Commission shall examine the final performance report and inform the managing authority of any observations within 5 months of the date of receipt of the final performance report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within 3 months, of measures taken. The Commission shall inform the managing authority of the acceptance of the report, within 2 months of receiving all necessary information. Where the Commission does not inform the managing authority within those deadlines, the report shall be deemed to be accepted.
4. The managing authority shall publish final performance reports on the website referred to in Article 49(1).
5. The Commission shall, in order to ensure uniform conditions for the implementation of this Article, adopt an implementing act establishing the template for the final performance report. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 115(2).

*CHAPTER II***Evaluation***Article 44***Evaluations by the Member State**

1. The Member State or the managing authority shall carry out evaluations of the programmes related to one or more of the following criteria: effectiveness, efficiency, relevance, coherence and Union added value, with the aim to improve the quality of the design and implementation of programmes. Evaluations may also cover other relevant criteria, such as inclusiveness, non-discrimination and visibility, and may cover more than one programme.
2. In addition, an evaluation for each programme to assess its impact shall be carried out by 30 June 2029.
3. Evaluations shall be entrusted to internal or external experts who are functionally independent.
4. The Member State or the managing authority shall ensure the necessary procedures are set up to produce and collect the data necessary for evaluations.
5. The Member State or the managing authority shall draw up an evaluation plan which may cover more than one programme. For the AMIF, the ISF and the BMVI, that plan shall include a mid-term evaluation to be completed by 31 March 2024.
6. The Member State or the managing authority shall submit the evaluation plan to the monitoring committee no later than one year after the decision approving the programme.
7. All evaluations shall be published on the website referred to in Article 49(1).

*Article 45***Evaluation by the Commission**

1. The Commission shall carry out a mid-term evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of each Fund by the end of 2024. The Commission may make use of all relevant information already available in accordance with Article 128 of the Financial Regulation.

2. The Commission shall carry out a retrospective evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of each Fund by 31 December 2031. In the case of the ERDF, the ESF+, the Cohesion Fund and the EMFAF, that evaluation shall focus in particular on the social, economic and territorial impact of those funds in relation to the policy objectives referred to in Article 5(1).

3. The Commission shall publish the results of the retrospective evaluation on its website and communicate those results to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

CHAPTER III

Visibility, transparency and communication

Section I

Visibility of support from the Funds

Article 46

Visibility

Each Member State shall ensure:

- (a) the visibility of support in all activities relating to operations supported by the Funds with particular attention to operations of strategic importance;
- (b) communication to Union citizens of the role and achievements of the Funds through a single website portal providing access to all programmes involving that Member State.

Article 47

Emblem of the Union

Member States, managing authorities and beneficiaries shall use the emblem of the Union in accordance with Annex IX when carrying out visibility, transparency and communication activities.

Article 48

Communication officers and networks

1. Each Member State shall identify a communication coordinator for visibility, transparency and communication activities in relation to the support from the Funds, including programmes under the European territorial cooperation goal (Interreg) where that Member State hosts the managing authority. The communication coordinator may be appointed at the level of the body defined under Article 71(6) and shall coordinate communication and visibility measures across programmes.

The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies:

- (a) European Commission Representations and European Parliament Liaison Offices in the Member States, as well as Europe Direct Information Centres and other relevant networks, educational and research organisations;
- (b) other relevant partners referred to in Article 8(1).

2. Each managing authority shall identify a communication officer for each programme. A communication officer may be responsible for more than one programme.

3. The Commission shall maintain the network comprising communication coordinators, communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.

Section II

Transparency of implementation of the Funds and communication on programmes*Article 49***Responsibilities of the managing authority**

1. The managing authority shall ensure that, within 6 months of the decision approving the programme, there is a website where information on programmes under its responsibility is available, covering the programme's objectives, activities, available funding opportunities and achievements.

2. The managing authority shall ensure the publication on the website referred to in paragraph 1, or on the single website portal referred to in point (b) of Article 46, of a timetable of the planned calls for proposals, that is updated at least three times a year, with the following indicative data:

- (a) geographical area covered by the call for proposal;
- (b) policy objective or specific objective concerned;
- (c) type of eligible applicants;
- (d) total amount of support for the call;
- (e) start and end date of the call.

3. The managing authority shall make the list of operations selected for support by the Funds publicly available on the website in at least one of the official languages of the institutions of the Union and shall update that list at least every 4 months. Each operation shall have a unique code. The list shall contain the following data:

- (a) in the case of legal entities, the beneficiary's and, in the case of public procurement, the contractor's name;
- (b) where the beneficiary is a natural person the first name and the surname;
- (c) for EMFAF operations linked to a fishing vessel, the Union fishing fleet register identification number as referred to in Commission Implementing Regulation (EU) 2017/218 ⁽⁴⁷⁾;
- (d) name of the operation;
- (e) the purpose of the operation and its expected or actual achievements;
- (f) start date of the operation;
- (g) expected or actual date of completion of the operation;
- (h) total cost of the operation;
- (i) fund concerned;
- (j) specific objective concerned;
- (k) Union co-financing rate;
- (l) location indicator or geolocation for the operation and country concerned;
- (m) for mobile operations or operations covering several locations the location of the beneficiary where the beneficiary is a legal entity; or the NUTS 2 level region where the beneficiary is a natural person;
- (n) type of intervention for the operation in accordance with point (g) of Article 73(2).

For data referred to in points (b) and (c) of the first subparagraph, the data shall be removed 2 years from the date of the initial publication on the website.

4. The data referred to in paragraphs 2 and 3 of this Article shall be published on the website referred to in paragraph 1, or on the single website portal referred to in point (b) of Article 46 of this Regulation, in open, machine-readable formats, as set out in Article 5(1) of the Directive (EU) 2019/1024 of the European Parliament and of the Council ⁽⁴⁸⁾, which allows data to be sorted, searched, extracted, compared and reused.

⁽⁴⁷⁾ Commission Implementing Regulation (EU) 2017/218 of 6 February 2017 on the Union fishing fleet register (OJ L 34, 9.2.2017, p. 9).

⁽⁴⁸⁾ Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).

5. The managing authority shall inform the beneficiaries that the data will be made public before the publication takes place in accordance with this Article.

6. The managing authority shall ensure that communication and visibility material including at the level of beneficiaries is made available upon request to Union institutions, bodies, offices or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with Annex IX. This shall not require significant additional costs or a significant administrative burden for the beneficiaries or for the managing authority.

Article 50

Responsibilities of beneficiaries

1. Beneficiaries and bodies implementing financial instruments shall acknowledge support from the Funds, including resources reused in accordance with Article 62, to the operation by:

- (a) providing on the beneficiary's official website, where such a site exists, and social media sites, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union;
- (b) providing a statement highlighting the support from the Union in a visible manner on documents and communication material relating to the implementation of the operation, intended for the public or for participants;
- (c) displaying durable plaques or billboards clearly visible to the public, that present the emblem of the Union in accordance with the technical characteristics laid down in Annex IX, as soon as the physical implementation of operations involving physical investment starts or purchased equipment is installed, in respect of the following:
 - (i) operations supported by the ERDF and the Cohesion Fund the total cost of which exceeds EUR 500 000;
 - (ii) operations supported by the ESF+, the JTF, the EMFAF, the AMIF, the ISF or the BMVI the total cost of which exceeds EUR 100 000;
- (d) for operations not falling under point (c), displaying at a location clearly visible to the public at least one poster of a minimum size A3 or equivalent electronic display with information about the operation highlighting the support from the Funds; where the beneficiary is a natural person, the beneficiary shall ensure, to the extent possible, that appropriate information is available, highlighting the support from the funds, at a location visible to the public or through an electronic display;
- (e) for operations of strategic importance and operations the total cost of which exceeds EUR 10 000 000, organising a communication event or activity, as appropriate, and involving the Commission and the responsible managing authority in a timely manner.

Where an ESF+ beneficiary is a natural person or for operations supported under the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation, the requirement set out in point (d) of the first subparagraph shall not apply.

By derogation from points (c) and (d) of the first subparagraph, for operations supported by the AMIF, the ISF and the BMVI, the document setting out the conditions for support may establish specific requirements for the public display of information on the support from the Funds where this is justified by reasons of security and public order in accordance with Article 69(5).

2. For small project funds, the beneficiary shall comply with the obligations under Article 36(5) of the Interreg Regulation.

For financial instruments, the beneficiary shall ensure by means of the contractual terms that final recipients comply with the requirements set out in point (c) of paragraph 1.

3. Where the beneficiary does not comply with its obligations under Article 47 or paragraphs 1 and 2 of this Article, and where remedial actions have not been put into place, the managing authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 3 % of the support from the Funds to the operation concerned.

TITLE V

FINANCIAL SUPPORT FROM THE FUNDS

CHAPTER I

Forms of Union contribution

Article 51

Forms of Union contribution to programmes

The Union contribution may take any of the following forms:

- (a) financing not linked to costs of the relevant operations in accordance with Article 95 and based on either of the following:
 - (i) the fulfilment of conditions;
 - (ii) the achievement of results;
- (b) reimbursement of support provided to beneficiaries in accordance with Chapters II and III of this Title;
- (c) unit costs in accordance with Article 94, which cover all or certain specific categories of eligible costs, clearly identified in advance by reference to an amount per unit;
- (d) lump sums in accordance with Article 94, which cover in global terms all or certain specific categories of eligible costs, clearly identified in advance;
- (e) flat-rate financing in accordance with Article 94 or Article 36(5), which covers specific categories of eligible costs, clearly identified in advance, by applying a percentage;
- (f) a combination of the forms referred to in points (a) to (e).

CHAPTER II

Forms of support by Member States

Article 52

Forms of support

Member States shall use the contribution from the Funds to provide support to beneficiaries in the form of grants, financial instruments or prizes or a combination thereof.

Section I

Forms of grants

Article 53

Forms of grants

1. Grants provided by Member States to beneficiaries may take any of the following forms:
 - (a) reimbursement of eligible costs actually incurred by a beneficiary or the private partner of PPP operations and paid in implementing operations, contributions in kind and depreciation;
 - (b) unit costs;
 - (c) lump sums;
 - (d) flat-rate financing;
 - (e) a combination of the forms referred to in points (a) to (d), provided that each form covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operation;
 - (f) financing not linked to costs, provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 95.

2. Where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF, the ESF+, the JTF, the AMIF, the ISF and the BMVI shall take the form of unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid. Where flat-rate financing is used, only the categories of costs to which the flat -rate applies may be reimbursed in accordance with point (a) of paragraph 1.

By way of derogation from the first subparagraph of this paragraph, the managing authority may agree to exempt some operations in the area of research and innovation from the requirement set out in that subparagraph, provided that the monitoring committee has given prior approval for such an exemption. In addition, allowances and salaries paid to participants may be reimbursed in accordance with point (a) of paragraph 1.

3. The amounts for the forms of grants referred to under points (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:

- (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data, other objective information or an expert judgement;
 - (ii) the verified historical data of individual beneficiaries;
 - (iii) the application of the usual cost accounting practices of individual beneficiaries;
- (b) draft budget established on a case-by-case basis and agreed *ex ante* by the body selecting the operation, where the total cost of the operation does not exceed EUR 200 000;
- (c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;
- (d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation;
- (e) flat rates and specific methods established by or on the basis of this Regulation or the Fund-specific Regulations.

Article 54

Flat-rate financing for indirect costs concerning grants

Where a flat rate is used to cover indirect costs of an operation, it may be based on one of the following:

- (a) up to 7 % of eligible direct costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;
- (b) up to 15 % of eligible direct staff costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;
- (c) up to 25 % of eligible direct costs, provided that the rate is calculated in accordance with point (a) of Article 53(3).

In addition, where a Member State has calculated a flat rate in accordance with point (a) of Article 67(5) of Regulation (EU) No 1303/2013, that flat rate may be used for a similar operation for the purposes of point (c) of this Article.

Article 55

Direct staff costs concerning grants

1. Direct staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate, provided that the direct costs of the operation do not include public works contracts or supply or service contracts which exceed in value the thresholds set out in Article 4 of Directive 2014/24/EU of the European Parliament and of the Council⁽⁴⁹⁾ or in Article 15 of Directive 2014/25/EU of the European Parliament and of the Council⁽⁵⁰⁾.

⁽⁴⁹⁾ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁽⁵⁰⁾ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

Where a flat rate is applied in accordance with the first subparagraph for the AMIF, the ISF and the BMVI, that flat rate shall only be applied to the direct costs of the operation not subject to public procurement.

2. For the purposes of determining direct staff costs, an hourly rate may be calculated in one of the following ways:
 - (a) by dividing the latest documented annual gross employment costs by 1 720 hours for persons working full time, or by a corresponding pro-rata of 1 720 hours, for persons working part-time;
 - (b) by dividing the latest documented monthly gross employment costs by the average monthly working time of the person concerned in accordance with applicable national rules referred to in the employment or work contract or an appointment decision (both referred to as the employment document).
3. When applying the hourly rate calculated in accordance with paragraph 2, the total number of hours declared per person for a given year or month shall not exceed the number of hours used for the calculation of that hourly rate.
4. Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the employment document, duly adjusted for a 12-month period.
5. Staff costs related to individuals who work on part-time assignment on the operation may be calculated as a fixed percentage of the gross employment costs, in line with a fixed percentage of time worked on the operation per month, with no obligation to establish a separate working time registration system. The employer shall issue a document for employees setting out that fixed percentage.

Article 56

Flat rate financing for eligible costs other than direct staff costs concerning grants

1. A flat rate of up to 40 % of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation. The Member State shall not be required to perform a calculation to determine the applicable rate.
2. For operations supported by the ERDF, the ESF+, the JTF, the AMIF, the ISF and the BMVI, salaries and allowances paid to participants shall be considered additional eligible costs not included in the flat rate.
3. The flat rate referred to in paragraph 1 of this Article shall not be applied to staff costs calculated on the basis of a flat rate as referred to in Article 55(1).

Article 57

Grants under conditions

1. Member States may provide grants under conditions to beneficiaries which are fully or partially repayable as specified in the document setting out the conditions for support.
2. Repayments by the beneficiary shall be made under the conditions agreed by the managing authority and the beneficiary.
3. Member States shall reuse resources paid back by the beneficiary for the same purpose or in accordance with the objectives of the programme concerned by 31 December 2030, in the form of grants under conditions or of a financial instrument or in another form of support. The amounts paid back and information about their reuse shall be included in the final performance report.
4. Member States shall adopt the necessary measures to ensure that the resources are kept in separate accounts or under appropriate accounting codes.
5. Union resources paid back by beneficiaries at any time, but not reused by 31 December 2030, shall be repaid to the budget of the Union in accordance with Article 88.

Section II

Financial instruments

Article 58

Financial instruments

1. Managing authorities may provide a programme contribution, from one or more programmes to existing or newly created financial instruments set up at national, regional, transnational or cross border level and implemented directly by, or under the responsibility of, the managing authority which contribute to achieving specific objectives.

2. Financial instruments shall provide support to final recipients only for investments in both tangible and intangible assets as well as working capital expected to be financially viable and which do not find sufficient funding from market sources. Such support shall be in compliance with applicable Union State aid rules.

Such support shall be provided only for the elements of the investments which are not physically completed or fully implemented at the date of the investment decision.

3. Appropriate support from the Funds through financial instruments shall be based on an *ex ante* assessment drawn up under the responsibility of the managing authority. The *ex ante* assessment shall be completed before managing authorities make programme contributions to financial instruments.

The *ex ante* assessment shall include at least the following elements:

- (a) the proposed amount of programme contribution to a financial instrument and the estimated leverage effect accompanied by a short justification;
- (b) the proposed financial products to be offered, including the possible need for differentiated treatment of investors;
- (c) the proposed target group of final recipients;
- (d) the expected contribution of the financial instrument to the achievement of specific objectives.

The *ex ante* assessment may be reviewed or updated, may cover part or the entire territory of the Member State, and may be based on existing or updated *ex ante* assessments.

4. Support to final recipients may be combined with support from any Fund or another Union instrument and may cover the same expenditure item. In such a case, the Fund's support under the financial instrument, which is part of a financial instrument operation, shall not be declared to the Commission for support under another form, another Fund or another Union instrument.

5. Financial instruments may be combined with programme support in the form of grants in a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. In such a case, the rules applicable to financial instruments shall apply to that single financial instrument operation. The programme support in the form of grants shall be directly linked and necessary for the financial instrument and shall not exceed the value of the investments supported by the financial product.

6. In the case of combined support under paragraphs 4 and 5, separate records shall be kept for each source of support.

7. The sum of all forms of combined support shall not exceed the total amount of the expenditure item concerned. Grants shall not be used to reimburse support received from financial instruments. Financial instruments shall not be used to pre-finance grants.

Article 59

Implementation of financial instruments

1. Financial instruments implemented directly by the managing authority may only provide loans or guarantees. The managing authority shall set out the terms and conditions of the programme contribution to the financial instrument in a strategy document which shall include the elements set out in Annex X.

2. Financial instruments implemented under the responsibility of the managing authority may be either of the following:

- (a) an investment of programme resources into the capital of a legal entity;
- (b) separate blocks of finance or fiduciary accounts.

The managing authority shall select the body implementing a financial instrument.

3. The managing authority may directly award a contract for the implementation of a financial instrument to:

- (a) the EIB;
- (b) international financial institutions in which a Member State is a shareholder;
- (c) a publicly-owned bank or institution, established as a legal entity carrying out financial activities on a professional basis, which fulfils all of the following conditions:
 - (i) there is no direct private capital participation, with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the relevant bank or institution, and with the exception of forms of private capital participation which confer no influence on decisions regarding the day-to-day management of the financial instrument supported by the Funds;
 - (ii) operates under a public policy mandate given by the relevant authority of a Member State at national or regional level, which includes carrying out, as all or part of its activities, economic development activities contributing to the objectives of the Funds;
 - (iii) carries out, as all or part of its activities, economic development activities contributing to the objectives of the Funds in regions, policy areas or sectors for which access to funding from market sources is not generally available or sufficient;
 - (iv) operates without primarily focusing on maximising profits, but ensures a long-term financial sustainability for its activities;
 - (v) ensures that the direct award of a contract referred to in point (b) does not provide any direct or indirect benefit for commercial activities by way of appropriate measures in accordance with applicable law;
 - (vi) is subject to the supervision of an independent authority in accordance with applicable law,
- (d) other bodies, also entering under the scope of Article 12 of Directive 2014/24/EU.

4. When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement specific funds.

5. The terms and conditions of programme contributions to financial instruments implemented in accordance with paragraph 2, shall be set out in funding agreements between:

- (a) the duly mandated representatives of the managing authority and the body implementing a holding fund, where applicable;
- (b) the duly mandated representatives of the managing authority, or, where applicable, the body implementing a holding fund and the body implementing a specific fund.

Those funding agreements shall include all the elements set out in Annex X.

6. The financial liability of the managing authority shall not exceed the amount committed by the managing authority to the financial instrument under the relevant funding agreements.

7. The bodies implementing the financial instruments concerned, or in the context of guarantees, the body providing the underlying loans, shall support final recipients, taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. The selection of final recipients shall be transparent and shall not give rise to a conflict of interest.

8. National co-financing of a programme may be provided either by the managing authority or at the level of holding funds, or at the level of specific funds, or at the level of investments in final recipients, in accordance with the Fund-specific rules. When the national co-financing is provided at the level of investments in final recipients, the body implementing financial instruments shall keep documentary evidence demonstrating the eligibility of the underlying expenditure.

9. The managing authority implementing directly the financial instrument pursuant to paragraph 1 of this Article, or the body implementing the financial instrument pursuant to paragraph 2 of this Article, shall keep separate accounts or maintain an accounting code for each priority or, for the EMFAF, each specific objective and, where applicable, each category of region for each programme contribution, and separately for resources referred to in Articles 60 and 62, respectively.

Article 60

Interest and other gains generated by support from the Funds to financial instruments

1. Support from the Funds paid to financial instruments shall be placed in accounts in financial institutions domiciled within Member States and shall be managed in line with active treasury management and the principle of sound financial management.

2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives, as the initial support from the Funds, including for the payments of management fees and the reimbursement of management costs incurred by the bodies implementing the financial instrument in accordance with point (d) of Article 68(1), either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support for further investments in final recipients, until the end of the eligibility period.

3. Interest and other gains referred to in paragraph 2 not used in accordance with that provision shall be deducted from the accounts submitted for the final accounting year.

Article 61

Differentiated treatment of investors

1. Support from the Funds to financial instruments invested in final recipients and any type of income generated by those investments, including resources paid back, which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits, taking into account the principle of sound financial management.

2. The level of such differentiated treatment shall not exceed that which is necessary to create incentives for attracting private resources, established either by a competitive process or an independent assessment.

Article 62

Re-use of resources attributable to the support from the Funds

1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside for guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, to cover the losses in the nominal amount of the Funds contribution to the financial instrument resulting from negative interest, if such losses occur despite active treasury management, or for any management costs and fees associated to such further investments, taking into account the principle of sound financial management.

2. Member States shall adopt the necessary measures to ensure that the resources referred to in paragraph 1 and paid back to financial instruments during a period of at least 8 years after the end of the eligibility period, are re-used in accordance with the policy objectives of the programme or programmes under which they were set up, either within the same financial instrument or, following the exit of those resources from the financial instrument, in other financial instruments or in other forms of support.

CHAPTER III

Eligibility rules

Article 63

Eligibility

1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific Regulations.

2. Expenditure shall be eligible for a contribution from the Funds if it has been incurred by a beneficiary or the private partner of a PPP operation and paid in implementing operations, between the date of submission of the programme to the Commission or from 1 January 2021, whichever date is earlier, and 31 December 2029.

For costs reimbursed pursuant to points (b), (c) and (f) of Article 53(1), the actions constituting the basis for reimbursement shall be carried out between the date of submission of the programme to the Commission or from 1 January 2021, whichever is earlier, and 31 December 2029.

3. For the ERDF, expenditure related to operations covering more than one category of region as set out in Article 108(2) within a Member State shall be allocated to the categories of region concerned on a *pro rata* basis, based on objective criteria.

For the ESF+, expenditure related to operations may be allocated to any of the categories of region of the programme under the condition that the operation contributes to the achievement of the specific objectives of the programme.

For the JTF, expenditure related to operations shall contribute to the implementation of the relevant territorial just transition plan.

4. All or part of an operation may be implemented outside of a Member State, including outside the Union, provided that the operation contributes to the objectives of the programme.

5. For grants taking the forms of points (b), (c) and (d) of Article 53(1), the expenditure which shall be eligible for a contribution from the Funds shall equal the amounts calculated in accordance with Article 53(3).

6. Operations shall not be selected for support by the Funds where they have been physically completed or fully implemented before the application for funding under the programme is submitted, irrespective of whether all related payments have been made. This paragraph shall not apply to the EMFAF compensation for additional costs in outermost regions pursuant to Article 24 of the EMFAF Regulation and to support from the additional funding for the outermost regions pursuant to point (e) of Article 110(1) of this Regulation.

7. Expenditure which becomes eligible as a result of a programme amendment shall be eligible from the date of the submission of the corresponding request to the Commission.

For the ERDF, the Cohesion Fund and the JTF, expenditure becomes eligible as a result of a programme amendment when a new type of intervention referred to in Table 1 of Annex I or, for the EMFAF, the AMIF, the ISF and the BMVI, in the Fund-specific Regulations is added in the programme.

Where a programme is amended in order to provide a response to natural disasters, the programme may provide that the eligibility of expenditure relating to such amendment starts from the date when the natural disaster occurred.

8. Where a new programme is approved, expenditure shall be eligible from the date of submission of the corresponding request to the Commission.

9. An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases, expenditure declared in a payment application for one of the Funds shall not be declared for either of the following:

(a) support from another Fund or Union instrument;

(b) support from the same Fund under another programme.

The amount of expenditure to be entered into a payment application of a Fund may be calculated for each Fund and for the programme or programmes concerned on a *pro rata* basis, in accordance with the document setting out the conditions for support.

Article 64

Non-eligible costs

1. The following costs shall not be eligible for a contribution from the Funds:
 - (a) interest on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;
 - (b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %; for financial instruments, those percentages shall apply to the programme contribution paid to the final recipient or, in case of guarantees, to the amount of the underlying loan;
 - (c) value added tax ('VAT'), except:
 - (i) for operations the total cost of which is below EUR 5 000 000 (including VAT);
 - (ii) for operations the total cost of which is at least EUR 5 000 000 (including VAT) where it is non-recoverable under national VAT legislation;
 - (iii) investments made by final recipients in the context of financial instruments; where these investments are supported by financial instruments combined with programme support in the form of a grant as referred to in Article 58(5), the VAT shall not be eligible for the part of the investment cost which corresponds to the programme support in the form of a grant, unless the VAT for the investment cost is non-recoverable under national VAT legislation or where the part of the investment cost corresponding to the programme support in the form of the grant is below EUR 5 000 000 (including VAT);
 - (iv) for small project funds and investments made by final recipients in the context of small project funds under Interreg.

Point (b) of the first subparagraph shall not apply to operations concerning environmental conservation.

2. The Fund-specific Regulations may identify additional costs that are not eligible for a contribution from each Fund.

Article 65

Durability of operations

1. The Member State shall repay the contribution from the Funds to an operation comprising investment in infrastructure or productive investment, if within 5 years of the final payment to the beneficiary or within the period of time set out in State aid rules, where applicable, that operation is subject to any of the following:
 - (a) a cessation or transfer of a productive activity outside the NUTS level 2 region in which it received support;
 - (b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - (c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

The Member State may reduce the time limit set out in the first subparagraph to 3 years in cases concerning the maintenance of investments or jobs created by SMEs.

Repayment by the Member State due to non-compliance with this Article shall be made in proportion to the period of non-compliance.

2. Operations supported by the ESF+ or by the JTF in accordance with points (k), (l) and (m) of Article 8(2) of the JTF Regulation shall repay the support when they are subject to an obligation for maintenance of investment under State aid rules.

3. Paragraphs 1 and 2 shall not apply to programme contributions to or by financial instruments or to any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.

Article 66

Relocation

1. Expenditure supporting relocation shall not be eligible for a contribution from the Funds.
2. Where a contribution from the Funds constitutes State aid, the managing authority shall satisfy itself that the contribution does not support relocation in accordance with Article 14(16) of Regulation (EU) No 651/2014.

Article 67

Specific eligibility rules for grants

1. Contributions in kind in the form of provision of works, goods, services, land and real estate for which no payment supported by invoices, or documents of equivalent probative value, has been made, may be eligible where the following conditions are fulfilled:

- (a) the public support paid to the operation which includes contributions in kind does not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation;
- (b) the value attributed to contributions in kind does not exceed the costs generally accepted on the market in question;
- (c) the value and the delivery of the contribution in kind can be independently assessed and verified;
- (d) in the case of provision of land or real estate, a payment, for the purposes of a lease agreement of a nominal amount per annum not exceeding a single unit of the currency of the Member State, may be made;
- (e) in the case of contributions in kind in the form of unpaid work, the value of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.

The value of the land or real estate referred to in point (d) of the first subparagraph of this paragraph shall be certified by an independent qualified expert or duly authorised official body and shall not exceed the limit laid down in point (b) of Article 64(1).

2. Depreciation costs for which no payment supported by invoices has been made may be considered to be eligible where the following conditions are fulfilled:

- (a) the eligibility rules of the programme allow for it;
- (b) the amount of the expenditure is duly justified by supporting documents having equivalent probative value to invoices for eligible costs where those costs were reimbursed in the form referred to in point (a) of Article 53(1);
- (c) the costs relate exclusively to the period of support for the operation;
- (d) public grants have not contributed towards the acquisition of the depreciated assets.

Article 68

Specific eligibility rules for financial instruments

1. Eligible expenditure of a financial instrument shall be the total amount of programme contribution paid to, or, in the case of guarantees, set aside for guarantee contracts, by the financial instrument within the eligibility period, where that amount corresponds to:

- (a) payments to final recipients, in the case of loans, equity and quasi-equity investments;
- (b) resources set aside for guarantee contracts, whether outstanding or having already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio established for the respective underlying disbursed new loans, equity or quasi-equity investments in final recipients;

- (c) payments to, or for the benefit of, final recipients where financial instruments are combined with other Union contribution in a single financial instrument operation in accordance with Article 58(5);
- (d) payments of management fees and reimbursements of management costs incurred by the bodies implementing the financial instrument.

2. Where a financial instrument is implemented across consecutive programming periods, support may be provided to, or for the benefit of, final recipients, including management costs and fees, based on agreements made under the previous programming period, provided that such support complies with the eligibility rules of the subsequent programming period. In such cases, the eligibility of expenditure submitted in payment applications shall be determined in accordance with the rules of the respective programming period.

3. For point (b) of paragraph 1, if the entity benefiting from the guarantees has not disbursed the planned amount of new loans, equity or quasi-equity investments to final recipients in accordance with the multiplier ratio, the eligible expenditure shall be reduced proportionally. The multiplier ratio may be reviewed, where justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.

4. For point (d) of paragraph 1, management fees shall be performance based.

Where bodies implementing a holding fund are selected through a direct award of contract pursuant to Article 59(3), the amount of management costs and fees paid to those bodies that can be declared as eligible expenditure shall be subject to a threshold of up to 5 % of the total amount of programme contributions disbursed to final recipients in loans or set aside for guarantee contracts and up to 7 % of the total amount of programme contributions disbursed to final recipients in equity and quasi-equity investments.

Where bodies implementing a specific fund are selected through a direct award of contract pursuant to Article 59(3), the amount of management costs and fees paid to those bodies that can be declared as eligible expenditure shall be subject to a threshold of up to 7 % of the total amount of programme contributions disbursed to final recipients in loans or set aside for in guarantee contracts and up to 15 % of the total amount of programme contributions disbursed to final recipients in equity or quasi-equity investments.

Where bodies implementing a holding fund or specific funds, or both, are selected through a competitive tender in accordance with the applicable law, the amount of management costs and fees shall be established in the funding agreement and shall reflect the result of the competitive tender.

5. Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.

6. The eligible expenditure declared in accordance with paragraph 1 shall not exceed the sum of the total amount of support from the Funds paid for the purposes of that paragraph and the corresponding national co-financing.

TITLE VI

MANAGEMENT AND CONTROL

CHAPTER I

General rules on management and control

Article 69

Responsibilities of Member States

1. Member States shall have management and control systems for their programmes in accordance with this Title and ensure their functioning in accordance with the principle of sound financial management and the key requirements listed in Annex XI.

2. Member States shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect and correct and report on irregularities including fraud. Those actions comprise the collection of information on the beneficial owners of the recipients of Union funding in accordance with Annex XVII. The rules related to the collection and processing of such data shall comply with applicable data protection rules. The Commission, the European Anti-Fraud Office and the Court of Auditors shall have the necessary access to that information.

For programmes supported by the AMIF, the ISF and the BMVI, the obligations concerning the collection of information on the beneficial owners of the recipients of Union funding in accordance with Annex XVII as set out in the first subparagraph shall apply as from 1 January 2023.

3. Member States shall, upon request of the Commission, take the actions necessary to ensure the effective functioning of their management and control systems and the legality and regularity of expenditure submitted to the Commission. Where that action is an audit, the Commission officials or their authorised representatives may take part.

4. Member States shall ensure the quality, accuracy and reliability of the monitoring system and of data on indicators.

5. Member States shall ensure the publication of information in accordance with the requirements established in this Regulation and in the Fund-specific Regulations, except where Union law or national law excludes such publication for reasons of security, public order, criminal investigations, or protection of personal data in accordance with Regulation (EU) 2016/679.

6. Member States shall have systems and procedures to ensure that all documents required for the audit trail as set out in Annex XIII are kept in accordance with the requirements set out in Article 82.

7. Member States shall make arrangements to ensure the effective examination of complaints concerning the Funds. The scope, rules and procedures concerning those arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework. This is without prejudice to the general possibility to address complaints to the Commission by citizens and stakeholders. Member States shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of these examinations.

For the purposes of this Article, complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the programme or operations thereunder, irrespective of the qualification of means of legal redress established under national law.

8. Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of electronic data exchange systems in accordance with Annex XIV.

Member States shall promote the benefits of electronic data exchange and provide all necessary support to beneficiaries in this respect.

By way of derogation from the first subparagraph, the managing authority may exceptionally accept, upon the explicit request of a beneficiary, the exchanges of information in paper format, without prejudice to its obligation to record and store data in accordance with point (e) of Article 72(1).

For programmes supported by the EMFAF, the AMIF, the ISF and the BMVI, the first subparagraph shall apply as from 1 January 2023.

The first subparagraph shall not apply to programmes or priorities under point (m) of Article 4(1) of the ESF+ Regulation.

9. Member States shall ensure that all official exchanges of information with the Commission are carried out by means of an electronic data exchange system in accordance with Annex XV.

10. The Member State shall provide, or shall ensure that the managing authorities provide, forecasts of the amount for payment applications to be submitted for the current and subsequent calendar year by 31 January and 31 July, in accordance with Annex VIII.

11. Each Member State shall have in place, at the latest by the time of submission of the final payment application for the first accounting year and no later than 30 June 2023, a description of the management and control system in accordance with the template set out in Annex XVI. It shall keep that description updated to reflect any subsequent modifications.

12. Member States shall report on irregularities in accordance with the criteria for determining the cases of irregularity to be reported, the data to be provided and the format for reporting set out in Annex XII.

Article 70

Commission powers and responsibilities

1. The Commission shall satisfy itself that Member States have management and control systems that comply with this Regulation and that these systems function effectively and efficiently during the implementation of the programmes. The Commission shall draw up, for the purposes of its own audit work, an audit strategy and an audit plan which shall be based on a risk-assessment.

The Commission and the audit authorities shall coordinate their audit plans.

2. The Commission shall carry out audits up to three calendar years following the acceptance of the accounts in which the expenditure concerned was included. That period shall not apply to operations where there is a suspicion of fraud.

3. For the purpose of their audits, Commission officials or their authorised representatives shall have access to all necessary records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the Funds or to management and control systems and shall receive copies in the specific format requested.

4. For on-the-spot audits, the following shall also apply:

- (a) the Commission shall give at least 15 working days' notice for the audit to the competent programme authority, except in urgent cases; officials or authorised representatives of the Member State may take part in such audits;
- (b) where the application of national provisions reserves certain acts for agents specifically designated by national legislation, Commission officials and authorised representatives shall have access to the information thus obtained without prejudice to the competences of national courts and in full respect of the fundamental rights of the legal subjects concerned;
- (c) the Commission shall transmit the preliminary audit findings to the competent Member State authority no later than 3 months after the last day of the audit;
- (d) the Commission shall transmit the audit report no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings; the Member State's reply shall be considered complete in the absence of a request from the Commission to provide further information or a revised document within 2 months from the date of receipt of the Member State's response.

For the purpose of complying with the time limits set out in points (c) and (d) of the first subparagraph of this paragraph, the Commission shall make available the preliminary audit findings and the audit report in at least one of the official languages of the institutions of the Union.

The time limits referred to in points (c) and (d) of the first subparagraph of this paragraph may be extended where it is deemed necessary and agreed upon between the Commission and the competent Member State authority.

Where a time limit is set for a reply by the Member State to the preliminary audit findings or the audit report referred to in points (c) and (d) of the first subparagraph of this paragraph, that time limit shall start upon their receipt by the competent Member State authority in at least one of the official languages of the Member State concerned.

*Article 71***Programme authorities**

1. For the purposes of Article 63(3) of the Financial Regulation, the Member State shall identify for each programme a managing authority and an audit authority. Where a Member State entrusts the accounting function to a body other than the managing authority in accordance with Article 72(2) of this Regulation, the body concerned shall also be identified as a programme authority. Those same authorities may be responsible for more than one programme.
2. The audit authority shall be a public authority. Audit work may be carried out by a public or private body other than the audit authority under its responsibility. The audit authority and any such body carrying out audit work under the responsibility of the audit authority shall be functionally independent from the auditees.
3. The managing authority may identify one or more intermediate bodies to carry out certain tasks under its responsibility. Arrangements between the managing authority and intermediate bodies shall be recorded in writing.
4. Member States shall ensure that the principle of separation of functions between and within the programme authorities is respected.
5. Where a programme provides, in line with its objectives, support from the ERDF or the ESF+ to a programme co-funded by Horizon Europe, as referred to in point (b) of Article 10(1) of the Horizon Europe Regulation, the body implementing the programme co-funded by Horizon Europe shall be identified as an intermediate body by the managing authority of the relevant programme, in accordance with paragraph 3 of this Article.
6. The Member State, at its own initiative, may set up a coordination body to liaise with and provide information to the Commission and to coordinate activities of the programme authorities in that Member State.

*CHAPTER II***Standard management and control systems***Article 72***Functions of the managing authority**

1. The managing authority shall be responsible for managing the programme with a view to delivering the objectives of the programme. In particular, it shall have the following functions:
 - (a) select operations in accordance with Article 73, with the exception of operations referred to in point (d) of Article 33(3);
 - (b) carry out programme management tasks in accordance with Article 74;
 - (c) support the work of the monitoring committee in accordance with Article 75;
 - (d) supervise intermediate bodies;
 - (e) record and store electronically the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits in accordance with Annex XVII, and ensure the security, integrity and confidentiality of data and the authentication of users.
2. The Member State may entrust the accounting function referred to in Article 76 to the managing authority or to another body.
3. For programmes supported by the AMIF, the ISF and the BMVI, the accounting function shall be carried out by the managing authority or under its responsibility.

*Article 73***Selection of operations by the managing authority**

1. For the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure accessibility to persons with disabilities, ensure gender equality, and take account of the Charter of Fundamental Rights of the European Union, the principle of sustainable development and of the Union policy on the environment in accordance with Article 11 and Article 191(1) TFEU.

The criteria and procedures shall ensure that the operations to be selected are prioritised with a view to maximising the contribution of Union funding towards the achievement of the objectives of the programme.

2. In selecting operations, the managing authority shall:

- (a) ensure that selected operations comply with the programme, including their consistency with the relevant strategies underlying the programme, as well as provide an effective contribution to the achievement of the specific objectives of the programme;
- (b) ensure that selected operations which fall within the scope of an enabling condition are consistent with the corresponding strategies and planning documents established for the fulfilment of that enabling condition;
- (c) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;
- (d) verify that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs for operations comprising investment in infrastructure or productive investment, so as to ensure their financial sustainability;
- (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council ⁽⁵¹⁾ are subject to an environmental impact assessment or a screening procedure and that the assessment of alternative solutions has been taken in due account, on the basis of the requirements of that Directive;
- (f) verify that where the operations have started before the submission of an application for funding to the managing authority, applicable law has been complied with;
- (g) ensure that selected operations fall within the scope of the Fund concerned and are attributed to a type of intervention;
- (h) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article 66 or which would constitute a transfer of a productive activity in accordance with point (a) of Article 65(1);
- (i) ensure that selected operations are not directly affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 TFEU that puts at risk the legality and regularity of expenditure or the performance of operations;
- (j) ensure the climate proofing of investments in infrastructure which have an expected lifespan of at least 5 years.

As regards point (b) of this paragraph, in the case of policy objective one, as set out in point (a) of Article 3(1) of the ERDF and CF Regulation, only operations corresponding to the specific objectives referred to in subpoints (i) and (iv) of that point shall be consistent with the corresponding smart specialisation strategies.

3. The managing authority shall ensure that the beneficiary is provided with a document setting out all the conditions for support for each operation including the specific requirements concerning the products or services to be delivered, the financing plan, the time limit for its execution and where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the support.

4. For operations attributed a Seal of Excellence, or operations selected under a programme co-funded by Horizon Europe, the managing authority may decide to grant support from the ERDF or the ESF+ directly, provided that such operations meet the requirements set out in points (a), (b) and (g) of paragraph 2.

In addition, managing authorities may apply to the operations referred to in the first subparagraph the categories, maximum amounts and methods of calculation of eligible costs established under the relevant Union instrument. These elements shall be set out in the document referred in paragraph 3.

5. When the managing authority selects an operation of strategic importance, it shall inform the Commission within 1 month and shall provide all relevant information to the Commission about that operation.

⁽⁵¹⁾ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

Article 74

Programme management by the managing authority

1. The managing authority shall:
 - (a) carry out management verifications to verify that the co-financed products and services have been delivered, that the operation complies with applicable law, the programme and the conditions for support of the operation, and:
 - (i) where costs are to be reimbursed pursuant to point (a) of Article 53(1), that the amount of expenditure claimed by the beneficiaries in relation to these costs has been paid and that beneficiaries maintain separate accounting records or use appropriate accounting codes for all transactions relating to the operation;
 - (ii) where costs are to be reimbursed pursuant to points (b), (c) and (d) of Article 53(1), that the conditions for reimbursement of expenditure to the beneficiary have been met;
 - (b) ensure, subject to the availability of funding, that a beneficiary receives the amount due in full and no later than 80 days from the date of submission of the payment claim by the beneficiary; the deadline may be interrupted if information submitted by the beneficiary does not allow the managing authority to establish whether the amount is due;
 - (c) have effective and proportionate anti-fraud measures and procedures in place, taking into account the risks identified;
 - (d) prevent, detect and correct irregularities;
 - (e) confirm that the expenditure entered into the accounts is legal and regular;
 - (f) draw up the management declaration in accordance with the template set out in Annex XVIII.

For point (b) of the first subparagraph, no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce amounts due to beneficiaries.

For PPP operations, the managing authority shall make payments to an escrow account set up for that purpose in the name of the beneficiary for use in accordance with the PPP agreement.

2. Management verifications referred to in point (a) of the first subparagraph of paragraph 1 shall be risk-based and proportionate to the risks identified *ex ante* and in writing.

Management verifications shall include administrative verifications in respect of payment claims made by beneficiaries and on-the-spot verifications of operations. Those verifications shall be carried out before submission of the accounts in accordance with Article 98.

3. Where the managing authority is also a beneficiary under the programme, arrangements for the management verifications shall ensure separation of functions.

Without prejudice to paragraph 2, the Interreg Regulation may establish specific rules on management verifications applicable to Interreg programmes. The AMIF, the ISF and the BMVI Regulations may establish specific rules on management verifications that are applicable where an international organisation is a beneficiary.

Article 75

Support of the work of the monitoring committee by the managing authority

The managing authority shall:

- (a) provide the monitoring committee in a timely manner with all information necessary to carry out its tasks;
- (b) ensure the follow-up of the decisions and recommendations of the monitoring committee.

Article 76

The accounting function

1. The accounting function shall consist of the following tasks:
 - (a) drawing up and submitting payment applications to the Commission in accordance with Articles 91 and 92;

- (b) drawing up and submitting the accounts confirming completeness, accuracy and veracity of the accounts in accordance with Article 98, and keeping electronic records of all the elements of the accounts, including payment applications;
 - (c) converting the amounts of expenditure incurred in another currency into euro by using the monthly accounting exchange rate of the Commission in the month during which the expenditure is registered in the accounting systems of the body responsible for carrying out the tasks set out in this Article.
2. The accounting function shall not comprise verifications at the level of beneficiaries.
 3. By way of derogation from point (c) of paragraph 1, the Interreg Regulation may establish a different method to convert the amounts of expenditure incurred in another currency into euro.

Article 77

Functions of the audit authority

1. The audit authority shall be responsible for carrying out system audits, audits on operations and audits of accounts in order to provide independent assurance to the Commission regarding the effective functioning of the management and control systems and the legality and regularity of the expenditure included in the accounts submitted to the Commission.
2. Audit work shall be carried out in accordance with internationally accepted audit standards.
3. The audit authority shall draw up and submit to the Commission:
 - (a) an annual audit opinion in accordance with Article 63(7) of the Financial Regulation and with the template set out in Annex XIX to this Regulation and, based on all audit work carried out, cover the following distinct components:
 - (i) the completeness, accuracy and veracity of the accounts;
 - (ii) the legality and regularity of the expenditure included in the accounts submitted to the Commission;
 - (iii) the effective functioning of the management and control system;
 - (b) an annual control report fulfilling the requirements of point (b) of Article 63(5) of the Financial Regulation, in accordance with the template set out in Annex XX to this Regulation, which supports the annual audit opinion referred to in point (a) of this paragraph and sets out a summary of findings, including an analysis of the nature and extent of errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.
4. Where programmes are grouped for the purpose of audits of operations pursuant to the second subparagraph of Article 79(2), the information required under point (b) of paragraph 3 of this Article may be grouped in a single report.
5. The audit authority shall transmit to the Commission system audit reports as soon as the contradictory procedure with the relevant auditees is concluded.
6. The Commission and the audit authorities shall meet on a regular basis and, unless otherwise agreed, at least once a year to examine the audit strategy, the annual control report and the audit opinion, to coordinate their audit plans and methods, and to exchange views on issues relating to the improvement of management and control systems.

Article 78

Audit strategy

1. The audit authority shall, after consulting the managing authority, prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 69(11), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function. Such audits shall be carried out within 21 months of the decision approving the programme or the amendment of the programme identifying such an authority. The audit strategy shall be prepared in accordance with the template set out in Annex XXII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes.
2. The audit strategy shall be submitted to the Commission upon request.

*Article 79***Audits of operations**

1. Audits of operations shall cover expenditure declared to the Commission in the accounting year on the basis of a sample. That sample shall be representative and based on statistical sampling methods.
2. Where the population consists of less than 300 sampling units, a non-statistical sampling method may be used on the professional judgement of the audit authority. In such cases, the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion. The non-statistical sampling method shall cover a minimum of 10 % of the sampling units in the population of the accounting year, selected randomly.

The statistical sample may cover one or more programmes receiving support from the ERDF, the ESF+, the Cohesion Fund and the JTF and, subject to stratification where appropriate, one or more programming periods according to the professional judgement of the audit authority.

The sample of operations supported by the EMFAF, the AMIF, the ISF and the BMVI shall cover operations supported by each Fund separately.

3. Audits of operations shall include on-the-spot verification of the physical implementation of the operation only where it is required by the type of operation concerned.

The ESF+ Regulation may set out specific provisions for programmes or priorities under point (m) of Article 4(1) of that Regulation. The AMIF, the ISF and the BMVI Regulations may establish specific provisions for audit of operations where an international organisation is a beneficiary. The Interreg Regulation may establish specific rules on audits of operations applicable to Interreg programmes.

Audits shall be conducted on the basis of the rules in force at the time when the activities within the operation were carried out.

4. The Commission is empowered to adopt a delegated act in accordance with Article 114 to supplement this Article by setting out standardised off-the-shelf sampling methodologies and modalities to cover one or more programming periods.

*Article 80***Single audit arrangements**

1. When carrying out audits, the Commission and the audit authorities shall take due account of the principles of single audit and proportionality in relation to the level of risk to the budget of the Union. This shall be, in particular, in order to avoid duplication of audits and management verifications of the same expenditure declared to the Commission with the objective of minimising the cost of management verifications and audits and the administrative burden on beneficiaries.

The Commission and audit authorities shall first use all the information and records referred to in point (e) of Article 72(1), including results of management verifications, and only request and obtain additional documents and audit evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.

2. For programmes for which the Commission concludes that the opinion of the audit authority is reliable and the Member State concerned participates in the enhanced cooperation on the establishment of the European Public Prosecutor's Office, the Commission's own audits shall be limited to auditing the work of the audit authority.

3. Prior to the submission of the accounts for the accounting year in which the operation is completed, the Commission or audit authority shall not carry out more than one audit in respect of operations for which the total eligible expenditure does not exceed EUR 400 000 for the ERDF or the Cohesion Fund, EUR 350 000 for the JTF, EUR 300 000 for the ESF+, or EUR 200 000 for the EMFAF, the AMIF, the ISF or the BMVI.

Other operations shall not be subject to more than one audit per accounting year by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed. Operations shall not be subject to an audit by the Commission or the audit authority in any year where there has already been an audit in that year by the Court of Auditors, provided that the results of that Court of Auditors' audit for such operations can be used by the audit authority or the Commission for the purpose of fulfilling their respective tasks.

4. Notwithstanding paragraph 3, any operation may be subject to more than one audit, if the audit authority concludes, based on its professional judgement, that it is not possible to draw up a valid audit opinion.

5. Paragraphs 2 and 3 shall not apply where:

- (a) there is a specific risk of irregularity or a suspicion of fraud;
- (b) there is a need to re-perform the work of the audit authority for obtaining assurance as to its effective functioning;
- (c) there is evidence of a serious deficiency in the work of the audit authority.

Article 81

Management verifications and audits of financial instruments

1. The managing authority shall carry out on-the-spot management verifications in accordance with Article 74(1) only at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. The managing authority may rely on verifications carried out by external bodies and not carry out on-the-spot management verifications, provided that it has sufficient evidence of the competence of these external bodies.

2. The managing authority shall not carry out on-the-spot verifications at the level of the EIB or other international financial institutions in which a Member State is a shareholder.

However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide control reports supporting the payment claims to the managing authority.

3. The audit authority shall carry out system audits and audits of operations in accordance with Article 77, 79 or 83, as appropriate, at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans. The audit results of external auditors of bodies implementing the financial instrument may be taken into account by the audit authority for the purposes of the overall assurance and on this basis, the audit authority may decide to limit its own audit work.

4. In the context of guarantee funds, the bodies responsible for the audit of programmes may conduct audits of the bodies providing new underlying loans only when one or more of the following situations occur:

- (a) supporting documents, providing evidence of the support from the financial instrument to final recipients, are not available at the level of the managing authority or at the level of the bodies implementing the financial instrument;
- (b) there is evidence that the documents available at the level of the managing authority or at the level of the bodies implementing the financial instrument do not represent a true and accurate record of the support provided.

5. The audit authority shall not carry out audits at the level of the EIB or other international financial institutions in which a Member State is a shareholder, for financial instruments implemented by them.

However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide to the Commission and to the audit authority an annual audit report drawn up by their external auditors by the end of each calendar year. This report shall cover the elements included in Annex XXI, and constitute the basis for the audit authority's work.

6. The EIB or other international financial institutions shall provide to the programme authorities all the necessary documents to enable them to fulfil their obligations.

Article 82

Availability of documents

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents related to an operation supported by the Funds are kept at the appropriate level for a 5-year period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made.
2. The time period referred to in paragraph 1 shall be interrupted either in the case of legal proceedings or by a request of the Commission.

CHAPTER III

Reliance on national management systems

Article 83

Enhanced proportionate arrangements

The Member State may apply the following enhanced proportionate arrangements for the management and control system of a programme where the conditions set out in Article 84 are fulfilled:

- (a) by way of derogation from point (a) of Article 74(1) and Article 74(2), the managing authority may apply only national procedures to carry out management verifications;
- (b) by way of derogation from Article 77(1) regarding system audits and Article 79(1) and (3) regarding audits of operations, the audit authority may limit its audit activity to audits of operations covering a sample based on a statistical selection of 30 sampling units for the programme or group of programmes concerned;

For the purposes of management verifications referred to in point (a) of the first subparagraph, the managing authority may rely on verifications carried out by external bodies provided that it has sufficient evidence of the competence of those bodies.

For point (b) of the first subparagraph, where the population consists of less than 300 sampling units, the audit authority may apply a non-statistical sampling method in accordance with Article 79(2).

The Commission shall limit its own audits to a review of the work of the audit authority through re-performance at its level only, unless available information suggests a serious deficiency in the work of the audit authority.

Article 84

Conditions for application of enhanced proportionate arrangements

1. The Member State may apply the enhanced proportionate arrangements referred to in Article 83 at any time during the programming period, where the Commission has confirmed in its published annual activity reports, for the last 2 years preceding such a decision by the Member State, that the management and control system of the programme is functioning effectively and that the total error rate for each year is 2 % or below. When assessing the effective functioning of the management and control system of the programme, the Commission shall take into account the participation of the Member State concerned in the enhanced cooperation on the establishment of the European Public Prosecutor's Office.

Where a Member State decides to apply the enhanced proportionate arrangements referred to in Article 83, it shall notify the Commission on the application of such arrangements. In such a case the arrangements shall apply from the start of the subsequent accounting year.

2. At the start of the programming period, the Member State may apply the enhanced proportionate arrangements referred to in Article 83, provided that the conditions set out in paragraph 1 of this Article are met with respect to a similar programme implemented in 2014-2020 and where the management and control arrangements established for the 2021-2027 programme build largely on those from the previous programme. In such a case, the arrangements shall apply from the start of the programme.

3. The Member State shall establish or update accordingly the description of the management and control system and the audit strategy set out in Article 69(11) and Article 78.

Article 85

Adjustment during the programming period

1. Where the Commission or the audit authority conclude, based on the audits carried out and the annual control report, that the conditions set out in Article 84 are no longer fulfilled, the Commission shall request the audit authority to carry out additional audit work in accordance with Article 69(3) and satisfy itself that remedial actions are taken.
2. Where the subsequent annual control report confirms that the conditions continue not to be fulfilled, thus limiting the assurance provided to the Commission on the effective functioning of the management and control systems and of the legality and regularity of expenditure, the Commission shall request the audit authority to carry out system audits.
3. The Commission may, after having given to the Member State the opportunity to present its observations, inform the Member State that the enhanced proportionate arrangements set out in Article 83 shall no longer be applied from the start of the subsequent accounting year.

TITLE VII

FINANCIAL MANAGEMENT, SUBMISSION AND EXAMINATION OF ACCOUNTS AND FINANCIAL CORRECTIONS

CHAPTER I

Financial management

Section I

General accounting rules

Article 86

Budgetary commitments

1. The decision approving the programme in accordance with Article 23 shall constitute a financing decision within the meaning of Article 110(1) of the Financial Regulation and its notification to the Member State concerned shall constitute a legal commitment.

That decision shall specify the total Union contribution per Fund and per year. However, for programmes under the Investment for jobs and growth goal, an amount corresponding to 50 % of the contribution for the years 2026 and 2027 ('flexibility amount') per programme in each Member State shall be retained and shall only be definitively allocated to the programme after the adoption of the Commission decision following the mid-term review in accordance with Article 18.

2. The budgetary commitments of the Union in respect of each programme shall be made by the Commission in annual instalments for each Fund during the period between 1 January 2021 and 31 December 2027.

3. By way of derogation from Article 111(2) of the Financial Regulation, the budgetary commitments for the first instalment shall follow the adoption of the programme by the Commission.

Article 87

Use of the euro

Any amounts set out in programmes, reported or declared to the Commission by Member States shall be denominated in euro.

*Article 88***Repayment**

1. Any repayment due to be made to the budget of the Union shall be effected before the due date indicated in the order for recovery drawn up in accordance with Article 98 of the Financial Regulation. The due date shall be the last day of the second month following the issuing of the order.
2. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of such interest shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.

Section II

Rules for payments to Member States*Article 89***Types of payments**

Payments shall take the form of pre-financing, interim payments and payments of the balance of the accounts for the accounting year.

*Article 90***Pre-financing**

1. The Commission shall pay pre-financing based on the total support from the Funds set out in the decision approving the programme.
2. The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:
 - (a) 2021: 0,5 %;
 - (b) 2022: 0,5 %;
 - (c) 2023: 0,5 %;
 - (d) 2024: 0,5 %;
 - (e) 2025: 0,5 %;
 - (f) 2026: 0,5 %.

Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption.

3. By way of derogation from paragraph 2, specific rules on pre-financing for Interreg programmes shall be set out in the Interreg Regulation.
4. By way of derogation from paragraph 2, specific rules on pre-financing for programmes supported by the AMIF, the ISF and the BMVI shall be set out in the Fund-specific Regulations.
5. The amount paid as pre-financing for the years 2021 and 2022 shall be cleared from the Commission accounts each year and for the years 2023 to 2026 no later than with the final accounting year in accordance with Article 100.

For programmes supported by the AMIF, the ISF and the BMVI, the amount paid as pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

6. Any interest generated by the pre-financing shall be used for the programme concerned in the same way as the Funds and shall be included in the accounts for the final accounting year.

*Article 91***Payment applications**

1. The Member State shall submit a maximum of six payment applications per programme, per Fund and per accounting year. Every year, one payment application may be submitted at any time in each time period between the following dates: 28 February, 31 May, 31 July, 31 October, 30 November and 31 December.

The last payment application submitted by 31 July shall be deemed to be the final payment application for the accounting year that has ended 30 June.

The first subparagraph shall not apply to Interreg programmes.

2. Payment applications shall be admissible only where the latest assurance package due, as referred to in Article 98, has been submitted.

3. Payment applications shall be submitted to the Commission in accordance with the template set out in Annex XXIII and include, for each priority and, where applicable, by category of region:

- (a) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function;
- (b) the amount for technical assistance calculated in accordance with point (b) of Article 36(5), where applicable;
- (c) the total amount of public contribution made or to be made linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function;
- (d) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function.

4. By way of derogation from point (a) of paragraph 3, the following shall apply:

- (a) where the Union contribution is made pursuant to point (a) of Article 51, the amounts included in a payment application are the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 95(2) or the delegated act referred to in Article 95(4);
- (b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 51, the amounts included in a payment application are the amounts determined in accordance with the decision referred to in Article 94(3) or the delegated act referred to in Article 94(4);
- (c) for the forms of grants listed in points (b), (c) and (d) of the first subparagraph of Article 53(1), the amounts included in a payment application are the costs calculated on the applicable basis.

5. By way of derogation from paragraph 3, in the case of State aid, the payment application may include advances paid to the beneficiary by the body granting the aid under the following cumulative conditions:

- (a) those advances are subject to a guarantee provided by a bank or other financial institution established in the Member State or be covered by a facility provided as a guarantee by a public entity or by the Member State;
- (b) those advances do not exceed 40 % of the total amount of the aid to be granted to a beneficiary for a given operation;
- (c) those advances are covered by expenditure paid by beneficiaries in implementing the operation and supported by receipted invoices or accounting documents of equivalent probative value at the latest within 3 years following the year of the payment of the advance or on 31 December 2029, whichever is earlier, failing which the next payment application shall be corrected accordingly.

Each payment application which includes advances of this type shall separately disclose the total amount paid from the programme as advances, the amount which has been covered by expenditure paid by beneficiaries within 3 years of the payment of the advance in accordance with point (c), and the amount which has not been covered by expenditure paid by beneficiaries and for which the 3-year period has not yet elapsed.

6. By way of derogation from point (c) of paragraph 3 of this Article, in the case of aid schemes under Article 107 TFEU, the public contribution corresponding to the expenditure included in a payment application shall have been paid to the beneficiaries by the body granting the aid.

Article 92

Specific elements for financial instruments in payment applications

1. Where financial instruments are implemented in accordance with Article 59(1), payment applications submitted in accordance with Annex XXIII shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside for guarantee contracts, by the managing authority to final recipients as referred to in points (a), (b) and (c) of Article 68(1).
2. Where financial instruments are implemented in accordance with Article 59(2), payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:
 - (a) the amount included in the first payment application shall have been paid to the financial instruments and may be up to 30 % of the total amount of programme contributions committed to the financial instruments under the relevant funding agreement, in accordance with the relevant priority and category of region, where applicable;
 - (b) the amount included in subsequent payment applications submitted during the eligibility period shall include the eligible expenditure as referred to in Article 68(1).
3. The amount included in the first payment application, referred to in point (a) of paragraph 2, shall be cleared from Commission accounts no later than the final accounting year.

It shall be disclosed separately in payment applications.

Article 93

Common rules for payments

1. Without prejudice to Article 15(5) and (6) and subject to available funding, the Commission shall make interim payments within 60 days of the date on which a payment application is received by the Commission.
2. Each payment shall be attributed to the earliest open budget commitment of the Fund and category of region concerned. The Commission shall reimburse as interim payments 95 % of the amounts included in the payment application, which results from applying the co-financing rate for each priority to the total eligible expenditure or to the public contribution, as appropriate. The Commission shall determine the remaining amounts to be reimbursed or to be recovered when calculating the balance of the accounts in accordance with Article 100.
3. The support from the Funds to a priority in interim payments shall not be higher than the amount of the support from the Funds for the priority laid down in the decision approving the programme.
4. Where the Union contribution takes any of the forms listed in Article 51, the Commission shall not pay more than the amount requested by the Member State.
5. The support from the Funds to a priority in the payment of the balance of the final accounting year shall not exceed any of the following amounts:
 - (a) the public contribution declared in payment applications;
 - (b) support from the Funds paid or to be paid to beneficiaries;
 - (c) the amount requested by the Member State.

Amounts reimbursed pursuant to Article 36(5) shall not be taken into account for the purposes of calculating the ceiling set out in point (b) of the first subparagraph of this Article.

6. On the request of a Member State, interim payments may be increased by 10 % above the co-financing rate applicable to each priority for the Funds, if a Member State meets one of the following conditions after 1 July 2021:

- (a) the Member State receives a loan from the Union pursuant to Council Regulation (EU) No 407/2010 ⁽⁵²⁾;
- (b) the Member State receives medium-term financial assistance under the European Stability Mechanism as established by the Treaty establishing the European Stability Mechanism of 2 February 2012 or as referred to in Regulation (EC) No 332/2002 conditional on the implementation of a macroeconomic adjustment programme;
- (c) financial assistance is made available to the Member State conditional on the implementation of a macroeconomic adjustment programme as specified in Regulation (EU) No 472/2013.

The increased rate, which may not exceed 100 %, shall apply to requests for payments until the end of the calendar year in which the related financial assistance comes to an end.

7. Paragraph 6 shall not apply to Interreg programmes.

Article 94

Union contribution based on unit costs, lump sums and flat rates

1. The Commission may reimburse the Union contribution to a programme on the basis of unit costs, lump sums and flat rates in accordance with Article 51, either based on the amounts and rates approved by a decision in accordance with paragraph 3 of this Article or set out in the delegated act referred to in paragraph 4 of this Article.

2. In order to make use of a Union contribution to the programme based on unit costs, lump sums and flat rates, Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme submission or of a request for its amendment.

The amounts and rates proposed by the Member State shall be established on the basis of the following and assessed by the audit authority:

- (a) a fair, equitable and verifiable calculation method based on any of the following:
 - (i) statistical data, other objective information or an expert judgement;
 - (ii) verified historical data;
 - (iii) the application of usual cost accounting practices;
- (b) draft budgets;
- (c) the rules on corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;
- (d) the rules on corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation.

3. The decision approving the programme or its amendment shall set out the types of operations covered by the reimbursement based on unit costs, lump sums and flat rates, the definition and the amounts covered by those unit costs, lump sums and flat rates, and the methods for adjustment of the amounts.

Member States shall reimburse beneficiaries for the purposes of this Article. That reimbursement may take any form of support.

Commission and Member State audits and management verifications carried out by Member States shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled.

⁽⁵²⁾ Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism (OJ L 118, 12.5.2010, p. 1).

4. The Commission is empowered to adopt a delegated act in accordance with Article 114 to supplement this Article by defining at Union level unit costs, lump sums, flat rates, their amounts and adjustment methods in the ways referred to in points (a) to (d) of the second subparagraph of paragraph 2 of this Article.

5. This Article shall not apply to the Union contribution for technical assistance reimbursed pursuant to point (e) of Article 51.

Article 95

Union contribution based on financing not linked to costs

1. The Commission may reimburse the Union contribution to all or parts of a priority of programmes based on financing not linked to costs in accordance with Article 51, either based on the amounts approved by a decision referred to in paragraph 2 of this Article or set out in the delegated act referred to in paragraph 4 of this Article. In order to make use of a Union contribution to the programme based on financing not linked to costs, Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment. The proposal shall contain the following information:

- (a) identification of the priority concerned and the overall amount covered by the financing not linked to costs;
- (b) a description of the part of the programme and the type of operations covered by the financing not linked to costs;
- (c) a description of the conditions to be fulfilled or of the results to be achieved and a timeline;
- (d) intermediate deliverables triggering reimbursement by the Commission;
- (e) measurement units;
- (f) the schedule for reimbursement by the Commission and related amounts linked to the progress in the fulfilment of conditions or achievement of results;
- (g) the arrangements for verification of the intermediate deliverables and of the fulfilment of conditions or achievement of results;
- (h) the methods for adjustment of the amounts, where applicable;
- (i) the arrangements to ensure the audit trail in accordance with Annex XIII demonstrating the fulfilment of conditions or achievement of results;
- (j) the envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries within the priority or parts of a priority of programmes concerned by this Article.

2. The decision approving the programme or the request for its amendment shall set out all the elements listed in paragraph 1.

3. Member States shall reimburse beneficiaries for the purposes of this Article. That reimbursement may take any form of support.

Commission and Member State audits and management verifications carried out by Member States shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled or the results have been achieved.

4. The Commission is empowered to adopt a delegated act in accordance with Article 114 to supplement this Article by establishing amounts for Union-level financing not linked to costs by type of operation, the methods for adjustment of the amounts and the conditions to be fulfilled or the results to be achieved.

Section III

Interruptions and suspensions*Article 96***Interruption of the payment deadline**

1. The Commission may interrupt the payment deadline, except for pre-financing, for a maximum period of 6 months where any of the following conditions is met:
 - (a) there is evidence to suggest a serious deficiency for which corrective measures have not been taken;
 - (b) the Commission has to carry out additional verifications following receipt of information that expenditure in a payment application may be linked to an irregularity.
2. The Member State may agree to extend the interruption period by 3 months.
3. The Commission shall limit the interruption to the part of the expenditure affected by the elements referred to in paragraph 1, unless it is not possible to identify the part of the expenditure affected. The Commission shall inform the Member State and the managing authority in writing of the reason for interruption and shall request them to remedy the situation. The Commission shall end the interruption as soon as the measures remedying the elements referred to in paragraph 1 have been taken.
4. The Fund-specific rules for the EMFAF may lay down specific bases for interruption of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.

*Article 97***Suspension of payments**

1. The Commission may suspend all or part of payments, except for pre-financing, after having given the Member State the opportunity to present its observations, if any of the following conditions is met:
 - (a) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 96;
 - (b) there is a serious deficiency;
 - (c) the expenditure in payment applications is linked to an irregularity that has not been corrected;
 - (d) there is a reasoned opinion by the Commission in respect of an infringement procedure under Article 258 TFEU on a matter that puts at risk the legality and regularity of expenditure.
2. The Commission shall end the suspension of all or part of payments when the Member State has taken the measures remedying the elements referred to in paragraph 1.
3. The Fund-specific rules for the EMFAF may lay down specific bases for suspension of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.

CHAPTER II

Submission and examination of accounts

Article 98

Content and submission of accounts

1. For each accounting year for which payment applications have been submitted, the Member State shall submit to the Commission by 15 February, the following documents ('the assurance package') which shall cover the preceding accounting year:
 - (a) the accounts in accordance with the template set out in Annex XXIV;
 - (b) the management declaration referred to in point (f) of Article 74(1) in accordance with the template set out in Annex XVIII;
 - (c) the annual audit opinion referred to in point (a) of Article 77(3) in accordance with the template set out in Annex XIX;
 - (d) the annual control report referred to in point (b) of Article 77(3) in accordance with the template set out in Annex XX.
2. The deadline referred to in paragraph 1 may exceptionally be extended by the Commission to 1 March, upon communication by the Member State concerned.
3. The accounts shall include at the level of each priority and, where applicable, by fund and by category of region:
 - (a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment application for the accounting year and the total amount of the corresponding public contribution made or to be made linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions;
 - (b) the amounts withdrawn during the accounting year;
 - (c) the amounts of public contribution paid to financial instruments;
 - (d) for each priority, an explanation on any differences between the amounts declared pursuant to point (a) and the amounts declared in payment applications for the same accounting year.
4. The assurance package shall not concern the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations or the corresponding public contribution made or to be made linked to specific objectives for which enabling conditions are not fulfilled with the exception of operations that contribute to the fulfilment of enabling conditions.
5. The accounts shall not be admissible if Member States have not undertaken the necessary corrections to reduce the residual error rate on the legality and regularity of the expenditure included in the accounts to 2 % or below.
6. Member States shall in particular deduct from the accounts:
 - (a) the irregular expenditure which has been subject to financial corrections in accordance with Article 103;
 - (b) the expenditure which is subject to an ongoing assessment of its legality and regularity;
 - (c) other amounts as necessary to reduce the residual error rate of the expenditure declared in the accounts to 2 % or below.

The Member State may include expenditure under point (b) of the first subparagraph in a payment application in subsequent accounting years once its legality and regularity is confirmed.

7. The Member State may correct irregular amounts which it has detected after the submission of the accounts in which the amounts were included by making the corresponding adjustments for the accounting year in which the irregularity is detected, without prejudice to Article 104.

8. As part of the assurance package, the Member State shall submit for the last accounting year the final performance report referred to in Article 43 or the last annual performance report for the AMIF, the ISF or the BMVI.

Article 99

Examination of accounts

The Commission shall satisfy itself that the accounts are complete, accurate and true by 31 May of the year following the end of the accounting year unless Article 102 applies.

Article 100

Calculation of the balance

1. When the Commission determines the amount chargeable to the Funds for the accounting year and the consequent adjustments in relation to the payments to the Member State, it shall take into account:

- (a) the amounts in the accounts referred to in point (a) of Article 98(3) and to which the co-financing rate for each priority is to be applied;
- (b) the total amount of interim payments made by the Commission during that accounting year;
- (c) for the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF, for the years 2021 and 2022, the amount of pre-financing.

2. Where there is an amount recoverable from the Member State, it shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting against amounts due to the Member State in subsequent payments to the same programme. Such a recovery shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The amount recovered shall constitute assigned revenue in accordance with Article 21(3) of the Financial Regulation.

Article 101

Procedure for the examination of accounts

1. The procedure set out in Article 102 shall apply in either of the following cases:

- (a) the audit authority has provided a qualified or adverse audit opinion due to reasons linked to the completeness, accuracy and veracity of the accounts;
- (b) the Commission has evidence putting into question the reliability of an unqualified audit opinion.

2. In all other cases, the Commission shall calculate the amounts chargeable to the Funds in accordance with Article 100 and make the respective payments or recoveries before 1 July. That payment or recovery shall constitute the acceptance of accounts.

Article 102

Contradictory procedure for the examination of accounts

1. If the audit authority provides an audit opinion which is qualified or adverse due to reasons linked to the completeness, accuracy and veracity of the accounts, the Commission shall request the Member State to revise these accounts and to resubmit the documents referred to in Article 98(1) within 1 month.

Where by the time limit set out in the first subparagraph:

- (a) the audit opinion is unqualified, Article 100 shall apply and the Commission shall pay any additional amount due or proceed to a recovery within 2 months;
- (b) the audit opinion is still qualified or documents have not been re-submitted by the Member State, paragraphs 2, 3 and 4 shall apply.

2. If the audit opinion remains qualified due to reasons linked to the completeness, accuracy and veracity of the accounts or if the audit opinion remains unreliable, the Commission shall inform the Member State on the amount chargeable to the Funds for the accounting year.

3. Where the Member State agrees with the amount referred to in paragraph 2 of this Article within 1 month, the Commission shall pay within 2 months any additional amount due or proceed to a recovery in accordance with Article 100.

4. Where the Member State does not agree with the amount referred to in paragraph 2 of this Article, the Commission shall establish the amount chargeable to the Funds for the accounting year. Such an act shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The Commission shall pay within 2 months any additional amount due or proceed to a recovery in accordance with Article 100.

5. With regard to the final accounting year, the Commission shall pay or recover the annual balance of the accounts for programmes supported by the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF no later than 2 months after the date of acceptance of the final performance report as referred to in Article 43.

CHAPTER III

Financial corrections

Article 103

Financial corrections by Member States

1. Member States shall protect the Union budget and apply financial corrections by cancelling all or part of the support from the Funds to an operation or programme where expenditure declared to the Commission is found to be irregular.
2. Financial corrections shall be recorded in the accounts for the accounting year in which the cancellation is decided.
3. The support from the Funds cancelled may be reused by the Member State within the programme concerned except for an operation that was subject of that correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.
4. The Fund-specific rules for the EMFAF may lay down specific bases for financial corrections by the Member States linked to non-compliance with rules applicable under the Common Fisheries Policy.
5. By way of derogation from paragraphs 1, 2 and 3, in operations comprising financial instruments, a contribution cancelled in accordance with this Article, as a result of an individual irregularity, may be reused within the same operation under the following conditions:
 - (a) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the final recipient, only for other final recipients within the same financial instrument;
 - (b) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the specific fund, where a financial instrument is implemented through a structure with a holding fund, only for other bodies implementing specific funds.

Where that irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the holding fund, or at the level of the body implementing the specific fund where a financial instrument is implemented through a structure without a holding fund, the contribution cancelled shall not be reused within the same operation.

Where a financial correction is made for a systemic irregularity, the contribution cancelled shall not be reused for any operation affected by the systemic irregularity.

6. The bodies implementing financial instruments shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by these contributions.

The bodies implementing financial instruments shall not reimburse to Member States the amounts referred to in the first subparagraph provided that those bodies demonstrate for a given irregularity that the following cumulative conditions are fulfilled:

- (a) the irregularity occurred at the level of final recipients or, in the case of a holding fund, at the level of bodies implementing specific funds or final recipients;
- (b) the bodies implementing financial instruments carried out their obligations, in relation to the programme contributions affected by the irregularity, in accordance with applicable law and acted with the degree of professional care, transparency and diligence expected from a professional body experienced in implementing financial instruments;
- (c) the amounts affected by the irregularity could not be recovered notwithstanding that the bodies implementing financial instruments pursued all applicable contractual and legal measures with due diligence.

Article 104

Financial corrections by the Commission

1. The Commission shall make financial corrections by reducing support from the Funds to a programme where it concludes that:

- (a) there is a serious deficiency which has put at risk the support from the Funds already paid to the programme;
- (b) expenditure contained in accepted accounts is irregular and was not detected and reported by the Member State;
- (c) the Member State has not complied with its obligations under Article 97 prior to the opening of the financial correction procedure by the Commission.

Where the Commission applies flat-rate or extrapolated financial corrections, this shall be carried out in accordance with Annex XXV.

2. Before taking a decision on a financial correction, the Commission shall inform the Member State of its conclusions and give the Member State the opportunity to present, within 2 months, its observations and to demonstrate that the actual extent of irregularity is less than the Commission's assessment. The deadline can be extended if mutually agreed.

3. Where the Member State does not accept the conclusions of the Commission, the Member State shall be invited to a hearing by the Commission, in order to ensure that all relevant information and observations are available to form the basis for Commission conclusions on the application of the financial correction.

4. The Commission shall decide on a financial correction taking into account the extent, the frequency and financial implications of the irregularities or serious deficiencies, by means of an implementing act within 10 months of the date of the hearing or of the submission of additional information as required by the Commission.

When deciding on a financial correction, the Commission shall take account of all information and observations submitted.

Where a Member State agrees to the financial correction for cases referred to in points (a) and (c) of the first subparagraph of paragraph 1 before the adoption of the decision referred to in the first subparagraph of this paragraph, the Member State may reuse the amounts concerned. That possibility shall not apply to a case of a financial correction under point (b) of the first subparagraph of paragraph 1.

5. The Fund-specific rules for the EMFAF may lay down specific bases for financial corrections by the Commission linked to non-compliance with rules applicable under the Common Fisheries Policy.

6. The Fund-specific rules for the JTF may lay down specific bases for financial corrections by the Commission linked to the under-achievement of targets established for the JTF.

CHAPTER IV

Decommitment

Article 105

Decommitment principles and rules

1. The Commission shall decommit any amount in a programme which has not been used for pre-financing, in accordance with Article 90, or for which a payment application has not been submitted, in accordance with Articles 91 and 92, by 31 December of the third calendar year following the year of the budget commitments for the years 2021 to 2026.

2. The part of commitments still open on 31 December 2029 shall be decommitted if the assurance package and the final performance report for programmes supported by the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF have not been submitted to the Commission by the time limit set out in Article 43(1).

Article 106

Exceptions to the decommitment rules

1. The amount concerned by decommitment shall be reduced by the amounts equivalent to that part of the budget commitment for which:

- (a) the operations are suspended by a legal proceeding or by an administrative appeal having suspensory effect; or
- (b) it has not been possible to make a payment application for reasons of *force majeure* seriously affecting implementation of all or part of the programme.

The national authorities claiming *force majeure* shall demonstrate the direct consequences of the *force majeure* on the implementation of all or part of the programme.

2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in points (a) and (b) of the first subparagraph of paragraph 1 for the amount to be declared by 31 December of the preceding year.

Article 107

Procedure for decommitment

1. On the basis of the information it has received as of 31 January, the Commission shall inform the Member State of the amount of the decommitment resulting from that information.

2. The Member State shall have 2 months to agree to the amount to be decommitted or to submit its observations.

3. By 30 June, the Member State shall submit to the Commission an amended financing plan reflecting, for the calendar year concerned, the reduced amount of support over one or more priorities of the programme. For programmes supported by more than one Fund, the amount of support shall be reduced by Fund proportionately to the amounts concerned by the decommitment that had not been used in the calendar year concerned.

In the absence of such a submission, the Commission shall amend the financing plan by reducing the contribution from the Funds for the calendar year concerned. That reduction shall be allocated to each priority proportionately to the amounts concerned by the decommitment that had not been used in the calendar year concerned.

4. The Commission shall amend the decision approving the programme no later than 31 October.

TITLE VIII

FINANCIAL FRAMEWORK

Article 108

Geographical coverage of support for the Investment for jobs and growth goal

1. The ERDF, the ESF+ and the Cohesion Fund shall support the Investment for jobs and growth goal in all regions corresponding to level 2 of the common classification of territorial units for statistics ('NUTS level 2 regions') established by Regulation (EC) No 1059/2003 as amended by Regulation (EU) 2016/2066.

2. Resources from the ERDF and ESF+ for the Investment for jobs and growth goal shall be allocated among the following three categories of NUTS level 2 regions:

- (a) less developed regions, whose *GDP per capita* is less than 75 % of the average *GDP per capita* of the EU-27 ('less developed regions');
- (b) transition regions, whose *GDP per capita* is between 75 % and 100 % of the average *GDP per capita* of the EU-27 ('transition regions');
- (c) more developed regions, whose *GDP per capita* is above 100 % of the average *GDP per capita* of the EU-27 ('more developed regions').

The classification of regions under one of the three categories of region shall be determined on the basis of how the *GDP per capita* of each region, measured in purchasing power standards (PPS) and calculated on the basis of Union figures for the period 2015-2017, relates to the average *GDP per capita* of the EU-27 for the same reference period.

3. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in PPS and calculated on the basis of Union figures for the period 2015-2017, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

4. The Commission shall adopt a decision, by means of implementing act, setting out the list of regions fulfilling the criteria of one of the three categories of region and of Member States fulfilling the criteria of paragraph 3. That list shall be valid from 1 January 2021 to 31 December 2027.

Article 109

Resources for economic, social and territorial cohesion

1. The resources for economic, social and territorial cohesion available for budgetary commitment for the 2021-2027 period under the MFF shall be EUR 330 234 776 621 in 2018 prices for the ERDF, the ESF+ and the Cohesion Fund, and EUR 7 500 000 000 in 2018 prices for the JTF.

The resources referred to in the first subparagraph shall be completed by an amount of EUR 10 000 000 000 in 2018 prices for measures referred to in Article 1(2) of Council Regulation (EU) 2020/2094 ⁽³⁾ for the purposes of the JTF Regulation. This amount shall constitute external assigned revenue for the purpose of Article 21(5) of the Financial Regulation.

For the purposes of programming and subsequent inclusion in the budget of the Union, amounts referred to in the first and second subparagraphs shall be indexed at 2 % per year.

2. The Commission shall adopt a decision, by means of implementing act, setting out the annual breakdown of the global resources for the ERDF, the ESF+ and the Cohesion Fund by Member State under the Investment for jobs and growth goal and, where applicable, by category of region, in accordance with the methodologies set out in Annex XXVI.

That decision shall also set out the annual breakdown of the global resources per Member State under the European territorial cooperation goal (Interreg).

3. 0,35 % of the resources referred to in the first and second subparagraphs of paragraph 1, after the deduction of the support to the CEF referred to in Article 110(3), shall be allocated to technical assistance at the initiative of the Commission.

Article 110

Resources for the Investment for jobs and growth goal and for the European territorial cooperation goal (Interreg)

1. Resources for the Investment for jobs and growth goal under the MFF shall amount to 97,6 % of the global resources (i.e. a total of EUR 329 684 776 621) and shall be allocated as follows:

- (a) 61,3 % (i.e. a total of EUR 202 226 984 629) for less developed regions;
- (b) 14,5 % (i.e. a total of EUR 47 771 802 082) for transition regions;
- (c) 8,3 % (i.e. a total of EUR 27 202 682 372) for more developed regions;
- (d) 12,9 % (i.e. a total of EUR 42 555 570 217) for Member States supported by the Cohesion Fund;
- (e) 0,6 % (i.e. a total of EUR 1 927 737 321) as additional funding for the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession;
- (f) 0,2 % (i.e. a total of EUR 500 000 000) for interregional innovation investments;
- (g) 2,3 % (i.e. a total of EUR 7 500 000 000) for the Just Transition Fund.

2. The amount of resources available for the ESF+ under the Investment for jobs and growth goal shall be EUR 87 319 331 844.

The amount of additional funding for the regions referred to in point (e) in paragraph 1 allocated to the ESF+ shall be EUR 472 980 447.

3. The amount of support from the Cohesion Fund to be transferred to the CEF shall be EUR 10 000 000 000. It shall be spent for transport infrastructure projects, taking into account the investment infrastructure needs of Member States and regions, by launching specific calls in accordance with the CEF Regulation exclusively in Member States eligible for funding from the Cohesion Fund.

The Commission shall adopt an implementing act setting out the amount to be transferred from each Member State's Cohesion Fund allocation to the CEF and determined on a *pro rata* basis for the whole period.

The Cohesion Fund allocation of each Member State shall be reduced accordingly.

⁽³⁾ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23).

The annual appropriations corresponding to the support from the Cohesion Fund referred to in the first subparagraph shall be entered in the relevant budget lines of the CEF as of the 2021 budgetary exercise.

30 % of the resources transferred to the CEF shall be available immediately after the transfer to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with the CEF Regulation.

Rules applicable for the transport sector under the CEF Regulation shall apply to the specific calls referred to in the first subparagraph. Until 31 December 2023, the selection of projects eligible for financing shall respect the national allocations under the Cohesion Fund with regard to 70 % of the resources transferred to the CEF.

As of 1 January 2024, resources transferred to the CEF which have not been committed to a transport infrastructure project shall be made available to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with the CEF Regulation.

In order to support Member States which are eligible for funding from the Cohesion Fund and which might experience difficulties in designing projects that are of a sufficient maturity, quality, or both, and that have sufficient Union added value, particular attention shall be given to technical assistance which aims to strengthen the institutional capacity and the efficiency of public administrations and public services in relation to the development and implementation of projects listed in the CEF Regulation.

The Commission shall do its utmost to enable Member States eligible for funding from the Cohesion Fund to attain, by the end of the 2021-2027 period, the highest possible absorption of the amount transferred to the CEF, including through the organisation of additional calls.

Particular attention and support under the eighth and ninth subparagraph shall be given to those Member States whose GNI per capita, measured in PPS for the period 2015- 2017, is less than 60 % of the average GNI per capita of the EU-27.

In respect of Member States whose GNI per capita, measured in PPS for the period 2015-2017, is less than 60 % of the average GNI per capita of the EU-27, 70 % of 70 % of the amount of money that those Member States have transferred to the CEF shall be guaranteed until 31 December 2024.

4. EUR 400 000 000 of the resources for the Investment for jobs and growth goal shall be allocated to the European Urban Initiative under direct or indirect management by the Commission.

5. EUR 175 000 000 of the ESF+ resources for the Investment for jobs and growth goal shall be allocated for transnational cooperation supporting innovative solutions under direct or indirect management.

6. The amount referred to in point (f) of paragraph 1 shall be allocated from the ERDF resources under the Investment for jobs and growth goal for interregional innovative investments under direct or indirect management.

7. Resources for the European territorial cooperation goal (Interreg) shall amount to 2,4 % of the global resources available for budgetary commitment from the Funds for the 2021-2027 period (i.e. a total of EUR 8 050 000 000).

8. The amount referred to in the second subparagraph of Article 109(1) shall be part of the resources for the Investments for jobs and growth goal.

Article 111

Transferability of resources

1. The Commission may accept a proposal by a Member State, in its submission of the Partnership Agreement or in the context of the mid-term review, for a transfer:

- (a) adding up to not more than 5 % of the initial allocations for less developed regions to transition regions or more developed regions and from transition regions to more developed regions;

- (b) from the allocations for more developed regions or transition regions to less developed regions and from more developed regions to transition regions.

By way of derogation from point (a) of the first subparagraph, the Commission may accept an additional transfer of up to 10 % of the total allocations for less developed regions to transition regions or more developed regions within those Member States whose GNI per capita, measured in PPS for the period 2015- 2017, is less than 90 % of the average GNI per capita of the EU-27. Resources of any additional transfer shall be used to contribute to the policy objectives referred to in points (a) and (b) of Article 5(1).

2. The total allocations to each Member State in respect of the Investment for jobs and growth goal and the European territorial cooperation goal (Interreg) shall not be transferable between these goals.

3. In order to uphold the effective contribution of the Funds to the actions referred to in Article 5(2), and by way of derogation from paragraph 2 of this Article, the Commission may, in duly justified circumstances, and subject to the condition laid down in paragraph 4 of this Article, accept by means of an implementing act a proposal by a Member State in its first submission of the Partnership Agreement to transfer a part of its appropriations for the European territorial cooperation goal (Interreg) to the Investment for jobs and growth goal.

4. The share of the European territorial cooperation goal (Interreg) in the Member State making the proposal referred to in paragraph 3 shall be not less than 35 % of the total allocated to that Member State in respect of the Investment for jobs and growth goal and the European territorial cooperation goal (Interreg), and after transfer shall be not less than 25 % of that total.

Article 112

Determination of co-financing rates

1. The decision approving a programme shall fix the co-financing rate and the maximum amount of support from the Funds for each priority.
2. For each priority, the Commission decision shall set out whether the co-financing rate for the priority is to be applied to either of the following:
 - (a) total contribution, including public and private contribution;
 - (b) public contribution.
3. The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than:
 - (a) 85 % for the less developed regions;
 - (b) 70 % for transition regions that were classified as less developed regions for the 2014-2020 period;
 - (c) 60 % for the transition regions;
 - (d) 50 % for more developed regions that were classified as transition regions or had a GDP per capita below 100 % for the 2014-2020 period;
 - (e) 40 % for the more developed regions.

The co-financing rates set out under point (a) of the first subparagraph shall also apply to the outermost regions, including the additional allocation for the outermost regions.

The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 85 %.

The ESF+ Regulation may establish higher co-financing rates in accordance with Articles 10 and 14 of that Regulation.

The co-financing rate, applicable to the region where the territory or territories identified in the territorial just transition plans are located, for the priority supported by the JTF shall not be higher than:

- (a) 85 % for less developed regions;
- (b) 70 % for transition regions;
- (c) 50 % for more developed regions.

4. The co-financing rate for Interreg programmes shall be no higher than 80 % except in cases where the Interreg Regulation establishes higher co-financing rates for Interreg strand D and for external cross-border cooperation programmes.

5. The maximum co-financing rates listed under paragraphs 3 and 4 shall be increased by ten percentage points for priorities entirely delivered through community-led local development.

6. Technical assistance measures implemented at the initiative of, or on behalf of, the Commission may be financed at the rate of 100 %.

TITLE IX

DELEGATION OF POWER, IMPLEMENTING, TRANSITIONAL AND FINAL PROVISIONS

CHAPTER I

Delegation of power and implementing provisions

Article 113

Delegation of powers as regards certain Annexes

The Commission is empowered to adopt delegated acts in accordance with Article 114 to amend the Annexes to this Regulation, except Annexes III, IV, XI, XIII, XIV, XVII and XXVI, in order to adapt them to changes occurring during the programming period.

Article 114

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 79(4), 94(4) and 95(4) and Article 113 shall be conferred on the Commission for an indeterminate period of time from 1 July 2021.
3. The delegation of power referred to in Articles 79(4), 94(4) and 95(4), Article 113 and Article 117(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Articles 79(4), 94(4) and 95(4), Article 113 and Article 117(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or of the Council.

*Article 115***Committee procedure**

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

*CHAPTER II***Transitional and final provisions***Article 116***Review**

The European Parliament and the Council shall review this Regulation by 31 December 2027 in accordance with Article 177 TFEU.

*Article 117***Transitional provisions**

1. Regulation (EU) No 1303/2013 or any other act applicable to the 2014–2020 programming period shall continue to apply only to operational programmes and operations supported by the ERDF, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund under that period.
2. The empowerment conferred in paragraph 3 of Article 5 of Regulation (EU) No 1303/2013 on the Commission to adopt a delegated act to provide for a European code of conduct on partnership shall remain in force for the 2021-2027 programming period. The delegation of power shall be exercised in accordance with Article 114 of this Regulation.

*Article 118***Conditions for operations subject to phased implementation**

1. The managing authority may proceed with the selection of an operation consisting of the second phase of an operation selected for support and started under Regulation (EU) No 1303/2013, provided that the following cumulative conditions are met:
 - (a) the operation, as selected for support under Regulation (EU) No 1303/2013, has two phases identifiable from a financial point of view with separate audit trails;
 - (b) the total cost of the operation referred to in point (a) exceeds EUR 5 000 000;
 - (c) expenditure included in a payment application in relation to the first phase is not included under any payment applications in relation to the second phase;
 - (d) the second phase of the operation complies with applicable law and is eligible for support from the ERDF, the ESF+, the Cohesion Fund or the EMFAF under the provisions of this Regulation or the Fund-specific Regulations;
 - (e) the Member State commits to complete during the programming period and render operational the second and final phase in the final implementation report, or in the context of the European Maritime and Fisheries Fund in the last annual implementation report, submitted in accordance with Article 141 of Regulation (EU) No 1303/2013.
2. The provisions of this Regulation shall apply to the second phase of the operation.

*Article 119***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 24 June 2021

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

Dimensions and codes for the types of intervention for the ERDF, the ESF+, the Cohesion Fund and the JTF - Article 22(5)

TABLE 1: DIMENSIONS AND CODES FOR THE TYPES OF INTERVENTION^{1,2}

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
Policy objective 1: A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity			
001	Investment in fixed assets, including research infrastructure, in micro enterprises directly linked to research and innovation activities	0 %	0 %
002	Investment in fixed assets, including research infrastructure, in small and medium-sized enterprises (including private research centres) directly linked to research and innovation activities	0 %	0 %

- ¹ For the specific objective ‘enabling regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union’s 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement’ supported by the JTF, intervention fields under any policy objectives may be used, provided they are consistent with Articles 8 and 9 of the JTF Regulation and are in accordance with the relevant territorial just transition plan. For that specific objective, the coefficient for the calculation of support to climate change objectives is set at 100 % for all intervention fields used.
- ² Where a Member State’s recognised amount in support for climate objectives under its Recovery and Resilience Plan has been increased following the application of point (e) of Article 18(4) of Regulation (EU) 2021/241, an identical proportionate increase in the level of that Member State’s contribution to its support for climate objectives shall also be applied under cohesion policy.
- ³ The intervention fields are grouped by policy objectives, but their use is not limited to them. Any intervention field can be used under any policy objective. Especially for policy objective 5 all dimension codes under policy objectives 1 to 4 may be chosen in addition to those listed under policy objective 5.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
003	Investment in fixed assets, including research infrastructure, in large enterprises ¹ directly linked to research and innovation activities	0 %	0 %
004	Investment in fixed assets, including research infrastructure, in public research centres and higher education directly linked to research and innovation activities	0 %	0 %
005	Investment in intangible assets in micro enterprises directly linked to research and innovation activities	0 %	0 %
006	Investment in intangible assets in SMEs (including private research centres) directly linked to research and innovation activities	0 %	0 %
007	Investment in intangible assets in large enterprises directly linked to research and innovation activities	0 %	0 %
008	Investment in intangible assets in public research centres and higher education directly linked to research and innovation activities	0 %	0 %
009	Research and innovation activities in micro enterprises including networking (industrial research, experimental development, feasibility studies)	0 %	0 %

¹ Large enterprises are all enterprises other than SMEs, including small mid-cap companies.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
010	Research and innovation activities in SMEs, including networking	0 %	0 %
011	Research and innovation activities in large enterprises, including networking	0 %	0 %
012	Research and innovation activities in public research centres, higher education and centres of competence including networking (industrial research, experimental development, feasibility studies)	0 %	0 %
013	Digitising SMEs (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)	0 %	0 %
014	Digitising large enterprises (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
015	Digitising SMEs or large enterprises (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B) compliant with greenhouse gas emission reduction or energy efficiency criteria ¹	40 %	0 %
016	Government ICT solutions, e-services, applications	0 %	0 %
017	Government ICT solutions, eservices, applications compliant with greenhouse gas emission reduction or energy efficiency criteria ²	40 %	0 %
018	IT services and applications for digital skills and digital inclusion	0 %	0 %
019	e-Health services and applications (including e-Care, Internet of Things for physical activity and ambient assisted living)	0 %	0 %
020	Business infrastructure for SMEs (including industrial parks and sites)	0 %	0 %

¹ If the objective of the measure is that the activity has to process or collect data to enable greenhouse gas emission reductions that result in demonstrated substantial lifecycle greenhouse gas emissions savings; or if the objective of the measure requires data centres to comply with “European Code of Conduct on Data Centre Energy Efficiency”.

² If the objective of the measure is that the activity has to process or collect data to enable greenhouse gas emission reductions that result in demonstrated substantial lifecycle greenhouse gas emissions savings; or if the objective of the measure requires data centres to comply with “European Code of Conduct on Data Centre Energy Efficiency”.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
021	SME business development and internationalisation, including productive investments	0 %	0 %
022	Support for large enterprises through financial instruments, including productive investments	0 %	0 %
023	Skills development for smart specialisation, industrial transition, entrepreneurship and adaptability of enterprises to change	0 %	0 %
024	Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	0 %	0 %
025	Incubation, support to spin offs and spin outs and start ups	0 %	0 %
026	Support for innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs	0 %	0 %
027	Innovation processes in SMEs (process, organisational, marketing, co-creation, user and demand driven innovation)	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
028	Technology transfer and cooperation between enterprises, research centres and higher education sector	0 %	0 %
029	Research and innovation processes, technology transfer and cooperation between enterprises, research centres and universities, focusing on the low carbon economy, resilience and adaptation to climate change	100 %	40 %
030	Research and innovation processes, technology transfer and cooperation between enterprises, focusing on circular economy	40 %	100 %
031	Financing of working capital in SMEs in the form of grants to address emergency situation ¹	0 %	0 %
032	ICT: Very High-Capacity broadband network (backbone/backhaul network)	0 %	0 %
033	ICT: Very High-Capacity broadband network (access/local loop with a performance equivalent to an optical fibre installation up to the distribution point at the serving location for multi-dwelling premises)	0 %	0 %

¹ This code is only available for use where temporary measures for the use of the ERDF in response to exceptional circumstances are implemented pursuant to Article 5(6) ERDF and CF Regulation.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
034	ICT: Very High-Capacity broadband network (access/local loop with a performance equivalent to an optical fibre installation up to the distribution point at the serving location for homes and business premises)	0 %	0 %
035	ICT: Very High-Capacity broadband network (access/local loop with a performance equivalent to an optical fibre installation up to the base station for advanced wireless communication)	0 %	0 %
036	ICT: Other types of ICT infrastructure (including large-scale computer resources/equipment, data centres, sensors and other wireless equipment)	0 %	0 %
037	ICT: Other types of ICT infrastructure (including large-scale computer resources/equipment, data centres, sensors and other wireless equipment) compliant with the carbon emission reduction and energy efficiency criteria ¹	40 %	0 %

¹ If the objective of the measure is that the activity has to process or collect data to enable greenhouse gas emission reductions that result in demonstrated substantial lifecycle greenhouse gas emissions savings; or if the objective of the measure requires data centres to comply with “European Code of Conduct on Data Centre Energy Efficiency”.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
Policy objective 2: A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility			
038	Energy efficiency and demonstration projects in SMEs and supporting measures	40 %	40 %
039	Energy efficiency and demonstration projects in large enterprises and supporting measures	40 %	40 %
040	Energy efficiency and demonstration projects in SMEs or large enterprises and supporting measures compliant with energy efficiency criteria ¹	100 %	40 %
041	Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	40 %	40 %
042	Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures compliant with energy efficiency criteria ²	100 %	40 %

¹ If the objective of the measure is (a) to achieve, on average, at least a medium-depth level renovation as defined in Commission Recommendation (EU) 2019/786 of 8 May 2019 on building renovation (OJ L 127, 16.5.2019, p. 34) or (b) to achieve, on average, at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the *ex-ante* emissions.

² If the objective of the measure is to achieve, on average, at least a medium-depth level renovation as defined in Commission Recommendation (EU) 2019/786. The renovation of buildings is also meant to include infrastructure in the sense of intervention fields 120 to 127.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
043	Construction of new energy efficient buildings ¹	40 %	40 %
044	Energy efficiency renovation or energy efficiency measures regarding public infrastructure, demonstration projects and supporting measures	40 %	40 %
045	Energy efficiency renovation or energy efficiency measures regarding public infrastructure, demonstration projects and supporting measures compliant with energy efficiency criteria ²	100 %	40 %
046	Support to entities that provide services contributing to the low carbon economy and to resilience to climate change, including awareness-raising measures	100 %	40 %

¹ If the objective of the measures concerns the construction of new buildings with a Primary Energy Demand (PED) that is at least 20 % lower than the NZEB requirement (nearly zero-energy building, national directives). The construction of new energy efficient buildings is also meant to include infrastructure in the sense of intervention fields 120 to 127.

² If the objective of the measure is to achieve, on average (a) at least a medium-depth level renovation as defined in Commission Recommendation (EU) 2019/786 or (b), at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the *ex-ante* emissions. The renovation of buildings is also meant to include infrastructure in the sense of intervention fields 120 to 127.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
047	Renewable energy: wind	100 %	40 %
048	Renewable energy: solar	100 %	40 %
049	Renewable energy: biomass ¹	40 %	40 %
050	Renewable energy: biomass with high greenhouse gas savings ²	100 %	40 %
051	Renewable energy: marine	100 %	40 %
052	Other renewable energy (including geothermal energy)	100 %	40 %
053	Smart Energy Systems (including smart grids and ICT systems) and related storage	100 %	40 %
054	High efficiency co-generation, district heating and cooling	40 %	40 %

¹ If the objective of the measure relates to the production of electricity or heat from biomass, in line with Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

² If the objective of the measure relates to the production of electricity or heat from biomass, in line with Directive (EU) 2018/2001; and if the objective of the measure is to achieve at least 80 % greenhouse gas emission savings at the facility from the use of biomass in relation to the greenhouse gas saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. If the objective of the measure relates to the production of biofuel from biomass (excluding food and feed crops), in line with Directive (EU) 2018/2001; and if the objective of the measure is to achieve at least 65 % greenhouse gas emission savings at the facility from the use of biomass for this purpose in relation to the greenhouse gas saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
055 ¹	High efficiency co-generation, efficient district heating and cooling with low lifecycle emissions ²	100 %	40 %
056	Replacement of coal-based heating systems by gas-based heating systems for climate mitigation purposes	0 %	0 %
057	Distribution and transport of natural gas substituting coal	0 %	0 %
058	Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	100 %	100 %
059	Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	100 %	100 %

¹ This field cannot be used when supporting fossil fuels under point (h) of Article 7(1) ERDF and Cohesion Fund Regulation.

² In case of high-efficiency cogeneration, if the objective of the measure is to achieve life cycle emissions that are lower than 100gCO₂e/kWh or heat/cool produced from waste heat. In the case of district heating/cooling, if the associated infrastructure follows Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315 14.11.2012, p. 1), or the existing infrastructure is refurbished to meet the definition of the efficient district heating and cooling, or the project is an advanced pilot system (control and energy management systems, Internet of Things) or leads to a lower temperature regime in the district heating and cooling system.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
060	Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	100 %	100 %
061	Risk prevention and management of non-climate related natural risks (for example earthquakes) and risks linked to human activities (for example technological accidents), including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches	0 %	100 %
062	Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure, efficiency measures, drinking water supply)	0 %	100 %
063	Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure, efficiency measures, drinking water supply) compliant with efficiency criteria ¹	40 %	100 %

¹ If the objective of the measure is for the constructed system to have an average energy consumption of ≤ 0.5 kWh or an Infrastructure Leakage Index (ILI) of ≤ 1.5 , and for the renovation activity to decrease the average energy consumption by more than 20 % or decrease leakage by more than 20 %.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
064	Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)	40 %	100 %
065	Waste water collection and treatment	0 %	100 %
066	Waste water collection and treatment compliant with energy efficiency criteria ¹	40 %	100 %
067	Household waste management: prevention, minimisation, sorting, reuse, recycling measures	40 %	100 %
068	Household waste management: residual waste treatment	0 %	100 %
069	Commercial, industrial waste management: prevention, minimisation, sorting, reuse, recycling measures	40 %	100 %
070	Commercial, industrial waste management: residual and hazardous waste	0 %	100 %
071	Promoting the use of recycled materials as raw materials	0 %	100 %
072	Use of recycled materials as raw materials compliant with the efficiency criteria ²	100 %	100 %
073	Rehabilitation of industrial sites and contaminated land	0 %	100 %

¹ If the objective of the measure for the constructed front-to-end waste water system to have net zero energy use or for the renewal of the front-to-end waste water system to lead to a decreased average energy use by at least 10 % (solely by energy efficiency measures and not by material changes or changes in load).

² If the objective of the measure is to convert at least 50 %, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
074	Rehabilitation of industrial sites and contaminated land compliant with efficiency criteria ¹	40 %	100 %
075	Support to environmentally-friendly production processes and resource efficiency in SMEs	40 %	40 %
076	Support to environmentally-friendly production processes and resource efficiency in large enterprises	40 %	40 %
077	Air quality and noise reduction measures	40 %	100 %
078	Protection, restoration and sustainable use of Natura 2000 sites	40 %	100 %
079	Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	40 %	100 %
080	Other measures to reduce greenhouse gas emissions in the area of preservation and restoration of natural areas with high potential for carbon absorption and storage, e.g. by rewetting of moorlands, the capture of landfill gas	100 %	100 %
081	Clean urban transport infrastructure ²	100 %	40 %

¹ If the objective of the measure is to turn industrial sites and contaminated land into a natural carbon sink.

² Clean urban transport infrastructure refers to infrastructure that enables the operation of zero-emission rolling stock.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
082	Clean urban transport rolling stock ¹	100 %	40 %
083	Cycling infrastructure	100 %	100 %
084	Digitalisation of urban transport	0 %	0 %
085	Digitalisation of transport when dedicated in part to greenhouse gas emissions reduction: urban transport	40 %	0 %
086	Alternative fuels infrastructure ²	100 %	40 %
Policy objective 3: A more connected Europe by enhancing mobility			
087 ³	Newly built or upgraded motorways and roads - TEN-T core network	0 %	0 %
088	Newly built or upgraded motorways and roads - TEN-T comprehensive network	0 %	0 %
089	Newly built or upgraded secondary road links to TEN-T road network and nodes	0 %	0 %
090	Newly built or upgraded other national, regional and local access roads	0 %	0 %
091	Reconstructed or modernised motorways and roads - TEN-T core network	0 %	0 %

¹ Clean urban transport rolling stock refers to zero-emission rolling stock.

² If the objective of the measure is in line with Directive (EU) 2018/2001.

³ For intervention fields 087 to 091, intervention fields 081, 082 and 086 can be used for elements of the measures that relate to interventions in alternative fuels, including EV charging, or public transport.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
092	Reconstructed or modernised motorways and roads - TEN-T comprehensive network	0 %	0 %
093	Other reconstructed or modernised roads (motorway, national, regional or local)	0 %	0 %
094	Digitalisation of transport: road	0 %	0 %
095	Digitalisation of transport when dedicated in part to greenhouse gas emissions reduction: road	40 %	0 %
096	Newly built or upgraded railways - TEN-T core network	100 %	40 %
097	Newly built or upgraded railways - TEN-T comprehensive network	100 %	40 %
098	Other newly built or upgraded railways	40 %	40 %
099	Other newly built or upgraded railways – electric/zero emission ¹	100 %	40 %
100	Reconstructed or modernised railways - TEN-T core network	100 %	40 %
101	Reconstructed or modernised railways - TEN-T comprehensive network	100 %	40 %
102	Other reconstructed or modernised railways	40 %	40 %

¹ If the objective of the measure relates to electrified trackside and associated subsystems or if there is a plan for electrification or it will be fit for use by zero tailpipe emission trains within 10 years.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
103	Other reconstructed or modernised railways – electric/zero emission ¹	100 %	40 %
104	Digitalisation of transport: rail	40 %	0 %
105	European Rail Traffic Management System (ERTMS)	40 %	40 %
106	Mobile rail assets	0 %	40 %
107	Mobile zero emission/electric powered ¹ rail assets	100 %	40 %
108	Multimodal transport (TEN-T)	40 %	40 %
109	Multimodal transport (not urban)	40 %	40 %
110	Seaports (TEN-T)	0 %	0 %
111	Seaports (TEN-T) excluding facilities dedicated to transport of fossil fuels	40 %	0 %

¹ Also applies to bi-mode trains.

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
112	Other seaports	0 %	0 %
113	Other seaports excluding facilities dedicated to transport of fossil fuels	40 %	0 %
114	Inland waterways and ports (TEN-T)	0 %	0 %
115	Inland waterways and ports (TEN-T) excluding facilities dedicated to transport of fossil fuels	40 %	0 %
116	Inland waterways and ports (regional and local)	0 %	0 %
117	Inland waterways and ports (regional and local) excluding facilities dedicated to transport of fossil fuels	40 %	0 %
118	Security, safety and air traffic management systems, for existing airports	0 %	0 %
119	Digitising transport: other transport modes	0 %	0 %
120	Digitising transport when dedicated in part to greenhouse gas emissions reduction: other transport modes	40 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
Policy objective 4: A more social and inclusive Europe implementing the European Pillar of Social Rights			
121	Infrastructure for early childhood education and care	0 %	0 %
122	Infrastructure for primary and secondary education	0 %	0 %
123	Infrastructure for tertiary education	0 %	0 %
124	Infrastructure for vocational education and training and adult learning	0 %	0 %
125	Housing infrastructure for migrants, refugees and persons under or applying for international protection	0 %	0 %
126	Housing infrastructure (other than for migrants, refugees and persons under or applying for international protection)	0 %	0 %
127	Other social infrastructure contributing to social inclusion in the community	0 %	0 %
128	Health infrastructure	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
129	Health equipment	0 %	0 %
130	Health mobile assets	0 %	0 %
131	Digitalisation in health care	0 %	0 %
132	Critical equipment and supplies necessary to address emergency situation	0 %	0 %
133	Temporary reception infrastructure for migrants, refugees and persons under or applying for international protection	0 %	0 %
134	Measures to improve access to employment	0 %	0 %
135	Measures to promote access to employment of long-term unemployed	0 %	0 %
136	Specific support for youth employment and socio-economic integration of young people	0 %	0 %
137	Support for self-employment and business start-ups	0 %	0 %
138	Support for social economy and social enterprises	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
139	Measures to modernise and strengthen labour market institutions and services to assess and anticipate skills needs and to ensure timely and tailor-made assistance	0 %	0 %
140	Support for labour market matching and transitions	0 %	0 %
141	Support for labour mobility	0 %	0 %
142	Measures to promote women's labour market participation and reduce gender-based segregation in the labour market	0 %	0 %
143	Measures promoting work-life balance, including access to childcare and care for dependent persons	0 %	0 %
144	Measures for a healthy and well-adapted working environment addressing health risks, including promotion of physical activity	0 %	0 %
145	Support for the development of digital skills	0 %	0 %
146	Support for adaptation of workers, enterprises and entrepreneurs to change	0 %	0 %
147	Measures encouraging active and healthy ageing	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
148	Support for early childhood education and care (excluding infrastructure)	0 %	0 %
149	Support for primary to secondary education (excluding infrastructure)	0 %	0 %
150	Support for tertiary education (excluding infrastructure)	0 %	0 %
151	Support for adult education (excluding infrastructure)	0 %	0 %
152	Measures to promote equal opportunities and active participation in society	0 %	0 %
153	Pathways to integration and re-entry into employment for disadvantaged people	0 %	0 %
154	Measures to improve access of marginalised groups such as the Roma to education, employment and to promote their social inclusion	0 %	0 %
155	Support to the civil society working with marginalised communities such as the Roma	0 %	0 %
156	Specific actions to increase participation of third-country nationals in employment	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
157	Measures for the social integration of third-country nationals	0 %	0 %
158	Measures to enhancing the equal and timely access to quality, sustainable and affordable services	0 %	0 %
159	Measures to enhancing the delivery of family and community-based care services	0 %	0 %
160	Measures to improve the accessibility, effectiveness and resilience of healthcare systems (excluding infrastructure)	0 %	0 %
161	Measures to improve access to long-term care (excluding infrastructure)	0 %	0 %
162	Measures to modernise social protection systems, including promoting access to social protection	0 %	0 %
163	Promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children	0 %	0 %
164	Addressing material deprivation through food and/or material assistance to the most deprived, including accompanying measures	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
Policy objective 5: A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives			
165	Protection, development and promotion of public tourism assets and tourism services	0 %	0 %
166	Protection, development and promotion of cultural heritage and cultural services	0 %	0 %
167	Protection, development and promotion of natural heritage and eco-tourism other than Natura 2000 sites	0 %	100 %
168	Physical regeneration and security of public spaces	0 %	0 %
169	Territorial development initiatives, including preparation of territorial strategies	0 %	0 %
Other codes related to policy objectives 1-5			
170	Improve the capacity of programme authorities and bodies linked to the implementation of the Funds	0 %	0 %
171	Enhancing cooperation with partners both within and outside the Member State	0 %	0 %
172	Cross-financing under the ERDF (support to ESF+-type actions necessary for the implementation of the ERDF part of the operation and directly linked to it)	0 %	0 %
173	Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	0 %	0 %

INTERVENTION FIELD ³		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
174	Interreg: border crossing management and mobility and migration management	0 %	0 %
175	Outermost regions: compensation of any additional costs due to accessibility deficit and territorial fragmentation	0 %	0 %
176	Outermost regions: specific action to compensate additional costs due to size market factors	0 %	0 %
177	Outermost regions: support to compensate additional costs due to climate conditions and relief difficulties	40 %	40 %
178	Outermost regions: airports	0 %	0 %
Technical assistance			
179	Information and communication	0 %	0 %
180	Preparation, implementation, monitoring and control	0 %	0 %
181	Evaluation and studies, data collection	0 %	0 %
182	Reinforcement of the capacity of Member State authorities, beneficiaries and relevant partners	0 %	0 %

TABLE 2: CODES FOR THE FORM OF SUPPORT DIMENSION¹

FORM OF SUPPORT	
01	Grant
02	Support through financial instruments: equity or quasi-equity
03	Support through financial instruments: loan
04	Support through financial instruments: guarantee
05	Support through financial instruments: Grants within a financial instrument operation
06	Prize

¹ This table is applicable to the EMFAF for the purpose of Table 12 of Annex VII.

TABLE 3: CODES FOR THE TERRITORIAL DELIVERY MECHANISM AND TERRITORIAL FOCUS DIMENSION

TERRITORIAL DELIVERY MECHANISM AND TERRITORIAL FOCUS		
Integrated territorial investment (ITI)		ITI focused on sustainable urban development
01	Urban neighbourhoods	x
02	Cities, towns and suburbs	x
03	Functional urban areas	x
04	Rural areas	
05	Mountainous areas	
06	Islands and coastal areas	
07	Sparsely populated areas	
08	Other types of territories targeted	
Community-led local development (CLLD)		CLLD focused on sustainable urban development
09	Urban neighbourhoods	x
10	Cities, towns and suburbs	x
11	Functional urban areas	x
12	Rural areas	
13	Mountainous areas	
14	Islands and coastal areas	
15	Sparsely populated areas	
16	Other types of territories targeted	

Other type of territorial tool		Other type of territorial tool focused on sustainable urban development
17	Urban neighbourhoods	x
18	Cities, towns and suburbs	x
19	Functional urban areas	x
20	Rural areas	
21	Mountainous areas	
22	Islands and coastal areas	
23	Sparsely populated areas	
24	Other types of territories targeted	
Other approaches ¹		
25	Urban neighbourhoods	
26	Cities, towns and suburbs	
27	Functional urban areas	
28	Rural areas	
29	Mountainous areas	
30	Islands and coastal areas	
31	Sparsely populated areas	
32	Other types of territories targeted	
33	No territorial targeting	

¹ Other approaches undertaken under policy objectives other than policy objective 5 and not in a form of integrated territorial investment or in form of community-led local development.

TABLE 4: CODES FOR THE ECONOMIC ACTIVITY DIMENSION

01	Agriculture and forestry
02	Fisheries
03	Aquaculture
04	Other blue economy sectors
05	Manufacture of food products and beverages
06	Manufacture of textiles and textile products
07	Manufacture of transport equipment
08	Manufacture of computer, electronic and optical products
09	Other unspecified manufacturing industries
10	Construction
11	Mining and quarrying
12	Electricity, gas, steam, hot water and air conditioning
13	Water supply, sewerage, waste management and remediation act
14	Transport and storage
15	Information and communication activities, including telecomm
16	Wholesale and retail trade
17	Tourism, accommodation and food service activities
18	Financial and insurance activities
19	Real estate, renting and business services activities
20	Public administration
21	Education
22	Human health activities
23	Social work activities, community, social and personal services
24	Activities linked to the environment
25	Arts, entertainment, creative industries and recreation
26	Other unspecified services

TABLE 5: CODES FOR THE LOCATION DIMENSION

LOCATION	
Code	Location
	Code of region or area where operation is located or carried out, as set out in the common classification of territorial units for statistics (NUTS) provided in Annex I to Regulation (EC) No 1059/2003.

TABLE 6: CODES FOR ESF+ SECONDARY THEMES

ESF+ SECONDARY THEME		Coefficient for the calculation of support to climate change objectives
01	Contributing to green skills and jobs and the green economy	100 %
02	Developing digital skills and jobs	0 %
03	Investing in research and innovation and smart specialisation	0 %
04	Investing in small and medium-sized enterprises (SMEs)	0 %
05	Non-discrimination	0 %
06	Addressing child poverty	0 %
07	Capacity building of social partners	0 %
08	Capacity building of the civil society organisations	0 %
09	Not applicable	0 %
10	Addressing challenges identified in the European Semester ¹	0 %

¹ Including in their national reform programmes as well as in the relevant country-specific recommendations (adopted in accordance with Articles 121(2) and 148(4) TFEU).

TABLE 7: CODES FOR ESF+ / ERDF / COHESION FUND / JTF GENDER EQUALITY DIMENSION

ESF+/ERDF/ Cohesion Fund/ JTF gender equality dimension		Coefficient for the calculation of support to gender equality
01	Gender targeting	100 %
02	Gender mainstreaming	40 %
03	Gender neutral	0 %

TABLE 8: CODES FOR THE MACRO-REGIONAL AND SEA BASIN STRATEGIES

MACRO-REGIONAL AND SEA BASIN STRATEGIES	
01	Adriatic & Ionian Region Strategy
02	Alpine Region Strategy
03	Baltic Sea Region Strategy
04	Danube Region Strategy
05	Arctic Ocean
06	Atlantic Strategy
07	Black Sea
08	Mediterranean Sea
09	North Sea
10	Western Mediterranean Strategy
11	No contribution to macro-regional or sea basin strategies

ANNEX II

Template for Partnership Agreement - Article 10(6)¹

Reference: Article 10(5) of Regulation (EU) 2021/1060 (CPR). The justifications and text fields under points 1-10 of this Annex amount to no more than 35 pages, whereby one page contains on average 3 000 characters without spaces.

CCI	[15] ²
Title	[255]
Version	
First year	[4]
Last year	[4]
Commission decision number	
Commission decision date	

¹ As regards the ERDF, only table 2 in section 8 is relevant for European territorial cooperation goal (Interreg), while all the information in the remaining sections and tables concern only the Investment for jobs and growth goal.

² Numbers in square brackets refer to number of characters without spaces.

1. Selection of policy objectives and the JTF specific objective

Reference: point (a) of Article 11(1) CPR

Table 1: Selection of policy objective and JTF specific objective with justification

Selected objective	Programme	Fund	Justification for selection of a policy objective or JTF-specific objective
			[3 500 per objective]

2. Policy choices, coordination and complementarity¹

Reference: points (b)(i), (ii) and (iii) of Article 11(1) CPR

A summary of the policy choices and the main results expected for each of the funds covered by the Partnership Agreement – point (b)(i) of Article 11(1) CPR

Text field

¹ The total length of the text inserted in the three text fields above shall be between 10 000 and 30 000 characters.

Coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes – point (b)(ii) of Article 11(1) CPR

Text field

Complementarities and synergies between the funds covered by the Partnership Agreement, the AMIF, the ISF, the BMVI, and other Union instruments – point (b)(iii) of Article 11(1) CPR

Text field

3. Contribution to the budgetary guarantee under InvestEU with justification¹

Reference: point (g) of Article 11(1) and Article 14 CPR

Table 2A: Contribution to InvestEU (breakdown by year)

Contribution from		Contribution to InvestEU window(s)	Breakdown by year							
Fund	Category of region		2021	2022	2023	2024	2025	2026	2027	Total
ERDF	More developed									
	Transition									
	Less developed									
ESF+	More developed									
	Transition									
	Less developed									
Cohesion Fund	N/A									
EMFAF	N/A									

¹ Contributions shall not affect the annual breakdown of financial appropriations at the MFF level for a Member State.

Table 2B: Contribution to InvestEU (summary)

	Category of region	Window 1 Sustainable Infrastructure (a)	Window 2 Research, Innovation and Digitisation (b)	Window 3 SME (c)	Window 4 Social Investment and Skills (d)	Total (f)=(a)+(b)+(c)+(d)
ERDF	More developed					
	Less developed					
	Transition					
ESF+	More developed					
	Less developed					
	Transition					

Cohesion Fund							
EMFAF							
Total							
Text field [3 500] (justification taking into account how those amounts contribute to the achievement of policy objectives selected in the Partnership Agreement in line with Art. 10(1) of the InvestEU Regulation)							

4. Transfers¹

MS requests a	<input type="checkbox"/> transfer between categories of region
	<input type="checkbox"/> transfer to instruments under direct or indirect management
	<input type="checkbox"/> transfer between ERDF, ESF+, Cohesion Fund or to another Fund or Funds
	<input type="checkbox"/> transfer of ERDF and ESF+ resources as complementary support to the JTF
	<input type="checkbox"/> transfers from European territorial cooperation to Investment for jobs and growth

¹ Transfers shall not affect the annual breakdown of financial appropriations at the MFF level for a Member State.

Table 3B. Transfer between categories of region (summary)

Category of region	Allocation by category of region	Transfer to:	Transfer amount	Share of the initial allocation transferred	Allocation by category of region after the transfer
Less developed		More developed			
		Transition			
More developed		Transition			
		Less developed			
Transition		More developed			
		Less developed			

Text field [3 500] (justification)

4.2. Transfers to instruments under direct or indirect management

Reference: Article 26(1) CPR

Table 4A: Transfers to instruments under direct or indirect management where such possibility is provided for in the basic act* (breakdown by year)

Fund	Transfer from	Transfer to	Breakdown by year									
			2021	2022	2023	2024	2025	2026	2027	Total		
ERDF	Category of region	Instrument										
	More developed											
	Transition											
ESF+	Less developed											
	More developed											
	Transition											
Cohesion Fund	Less developed											
	N/A											
EMFAF	N/A											

* Transfers may be made to any other instrument under direct or indirect management, where such possibility is provided for in the basic act. Number and names of the relevant Union instruments will be specified accordingly.

Table 4B: Transfers to instruments under direct or indirect management where such possibility is provided for in the basic act* (summary)

Fund	Category of region	Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Total
ERDF	More developed						
	Transition						
	Less developed						
ESF+	More developed						
	Transition						
	Less developed						
Cohesion Fund							
EMFAF							
Total							

* Transfers may be made to any other instrument under direct or indirect management, where such possibility is provided for in the basic act. Number and names of the relevant Union instruments will be specified accordingly.

Text field [3 500] (justification)

4.3. Transfers between ERDF, ESF+ and Cohesion Fund or to another Fund or Funds

Reference: Article 26(1) CPR

Table 5A: Transfers between ERDF, ESF+ and Cohesion Fund and to other Fund or Funds* (breakdown by year)

Transfers from		Transfers to		Breakdown by year								
Fund	Category of region	Fund	Category of region (where relevant)	2021	2022	2023	2024	2025	2026	2027	Total	
ERDF	More developed	ERDF, ESF+ or Cohesion Fund, EMFAF, AMIF, ISF, BMVI										
	Transition											
	Less developed											
ESF+	More developed											
	Transition											
	Less developed											
Cohesion Fund	N/A											
	N/A											

* Transfers between ERDF and ESF+ can only be done within the same category of region.

Table 5B: Transfers between ERDF, ESF+ and Cohesion Fund or to another Fund or Funds (summary)*

Transfer to / Transfer from	ERDF			ESF+			Cohesion Fund	EMFAF	AMIF	ISF	BMVI	Total
	More developed	Transition	Less developed	More developed	Transition	Less developed						
ERDF	More developed											
	Transition											
	Less developed											
ESF+	More developed											
	Transition											
	Less developed											
Cohesion Fund												
EMFAF												
Total												

* Transfer to other programmes. Transfers between ERDF and ESF+ can only be done within the same category of region.

Text field [3 500] (justification)

4.4. Transfer of ERDF and ESF+ resources as complementary support to the JTF, with justification¹

Reference: Article 27 CPR

Table 6A: Transfer of ERDF and ESF+ resources as complementary support to the JTF (breakdown by year)

Fund	Category of region	Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	More developed	JTF*								
	Transition									
	Less developed									
ESF+	More developed	JTF								
	Transition									
	Less developed									

* JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

¹ This transfer is preliminary. It should be confirmed or corrected at the first adoption of programme(s) with JTF allocation, as indicated in Annex V.

Table 6B: Transfer of ERDF and ESF+ resources as complementary support to the JTF (summary)

Transfer (complementary support) per category of region from:		Article 3 JTF Regulation allocation prior to transfers
		Transfers to JTF to the territory located in* :
ERDF	More developed	
	Transition	
	Less developed	
ESF+	More developed	
	Transition	
	Less developed	
Total	More developed	
	Transition	
	Less developed	

* JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

Text field [3 500] (justification)

Transfer to Investment for jobs and growth goal										
Fund	Category of region	2021	2022	2023	2024	2025	2026	2027	Total	
ERDF	More developed									
	Transition									
	Less developed									
ESF+	More developed									
	Transition									
	Less developed									
JTF	N/A									
Cohesion Fund	N/A									

Text field [3 500] (justification)

5. The form of Union contribution for technical assistance

Reference: point (f) of Article 11(1) CPR

The choice of the form of the Union contribution to technical assistance	<input type="checkbox"/> Technical assistance pursuant to Article 36(4)*
	<input type="checkbox"/> Technical assistance pursuant to Article 36(5)**

* If chosen table 1 of section 8 is to be filled in.
 ** If chosen table 2 of section 8 is to be filled in.

Text field [3 500] (justification)

6. Thematic concentration

6.1.

Reference: Article 4(3) ERDF and CF Regulation

Member State decides to	<input type="checkbox"/> comply with thematic concentration at national level
	<input type="checkbox"/> comply with thematic concentration at category of region level
	<input type="checkbox"/> take into account Cohesion Fund resources for the purpose of thematic concentration

6.2.

Reference: point (c) of Article 11(1) CPR and Article 7 ESF+ Regulation

Member State complies with thematic concentration requirements	... % social inclusion Programmed under specific objectives (h) – (l) of Article 4 ESF+ Regulation	Planned ESF+ programmes 1 2
	... % support to the most deprived Programmed under specific objectives (m), and in duly justified cases (l) of Article 4 ESF+ Regulation	Planned ESF+ programmes 1 2
	... % support to youth employment Programmed under specific objectives (a), (f) and (l) of Article 4 ESF+ Regulation	Planned ESF+ programmes 1 2
	... % support to tackling child poverty Programmed under specific objectives (f), (h) – (l) of Article 4 ESF+ Regulation	Planned ESF+ programmes 1 2
	...% capacity building social partners and NGOs Programmed under all specific objectives except (m) of Article 4 ESF+ Regulation	Planned ESF+ programmes 1 2

7. Preliminary financial allocation from each of the funds covered by the Partnership Agreement by policy objective, JTF specific objective and technical assistance, at national and where appropriate regional level

Reference: point (c) of Article 11(1) CPR

Table 8: Preliminary financial allocation from ERDF, Cohesion Fund, JTF, ESF+, EMFAF by policy objective, JTF specific objective and technical assistance*

Policy objectives, JTF specific objective or technical assistance	ERDF			Cohesion Fund allocation at national level	JTF**			ESF+			EMFAF allocation at national level	Total	
	Allocation at national level	Category of region	Allocation by category of region		Allocation at national level	Article 3 JTF Regulation resources	Article 4 JTF Regulation resources	Allocation at national level	Category of region	Allocation by category of region			
Policy objective 1		More developed							More developed				
		Transition						Transition					
		Less developed							Less developed				
		Outermost and northern sparsely populated							Outermost and northern sparsely populated				

Policy objectives, JTF specific objective or technical assistance	ERDF			Cohesion Fund allocation at national level			JTF**			ESF+			EMFAF allocation at national level	Total
	Allocation at national level	Category of region	Allocation by category of region	Allocation at national level	Article 3 JTF Regulation resources	Article 4 JTF Regulation resources	Allocation at national level	Category of region	Allocation by category of region	Allocation at national level	Category of region	Allocation by category of region		
Policy objective 5		More developed						More developed			Transition			
		Less developed						Less developed						
		Outermost and northern sparsely populated						Outermost and northern sparsely populated						

Policy objectives, JTF specific objective or technical assistance	ERDF			Cohesion Fund allocation at national level	JTF**			ESF+			EMFAF allocation at national level	Total
	Allocation at national level	Category of region	Allocation by category of region		Allocation at national level	Article 3 JTF Regulation resources	Article 4 JTF Regulation resources	Allocation at national level	Category of region	Allocation by category of region		
JTF specific objective												
Technical assistance pursuant to Article 36(4) CPR (where relevant)		More developed						More developed				
		Transition						Transition				
		Less developed						Less developed				
		Outermost and northern sparsely populated						Outermost and northern sparsely populated				

Policy objectives, JTF specific objective or technical assistance	ERDF			Cohesion Fund allocation at national level			JTF**			ESF+			EMFAF allocation at national level	Total
	Allocation at national level	Category of region	Allocation by category of region	Allocation at national level	Article 3 JTF Regulation resources	Article 4 JTF Regulation resources	Allocation at national level	Category of region	Allocation by category of region	Allocation at national level	Category of region	Allocation by category of region		
Article 7 JTF Regulation resources related to Article 4 JTF Regulation resources														
Total														

* The amount should include the flexibility amounts in accordance with Article 18 CPR that have been preliminarily allocated.

** The actual allocation of the flexibility amounts will only be confirmed at the mid-term review.

JTF amounts after the envisaged complementary support from the ERDF and ESF+.

Text field [3 500] (justification)

- 8. List of planned programmes under the funds covered by the Partnership agreement with the respective preliminary financial allocations by fund and the corresponding national contribution by category of region

Reference: point (h) of Article 11(1) and Article 110 CPR

Table 9A: List of planned programmes¹ with preliminary financial allocations*

Title [255]	Fund	Category of region	Union contribution	National contribution	Total
Programme** 1	ERDF	More developed			
		Transition			
		Less developed			
Programme 2	Cohesion Fund	Outermost and northern sparsely populated			
		N/A			

¹ In case Article 36(4) CPR technical assistance was chosen.

Programme 3	ESF+	More developed			
		Transition			
		Less developed			
		Outermost and northern sparsely populated			
Programme 4	JTF allocation (Article 3 JTF Regulation)	N/A			
		N/A			
Total	ERDF, Cohesion Fund, JTF, ESF+				
Programme 5	EMFAF	N/A			

* The amount should include the flexibility amounts in accordance with Article 18 CPR that have been preliminarily allocated.

The actual allocation of the flexibility amounts will only be confirmed at the mid-term review.

** Programmes may have joint support from the Funds in line with Article 25(1) CPR (as priorities may use support from one or more Funds in line with Article 22(2) CPR). Whenever the JTF contributes to a programme, the JTF allocation needs to include complementary transfers and be split to present amounts in accordance with Articles 3 and 4 JTF Regulation.

Table 9B: List of planned programmes¹ with preliminary financial allocations*

Title [255]	Fund	Category of region	Union contribution		National contribution	Total
			Union contribution without technical assistance pursuant to Article 36(5) CPR	Union contribution for technical assistance pursuant to Article 36(5) CPR		
Programme** 1	ERDF	More developed				
		Transition				
		Less developed				
		Outermost and northern sparsely populated				
Programme 2	Cohesion Fund	N/A				

¹ In case Article 36(5) CPR technical assistance was chosen.

Programme 3	ESF+	More developed				
		Transition				
		Less developed				
		Outermost and northern sparsely populated				
Programme 4	JTF allocation (Article 3 JTF Regulation) JTF allocation (Article 4 JTF Regulation)	N/A				
		N/A				

Total	ERDF, Cohesion Fund, ESF+, JTF					
Programme 5	EMFAF	N/A				
Total	All funds					

* The amount should include the flexibility amounts in accordance with Article 18 CPR that have been preliminarily allocated. The actual allocation of the flexibility amounts will only be confirmed at the mid-term review.

** Programmes may have joint support from the Funds in line with Article 25(1) CPR (as priorities may use support from one or more Funds in line with Article 22(2) CPR). Whenever the JTF contributes to a programme, the JTF allocation needs to include complementary transfers and be split to present amounts in accordance with Articles 3 and 4 JTF Regulation.

Reference: Article 11 CPR

Table 10: List of planned Interreg programmes

Programme 1	Title 1 [255]
Programme 2	Title 1 [255]

9. A summary of actions planned to reinforce administrative capacity of the implementation of the funds covered by the Partnership Agreement
Reference: point (i) of Article 11(1) CPR
Text field [4 500]
10. An integrated approach to address the demographic challenges and/or specific needs of regions and areas (where appropriate)
Reference: point (j) of Article 11(1) CPR and Article 10 ERDF and CF Regulation
Text field [3 500]
11. A summary of the assessment of the fulfilment of relevant enabling conditions referred to in Article 15 and Annexes III and IV (optional)
Reference: Article 11 CPR

Table 11: Enabling conditions

Enabling condition	Fund	Selected specific objective (N/A to the EMFAF)	Summary of the assessment
			[1 000]

12. Preliminary climate contribution target

Reference: Article 6(2) and point (d) of Article 11(1) CPR

Fund	Preliminary climate contribution ¹
ERDF	
Cohesion Fund	

¹ Corresponding to information included or to be included in programmes as a result of the types of intervention and the indicative financial breakdown pursuant to point (d)(viii) of Article 22(3) CPR.

ANNEX III

Horizontal enabling conditions – Article 15(1)

Applicable to all specific objectives	
Name of enabling conditions	Fulfilment criteria
Effective monitoring mechanisms of the public procurement market	<p>Monitoring mechanisms are in place that cover all public contracts and their procurement under the Funds in line with Union procurement legislation. That requirement includes:</p> <ol style="list-style-type: none"> 1. Arrangements to ensure compilation of effective and reliable data on public procurement procedures above the Union thresholds in accordance with reporting obligations under Articles 83 and 84 of Directive 2014/24/EU and Articles 99 and 100 of Directive 2014/25/EU. 2. Arrangements to ensure the data cover at least the following elements: <ol style="list-style-type: none"> (a) quality and intensity of competition: names of winning bidder, number of initial bidders and contractual value; (b) information on final price after completion and on participation of SMEs as direct bidders, where national systems provide such information. 3. Arrangements to ensure monitoring and analysis of the data by the competent national authorities in accordance with Article 83(2) of Directive 2014/24/EU and Article 99(2) of Directive 2014/25/EU.

	<p>4. Arrangements to make the results of the analysis available to the public in accordance with Article 83(3) of Directive 2014/24/EU and Article 99(3) Directive 2014/25/EU.</p> <p>5. Arrangements to ensure that all information pointing to suspected bid-rigging situations is communicated to the competent national bodies in accordance with Article 83(2) of Directive 2014/24/EU and Article 99(2) of Directive 2014/25/EU.</p>
Tools and capacity for effective application of State aid rules	<p>Managing authorities have the tools and capacity to verify compliance with State aid rules:</p> <ol style="list-style-type: none"> 1. For undertakings in difficulty and undertakings under a recovery requirement. 2. Through access to expert advice and guidance on State aid matters, provided by State aid experts of local or national bodies.
Effective application and implementation of the Charter of Fundamental Rights	<p>Effective mechanisms are in place to ensure compliance with the Charter of Fundamental Rights of the European Union ('the Charter') which include:</p> <ol style="list-style-type: none"> 1. Arrangements to ensure compliance of the programmes supported by the Funds and their implementation with the relevant provisions of the Charter. 2. Reporting arrangements to the monitoring committee regarding cases of non-compliance of operations supported by the Funds with the Charter and complaints regarding the Charter submitted in accordance with the arrangements made pursuant to Article 69(7).

Implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in accordance with Council Decision 2010/48/EC ¹	A national framework to ensure implementation of the UNCRPD is in place that includes: <ol style="list-style-type: none"><li data-bbox="719 324 1345 392">1. Objectives with measurable goals, data collection and monitoring mechanisms.<li data-bbox="719 398 1345 533">2. Arrangements to ensure that the accessibility policy, legislation and standards are properly reflected in the preparation and implementation of the programmes.<li data-bbox="719 539 1345 741">3. Reporting arrangements to the monitoring committee regarding cases of non-compliance of operations supported by the Funds with the UNCRPD and complaints regarding the UNCRPD submitted in accordance with the arrangements made pursuant to Article 69(7).
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¹ Council Decision of 26 November 2009 concerning the conclusion, by the European Community, of the United Nations Convention on the Rights of Persons with Disabilities (OJ L 23, 27.1.2010, p. 35).

ANNEX IV

Thematic enabling conditions applicable to ERDF, ESF+ and the Cohesion Fund – Article 15(1)

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	ERDF: Developing and enhancing research and innovation capacities and the uptake of advanced technologies Developing skills for smart specialisation, industrial transition and entrepreneurship	1.1. Good governance of national or regional smart specialisation strategy	Smart specialisation strategy or strategies shall be supported by: 1. Up-to-date analysis of challenges for innovation diffusion and digitalisation. 2. Existence of competent regional or national institution or body, responsible for the management of the smart specialisation strategy. 3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy. 4. Functioning of stakeholder co-operation (“entrepreneurial discovery process”). 5. Actions necessary to improve national or regional research and innovation systems, where relevant.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	ERDF: Enhancing digital connectivity	1.2. National or regional broadband plan	<p>6. Where relevant, actions to support industrial transition.</p> <p>7. Measures for enhancing cooperation with partners outside a given Member State in priority areas supported by the smart specialisation strategy.</p> <p>A national or regional broadband plan is in place which includes:</p> <ol style="list-style-type: none"> 1. An assessment of the investment gap that needs to be addressed to ensure that all Union citizens have access to very high capacity networks¹, based on: <ol style="list-style-type: none"> (a) a recent mapping² of existing private and public infrastructure and quality of service using standard broadband mapping indicators; (b) a consultation on planned investments in line with State aid requirements.

¹ In line with the objective defined in point (a) of Article 3(2) in conjunction with recital (25) of Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L 321, 17.12.2018, p. 36).

² In line with Article 22 of Directive (EU) 2018/1972.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
			<p>2. The justification of planned public intervention on the basis of sustainable investment models that:</p> <ul style="list-style-type: none"> (a) enhance affordability and access to open, quality and future-proof infrastructure and services; (b) adjust the forms of financial assistance to the identified market failures; (c) allow for a complementary use of different forms of financing from Union, national or regional sources. <p>3. Measures to support demand and use of very high capacity networks, including actions to facilitate their roll-out, in particular through the effective implementation of the Directive 2014/61/EU of the European Parliament and of the Council¹.</p> <p>4. Technical assistance and expert advice mechanisms, such as a Broadband Competence Office, to reinforce the capacity of local stakeholders and advise project promoters.</p> <p>5. A monitoring mechanism based on standard broadband mapping indicators.</p>

¹ Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks (OJ L 155, 23.5.2014, p. 1).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility</p>	<p>ERDF and Cohesion Fund: Promoting energy efficiency and reducing greenhouse gas emissions</p>	<p>2.1. Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings</p>	<p>1. A national long term renovation strategy to support the renovation of the national stock of residential and non-residential buildings is adopted, in line with the requirements of Directive (EU) 2010/31/EU of the European Parliament and of the Council¹, which:</p> <ul style="list-style-type: none"> (a) entails indicative milestones for 2030, 2040 and 2050; (b) provides an indicative outline of financial resources to support the implementation of the strategy; (c) defines effective mechanisms for promoting investments in building renovation. <p>2. Energy efficiency improvement measures to achieve required energy savings</p>

¹ Directive (EU) 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	ERDF and Cohesion Fund: Promoting energy efficiency and reducing greenhouse gas emissions Promoting renewable energy in accordance with Directive (EU) 2018/2001 of the European Parliament and of the Council ¹ , including the sustainability criteria set out therein	2.2. Governance of the energy sector	The integrated national energy and climate plan is notified to the Commission, in accordance with Article 3 of Regulation (EU) 2018/1999 and consistent with the long-term greenhouse gas emission reduction objectives under the Paris Agreement, which includes: <ol style="list-style-type: none"> 1. All elements required by the template set out in Annex I to Regulation (EU) 2018/1999. 2. An outline of envisaged financial resources and mechanisms for measures promoting low-carbon energy.

¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

Policy objective		Specific objective	ERDF and Cohesion Fund: Promoting renewable energy in accordance with Directive (EU) 2018/2001, including the sustainability criteria set out therein	Name of enabling condition	2.3. Effective promotion of the use of renewable energy across sectors and across the Union	Fulfilment criteria for the enabling condition	Measures are in place which ensure: 1. Compliance with the 2020 binding national renewable energy target and with this share of renewable energy as a baseline up to 2030 or having taken additional measures in case the baseline is not maintained over any one-year period in accordance with the Directive (EU) 2018/2001 and Regulation (EU) 2018/1999. 2. In accordance with the requirements of Directive (EU) 2018/2001 and Regulation (EU) 2018/1999, an increase of the share of renewable energy in the heating and cooling sector in line with Article 23 of Directive (EU) 2018/2001.
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Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	ERDF and Cohesion Fund: Promoting climate change adaptation, and disaster risk prevention, and resilience, taking into account ecosystem based approaches	2.4. Effective disaster risk management framework.	<p>A national or regional disaster risk management plan, established on the basis of risk assessments, taking due account of the likely impacts of climate change and the existing climate adaptation strategies, is in place and includes:</p> <ol style="list-style-type: none"> 1. Description of key risks, assessed in accordance with Article 6(1) of Decision No 1313/2013/EU of the European Parliament and of the Council¹, reflecting the current and evolving risk profile with an indicative 25 to 35 years timespan. The assessment shall build, for climate-related risks, on climate change projections and scenarios. 2. Description of the disaster prevention, preparedness and response measures to address the key risks identified. The measures shall be prioritised in proportion to the risks and their economic impact, capacity gaps², effectiveness and efficiency, taking into account possible alternatives. 3. Information on financing resources and mechanisms available for covering the operation and maintenance costs related to prevention, preparedness and response.

¹ Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

² As assessed in the risk management capabilities assessment required under point (b) of Article 6(1) of Decision No 1313/2013.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	ERDF and Cohesion Fund: Promoting access to water and sustainable water management	2.5. Updated planning for required investments in water and wastewater sectors	<p>For each or both sectors, a national investment plan is in place and includes:</p> <ol style="list-style-type: none"> 1. An assessment of the current state of implementation of Council Directive 91/271/EEC¹ and of Council Directive 98/83/EC². 2. The identification and planning of any public investments, including an indicative financial estimation: <ol style="list-style-type: none"> (a) required to implement the Directive 91/271/EEC, including a prioritisation with regard to the size of agglomerations and the environmental impact, with investments broken down for each wastewater agglomeration; (b) required to implement Directive 98/83/EC; (c) required to match the needs stemming from Directive (EU) 2020/2184³, regarding in particular the revised quality parameters set out in Annex I of that Directive.

¹ Council Directive 91/271/EEC of 21 May 1991 concerning urban waste water treatment (OJ L 135, 30.5.1991, p. 40).

² Council Directive 98/83/EC of 3 November 1998 on the quality of water intended for human consumption (OJ L 330, 5.12.1998, p. 32).

³ Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (OJ L 435, 23.12.2020, p. 1).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
			<p>3. An estimate of investments needed to renew existing wastewater and water supply infrastructure, including networks, based on their age and depreciation plans.</p> <p>4. An indication of potential sources of public financing, when needed to complement user charges.</p>
	<p>ERDF and Cohesion Fund: Promoting the transition to a circular and resource efficient economy</p>	<p>2.6. Updated planning for waste management</p>	<p>One or more waste management plans as referred to in Article 28 of Directive 2008/98/EC of the European Parliament and of the Council¹ are in place, covering the entire territory of the Member State, and include:</p> <p>1. An analysis of the current waste management situation in the geographical entity concerned, including the type, quantity and source of waste generated and an evaluation of their future development taking into account the expected impacts of measures set out in the waste prevention programmes developed in accordance with Article 29 of Directive 2008/98/EC.</p> <p>2. An assessment of existing waste collection schemes, including the material and territorial coverage of separate collection and measures to improve its operation, as well as the need for new collection schemes.</p>

¹ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
			<p>3. An investment gap assessment justifying the need for the closure of existing waste installations and additional or upgraded waste infrastructure, with an information of the sources of revenues available to meet operation and maintenance costs.</p> <p>4. Information on the location criteria for how future site locations identification will be determined and on the capacity of future waste treatment installations.</p>
	<p>ERDF and Cohesion Fund: Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution;</p>	<p>2.7. Prioritised action framework for the necessary conservation measures involving Union co-financing.</p>	<p>For interventions supporting nature conservation measures in connection with Natura 2000 areas within the scope of Council Directive 92/43/EEC¹:</p> <p>A priority action framework pursuant to Article 8 of Directive 92/43/EEC is in place and includes all elements required by the template for the priority action framework for 2021-2027 agreed by the Commission and the Member States, including the identification of the priority measures and an estimate of financing needs.</p>

¹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
<p>3. A more connected Europe by enhancing mobility</p>	<p>ERDF and Cohesion Fund: Developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T; Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility</p>	<p>3.1. Comprehensive transport planning at the appropriate level</p>	<p>Multimodal mapping of existing and planned infrastructures, except at local level, until 2030 is in place which:</p> <ol style="list-style-type: none"> 1. Includes economic assessment of the planned investments, underpinned by demand analysis and traffic modelling, which should take into account the anticipated impact of the opening of the rail services markets. 2. Is consistent with the transport related elements of the integrated national energy and climate plan. 3. Includes investments in TEN-T core network corridors, as defined by the CEF Regulation, in line with the respective TEN-T core network corridors work plans. 4. For investments outside the TEN-T core network corridors, including in cross-border sections, ensures complementarity by providing sufficient connectivity of the urban networks, regions and local communities to the core TEN-T and its nodes.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
			<p>5. Ensures interoperability of the rail network, and, where relevant, reports on the deployment of ER TMS according to Commission Implementing Regulation (EU) 2017/6¹.</p> <p>6. Promotes multimodality, identifying needs for multimodal or transshipment freight and passengers terminals.</p> <p>7. Includes measures relevant for infrastructure planning aiming at promoting alternative fuels, in line with the relevant national policy frameworks.</p> <p>8. Presents the results of the assessment of road safety risks in line with existing national road safety strategies, together with a mapping of the affected roads and sections and providing with a prioritisation of the corresponding investments.</p> <p>9. Provides information on financing resources corresponding to the planned investments and required to cover operation and maintenance costs of the existing and planned infrastructures.</p>

¹ Commission Implementing Regulation (EU) 2017/6 of 5 January 2017 on the European Rail Traffic Management System European deployment plan (OJ L 3, 6.1.2017, p. 6).

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
<p>4. A more social and inclusive Europe implementing the European Pillar of Social Rights</p>	<p>ERDF: Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy</p> <p>ESF+: Improving access to employment and activation measures for all jobseekers, in particular youth, especially through the implementation of the Youth Guarantee, for long-term unemployed and disadvantaged groups on the labour market, and for inactive people, as well as through promoting self-employment and the social economy</p>	<p>4.1. Strategic policy framework for active labour market policies</p>	<p>A strategic policy framework for active labour market policies in the light of the Employment guidelines is in place and includes:</p> <ol style="list-style-type: none"> 1. Arrangements for conducting jobseekers' profiling and assessment of their needs. 2. Information on job vacancies and employment opportunities, taking into account the needs of the labour market. 3. Arrangements for ensuring that its design, implementation, monitoring and review is conducted in close cooperation with relevant stakeholders. 4. Arrangements for monitoring, evaluation and review of active labour market policies. 5. For youth employment interventions, evidence-based and targeted pathways towards young people not in employment, education or training including outreach measures and based on quality requirements, taking into account criteria for quality apprenticeships and traineeships, including in the context of Youth Guarantee schemes implementation.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>Modernising labour market institutions and services to assess and anticipate skills needs and ensure timely and tailor-made assistance and support to labour market matching, transitions and mobility;</p> <p>ERDF: Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy</p>	4.2. National strategic framework for gender equality	<p>A national strategic policy framework for gender equality is in place that includes:</p> <ol style="list-style-type: none"> 1. Evidence-based identification of challenges to gender equality. 2. Measures to address gender gaps in employment, pay, pensions, and to promote work-life balance for women and men, including through improving access to early childhood education and care, with targets, while respecting the role and autonomy of the social partners.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>ESF+: Promoting a gender-balanced labour market participation, equal working conditions, and a better work/life balance including through access to affordable childcare, and care for dependent persons</p>		<p>3. Arrangements for monitoring, evaluation and review of the strategic policy framework and data collection methods based on sex-disaggregated data. 4. Arrangements for ensuring that its design, implementation, monitoring and review is conducted in close cooperation with relevant stakeholders, including equality bodies, social partners and civil society organisations.</p>
<p>ERDF: Improving equal access to inclusive and quality services in education, training and lifelong learning through developing infrastructure, including by fostering resilience for distance and on-line education and training; ESF+:</p>		<p>4.3. Strategic policy framework for the education and training system at all levels.</p>	<p>A national or regional strategic policy framework for the education and training system is in place and includes:</p> <ol style="list-style-type: none"> 1. Evidence-based systems for skills anticipation and forecasting. 2. Graduate tracking mechanisms and services for quality and effective guidance for learners of all ages. 3. Measures to ensure equal access to, participation in and completion of quality, affordable, relevant, non-segregated and inclusive education and training, and acquisition of key competences at all levels including higher education.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>Improving the quality, inclusiveness, effectiveness and labour market relevance of education and training systems including through validation of non-formal and informal learning, to support acquisition of key competences including entrepreneurial and digital skills, and by promoting the introduction of dual-training systems and apprenticeships;</p>		<p>4. A coordination mechanism covering all levels of education and training, including higher education, and a clear assignment of responsibilities between the relevant national and/or regional bodies.</p> <p>5. Arrangements for monitoring, evaluation and review of the strategic policy framework.</p> <p>6. Measures to target low-skilled, low-qualified adults and those with disadvantaged socio-economic backgrounds and upskilling pathways.</p> <p>7. Measures to support teachers, trainers and academic staff as regards appropriate learning methods, assessment and validation of key competences.</p> <p>8. Measures to promote mobility of learners and staff and transnational collaboration of education and training providers, including through recognition of learning outcomes and qualifications.</p>

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>Promoting lifelong learning, in particular flexible upskilling and reskilling opportunities for all taking into account entrepreneurial and digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility;</p>		

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>Promoting equal access to and completion of, quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, to tertiary level, as well as adult education and learning, including facilitating learning mobility for all and accessibility for persons with disabilities.</p>		

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>ERDF: Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups including people with special needs, through integrated actions including housing and social services;</p> <p>ESF+: Fostering active inclusion with a view to promoting equal opportunities, non-discrimination and active participation, and improving employability, in particular for disadvantaged groups;</p>	<p>4.4. National strategic policy framework for social inclusion and poverty reduction</p>	<p>A national or regional strategic policy or legislative framework for social inclusion and poverty reduction is in place that includes:</p> <ol style="list-style-type: none"> 1. Evidence-based diagnosis of poverty and social exclusion, including child poverty, in particular as regards equal access to quality services for children in vulnerable situations as well as homelessness, spatial and educational segregation, limited access to essential services and infrastructure, and the specific needs of vulnerable people of all ages. 2. Measures to prevent and combat segregation in all fields, including social protection, inclusive labour markets and access to quality services for vulnerable people, including migrants and refugees. 3. Measures for the shift from institutional to family- and community-based care. 4. Arrangements for ensuring that its design, implementation, monitoring and review is conducted in close cooperation with relevant stakeholders, including social partners and relevant civil society organisations.

Policy objective		Specific objective ESF+: Promoting the socio-economic integration of marginalised communities such as Roma people;	Name of enabling condition 4.5. National Roma inclusion strategic policy framework	Fulfilment criteria for the enabling condition The National Roma inclusion strategic policy framework is in place that includes: 1. Measures to accelerate Roma integration, and prevent and eliminate segregation, taking into account the gender dimension and situation of young Roma, and sets baseline and measurable milestones and targets. 2. Arrangements for monitoring, evaluation and review of the Roma integration measures. 3. Arrangements for the mainstreaming of Roma inclusion at regional and local level. 4. Arrangements for ensuring that its design, implementation, monitoring and review is conducted in a close cooperation with the Roma civil society and all other relevant stakeholders, including at the regional and local levels.
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Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>ERDF: Ensuring equal access to health care and fostering resilience of health systems, including primary care and promoting the transition from institutional to family-based and community based care</p> <p>ESF+:</p>	<p>4.6. Strategic policy framework for health and long-term care.</p>	<p>A national or regional strategic policy framework for health is in place that contains:</p> <ol style="list-style-type: none"> 1. Mapping of health and long-term care needs, including in terms of medical and care staff, to ensure sustainable and coordinated measures. 2. Measures to ensure the efficiency, sustainability, accessibility and affordability of health and long-term care services, including a specific focus on individuals excluded from the health and long-term care systems, including those who are hardest to reach.

Policy objective	Specific objective	Name of enabling condition	Fulfilment criteria for the enabling condition
	<p>Enhancing equal and timely access to quality, sustainable and affordable services, including services that promote the access to housing and person-centred care including healthcare; modernising social protection systems, including promoting access to social protection, with a particular focus on children and disadvantaged groups; improving accessibility including for persons with disabilities, effectiveness and resilience of healthcare systems and long-term care services</p>		<p>3. Measures to promote community and family-based services through de-institutionalisation, including prevention and primary care, home-care and community-based services.</p>

ANNEX V

Template for programmes supported from the ERDF (Investment for jobs and growth goal), ESF+, the Cohesion Fund, the JTF and the EMFAF – Article 21(3)

CCI	
Title in EN	[255] ¹
Title in national language(s)	[255]
Version	
First year	[4]
Last year	[4]
Eligible from	
Eligible until	
Commission decision number	
Commission decision date	
Member State amending decision number	
Member State amending decision entry into force date	
Non substantial transfer (Article 24(5) CPR)	Yes/No
NUTS regions covered by the programme (not applicable to the EMFAF)	
Fund(s) concerned	<input type="checkbox"/> ERDF
	<input type="checkbox"/> Cohesion Fund
	<input type="checkbox"/> ESF+
	<input type="checkbox"/> JTF
	<input type="checkbox"/> EMFAF
Programme	<input type="checkbox"/> under Investment for jobs and growth goal for the outermost regions only

¹ Numbers in square brackets refer to number of characters without spaces.

1. Programme strategy: main development challenges and policy responses¹
 Reference: points (a)(i) to (viii) and point (a)(x) of Article 22(3) and point (b) of Article 22(3) of Regulation (EU) 2021/1060 (CPR)

Text field [30 000]

For the Investment for jobs and growth goal:

Table 1

Policy objective or JTF specific objective	Specific objective or dedicated priority*	Justification (summary)
		[2 000 per specific objective or dedicated ESF+ priority or JTF specific objective]

* Dedicated priorities according to ESF+ Regulation.

¹ For programmes limited to supporting the specific objective set out in point (m) of Article 4(1) ESF+ Regulation, the description of the programme strategy does not need to relate to challenges referred to in points (a)(i), (ii) and (vi) of Article 22(3) CPR.

For the EMFAF:

Table 1A

Policy objective	Priority	SWOT analysis (for each priority)	Justification (summary)
		<p>Strengths [10 000 per priority]</p> <p>Weaknesses [10 000 per priority]</p> <p>Opportunities [10 000 per priority]</p> <p>Threats [10 000 per priority]</p> <p>Identification of needs on the basis of the SWOT analysis and taking into account the elements set out in Article 8(5) of the EMFAF Regulation [10 000 per priority]</p>	<p>[20 000 per priority]</p>

2. Priorities

Reference: Article 22(2) and point (c) of Article 22(3) CPR

2.1. Priorities other than technical assistance

2.1.1. Title of the priority [300] (repeated for each priority)

<input type="checkbox"/>	This is a priority dedicated to youth employment
<input type="checkbox"/>	This is a priority dedicated to social innovative actions
<input type="checkbox"/>	This is a priority dedicated to support to the most deprived persons under the specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation*
<input type="checkbox"/>	This is a priority dedicated to support to the most deprived persons under the specific objective set out in point (l) of Article 4(1) of the ESF+ Regulation ¹
<input type="checkbox"/>	This is a priority dedicated to urban mobility specific objective set out in point (viii) of Article 3(1)(b) of the ERDF and Cohesion Fund Regulation
<input type="checkbox"/>	This is a priority dedicated to digital connectivity specific objective set out in point (v) of Article 3(1)(a) of the ERDF and Cohesion Fund Regulation

* If marked go to section 2.1.1.2.

¹ In case resources under the specific objective set out in point (l) of Article 4(1) ESF+ Regulation are taken into account for the purposes of Article 7(4) ESF+ Regulation.

2.1.1.1. Specific objective¹ (repeated for each selected specific objective for priorities other than technical assistance)

2.1.1.1.1. Interventions of the Funds

Reference: points (d)(i), (iii), (iv), (v), (vi) and (vii) of Article 22(3) CPR

The related types of actions – point (d)(i) of Article 22(3) CPR and Article 6 ESF+ Regulation:

Text field [8 000]

The main target groups - point (d)(iii) of Article 22(3) CPR:

Text field [1 000]

Actions safeguarding equality, inclusion and non-discrimination – point (d)(iv) of Article 22(3) CPR and Article 6 ESF+ Regulation

Text field [2 000]

¹ Except for a specific objective set out in point (m) of Article 4(1) ESF+ Regulation.

Indication of the specific territories targeted, including the planned use of territorial tools – point (d)(v) of Article 22(3) CPR

Text field [2 000]

The interregional, cross-border and transnational actions – point (d)(vi) of Article 22(3) CPR

Text field [2 000]

The planned use of financial instruments – point (d)(vii) of Article 22(3) CPR

Text field [1 000]

2.1.1.1.2. Indicators

Reference: point (d)(ii) of Article 22(3) CPR and Article 8 ERDF and CF Regulation

2.1.1.1.3. Indicative breakdown of the programme resources (EU) by type of intervention (not applicable to the EMFAF)

Reference: point (d)(viii) of Article 22(3) CPR

Table 4: Dimension 1 – intervention field

Priority No	Fund	Category of region	Specific objective	Code	Amount (EUR)

Table 5: Dimension 2 – form of financing

Priority No	Fund	Category of region	Specific objective	Code	Amount (EUR)

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Category of region	Specific objective	Code	Amount (EUR)

Table 7: Dimension 6 – ESF+ secondary themes

Priority No	Fund	Category of region	Specific objective	Code	Amount (EUR)

Table 8: Dimension 7 – ESF+*, ERDF, Cohesion Fund and JTF gender equality dimension

Priority No	Fund	Category of region	Specific objective	Code	Amount (EUR)

* In principle, 40 % for the ESF+ contributes to gender tracking. 100 % is applicable when Member State chooses to use Article 6 ESF+ Regulation as well as programme specific actions in gender equality.

2.1.1.1.4. Indicative breakdown of the programmed resources (EU) by type of intervention for EMFAF

Reference: point (c) of Article 22(3) CPR

Table 9: Indicative breakdown of the programmed resources (EU) by type of intervention for EMFAF

Priority No	Specific objective	Type of intervention	Code	Amount (EUR)

2.1.1.2. Specific objective addressing material deprivation¹

2.1.1.2.1. Interventions of the Funds

Reference: Article 22(3) CPR and Article 20 and Article 23(1) and (2) ESF+ Regulation

Types of support

Text field [2 000]

¹ Point (d) of Article 22(3) CPR does not apply to the specific objective set out in point (m) of Article 4(1) ESF+ Regulation.

Main target groups

Text field [2 000]

Decryption of the national or regional schemes of support

Text field [2 000]

Criteria for the selection of operations¹

Text field [4 000]

2.1.1.2.2. Indicators

Table 2: Output indicators

Priority	Specific objective	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit

¹ Only for programmes limited to the specific objective set out in point (m) of Article 4(1) ESF+ Regulation.

Table 3: Result indicators

Priority	Specific objective	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit	Reference value	Reference year	Source of data [200]	Comments [200]

2.2. Technical assistance priorities

2.2.1. Priority for technical assistance pursuant to Article 36(4) CPR (repeated for each such technical assistance priority)

Reference: point (e) of Article 22(3) CPR

2.2.1.1. Intervention from the Funds

The related types of actions – point (e)(i) of Article 22(3) CPR

Text field [8 000]

The main target groups – point (e)(iii) of Article 22(3) CPR

Text field [1 000]

2.2.1.2. Indicators

Output indicators with the corresponding milestones and targets

Reference: point (e)(ii) of Article 22(3) CPR

Table 2: Output indicators

Priority	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit	Milestone (2024)	Target (2029)

2.2.1.3. Indicative breakdown of the programmed resources (EU) by type of intervention

Reference point (e)(iv) of Article 22(3) CPR

Table 4: Dimension 1 – intervention field

Priority No	Fund	Category of region	Code	Amount (EUR)

Table 7: Dimension 6 – ESF+ secondary themes

Priority No	Fund	Category of region	Code	Amount (EUR)

Table 8: Dimension 7 – ESF+*, ERDF, Cohesion Fund and JTF gender equality dimension

Priority No	Fund	Category of region	Code	Amount (EUR)

* In principle, 40 % for the ESF+ contributes to gender tracking. 100 % is applicable when Member State chooses to use Article 6 ESF+ Regulation as well as programme specific actions in gender equality.

Table 9: Indicative breakdown of the programmed resources (EU) by type of intervention for EMFAF

Priority No	Specific objective	Type of intervention	Code	Amount (EUR)

2.2.2. Priority for technical assistance pursuant to Article 37 CPR (repeated for each such technical assistance priority)

Reference: point (f) of Article 22(3) CPR

2.2.2.1. Description of technical assistance under financing not linked to costs – Article 37 CPR

Text field [3 000]

2.2.2.2. Indicative breakdown of the programmed resources (EU) by type of intervention

Reference: point (f) of Article 22(3) CPR

Table 4: Dimension 1 – intervention field

Priority No	Fund	Category of region	Code	Amount (EUR)

Table 7: Dimension 6 – ESF+ secondary themes

Priority No	Fund	Category of region	Code	Amount (EUR)

Table 8: Dimension 7 – ESF+*, ERDF, Cohesion Fund and JTF gender equality dimension

Priority No	Fund	Category of region	Code	Amount (EUR)

* In principle, 40 % for the ESF+ contributes to gender tracking. 100 % is applicable when Member State chooses to use Article 6 ESF+ Regulation as well as programme specific actions in gender equality.

Table 9: Indicative breakdown of the programmed resources (EU) by type of intervention for EMFAF

Priority No	Specific objective	Type of intervention	Code	Amount (EUR)

3. Financing plan

Reference: points (g)(i), (ii) and (iii) of Article 22(3), Article 112(1), (2) and (3), and Articles 14 and 26 CPR

3.1. Transfers and contributions¹

Reference: Articles 14, 26 and 27 CPR

Programme amendment related to	<input type="checkbox"/> contribution to InvestEU
	<input type="checkbox"/> transfer to instruments under direct or indirect management
	<input type="checkbox"/> transfer between ERDF, ESF+, Cohesion Fund or to another Fund or Funds

¹ Applicable only to programme amendments in accordance with Articles 14 and 26 except complementary transfers to the JTF in accordance with Article 27 CPR. Transfers shall not affect the annual breakdown of financial appropriations at the MFF level for a Member State.

Table 15A: Contribution to InvestEU* (breakdown by year)

Contribution from		Contribution to InvestEU window(s)	Breakdown by year							
Fund	Category of region		2021	2022	2023	2024	2025	2026	2027	Total
ERDF	More developed									
	Transition									
	Less developed									
ESF+	More developed									
	Transition									
	Less developed									
Cohesion Fund	N/A									
EMFAF	N/A									

* For each new request for contribution, a programme amendment shall set out the total amounts for each year by Fund and by category of region.

Table 15B: Contributions to InvestEU* (summary)

	Category of region	Window 1 Sustainable Infrastructure (a)	Window 2 Innovation and Digitisation (b)	Window 3 SME (c)	Window 4 Social Investment and Skills (d)	Total (f)=(a)+(b)+(c)+(d)
ERDF	More developed					
	Less developed					
	Transition					
ESF+	More developed					
	Less developed					
	Transition					

	Category of region	Window 1 Sustainable Infrastructure (a)	Window 2 Innovation and Digitisation (b)	Window 3 SME (c)	Window 4 Social Investment and Skills (d)	Total (f)=(a)+(b)+(c)+(d)
Cohesion Fund	N/A					
EMFAF	N/A					
Total						

* Cumulative amounts for all contributions done through programme amendments during the programming period. With each new request for contribution, a programme amendment shall set out the total amounts for each year by Fund and by category of region.

Text field [3500] (justification), taking into account how those amount contribute to the achievement of policy objectives selected in the programme in accordance with Article 10(1) of the InvestEU Regulation.

Table 16B: Transfers to instruments under direct or indirect management* (summary)

Fund	Category of region	Instrument 1 (a)	Instrument 2 (b)	Instrument 3 (c)	Instrument 4 (d)	Instrument 5** (e)	Total (f)=(a)+(b)+(c)+(d)+(e)
ERDF	More developed						
	Transition						
	Less developed						
ESF+	More developed						
	Transition						
	Less developed						

Fund	Category of region	Instrument 1 (a)	Instrument 2 (b)	Instrument 3 (c)	Instrument 4 (d)	Instrument 5** (e)	Total (f)=(a)+(b)+(c)+(d)+(e)
Cohesion Fund	N/A						
EMFAF	N/A						
Total							

* Cumulative amounts for all transfers done through programme amendments during programming period. With each new request for transfer, a programme amendment shall set out the total amounts transferred for each year by Fund and by category of region.

** Transfers may be made to any other instrument under direct or indirect management, where such possibility is provided for in the basic act. Number and names of the relevant Union instruments will be specified accordingly.

Text field [3 500] (justification)

Transfers from		Transfers to		Breakdown by year							
Fund	Category of region	Fund	Category of region (where relevant)	2021	2022	2023	2024	2025	2026	2027	Total
ESF+	More developed	ISF, BMVI									
	Transition										
	Less developed										
Cohesion Fund	N/A										
EMFAF	N/A										

* Transfer to other programmes. Transfers between ERDF and ESF+ can only be done within the same category of region.

Table 18: JTF allocation to the programme in accordance with Article 3 JTF Regulation, prior to transfers

JTF priority 1	
JTF priority 2	
Total	

3.2.2. Transfers to the JTF as complementary support¹ (where relevant)

Transfer to JTF	<input type="checkbox"/> concerns internal transfers within the programme with JTF allocation
	<input type="checkbox"/> concerns transfers from other programmes to the programme with JTF allocation

¹ Section to be filled in by receiving programme. Where a programme supported by the JTF receives complementary support (cf. Article 27 CPR) within the programme and from other programmes all tables in this section need to be filled in. At the first adoption with JTF allocation, this section is to confirm or correct the preliminary transfers proposed in the Partnership Agreement.

Table 18A: Transfers to the JTF within the programme (breakdown by year)

Transfer from		Transfer to	Breakdown by year							
Fund	Category of region	JTF priority*	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	More developed	JTF priority 1								
	Transition									
	Less developed									
ESF+	More developed	JTF priority 2								
	Transition									
	Less developed									

* JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

Table 18B: Transfer of ERDF and ESF+ resources to the JTF within the programme

		JTF allocation in the programme* broken down by category of region, which territory located** in (by JTF priority)	
		JTF priority (for each JTF priority)	Amount
Transfer within the programme* (complementary support) per category of region			
ERDF	More developed		
	Transition		
	Less developed		
ESF+	More developed		
	Transition		
	Less developed		
Total	More developed		
	Transition		
	Less developed		

* Programme with the JTF allocation.

** JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

Table 18C: Transfers to the JTF from the other programme(s) (breakdown by year)

Transfer from		Transfer to	Breakdown by year							
Fund	Category of region	JTF priority*	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	More developed	JTF priority 1								
	Transition									
	Less developed									
ESF+	More developed	JTF priority 2								
	Transition									
	Less developed									

* JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

Table 18D: Transfer of ERDF and ESF+ resources from other programmes to the JTF in this programme

		Complementary support to the JTF in this programme* to the territory located*** in a given category of region (by priority):	
		JTF priority	Amount
Transfer(s) from other programme(s)** per category of region			
ERDF	More developed		
	Transition		
	Less developed		
ESF+	More developed		
	Transition		
	Less developed		
Total			

* Programme with JTF allocation, which receives complementary support from the ERDF and ESF+.

** Programme providing the complementary support from the ERDF and ESF+ (source).

*** JTF resources should be complemented with ERDF or ESF+ resources of the category of region where the territory concerned is located.

Text field [3 000] Justification for the complementary transfer from ERDF and ESF+ based on the planned types of interventions – point (d)(ix) of Article 22(3) CPR

3.3. Transfers between categories of region resulting from the mid-term review

Table 19A: Transfers between categories of region resulting from the mid-term review, within the programme (breakdown by year)

Transfer from	Transfer to	Breakdown by year		
		2025	2026	2027
Category of region*	Category of region*			Total
More developed	More developed /			
Transition	Transition /			
Less developed	Less developed			

* Applicable to ERDF and ESF+ only.

Table 19B: Transfers between categories of region resulting from the mid-term review, to other programmes (breakdown by year)

Transfer from	Transfer to	Breakdown by year		
		2025	2026	2027
Category of region*	Category of region*			Total
More developed	More developed /			
Transition	Transition /			
Less developed	Less developed			

* Applicable to ERDF and ESF+ only.

3.4. Transfers back¹

Table 20A: Transfers back (breakdown by year)

Transfer from	Transfer to		Breakdown by year							
	Fund	Category of region	2021	2022	2023	2024	2025	2026	2027	Total
InvestEU or other Union instrument	ERDF	More developed								
		Transition								
		Less developed								
	ESF+	More developed								
Transition										
Union instrument 1	Less developed									
Union instrument 2										
[...]	Cohesion Fund	N/A								
	EMFAF	N/A								

¹ Applicable only to programme amendments for resources transferred back from other Union instruments, including elements of AMIF, ISF and BMVI, under direct or indirect management, or from Invest EU.

Table 20B: Transfers back* (summary)

From / To	ERDF			ESF+			Cohesion Fund	EMFAF
	More developed	Transition	Less developed	More developed	Transition	Less developed		
InvestEU								
Window 1								
Window 2								
Window 3								
Window 4								
Instrument 1								
Instrument 2								
Instrument 3								
Instrument 4**								

* Cumulative amounts for all transfers done through programme amendments during programming period. With each new request for transfer, a programme amendment shall set out the total amounts transferred for each year by Fund and by category of region.

** Transfers may be made to any other instrument under direct or indirect management, where such possibility is provided for in the basic act. Number and names of the relevant Union instruments will be specified accordingly.

Fund	Category of region	2021	2022	2023	2024	2025	2026		2027		2027 for EMFAF only	Total
							Financial appropriation without flexibility amount	Flexibility amount	Financial appropriation without flexibility amount	Flexibility amount		
EMFAF	N/A											
Total												

* Amounts after the complementary transfer to the JTF.

3.6. Total financial appropriations by fund and national co-financing

Reference: point (g)(ii) of Article 22(3), Article 22(6) and Article 36 CPR

For programmes under the Investment for jobs and growth goal where technical assistance in accordance with Article 36(4) CPR was chosen in the Partnership Agreement.

Table 11: Total financial allocations by fund and national contribution

Policy/JTF specific objective number or technical assistance	Priority	Basis for calculation on Union support (total eligible cost or public contribution)	Fund	Category of region*	Union contribution (a)=(b)+(c)+(i)+(j)	Breakdown of Union contribution				National contribution (d)=(e)+(f)	Indicative breakdown of national contribution		Total (g)=(a)+(d)	Co-financing rate (h)=(a)/(g)
						Union contribution without technical assistance pursuant to Article 36(5)	Union contribution for technical assistance pursuant to Article 36(5)	Flexibility amount without technical assistance pursuant to Article 36(5)	Flexibility amount for technical assistance pursuant to Article 36(5)		public (e)	private (f)		
	Priority 1	P/T	ERDF	More developed		(b)	(c)	(i)	(j)					

Table 11A: Total financial allocations by fund and national contribution

Priority	Specific objective (nomenclature set out in the EMFAF Regulation)	Basis for calculation of Union support	Union contribution	National public contribution	Total	Co-financing rate
Priority 1	1.1.1	Public				
	1.1.2	Public				
	1.2	Public				
	1.3	Public				
	1.4	Public				
	1.5	Public				
Priority 2	1.6	Public				
	2.1	Public				
Priority 3	2.2	Public				
	3.1	Public				

Priority	Specific objective (nomenclature set out in the EMFAF Regulation)	Basis for calculation of Union support	Union contribution	National public contribution	Total	Co-financing rate
Priority 4	4.1	Public				
Technical assistance pursuant to Article 36(4) CPR	5.1	Public				
Technical assistance pursuant to Article 37 CPR	5.2	Public				

EMFAF programmes using technical assistance according to Article 36(5) CPR in accordance with the choice made in the Partnership Agreement.

Table 11A: Total financial allocations by fund and national contribution

Priority	Specific objective (nomenclature set out in the EMFAF Regulation)	Basis for calculation of Union support	Union contribution		National public contribution	Total	Co- financing rate
			Union contribution without technical assistance pursuant to Article 36(5) CPR	Union contribution for technical assistance pursuant to Article 36(5) CPR			
Priority 1	1.1.1	Public					
	1.1.2	Public					
	1.2	Public					
	1.3	Public					
	1.4	Public					
	1.5	Public					
	1.6	Public					

Priority	Specific objective (nomenclature set out in the EMFAF Regulation)	Basis for calculation of Union support	Union contribution		National public contribution	Total	Co- financing rate
			Union contribution without technical assistance pursuant to Article 36(5) CPR	Union contribution for technical assistance pursuant to Article 36(5) CPR			
Priority 2	2.1	Public					
	2.2	Public					
Priority 3	3.1	Public					
Priority 4	4.1	Public					
Technical assistance (Article 37 CPR)	5.1	Public					

4. Enabling conditions

Reference: point (i) of Article 22(3) CPR

Table 12: Enabling conditions

Enabling conditions	Fund	Specific objective (N/A to the EMFAF)	Fulfilment of enabling condition	Criteria	Fulfilment of criteria	Reference to relevant documents	Justification
			Yes/No	Criterion 1	Y/N	[500]	[1 000]
				Criterion 2	Y/N		

5. Programme authorities

Reference: point (k) of Article 22(3) and Articles 71 and 84 CPR

Table 13: Programme authorities

Programme authorities	Name of the institution [500]	Contact name [200]	E-mail [200]
Managing authority			
Audit authority			
Body which receives payments from the Commission			
Where applicable, body or, bodies which receive payments from the Commission in case of technical assistance pursuant to Article 36(5) CPR			
Accounting function in case this function is entrusted to a body other than the managing authority			

The repartition of the reimbursed amounts for technical assistance pursuant to Article 36(5) CPR if more bodies are identified to receive payments from the Commission.

Reference: Article 22(3) CPR

Table 13A: The portion of the percentages set out in point (b) of Article 36(5) CPR that would be reimbursed to the bodies which receive payments from the Commission in case of technical assistance pursuant to Article 36(5) CPR (in percentage points)

Body 1	p.p.
Body 2*	p.p.

* Number of bodies defined by a Member State.

6. Partnership

Reference: point (h) of Article 22(3) CPR

Text field [10 000]

7. Communication and visibility

Reference: point (j) of Article 22(3) CPR

Text field [4 500]

8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Reference: Articles 94 and 95 CPR

Table 14: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95 CPR	YES	NO
From the adoption programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input type="checkbox"/>
From the adoption programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input type="checkbox"/>

Appendix 1

Union contribution based on unit costs, lump sums and flat rates

Template for submitting data for the consideration of the Commission
(Article 94) CPR

Date of submitting the proposal	

This Appendix is not required when Union-level simplified cost options (SCO) established by the delegated act referred to in Article 94(4) CPR are used.

A. Summary of the main elements

Priority	Fund	Specific objective	Category of region	Estimated proportion of the total financial allocation within the priority to which the SCO will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of SCO (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the SCO
					Code ¹	Description	Code ²	Description			

¹ This refers to the code for the intervention field dimension in Table 1 of Annex I to the CPR and Annex IV to the EMFAF Regulation.

² This refers to the code of a common indicator, if applicable.

B. Details by type of operation (to be completed for every type of operation)

Did the managing authority receive support from an external company to set out the simplified costs below?

If so, please specify which external company: Yes/No – Name of external company

1. Description of the operation type including the timeline for implementation ¹	
2. Specific objective(s)	
3. Indicator triggering reimbursement ²	
4. Unit of measurement for the indicator triggering reimbursement	
5. Standard scale of unit cost, lump sum or flat rate	
6. Amount per unit of measurement or percentage (for flat rates) of the SCO	

¹ Envisaged starting date of the selection of operations and envisaged final date of their completion (ref. Article 63(5) CPR).

² For operations encompassing several simplified cost options covering different categories of costs, different projects or successive phases of an operation, the fields 3 to 11 need to be filled in for each indicator triggering reimbursement.

7. Categories of costs covered by the unit cost, lump sum or flat rate	
8. Do these categories of costs cover all eligible expenditure for the operation? (Y/N)	
9. Adjustment(s) method ¹	
10. Verification of the achievement of the units - describe what document(s)/system will be used to verify the achievement of the units delivered - describe what will be checked and by whom during management verifications - describe what arrangements will be made to collect and store relevant data/documents	

¹ If applicable, indicate the frequency and timing of the adjustment and a clear reference to a specific indicator (including a link to the website where this indicator is published, if applicable).

11. Possible perverse incentives, mitigating measures ¹ and the estimated level of risk (high/medium/low)	
12. Total amount (national and Union) expected to be reimbursed by the Commission on this basis	

- C. Calculation of the standard scale of unit costs, lump sums or flat rates
1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.).

--

2. Please specify why the proposed method and calculation based on Article 94(2) is relevant to the type of operation.

--

¹ Are there any potential negative implications on the quality of the supported operations and, if so, what measures (e.g. quality assurance) will be taken to offset this risk?

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission.

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate.

5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data.

Appendix 2

Union contribution based on financing not linked to costs

Template for submitting data for the consideration of the Commission

(Article 95 CPR)

Date of submitting the proposal	

This Appendix is not required when amounts for Union-level financing not linked to costs established by the delegated act referred to in Article 95(4) CPR are used.

A. Summary of the main elements

Priority	Fund	Specific objective	Category of region	The amount covered by the financing not linked to costs	Type(s) of operation covered	Conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Indicator		Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries
							Code ¹	Description		

¹ This refers to the code for the intervention field dimension in Table 1 of Annex I to the CPR and Annex IV to the EMFAF Regulation.

² This refers to the code of a common indicator, if applicable.

B. Details by type of operation (to be completed for every type of operation)

1. Description of the operation type			
2. Specific objective(s)			
3. Conditions to be fulfilled or results to be achieved			
4. Deadline for fulfilment of conditions or results to be achieved			
5. Indicator definition			
6. Unit of measurement for conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission			
7. Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements	Intermediate deliverables	Envisaged date	Amounts (in EUR)
8. Total amount (including Union and national funding)			
9. Adjustment(s) method			

<p>10. Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables):</p> <ul style="list-style-type: none">- describe what document(s)/system will be used to verify the achievement of the result or condition (and where relevant, each of the intermediate deliverables);- describe how management verifications (including on-the-spot) will be carried out, and by whom;- describe what arrangements will be made to collect and store relevant data/documents.	
<p>11. Use of grants in the form of financing not linked to costs</p> <p>Does the grant provided by Member State to beneficiaries take the form of financing not linked to costs? [Y/N]</p>	
<p>12. Arrangements to ensure the audit trail</p> <p>Please list the body(ies) responsible for these arrangements.</p>	

Appendix 3

List of planned operations of strategic importance with a timetable
(Article 22(3) CPR)

Text field [2 000]

Appendix 4

EMFAF action plan for each outermost region

NB: to be duplicated for each outermost region

Template for submitting data for the consideration of the Commission

Name of the outermost region	
------------------------------	--

- A. Description of the strategy for the sustainable exploitation of fisheries and the development of the sustainable blue economy

Text field [30 000]

B. Description of the main actions envisaged and the corresponding financial means

Description of the main actions	EMFAF amount allocated (EUR)
Structural support to the fishery and aquaculture sector under the EMFAF Text field [10 000]	
Compensation for the additional costs under Article 24 of the EMFAF Regulation Text field [10 000]	
Other investments in the sustainable blue economy necessary to achieve a sustainable coastal development Text field [10 000]	
TOTAL	

C. Description of the synergies with other sources of Union funding

Text field [10 000]

D. Additional funding for the implementation of the compensation for the additional costs (State aid)

Information to be provided for each envisaged scheme/ad hoc aid

Region	Name of the region(s) (NUTS) ¹	...
		...
		...
Granting authority	Name	...
	Postal address	...
	Web address	...
Title of the aid measure	...	
National legal basis (reference to the relevant national official publication)	...	
	...	
	...	
Web link to the full text of the aid measure	...	

¹ NUTS — Nomenclature of Territorial Units for Statistics. Typically, the region is specified at level 2. Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1) as amended by Commission Regulation (EU) 2016/2066 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 322, 29.11.2016, p. 1).

Type of measure	<input type="checkbox"/> Scheme	
	<input type="checkbox"/> Ad hoc aid	Name of the beneficiary and the group ¹ it belongs to
Amendment of an existing aid scheme or ad hoc aid		Commission aid reference
	<input type="checkbox"/> Prolongation
	<input type="checkbox"/> Modification
Duration ²	<input type="checkbox"/> Scheme	dd/mm/yyyy to dd/mm/yyyy
Date of granting ³	<input type="checkbox"/> Ad hoc aid	dd/mm/yyyy

¹ An undertaking for the purposes of rules on competition laid down in the Treaty and for the purposes of this section is any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed (see decision of the Court of Justice in Case C-222/04, Ministero dell'Economia e delle Finanze v Cassa di Risparmio di Firenze SpA et al. [2006] ECR I-289). The Court of Justice has ruled that entities which are controlled (on a legal or on a *de facto* basis) by the same entity should be considered as one undertaking (Case C-382/99 Netherlands v Commission [2002] ECR I-5163).

² Period during which the granting authority can commit itself to grant the aid.

³ 'Date of granting the aid' means the date when the legal right to receive the aid is conferred on the beneficiary under the applicable national legal regime.

Economic sector(s) concerned	<input type="checkbox"/> All economic sectors eligible to receive aid	
	<input type="checkbox"/> Limited to certain sectors: please specify at NACE group level ¹
Type of beneficiary	<input type="checkbox"/> SME	
	<input type="checkbox"/> Large undertakings	
Budget	Total annual amount of the budget planned under the scheme ²	National currency ... (full amounts) ...
	Overall amount of the ad hoc aid awarded to the undertaking ³	National currency ... (full amounts) ...
	<input type="checkbox"/> For guarantees ⁴	National currency ... (full amounts) ...

¹ NACE Rev. 2 — Statistical Classification of Economic Activities in the European Union. Typically, the sector shall be specified at group level.

² In case of an aid scheme: indicate the annual overall amount of the budget planned under the scheme or the estimated tax loss per year for all aid instruments contained in the scheme.

³ In case of an *ad hoc* aid award: indicate the overall aid amount/tax loss.

⁴ For guarantees, indicate the (maximum) amount of loans guaranteed.

Aid instrument	<input type="checkbox"/> Grant/Interest rate subsidy
	<input type="checkbox"/> Loan/Repayable advances
	<input type="checkbox"/> Guarantee (where appropriate with a reference to the Commission decision ¹)
	<input type="checkbox"/> Tax advantage or tax exemption
	<input type="checkbox"/> Provision of risk finance
	<input type="checkbox"/> Other (please specify) ...
Motivation	<p>Indicate why a State aid scheme has been established or an ad-hoc aid has been granted, instead of assistance under the EMFAF:</p> <input type="checkbox"/> measure not covered by the national programme; <input type="checkbox"/> prioritisation in the allocation of funds under the national programme; <input type="checkbox"/> funding no longer available under the EMFAF; <input type="checkbox"/> other (please specify)

¹ Where appropriate, reference to the Commission decision approving the methodology to calculate the gross grant equivalent.

ANNEX VI

Template of a programme for the AMIF, the ISF and the BMVI – Article 21(3)

CCI number	
Title in English	[255] ¹
Title in the national language	[255]
Version	
First year	[4]
Last year	[4]
Eligible from	
Eligible until	
Commission decision number	
Commission decision date	
Member State amending decision number	
Member State amending decision entry into force date	
Non substantial transfer (Article 24(5) CPR)	Yes/No

¹ Number in square brackets refer to number of characters without spaces.

1. Programme strategy: main challenges and policy responses

Reference: points (a) (iii), (iv), (v) and (ix) Article 22(3) of Regulation (EU) 2021/1060 (CPR)

This section explains how the programme will address the main challenges identified at the national level based on local, regional and national needs assessments and/or strategies. It provides an overview of the state of implementation of relevant Union acquis and the progress achieved on Union action plans, and describes how the Fund will support their development through the programming period.

Text field [15 000]

2. Specific objectives (repeated for each specific objective other than technical assistance)

Reference: Article 22(2) and (4) CPR

2.1. Title of the specific objective [300]

2.1.1. Description of a specific objective

This section describes, for each specific objective, the initial situation, main challenges and proposes responses supported by the Fund. It describes which implementation measures are addressed with the support of the Fund; it provides an indicative list of actions within the scope of Articles 3 and 5 of the AMIF, ISF or BMVI Regulations.

In particular: For operating support, it provides an explanation in line with Article 21 of the AMIF Regulation, Article 16 of the ISF Regulation or Articles 16 and 17 of the BMVI Regulation. It includes an indicative list of beneficiaries with their statutory responsibilities, main tasks to be supported.

Planned use of financial instruments, if applicable.

Text field (16 000 characters)

2.1.3. Indicative breakdown of the programme resources (EU) by type of intervention

Reference: Article 22(5) CPR; and Article 16(12) AMIF Regulation, Article 13(12) ISF Regulation or Article 13(18) BMVI Regulation

Table 3: Indicative breakdown

Specific objective	Type of intervention	Code	Indicative amount (Euro)

2.2. Technical assistance

2.2.1. Description

Reference: point (f) of Article 22(3), Article 36(5), Article 37, and Article 95 CPR

Text field [5 000] (Technical assistance pursuant to Article 36(5) CPR)
Text field [3 000] (Technical assistance pursuant to Article 37 CPR)

3.2. Total financial allocations

Table 6: Total financial allocations by fund and national contribution

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
SO 1	Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation							
	Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation							

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
	Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation							
	Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation							

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
SO 2	Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation							
	Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation							
	Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation							

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
SO 3	Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation							
	Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation							
	Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation							

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
	Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation							
	Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation							
Total for SO 3								
SO 4	Actions co-financed in line with Article 15(1) of AMIF Regulation							

Specific objective (SO)	Type of action	Basis for calculation Union support (total or public)	Union contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
	Actions co-financed in line with Article 15(2) of AMIF Regulation							
	Actions co-financed in line with Article 15(3) of AMIF Regulation							
	Actions co-financed in line with Article 15(4) of AMIF Regulation							
	Actions co-financed in line Article 15(5) of AMIF Regulation							

Table 6A: Pledging plan

Category	Number of persons per year						
	2021	2022	2023	2024	2025	2026	2027
Resettlement							
Humanitarian admission in line with Article 19(2) AMIF Regulation							
Humanitarian admission of vulnerable persons in line with Article 19(3) AMIF Regulation							
Transfer of applicants for or beneficiaries of international protection ('transfer in')							
Transfer of applicants for or beneficiaries of international protection ('transfer out')							
[other categories]							

3.3. Transfers

Table 7: Transfers between shared management funds¹

Receiving fund / Transferring fund / instrument	AMIF	ISF	BMVI	ERDF	ESF+	Cohesion Fund	EMFAF	Total
AMIF								
ISF								
BMVI								
Total								

¹ Cumulative amounts for all transfers during programming period.

Table 8: Transfers to instruments under direct or indirect management¹

	Transfer amount
Instrument 1[name]	
Instrument 2[name]	
Total	

4. Enabling conditions

Reference: point (i) of Article 22(3) CPR

Table 9: Horizontal enabling conditions

Enabling condition	Fulfilment of enabling condition	Criteria	Fulfilment of criteria	Reference to relevant documents	Justification
		Criterion 1	Y/N	[500]	[1 000]
		Criterion 2			

¹ Cumulative amounts for all transfers during programming period.

5. Programme authorities

Reference: point (k) of Article 22(3) and Articles 71 and 84 CPR

Table 10: Programme authorities

	Name of the institution [500]	Contact name and position [200]	e-mail [200]
Managing authority			
Audit authority			
Body which receives payments from the Commission			

6. Partnership

Reference: point (h) of Article 22(3) CPR

Text field [10 000]

7. Communication and visibility

Reference: point (j) of Article 22(3) CPR

Text field [4 500]

8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Reference: Articles 94 and 95 CPR

Intended use of Articles 94 and 95 CPR	YES	NO
From the adoption programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input type="checkbox"/>
From the adoption programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input type="checkbox"/>

Appendix 1

Union contribution based on unit costs, lump sums and flat rates

Template for submitting data for the consideration of the Commission

(Article 94 CPR)

Date of submitting the proposal	

This Appendix is not required when Union-level simplified cost options (SCO) established by the delegated act referred to in Article 94(4) CPR are used.

A. Summary of the main elements

Specific objective	Estimated proportion of the total financial allocation within the specific objective to which the SCO will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of SCO (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the SCO
		Code ¹	Description	Code ²	Description			

¹ This refers to the code in Annex VI of the AMIF, BMVI and ISF Regulations.

² This refers to the code of a common indicator, if applicable.

B. Details by type of operation (to be completed for every type of operation)

Did the managing authority receive support from an external company to set out the simplified costs below?

If so, please specify which external company: Yes/No – Name of external company

1. Description of the operation type including the timeline for implementation ¹	
2. Specific objective(s)	
3. Indicator triggering reimbursement ²	
4. Unit of measurement for the indicator triggering reimbursement	
5. Standard scale of unit cost, lump sum or flat rate	
6. Amount per unit of measurement or percentage (for flat rates) of the SCO	

¹ Envisaged starting date of the selection of operations and envisaged final date of their completion (ref. Article 63(5) CPR).

² For operations encompassing several simplified cost options covering different categories of costs, different projects or successive phases of an operation, the fields 3 to 11 need to be filled in for each indicator triggering reimbursement.

7. Categories of costs covered by the unit cost, lump sum or flat rate	
8. Do these categories of costs cover all eligible expenditure for the operation? (Y/N)	
9. Adjustment(s) method ¹	
10. Verification of the achievement of the units [delivered] - describe what document(s)/system will be used to verify the achievement of the units delivered? - describe what will be checked and by whom during management verifications. - describe what arrangements will be made to collect and store relevant data/documents	
11. Possible perverse incentives, mitigating measures ² and the estimated level of risk (high/medium/low)	
12. Total amount (national and Union) expected to be reimbursed by the Commission on this basis	

¹ If applicable, indicate the frequency and timing of the adjustment and a clear reference to a specific indicator (including a link to the website where this indicator is published, if applicable).

² Are there any potential negative implications on the quality of the supported operations and, if so, what measures (e.g. quality assurance) will be taken to offset this risk?

- C. Calculation of the standard scale of unit costs, lump sums or flat rates
1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.).

2. Please specify why the proposed method and calculation based on Article 94(2) CPR is relevant to the type of operation.

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission.

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate.

5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data.

Appendix 2

Union contribution based on financing not linked to costs

Template for submitting data for the consideration of the Commission

(Article 95 CPR)

Date of submitting the proposal	

This Appendix is not required when amounts for Union-level financing not linked to costs established by the delegated act referred to in Article 95(4) CPR are used.

A. Summary of the main elements

Specific objective	The amount covered by the financing not linked to costs	Type(s) of operation covered		Conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	indicator		Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries
		Code ¹	Description		Code ²	Description		

¹ Refers to the code in Annex VI of the AMIF, BMVI and ISF Regulations.

² Refers to the code of a common indicator, if applicable.

B. Details by type of operation (to be completed for every type of operation)

1. Description of the operation type			
2. Specific objective			
3. Conditions to be fulfilled or results to be achieved			
4. Deadline for fulfilment of conditions or results to be achieved			
5. Indicator definition			
6. Unit of measurement for conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission			
7. Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements	Intermediate deliverables	Envisaged date	Amounts (in EUR)
8. Total amount (including Union and national funding)			
9. Adjustment(s) method			

<p>10. Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables):</p> <ul style="list-style-type: none">- describe what document(s)/system will be used to verify the achievement of the result or condition (and where relevant, each of the intermediate deliverables);- describe what will be checked, by whom and how during management verifications (including on-the-spot);- describe what arrangements will be made to collect and store relevant data/documents.	
<p>11. Use of grants in the form of financing not linked to costs.</p> <p>Does the grant provided by Member State to beneficiaries take the form of financing not linked to costs? [Y/N]</p>	
<p>12. Arrangements to ensure the audit trail</p> <p>Please list the body(ies) responsible for these arrangements.</p>	

Appendix 3

Thematic Facility

Procedure reference	Specific objective	Modality: Specific action/ emergency assistance/ resettlement and humanitarian admission/ transfer of applicants for or beneficiaries of international protection	Type of intervention	Union contribution (EUR)	Pre-financing rate
<type='N' input='M'>	<type='N' input='M'>	<type='S' input='S'>	<type='S' input='S'>	<type='N' input='M'>	<type='N' input='M'>
Description of the action		[text]			
Member State submits a thematic facility amendment /declines		Date: <type='N' input='M'> Submit/Decline: <type='S' input='S'>			
Comment (if Member State declines or if indicators targets and milestones are not updated a justification should be encoded; tables 1 of point 2.1.3, 1 of point 3.1 and 1 of point 3.2 of this Annex should be revised)		[text]			

ANNEX VII

Template for the transmission of data – Article 42¹

Table 1: Financial information at priority and programme level for the ERDF, the ESF+, the Cohesion Fund, the JTF and the EMFAF (point (a) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
The financial allocation of the priority based on the programme							Cumulative data on the financial progress of the programme					

¹ Legend for the characteristics of fields:
 type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean, Cu=Currency; input: M=Manual, S=Selection, G=Generated by system.

Priority	Specific objective	Fund	Category of region ¹	Basis for the calculation of Union contribution n* (Total contribution or public contribution)**	Total financial allocation by fund and national contribution (EUR)	Co-financing rate (%)	Total eligible cost of operations (EUR)	Contribution from the funds to selected operations (EUR)	Proportion of the total financial allocation ² covered with selected operations (%) [column 8/ column 6x 100]	Total eligible expenditure declared by beneficiaries	Proportion of the total financial allocation covered by eligible expenditure declared by beneficiaries (%) [column 11/column 6x100]	Number of selected operations
<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='P' input='G'>	<type='Cu' input='M'>		Calculation	<type='Cu' input='M'>	<type='P' input='G'>	<type='N' input='M'>

¹ It does not apply to the Cohesion Fund, the JTF and the EMFAF.

² For the purposes of this Annex, the data for selected operations will be based on the document setting out the conditions for support in accordance with Article 73(3).

Total		ERDF	More developed	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' Cu' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>
Total		ERDF	Special allocation to outermost regions or northern sparsely populated regions	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' Cu' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>
Total		ESF+	Less developed	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' Cu' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>	<type=' P' input=' G'>	<type=' N' input=' G'>

Table 2: Breakdown of the cumulative financial data by type of intervention for the ERDF, the ESF+, the Cohesion Fund and the JTF (point (a) of Article 42(2))

Priority	Specific objective	Characteristics of expenditure		Categorisation dimension								Financial data		
		Fund	Category of region ¹	1 Intervention field	2 Form of support	3 Territorial delivery dimension	4 Economic activity dimension	5 Location dimension	6 ESF+ secondary theme	7 Gender equality dimension	8 Macro-regional and sea-basin dimension	Total eligible expenditure declared by beneficiaries	Total eligible cost of selected operations (EUR)	Number of selected operations
		<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='S', input='S'>	<type='Cu', input='M'>	<type='Cu', input='M'>	<type='N', input='M'>	

¹ It does not apply to the Cohesion Fund and the JTF.

Table 4: Breakdown of the cumulative financial data by type of intervention for the EMFAF (point (a) of Article 42(2))

Priority	Specific objective	Type of intervention (Annex IV of the EMFAF Regulation)	Financial data		
			Total eligible cost of selected operations (EUR)	Total eligible expenditure declared by beneficiaries	Number of selected operations
<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='Cu' input='M'>	<type='Cu' input='M'>	<type='N' input='M'>

Table 5: Common and programme specific output indicators for the ERDF, the Cohesion Fund, the JTF and the EMFAF (point (b) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
Data on output indicators from the programme [extracted from table 2 of point 2.1.1.1.2 of Annex V]												
Priority	Specific objective	Fund	Category of region ¹	ID	Indicator name	Indicator breakdown ² (of which:.)	Measurement unit	Milestone (2024)	Target 2029	Selected operations [dd/mm/yy]	Implemented operations [dd/mm/yy]	Comments
<type='S', input='G'> ³	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='N', input='G'>	<type='N', input='M'>	<type='N', input='M'>	<type='S', input='M'>
...												

¹ It does not apply to the Cohesion Fund, the JTF and the EMFAF.

² It applies only to some indicators. See Commission guidelines for details.

³ Legend for the characteristics of fields: type: N=Number, S=String, C=Checkbox; input: M=Manual, S=Selection, G=Generated by system.

Table 6: Common and programme specific output indicators for the ESF+ (point (b) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8 ¹ .	9.	10.	11.	12.
Data on all common output indicators as set out in Annexes I, II and III of the ESF+ Regulation and on programme-specific indicators [extracted from table 2 of point 2.1.1.1.2 of Annex V and table 2 of point 2.1.1.2.2. of Annex V]											
Priority	Specific objective	Fund	Category of region	ID	Indicator name	Measurement unit	Milestone (2024)	Target 2029 (gender breakdown optional)	Values achieved to date [dd/mm/yy]	Achievement ratio	Comments
<type='S' input='G'> ²	<type='S' input='G'>	<type='N' input='G'>	<type='N' input='M'>	<type='N' input='G'>	<type='S' input='M'>						
								M F N T	M F N T	M F N T	
...											

¹ Columns 8, 9, 10 and 11 are not applicable to the indicators in Annex III of the ESF+ Regulation - Common indicators for ESF+ support for addressing material deprivation (point (m) of Article 4(1) ESF+ Regulation).

² Legend for the characteristics of fields: type: N=Number, S=String, C=Checkbox; input: M=Manual, S=Selection, G=Generated by system.

Table 7: Common output indicators for the AMIF, the ISF and the BMVI (point (b) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
	Data on all common output indicators listed in annex VIII of AMIF/ISF/BMVI Regulations for each specific objective [extracted from Table 1 of point 2.1.2 of Annex VI]								
Specific objective	ID	Indicator name	Indicator breakdown (of which)	Measurement unit	Milestone (2024)	Target (2029)	Planned values in selected operations ¹	Values achieved ²	Comments
							[dd/mm/yy]	[dd/mm/yy]	
<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='N' input='M'>	<type='N' input='M'>	<type='S' input='M'>

¹ Including gender and age breakdown, where required.

² Including gender and age breakdown, where required.

Table 8: Multiple support to enterprises for the ERDF, the Cohesion Fund and the JTF at programme level (point (b) of Article 42(2))

1.	2.	3.	4.	5.
ID	Indicator name	Indicator breakdown (of which:)	Number of enterprises net of multiple support by [dd/mm/yy]	Comments
<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='M' >	<type='S' input='M'>
RCO 01	Enterprises supported	Micro		
RCO 01	Enterprises supported	Small		
RCO 01	Enterprises supported	Medium		
RCO 01	Enterprises supported	Large		
RCO 01	Enterprises supported	Total	<type='N' input='G'>	

Table 9: Common and programme specific result indicators for the ERDF, the Cohesion Fund, the JTF and the EMFAF (point (b) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	
Data on result indicators from the programme [extracted from Table 5 of Annex VII]															
Priority	Specific objective	Fund	Category of region ¹	ID	Indicator or name	Indicator breakdown ² (of which:)	Measurement unit	Baseline in the programme	Target 2029	Progress in result indicators to date					Comments
										Selected operations [dd/mm/yy]	Implemented operations [dd/mm/yy]	Baseli ne	Planned achievements	Baseli ne	
<type='S' input='G'>3	<type='S' input='G'>	<type='S' input='G'>		<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='N' input='G'>	<type='N' input='M'>	<type='N' input='M'>	<type='N' input='M'>	<type='N' input='M'>	<type='S' input='M'>	
...															

¹ It does not apply to the Cohesion Fund, the JTF and the EMFAF.

² It applies only to some indicators. See Commission guidelines for details.

³ Legend for the characteristics of fields: type: N=Number, S=String, C=Checkbox; input: M=Manual and [also covering automatically upload], S=Selection, G=Generated by system.

Table 11: Common result indicators for the AMIF, the ISF and the BMVI (point (a) of Article 42(2))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Data on all common result indicators listed in Annex VIII of AMIF/ISF/BMVI Regulations for each specific objective [extracted from Table 2 of point 2.1.2 of Annex VI]										
Specific objective	ID	Indicator name	Indicator breakdown (of which)	Measurement unit (for indicators and baseline)	Baseline	Target 2029	Measurement unit (for target)	Planned values in selected operations ¹	Values achieved ²	Comments
<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='N' input='G'>	<type='N' input='G'>	<type='N' input='G'>	<type='S' input='G'>	<type='S' input='M'>

¹ Including gender and age breakdown, where required.

² Including gender and age breakdown, where required.

Table 12: Financial instruments data for the Funds (Article 42(3))

Priority	Characteristics of expenditure		Eligible expenditure by product				Amount of private and public resources mobilised in addition to the contribution from the Funds				Amount of management costs and fees declared as eligible expenditure, including (MCF are to be reported separately in case of direct award and in case of competitive tender):				Interest and other gains generated by support from the Funds to financial instruments referred to in Article 60	Resources attributable to support from the Funds as referred to in Article 62	For guaranteees, total value of loans, equity or quasi-equity investments in final recipients guaranteed with programme resources and actually disbursed to final recipients
	Fund	Specific objective	Category of region ³	Loans (form of support code for FI)	Guarantee (form of support code for FI)	Equity or quasi-equity (form of support code for FI)	Grants within financial instrument operation (form of support code for FI)	Loans (form of support code for FI)	Guarantee (form of support code for FI)	Equity or quasi-equity (form of support code for FI)	Grants within financial instrument operation (form of support code for FI)	Management costs and fees for holding funds depending on the financial product operating within the holding fund structure	Management costs and fees for specific funds (set-up either with or without the holding fund structure) by financial product				
Input = selection	Input = selection	Input = selection	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual	Input = man ual		

¹ Not applicable to the AMIF, ISF or BMVI.

² In the data exchange system SFC2021 the column should separate possibility to report MCF paid in case of direct of award of contract and in case of competitive tender.

³ Not applicable to the Cohesion Fund, JTF, AMIF, BMVI, ISF or EMFAF.

ANNEX VIII

A forecast of the amount for which the Member State expects to submit payment applications for the current and the subsequent calendar year (Article 69(10))

For each programme, to be filled in by Fund and category of region, where appropriate.

Fund	Category of region	Expected Union contribution		
		[current calendar year]		[subsequent calendar year]
		January - October	November - December	January- December
ERDF	Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Fund	Category of region	Expected Union contribution		
		[current calendar year]		[subsequent calendar year]
		January - October	November - December	January- December
	Outermost regions and Northern sparsely populated regions ¹	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Interreg		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
ESF+	Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This should only show the specific allocation for outermost regions / Northern sparsely populated regions.

Fund	Category of region	Expected Union contribution		
		[current calendar year]		[subsequent calendar year]
		January - October	November - December	January- December
	More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Outermost regions and Northern sparsely populated regions ¹	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Cohesion Fund		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
JTF*		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This should only show the specific allocation for outermost regions/ Northern sparsely populated regions.

Fund	Category of region	Expected Union contribution		
		[current calendar year]		[subsequent calendar year]
		January - October	November - December	January- December
EMFAF		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
AMIF		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
ISF		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
BMVI		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

* Amounts including the complementary funding transferred from the ERDF and the ESF+ as appropriate.

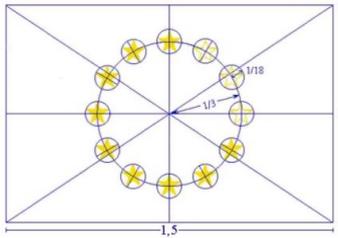
ANNEX IX

Communication and visibility – Articles 47, 49 and 50

1. The use and technical characteristics of the emblem of the Union ('the emblem')
- 1.1. The emblem shall be prominently featured on all communication materials such as printed or digital products, websites and their mobile views relating to the implementation of an operation, used for the public or for participants.
- 1.2. The statement 'Funded by the European Union' or 'Co-funded by the European Union' shall be written in full and placed next to the emblem.
- 1.3. The typeface to be used in conjunction with the emblem may be any of the following fonts: Arial, Auto, Calibri, Garamond, Trebuchet, Tahoma, Verdana or Ubuntu. Italic, underlined variations or font effects shall not be used.
- 1.4. The positioning of the text in relation to the emblem shall not interfere with the emblem in any way.
- 1.5. The font size used shall be proportionate to the size of the emblem.
- 1.6. The colour of the font shall be reflex blue, black or white depending on the background.

- 1.7. The emblem shall not be modified or merged with any other graphic elements or texts. If other logos are displayed in addition to the emblem, the emblem shall have at least the same size, measured in height or width, as the biggest of the other logos. Apart from the emblem, no other visual identity or logo must be used to highlight the support from the Union.
- 1.8. Where several operations are taking place at the same location, supported by the same or different funding instruments, or where further funding is provided for the same operation at a later date, at least one plaque or billboard shall be displayed.
- 1.9. Graphic standards for the emblem and the definition of standard colours:
 - (A) SYMBOLIC DESCRIPTION
Against a background of blue sky, twelve golden stars form a circle representing the union of the peoples of Europe. The number of stars is fixed, twelve being the symbol of perfection and unity.
 - (B) HERALDIC DESCRIPTION
On an azure field a circle of twelve golden mullets, their points not touching.

(C) GEOMETRIC DESCRIPTION



The emblem has the form of a blue rectangular flag of which the fly is one and a half times the length of the hoist. Twelve gold stars situated at equal intervals form an invisible circle whose centre is the point of intersection of the diagonals of the rectangle. The radius of the circle is equal to one third of the height of the hoist. Each of the stars has five points which are situated on the circumference of an invisible circle whose radius is equal to one eighteenth of the height of the hoist. All the stars are upright, i.e. with one point vertical and two points in a straight line at right angles to the mast. The circle is arranged so that the stars appear in the position of the hours on the face of a clock. Their number is invariable.

(D) REGULATION COLOURS

The emblem is in the following colours: PANTONE REFLEX BLUE for the surface of the rectangle; PANTONE YELLOW for the stars

(E) FOUR-COLOUR PROCESS

If the four-colour process is used, recreate the two standard colours by using the four colours of the four-colour process.

PANTONE YELLOW is obtained by using 100 % 'Process Yellow'.

PANTONE REFLEX BLUE is obtained by mixing 100 % 'Process Cyan' and 80 % 'Process Magenta'.

INTERNET

PANTONE REFLEX BLUE corresponds in the web-palette colour RGB:0/51/153 (hexadecimal: 003399) and PANTONE YELLOW corresponds in the web-palette colour RGB: 255/204/0 (hexadecimal: FFCC00).

MONOCHROME REPRODUCTION PROCESS

Using black, outline the rectangle in black and print the stars in black on white.



Using blue (Reflex Blue), use 100 % with the stars reproduced in negative white.



REPRODUCTION ON A COLOURED BACKGROUND

If there is no alternative to a coloured background, put a white border around the rectangle, the width of the border being 1/25th of the height of the rectangle.



The principles of the use of the Union emblem by third parties are set out in the Administrative agreement with the Council of Europe regarding the use of the European emblem by third parties¹.

2. The licence on intellectual property rights referred to in Article 49(6) shall grant to the Union at least the following rights:
 - 2.1. internal use i.e. right to reproduce, copy and make available the communication and visibility materials to Union's institutions and agencies, Member States' authorities, and their employees;
 - 2.2. reproduction of the communication and visibility materials by any means and in any form, in whole or in part;

¹ OJ C 271, 8.9.2012, p. 5.

- 2.3. communication to the public of the communication and visibility materials by using any and all means of communication;
 - 2.4. distribution to the public of the communication and visibility materials (or copies thereof) in any and all forms;
 - 2.5. storage and archiving of the communication and visibility materials;
 - 2.6. sub-licensing of the rights on the communication and visibility materials to third parties.
-

ANNEX X

Elements for funding agreements and strategy documents – Article 59(1) and (5)

1. Required elements of the funding agreement for financial instruments implemented under Article 59(5):
 - (a) the investment strategy or policy including implementation arrangements, financial products to be offered, final recipients targeted, and envisaged combination with grant support (as appropriate);
 - (b) a business plan or equivalent documents for the financial instrument to be implemented, including the estimated leverage effect referred to in point (a) of Article 58(3);
 - (c) the target results that the financial instrument concerned is expected to achieve to contribute to the specific objectives and results of the relevant priority;
 - (d) provisions for monitoring of the implementation of investments and of deal flows including reporting by the financial instrument to the holding fund and to the managing authority to ensure compliance with Article 42;

- (e) audit requirements, such as minimum requirements for documentation to be kept at the level of the financial instrument (and at the level of the holding fund where appropriate) in accordance with Article 82, and requirements in relation to the maintenance of separate records for the different forms of support in compliance with Article 58(6), where applicable, including provisions and requirements regarding access to documents by audit authorities of Member States, Commission auditors and the Court of Auditors in order to ensure a clear audit trail;
- (f) requirements and procedures for managing the contribution provided by the programme in accordance with Article 92 and for the forecast of deal flows, including requirements for fiduciary or separate accounting as set out in Article 59;
- (g) requirements and procedures for managing interest and other gains generated as referred to in Article 60, including acceptable treasury operations or investments, and the responsibilities and liabilities of the parties concerned;
- (h) provisions regarding the calculation and payment of management costs incurred or of the management fees of the financial instrument in compliance with point (d) of Article 68(1);
- (i) provisions regarding the re-use of resources attributable to the support from the Funds in compliance with Article 62 and an exit policy for the contribution from the Funds out of the financial instrument;

- (j) conditions for a possible total or partial withdrawal of programme contributions from programmes to financial instruments, including the holding fund where applicable;
- (k) provisions to ensure that bodies implementing financial instruments manage financial instruments with independence and in accordance with the relevant professional standards, and act in the exclusive interest of the parties providing contributions to the financial instrument;
- (l) provisions for the winding-up of the financial instrument;
- (m) other terms and conditions for making contributions from the programme to the financial instrument;
- (n) terms and conditions to ensure that through contractual arrangements final recipients comply with the requirements of displaying of durable plaques or billboards in accordance with point (c) of Article 50(1), and other arrangements to ensure compliance with Article 50 and Annex IX for the acknowledgement of support from the Funds;
- (o) appraisal and selection of bodies implementing the financial instruments, including calls for expression of interest or public procurement procedures (only where financial instruments are organised through a holding fund).

2. Required elements of the strategy document(s) referred to in Article 59(1):
 - (a) the investment strategy or policy of the financial instrument, general terms and conditions of envisaged debt products, target recipients and actions to be supported;
 - (b) a business plan or equivalent documents for the financial instrument to be implemented, including the estimated leverage effect referred to in Article 58;
 - (c) the use and re-use of resources attributable to the support of the Funds in accordance with Articles 60 and 62;
 - (d) monitoring and reporting of the implementation of the financial instrument to ensure compliance with Articles 42 and 50.
-

ANNEX XI

Key requirements of management and control systems and their classification - Article 69(1)

Table 1 - Key requirements of management and control systems

		Bodies/authorities concerned
1	Appropriate separation of functions and written arrangements for reporting, supervising and monitoring of delegated tasks to an intermediate body	Managing authority
2	Appropriate criteria and procedures for the selection of operations	Managing authority ¹
3	Appropriate information to beneficiaries on applicable conditions for support for the selected operations	Managing authority
4	Appropriate management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options	Managing authority
5	Effective system to ensure that all documents necessary for the audit trail are held	Managing authority
6	Reliable electronic system (including links with electronic data exchange systems with beneficiaries) for recording and storing data for monitoring, evaluation, financial management, verifications and audits, including appropriate processes to ensure the security, integrity and confidentiality of the data and the authentication of users	Managing authority
7	Effective implementation of proportionate anti-fraud measures	Managing authority

¹ Territorial authorities or bodies pursuant to Article 29(3) of this Regulation and steering committee pursuant to Article 22(2) of Interreg Regulation, where applicable.

8	Appropriate procedures for drawing up the management declaration	Managing authority
9	Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular	Managing authority
10	Appropriate procedures for drawing up and submission of payment applications and of accounts and confirming completeness, accuracy and veracity of the accounts	Managing authority/ Body carrying out the accounting function
11	Appropriate separation of functions and functional independence between the audit authority (and any body carrying out audit work under the responsibility of the audit authority on which the audit authority relies and supervises, if applicable) and the other programme authorities and audit work carried out in accordance with internationally accepted audit standards	Audit authority
12	Appropriate system audits	Audit authority
13	Appropriate audits of operations	Audit authority
14	Appropriate audits of accounts	Audit authority
15	Appropriate procedures for providing a reliable audit opinion and for preparing the annual control report	Audit authority

Table 2 - Classification of management and control systems with regard to their effective functioning

Category 1	Works well. No or only minor improvement needed.
Category 2	Works. Some improvement needed.
Category 3	Works partially. Substantial improvement needed.
Category 4	Essentially does not work.

ANNEX XII

Detailed rules and template for the reporting of irregularities - Article 69(2) and (12)

Section 1

Detailed rules for the reporting of irregularities

1.1. Irregularities to be reported

The following irregularities shall be reported to the Commission in accordance with Article 69(2):

- (a) irregularities that have been the subject of a first written assessment by a competent authority, either administrative or judicial, which has concluded on the basis of specific facts that an irregularity has been committed, regardless of the possibility that this conclusion may subsequently have to be revised or withdrawn as a result of developments in the course of the administrative or judicial procedure;

- (b) irregularities that give rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of fraud or other criminal offences, as referred to in points (a) and (b) of Article 3(2) and Article 4(1), (2) and (3) of Directive (EU) 2017/1371 and point (a) of Article 1(1) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests¹ for the Member States not bound by that Directive;
- (c) irregularities preceding a bankruptcy;
- (d) specific irregularity or group of irregularities for which the Commission submits a written request for information to the Member State following the initial reporting from a Member State.

1.2. Irregularities exempted from reporting

The following irregularities shall not be reported:

- (a) irregularities for an amount lower than EUR 10 000 in contribution from the Funds; this does not apply in the case of irregularities which are interlinked and the total amount of which exceeds EUR 10 000 in contribution from the Funds, even when none of them exceeds that ceiling on its own;

¹ OJ C 316, 27.11.1995, p. 49.

- (b) cases where the irregularity consists solely of the failure to execute, in whole or in part, an operation included in the co-financed programme owing to the non-fraudulent bankruptcy of the beneficiary;
- (c) cases brought to the attention of the managing authority or the authority in charge of the accounting function by the beneficiary voluntarily and before detection by either authority, whether before or after the payment of the public contribution;
- (d) cases which are detected and corrected by the managing authority before inclusion in a payment application submitted to the Commission.

The exemptions in points (c) and (d) of the first subparagraph of this point shall not apply to irregularities referred to under point 1.1(b).

1.3. Determination of the reporting Member State

The Member State in which the irregular expenditure is incurred by the beneficiary and paid in implementing the operation shall be responsible for reporting the irregularity in accordance with Article 69(2). For programmes under the European territorial cooperation goal (Interreg), the reporting Member State shall inform the managing authority and the audit authority of the programme.

1.4. Timing of the reporting

Member States shall report irregularities within two months following the end of each quarter from their detection or as soon as additional information on the reported irregularities becomes available. However, a Member State shall immediately report to the Commission irregularities discovered or supposed to have occurred, indicating any other Member States concerned, in case the irregularities may have repercussions outside its territory.

1.5. Submission, use and processing of information reported

Where national provisions provide for the confidentiality of investigations, only information subject to the authorisation of the competent tribunal, court or other body in accordance with national rules may be reported.

The information reported in accordance with this Annex may be used for the purposes of protecting the financial interests of the Union, in particular to perform risk analyses and develop systems serving to identify risks more effectively.

This information shall not be used for any purposes other than the protection of the Union's financial interests unless the authorities that have provided it have given their express consent.

This information shall be covered by professional secrecy and may not be disclosed to persons other than those in the Member States or within the Union's institutions, agencies, offices and bodies whose duties require that they have access to it.

Section 2

Template for electronic reporting via the Irregularity Management System (IMS)

	Identification	Fund
		Member State
		Reporting authority
		Year
		Sequence number
		Programming period
		Reference number – national
	Drafting information	Initiating authority - complete name
		Request language
		Drafting date
		Quarter
	Special request	Necessity to inform other countries
		Person found in other case(s)
	Status	Proceedings
	Case closure	Case closure date

Personal data	Identification of persons involved	Legal person / natural person
		Legal status
		National ID number
		Company name /Family name
		Trade name / First name
		Parent name / Independent prefix
		Street
		Postcode
		City
	Territorial unit where the person is registered	Member State
		Relevant NUTS level
		Flagged on basis of the Financial Regulation ¹ (Articles 135 to145)
		Justification for non-disclosure of personal data

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

	Description of operation	CCI number
		Objective – CCI
		Category of region where applicable
		Goal (IJG/Interreg)
		Programme
		Programme closure date
		Commission decision - number
		Commission decision - date
		Policy objective
		Priority
		Specific objective
	Territorial unit where the operation takes place	Member State
		Relevant NUTS level
Competent authority		
Operation - specific - project	Project	Project
		Project – name
		Project – number
		Co-financing rate
		Total amount of expenditure
		Total amount of irregular expenditure

Irregularity	Information leading to a suspicion of an irregularity	Date
		Source
	Provisions breached	Provisions – Union: Type, title, reference, Article and paragraph as relevant
		Provisions - national – Type, title, reference, Article and paragraph as relevant
	Other States involved	Member State(s)
		Non-Member State(s)
	Specific information on the irregularity	Start date Irregularity
		End date irregularity
		Type of irregularity - typology
		Type of irregularity - category
		Modus operandi
		Additional information
		Findings of the administration
		Classification of the irregularity
		Offences pursuant to Directive (EU) 2017/1371

Detection		Date of discovery (Primary administrative or judicial finding)
		Reason for performing a control (why)
		Type and/or method of control (how)
		Control carried out after payment(s) of public contribution
		Competent authority
	OLAF-Case	OLAF number – Reference
		OLAF number – Year
		OLAF number – Sequence
		Status

Total Amounts	Financial impact	Expenditure – EU contribution
		Expenditure – National contribution
		Expenditure - Public contribution
		Expenditure - Private contribution
		Expenditure – Total
		Irregular amount – EU contribution
		Irregular amount - National contribution
		Irregular amount - Public contribution
		whereof not paid – EU contribution
		whereof not paid – National contribution-
		whereof not paid - Public contribution
		Where of paid – EU contribution
		Where of paid – National contribution
		Where of paid - Public contribution
Comments		

Penalties	Procedures	Procedures initiated to impose penalties
		Type of procedure
		Start date of procedure
		(Expected) end date of procedure
		Status of procedure
	Sanctions	Penalties
		Penalties – Category
		Penalties – Type
		Penalties applied
		Amounts related to financial penalties
		End date of procedure
Comments	Comments	Comments - Reporting authority
	Attachments	Attachments
		Attachments description
	Request for cancellation	Cancellation reasons
		Rejection reasons

ANNEX XIII

Elements for the audit trail – Article 69(6)

As regards Union contribution based on unit costs, lump sums and flat rates reimbursed by the Commission under Article 94 and on financing not linked to costs reimbursed by the Commission under Article 95, only the elements set out under Sections III and IV respectively shall be required.

- I. Obligatory elements of audit trail for grants taking the forms set out in points (a) to (e) of Article 53(1):

1. documentation that allows verification of the application of the selection criteria by the managing authority, as well as documentation relating to the overall selection procedure and the approval of operations;
2. document (grant agreement or equivalent) setting out the conditions for support signed between the beneficiary and the managing authority/intermediate body;
3. accounting records of payment claims submitted by the beneficiary, as recorded in the managing authority/intermediate body's electronic system;
4. documentation on verifications addressing the non-relocation and durability requirements as set out in Article 65, Article 66(2) and point (h) of Article 73(2);
5. proof of payment of the public contribution to the beneficiary and of the date the payment was made;
6. documentation evidencing the administrative and, where applicable, on-the-spot checks carried out by the managing authority/intermediate body;

7. information on audits carried out;
8. documentation relating to the follow-up by the managing authority/intermediate body for purposes of management verifications and audit findings;
9. documentation demonstrating verification of compliance with applicable law;
10. data in relation to output and result indicators enabling reconciliation with corresponding targets and reported milestones;
11. documentation related to financial corrections to and deductions from the expenditure declared to the Commission to ensure compliance with Article 98(6) made by the managing authority/intermediate body/the body to which the accounting function has been entrusted to;
12. for grants taking the form set out in point (a) of Article 53(1), the invoices (or documents of equivalent probative value) and proof of their payment by the beneficiary, as well as accounting records of the beneficiary relating to the expenditure declared to the Commission;
13. for grants taking the forms set out in points (b), (c) and (d) of Article 53(1), and as applicable, documents justifying the method of establishing unit costs, lump sums and flat rates; the categories of costs forming the basis for the calculation; documents evidencing costs declared under other categories of costs to which a flat rate applies; the explicit agreement by the managing authority on the draft budget on the document setting out the conditions for support; documentation on the gross employment costs and on calculation of the hourly rate; where simplified cost options are used based on existing methods, documentation confirming compliance with similar type of operations and with documentation required by the existing method, if any.

- II. Obligatory elements for audit trail for financial instruments:
1. documents on the establishment of the financial instrument, such as funding agreements, etc.;
 2. documents identifying the amounts contributed by each programme and under each priority to the financial instrument, the expenditure that is eligible under each programme and the interest and other gains generated by support from the Funds and re-use of resources attributable to the Funds in accordance with Articles 60 and 62;
 3. documents on the functioning of the financial instrument, including those related to monitoring, reporting and verifications;
 4. documents concerning exits of programme contributions and the winding-up of the financial instrument;
 5. documents on the management costs and fees;
 6. application forms, or equivalent, submitted by final recipients with supporting documents, including business plans and, when relevant, previous annual accounts;
 7. checklists and reports from the bodies implementing the financial instrument;
 8. declarations made in connection with *de minimis* aid;

9. agreements signed in connection with the support provided by the financial instrument, including for equity, loans, guarantees or other forms of investment provided to final recipients;
10. evidence that the support provided through the financial instrument is to be used for its intended purpose;
11. records of the financial flows between the managing authority and the financial instrument, and within the financial instrument at all levels, down to the final recipients, and, for guarantees, proof that underlying loans were disbursed;
12. separate records or accounting codes for a programme contribution paid or a guarantee committed by the financial instrument for the benefit of the final recipient.

- III. Obligatory elements of audit trail for reimbursement of the Union contribution by the Commission under Article 94 to be kept at the level of the managing authority/intermediate body:
1. documents evidencing the ex-ante agreement of the Commission on the types of operations covered by unit costs, lump sums and flat rates and the definition of related amounts and rates, as well as the methods for adjustment of the amounts (programme approval or amendment);
 2. documents evidencing the categories of costs and the amounts forming the basis for the calculation to which the flat rate applies;
 3. documents evidencing the fulfilment of the conditions for reimbursement by the Commission;
 4. documents evidencing the adjustment of the amounts, where relevant;
 5. documents evidencing the calculation method if point (a) of the second subparagraph of Article 94(2) is applied;

6. documentation relating to the selection and approval of operations covered by the reimbursement of the Union contribution by the Commission on the basis of simplified cost options;
7. document setting out the conditions of support signed by the beneficiary and the managing authority/intermediate body stating the form of support provided to beneficiaries;
8. documentation evidencing management verifications and audits carried out in accordance with the third subparagraph of Article 94(3);
9. proof of payment of the public contribution to the beneficiary and of the date the payment was made.

- IV. Obligatory elements of audit trail for reimbursement of the Union contribution by the Commission under Article 95 to be kept at the level of the managing authority/intermediate body:
1. documents evidencing the ex-ante agreement of the Commission on the conditions to be fulfilled or the results to be achieved and corresponding amounts (programme approval or amendment);
 2. documentation relating to the selection and approval of operations covered by the reimbursement of the Union contribution by the Commission based on Article 95 (financing not linked to costs);
 3. document setting out the conditions of support signed by the beneficiary and the managing authority/intermediate body stating the form of support provided to beneficiaries;
 4. documentation evidencing management verifications and audits carried out in accordance with the second subparagraph of Article 95(3);
 5. proof of payment of the public contribution to the beneficiary and of the date the payment was made;
 6. documents evidencing the fulfilment of conditions or the achievement of results at each stage if done in steps, as well as before final expenditure is declared to the Commission.
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ANNEX XIV

Electronic data exchange systems

between programme authorities and beneficiaries - Article 69(8)

1. Responsibilities of programme authorities regarding the characteristics of electronic data exchange systems
 - 1.1. Ensuring the data security, data integrity, data confidentiality, authentication of the sender in accordance with Articles 69(6), 69(8), point (e) of Article 72(1) and Article 82.
 - 1.2. Ensuring availability and functioning during and outside standard office hours (except during technical maintenance).
 - 1.3. Ensuring that the system aims to make use of logical, simple and intuitive functions and interface.
 - 1.4. Use of functionalities in the system providing for:
 - (a) interactive forms and/or forms prefilled by the system on the basis of the data which are stored at consecutive steps of the procedures;
 - (b) automatic calculations, where applicable;

- (c) automatic embedded controls which reduce repeated exchanges of documents or information;
 - (d) system-generated alerts to inform the beneficiary that certain actions can be performed;
 - (e) online status tracking allowing the beneficiary to monitor the current status of the project;
 - (f) all previously available data and documents processed by the electronic data exchange system.
- 1.5. Ensuring record-keeping and data storage in the system enabling both administrative verifications of payment claims submitted by beneficiaries in accordance with Article 74(2) and audits.
2. Responsibilities of programme authorities regarding the modalities for transmission of documents and data for all exchanges
- 2.1. Ensuring the use of electronic signature compatible with one of the three types of electronic signature defined by Regulation (EU) No 910/2014 of the European Parliament and of the Council¹.

¹ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

- 2.2. Providing for storing the date of transmission of documents and data by the beneficiary to the programme authorities and vice versa.
 - 2.3. Ensuring accessibility directly through an interactive user interface (a web application) or via a technical interface that allows for automatic synchronisation and transmission of data between beneficiaries' and Member States' systems.
 - 2.4. Ensuring the protection of privacy of personal data for individuals and commercial confidentiality for legal entities according to Directive 2002/58/EC of the European Parliament and of the Council¹ and Regulation (EU) 2016/679.
-

¹ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37).

ANNEX XV**SFC2021: electronic data exchange system
between the Member States and the Commission – Article 69(9)**

1. Responsibilities of the Commission
 - 1.1. Ensuring the operation of an electronic data exchange system ('SFC2021') for all official exchanges of information between the Member State and the Commission. SFC2021 shall contain at least the information specified in the templates established in accordance with this Regulation.
 - 1.2. Ensuring the following characteristics of SFC2021:
 - (a) interactive forms or forms pre-filled by the system on the basis of the data already recorded in the system previously;
 - (b) automatic calculations, where they reduce the encoding effort of users;
 - (c) automatic embedded controls to verify internal consistency of transmitted data and consistency of this data with applicable rules;
 - (d) system generated alerts warning SFC2021 users that certain actions can or cannot be performed;

- (e) online status tracking of the treatment of information entered into the system;
 - (f) availability of historical data in respect of all information entered for a programme;
 - (g) availability of a compulsory electronic signature within the meaning of Regulation (EU) No 910/2014 which will be recognised as evidence in legal proceedings.
- 1.3. Ensuring an information technology security policy for SFC2021 applicable to the personnel using the system in accordance with relevant Union rules, in particular Commission Decision (EU, Euratom) 2017/46¹ and its implementing rules.
- 1.4. Designating a person or persons responsible for defining, maintaining and ensuring the correct application of the security policy to SFC2021.
2. Responsibilities of Member States
- 2.1. Ensuring that the programme authorities of the Member State identified in accordance with Article 71(1) as well as the bodies identified to carry out certain tasks under the responsibility of the managing authority or the audit authority in accordance with Article 71(2) and (3) enter into SFC2021 the information for the transmission of which they are responsible and any updates thereto.

¹ Commission Decision (EU, Euratom) 2017/46 of 10 January 2017 on the security of communication and information systems in the European Commission (OJ L 6, 11.1.2017, p. 40).

- 2.2. Ensuring the verification of information submitted by a person other than the person who entered the data for that transmission.
- 2.3. Providing arrangements for the separation of the above tasks through the Member State's management and control information systems connected automatically with SFC2021.
- 2.4. Appointing a person or persons responsible for managing access rights to fulfil the following tasks:
 - (a) identifying users requesting access, making sure those users are employed by the organisation;
 - (b) informing users about their obligations to preserve the security of the system;
 - (c) verifying the entitlement of users to the required privilege level in relation to their tasks and their hierarchical position;
 - (d) requesting the termination of access rights when those access rights are no longer needed or justified;
 - (e) promptly reporting suspicious events that may bring prejudice to the security of the system;

- (f) ensuring the continued accuracy of user identification data by reporting any changes;
 - (g) taking the necessary data protection and commercial confidentiality precautions in accordance with Union and national rules;
 - (h) informing the Commission of any changes affecting the capacity of the Member State authorities or users of SFC2021 to carry out the responsibilities referred to in point 2.1 or their personal capacity to carry out responsibilities referred to in points (a) to (g).
- 2.5. Providing arrangements for the respect of the protection of privacy and of personal data for individuals, and of commercial confidentiality for legal entities in accordance with Directive 2002/58/EC, Regulation (EU) 2016/679 and Regulation (EU) 2018/1725.
- 2.6. Adopting national, regional or local information security policies on access to SFC2021 based on a risk assessment applicable to all authorities using SFC2021 and addressing the following aspects:
- (a) the IT security aspects of the work performed by the person or persons responsible for managing the access rights referred to in point 2.4 of section II in case of application of direct use;

- (b) for national, regional or local computer systems connected to SFC2021, through a technical interface referred to in point 2.3 the security measures for those systems allowing to be aligned with SFC2021 security requirements and covering:
- (i) physical security;
 - (ii) data media and access control;
 - (iii) storage control;
 - (iv) access and password control;
 - (v) monitoring;
 - (vi) interconnection with SFC2021;
 - (vii) communication infrastructure;
 - (viii) human resources management prior to employment, during employment and after employment;
 - (ix) incident management.

- 2.7. Making the document referred to in point 2.6 available to the Commission upon request.
- 2.8. Appointing a person or persons responsible for maintaining and ensuring the application of the national, regional or local IT security policies and acting as a contact point with the person or persons designated by the Commission and referred to in point 1.4.
3. Joint responsibilities of the Commission and the Member States
 - 3.1. Ensuring accessibility either directly through an interactive user-interface (i.e. a web-application) or via a technical interface using pre-defined protocols (i.e. web-services) that allows for automatic synchronisation and transmission of data between Member States information systems and SFC2021.
 - 3.2. Providing for the date of electronic transmission of the information by the Member State to the Commission and vice-versa in electronic data exchange, which constitutes the date of submission of the document concerned.
 - 3.3. Ensuring that official data is exchanged exclusively through SFC2021, except where force majeure occurs, and that information provided in the electronic forms embedded in SFC2021 (hereinafter referred to as 'structured data') is not replaced by non-structured data and, in the event of inconsistency, that structured data prevails over non-structured data.

In the event of *force majeure*, a malfunctioning of SFC2021 or a lack of a connection with SFC2021 exceeding one working day in the last week before a regulatory deadline for the submission of information or in the period from 18 to 26 December, or five working days at other times, the information exchange between the Member State and the Commission may take place in paper form using the templates set out in this Regulation in which case the date of submission of the document is the date stamped by the post. When the cause of the force majeure ceases, the party concerned enters in SFC2021 without delay the information already provided in paper form.

- 3.4. Ensuring compliance with the IT security terms and conditions published in the SFC2021 portal and the measures that are implemented in SFC2021 by the Commission to secure the transmission of data, in particular in relation to the use of the technical interface referred to in point 2.3.
 - 3.5. Implementing and ensuring the effectiveness of the security measures adopted to protect the data stored and transmitted through SFC2021.
 - 3.6. Updating and reviewing annually the SFC2021 IT security policy and the relevant national, regional and local IT security policies in the event of technological changes, the identification of new threats or other relevant developments.
-

ANNEX XVI

Template for the description of the management and control system – Article 69(11)

1. GENERAL
 - 1.1. Information submitted by:
 - Member State:
 - Title of the programme(s) and CCI number(s): (all programmes covered by the managing authority where there is a common management and control system):
 - Name and email of main contact point: (body responsible for the description):
 - 1.2. The information provided describes the situation on: (dd/mm/yy).
 - 1.3. System structure (general information and flowchart showing the organisational relationship between the authorities/bodies involved in the management and control system).
 - 1.3.1. Managing authority (name, address and contact point in the managing authority).
 - 1.3.2. Intermediate bodies (name, address and contact points in the intermediate bodies).
 - 1.3.3. The body carrying out the accounting function (name, address and contact points in the managing authority or the programme authority carrying out the accounting function).
 - 1.3.4. Indicate how the principle of separation of functions between and within the programme authorities is respected.

2. MANAGING AUTHORITY

- 2.1. Managing authority – description of the organisation and the procedures related to its functions and tasks as provided for in Articles 72 to 75.
 - 2.1.1. The status of the managing authority (national, regional or local public body or private body) and the body of which it is part.
 - 2.1.2. Specification of the functions and tasks carried out directly by the managing authority.
 - 2.1.3. Where applicable, specification per intermediate body of each of the functions and tasks delegated by the managing authority, identification of the intermediate bodies and the form of the delegation. Reference should be made to relevant documents (written agreements).
 - 2.1.4. Procedures for the supervision of the functions and tasks delegated by the managing authority, if any.
 - 2.1.5. Framework to ensure that an appropriate risk management exercise is conducted when necessary, and in particular in the event of major modifications to the management and control system.
 - 2.1.6. Organisation chart of the managing authority and information on its relationship with any other bodies or divisions (internal or external) that carry out functions and tasks as provided for in Articles 72 to 75.
 - 2.1.7. Indication of planned resources to be allocated in relation to the different functions of the managing authority (including information on any planned outsourcing and its scope, where appropriate).

3. BODY CARRYING OUT THE ACCOUNTING FUNCTION

3.1. Status and description of the organisation and the procedures related to the functions of the body carrying out the accounting function.

3.1.1. The status of the body carrying out the accounting function (national, regional or local public or private body) and the body of which it is part, where relevant.

3.1.2. Description of the functions and tasks carried out by the body carrying out the accounting function as set out in Article 76.

3.1.3. Description of how the work is organised (workflows, processes, internal divisions), what procedures apply and when, how these are supervised, etc.

3.1.4. Indication of planned resources to be allocated in relation to the different accounting tasks.

4. ELECTRONIC SYSTEM

4.1. Description of the electronic system or systems including a flowchart (central or common network system or decentralised system with links between the systems) for:

4.1.1. Recording and storing, in a computerised form data on each operation, including where appropriate data on individual participants and a breakdown of data on indicators when provided for in this Regulation;

- 4.1.2. Ensuring that accounting records or codes for each operation are recorded and stored, and that these records or codes support the data required for drawing up payment applications and the accounts;
 - 4.1.3. Maintaining accounting records or keeping separate accounting codes of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;
 - 4.1.4. Recording all amounts withdrawn during the accounting year as set out in point (b) of Article 98(3) and deducted from the accounts as set out in Article 98(6) and the reasons for these withdrawals and deductions;
 - 4.1.5. Indicating whether the systems are functioning effectively and can reliably record the data mentioned on the date where this description is compiled as set out in point 1.2;
 - 4.1.6. Describing the procedures to ensure the electronic systems' security, integrity and confidentiality.
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ANNEX XVII

Data to be recorded and stored electronically on each operation – point (e) of Article 72(1)

This Annex establishes the data to be recorded without prescribing a specific structure for the electronic system (e.g. information included in a line for the purposes of this Annex may be broken down into multiple data fields in the electronic system concerned).

The data indicated in the first column of the table is required for operations supported by any of the Funds covered by this Regulation unless otherwise specified in the second column. Only data fields that are relevant to the operation in question should be completed. For financial instruments operations, information in sections that explicitly refer to financial instruments shall be also recorded and stored.

Where an operation is supported by more than one programme, priority, Fund, or under more than one category of region, the information referred to in fields 28-123 of this Annex shall be recorded in a manner that allows data to be retrieved broken down by programme, priority, Fund and category of region.

In addition, the information referred to in fields 46-152 of this Annex (data related to reporting requirements under Article 42 and Annex VII) shall be recorded in a manner that allows data to be retrieved broken down by specific objective.

Data fields	Indication of Funds for which data is not required
Data on the beneficiary ¹²	
1. Name and unique identifier, where relevant, of each beneficiary	
2. Information whether the beneficiary is a public or private law body, or an entity with or without legal personality, or a natural person. If a natural person, date of birth and national ID number. If public or private law body, or an entity with or without legal personality, VAT or tax identification number	
3. Information on all beneficial owners of the beneficiary, if any, as defined in Article 3(6) of Directive (EU) 2015/849, namely first name(s) and last names(s), dates(s) of birth and VAT registration number(s) or tax identification number(s) Member States may comply with this requirement by using the data stored in the registers as referred to in Article 30 of Directive (EU) 2015/849, provided a unique identification number is included.	

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- ¹ In case of the European territorial cooperation goal (Interreg), beneficiaries shall include the lead beneficiary and other beneficiaries.
- ² Beneficiary includes, where applicable, other bodies incurring expenditure under the operation which is treated as expenditure incurred by the beneficiary.

Data fields	Indication of Funds for which data is not required
4. Information on whether the beneficiary is the body receiving the aid (in the context of State aid) or granting the aid (in the context of <i>de minimis</i> aid)	
5. Only for PPP operations, information whether the beneficiary is the public body initiating the PPP or the private partner selected for its implementation	
6. Only for small projects funds (Interreg), information whether the beneficiary of a small project fund is a cross-border legal body, a European grouping of territorial cooperation or a body which has legal personality	Not applicable to ERDF under the Investment for jobs and growth goal, ESF+, the Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI
7. Contact details of the beneficiary	
	Data on the beneficiary in the context of financial instruments
8. Information whether the beneficiary is: (a) the body that implements a holding fund or, (b) where there is no holding fund structure, the body that implements a specific fund, or (c) where the managing authority implements financial instrument directly, information on the managing authority	
	Data on the operation
9. Name and unique identifier of the operation	
10. Short description of the operation. Information on what is being financed and key objectives	

Data fields	Indication of Funds for which data is not required
11. Information whether the operation falls under the provisions of Article 94 or 95	
12. Information whether the operation is an operation of strategic importance	
13. Information whether the operation is pursuant to Article 12(1) of the BMVI Regulation, Article 12(1) of the ISF Regulation, and Article 15(1) of the AMIF Regulation, or a specific action, or an action listed in Annex IV to those Regulations, or operating support or emergency assistance	Not applicable to ERDF, ESF+, Cohesion Fund, JTF or EMFAF
14. Date of submission of the application for the operation	
15. Starting date as indicated in the document setting out the conditions for support	
16. End date as indicated in the document setting out the conditions for support	
17. Actual date when the operation is physically completed or fully implemented	
18. Body issuing the document setting out the conditions for support	
19. Date of the document setting out the conditions for support and date of its amendments, if any	
20. Information whether the public support for the operation will constitute State aid	

Data fields	Indication of Funds for which data is not required
21. Information whether the public support for the operation will constitute <i>de minimis</i> aid	
22. Information whether the operation is a PPP operation	
<p>23. Information whether the beneficiary or other entities implementing the operation in accordance with Union procurement rules use contractors and if so, once the corresponding contracts are signed, information on:</p> <ul style="list-style-type: none"> (a) all contractors, including name and VAT registration or tax identification number of the contractor(s), (b) and beneficial owners of the contractor, as defined in Article 3(6) of Directive (EU) 2015/849, namely first name(s) and last names(s), dates(s) of birth and VAT registration number(s) or tax identification number(s) of these beneficial owners and (c) contracts (date of the contract, name, reference and contract amount) <p>Member States may comply with the requirement under point (b) by using the data stored in the registers as referred to in Article 30 of Directive (EU) 2015/849, provided a unique identification number is included.</p> <p>Information under this field is only required where public procurement procedures above the Union thresholds are concerned.</p>	

Data fields	Indication of Funds for which data is not required
<p>24. Information¹ on whether the contractor, as referred to in the field 23, uses sub-contractors and if so, once the corresponding sub-contracts are signed, information on all sub-contractors listed in the procurement documents (of the contractor), namely name and VAT registration or tax identification number and information on sub-contracts (date of the contract, name, reference and contract amount) The requirement to record the information under this field shall apply from one year after the entry into force of this regulation.</p>	
<p>25. Information on whether for the implementation of the operation, the beneficiary further cascades the grant to other entities. If so, information on their name, VAT registration or tax identification number and information on agreements between them and the beneficiary (date of agreement, reference and agreement amount)</p>	
<p>26. Only where the total cost of the operation (including VAT) exceeds 5 million EUR, information whether VAT on expenditure incurred by the beneficiary is non-recoverable under national VAT legislation (point (c) of Article 64(1)),</p>	

¹ Information under this field is only required at the first level of sub-contracting, only where information is recorded on a contractor under field 23, and only for sub-contracts above EUR 50 000 total value.

Data fields	Indication of Funds for which data is not required
27. Currency of the operation (as set out in the document setting out the condition for support)	
28. CCI of the programme(s) under which the operation is supported	
29. Priority or priorities of the programme(s) under which the operation is supported	
30. Fund(s) from which the operation is supported. If there are several funds or other Union instruments from which the operation is supported, information on the split, on the pro-rata amounts, etc.	
31. Information on whether the operation is with the participation of a third country, or takes place in a third country. If so, identification of that third country	Not applicable to the ERDF, ESF+, Cohesion Fund or JTF
32. Only for ESF+ support provided under the specific objective set out in point (m) of Article 4(1), quantity of food: (a) purchased by the beneficiary; (b) obtained in accordance with Article 17(2) of the ESF+ Regulation; (c) delivered to the bodies distributing the food to end recipients; and (d) distributed to end recipients	Not applicable to the ERDF, Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI

Data fields	Indication of Funds for which data is not required
<p>33. Only for ESF+ support provided under the specific objective set out in point (m) of Article 4(1), quantity of basic material assistance:</p> <ul style="list-style-type: none"> (a) purchased by the beneficiary; (b) delivered to bodies distributing the assistance to end recipients; and (c) distributed to end recipients 	<p>Not applicable to the ERDF, Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI</p>
<p>34. Only for ESF+ support provided under specific objective set out in point (m) of Article 4(1), number of vouchers or cards (or other instruments of indirect delivery) issued, and delivered to end recipients, and used by end recipients, as well as information on the total amount of expenditure loaded in vouchers or cards (or other instruments of indirect delivery) delivered to end recipients, and used by end recipients</p>	<p>Not applicable to the ERDF, Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI</p>
<p>35. Category(ies) of region concerned by the operation</p>	<p>Not applicable to the Cohesion Fund, EMFAF, AMIF, ISF or BMVI</p>

Data fields	Indication of Funds for which data is not required
Data specific to financial instruments operations	
36. Information on whether the financial instrument is combined with programme support in the form of grants within the meaning of Article 58(5)	
37. Information on whether the financial instrument operation is implemented directly by the managing authority, or is implemented under the responsibility of the managing authority, within the meaning of Article 59(1) and (2)	
38. Information on whether the financial instrument operation is implemented across consecutive periods, and if so, identification of the periods concerned below: (a) 2014-2020 and 2021-2027 (b) 2021-2027 and post-2027	
39. Where the financial instrument is organised through a holding fund, information about the body implementing a specific fund under the holding fund	
40. Procedure for selecting the body implementing the financial instrument	
41. Legal status of the financial instrument, either: (a) an investment of programme resources into the capital of a legal entity; or (b) separate blocks of finance or fiduciary accounts	
42. Contact details of the beneficiary, and, where the financial instrument is set up with a holding fund, contact details of the body implementing a specific fund under the holding fund	

Data fields	Indication of Funds for which data is not required
43. Date of signature of the funding agreement between the managing authority and the body implementing a holding fund, or a specific fund without a holding fund	
44. Date of signature of the funding agreement between the body implementing a holding fund and the body implementing a specific fund	
45. Date of completion of the ex-ante assessment referred to in Article 58(3)	
Data on types of intervention	
46. Codes for intervention field dimension, for form of support dimension, for territorial delivery mechanism and territorial focus dimension, for economic activity dimension, for location dimension, for gender tracking and for macro-regional and sea basin strategies, where applicable, pursuant to Annex I to this Regulation and Annex VII to the ERDF and CF Regulation, as well as Annex VI to the AMIF, ISF and BMVI Regulations	Not applicable to EMFAF
47. Code(s) for ESF+ secondary theme dimension, pursuant to Annex I to this Regulation	Not applicable to the ERDF, the Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI
48. Codes for the type of action, implementation and particular themes dimensions, pursuant to Annex VI to the AMIF, ISF and BMVI Regulations	Not applicable to the ERDF, ESF+, Cohesion Fund, JTF or EMFAF

Data fields	Indication of Funds for which data is not required
Data on indicators for all operations (including financial instruments operations)	
49. Unique identifier and indicator name for each of the common and/or programme specific output indicators relevant for the operation	
50. For each output indicator: (a) measurement unit, (b) target value for the operation, where applicable, broken down by gender where applicable, (c) cumulative values achieved to date, where applicable, broken down by gender, where applicable, (d) achievement ratio (achieved value/target value), where applicable	Not applicable to EMFAF
51. Milestone value for each output indicator, where applicable and broken down by gender, where applicable	Not applicable to the ESF+ support provided under specific objective set out in point (m) of Article 4(1) of the ESF+ Regulation, or to EMFAF, AMIF, ISF or BMVI
52. Unique identifier and indicator name for each of the common and/or programme specific result indicators relevant for the operation	
53. Indicator breakdown, where specifically required in the Fund specific Regulations	Not applicable to ERDF, ESF+, Cohesion Fund, JTF or EMFAF
54. Measurement unit for each result indicator, where relevant	Not applicable to ERDF, Cohesion Fund, JTF or EMFAF

Data fields	Indication of Funds for which data is not required
55. Baseline and target value for each result indicator for the operation, where applicable and broken down by gender, where applicable, as well as values achieved to date and result indicator achievement ratio (achieved value/target value)	Not applicable to EMFAF Baseline value not applicable to ESF+, AMIF, ISF or BMVI
Financial data specific to operations (in the currency applicable to the operation)	
56. Amount of the total eligible cost of the operation approved in the latest version of the document setting out the conditions for support	
57. Amount of the total eligible costs for which public contribution is provided	
58. Amount of support from the Funds paid or to be paid	
Financial data specific to financial instruments operations (in the currency applicable to the operation)	
59. Amount of programme contribution, committed to a financial instrument and approved in a document setting out the conditions for support (funding agreement), out of which: (a) amount of public contribution; (b) amount of Funds contribution, broken down by Fund	
60. Amount of private and public resources mobilised in addition to the Funds, by product: loans; guarantees; equity or quasi-equity; grants within a financial instrument operation	
61. Interest and other gains generated by support from the Funds to financial instruments	
62. Amount of interests and other gains attributable to the Funds used until the end of eligibility period used for capital investments, as well as payments of management fees and reimbursement management costs	

Data fields	Indication of Funds for which data is not required
63. Amounts of interests and other gains attributable to the Funds not used until the end of eligibility period	
64. Support from the Funds used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits	
65. Resources returned attributable to support from the Funds, out of which capital repayments, or gains, or other earnings and yields	
66. Information on re-use of resources returned attributable to the support from the Funds within the eligibility period, providing separate records for the amounts: <ul style="list-style-type: none"> (a) re-used in the same or other financial instruments for further investments in final recipients, (b) to cover the losses in the nominal amount of the Funds contribution to the financial instrument resulting from negative interest, and/or (c) for any management costs and fees associated to such further investments 	
67. Re-use of resources returned which are attributable to the support from the Funds within a period of 8 years after the end of the eligibility period	
68. Total value of loans, equity or quasi-equity investments in final recipients guaranteed with programme resources and actually disbursed to final recipients	

Data fields	Indication of Funds for which data is not required
<p>69. Information on:</p> <ul style="list-style-type: none"> (a) the final recipient of support from the Funds, name(s) and ID number, (b) beneficial owners of the final recipient, if any, as defined in Article 3(6) of Directive (EU) 2015/849, namely first name(s) and last names(s), dates(s) of birth and VAT registration number(s) or tax identification number(s), (c) amount of support received (grant, loan, guaranteed loan, equity) <p>Member States may comply with the requirement under point (b) by using the data stored in the registers as referred to in Article 30 of Directive (EU) 2015/849, provided a unique identification number is included therein.</p>	
Data on payment claims by the beneficiary	
70. Date of receipt of each payment claim by the beneficiary	
71. Date of the last payment to the beneficiary (for the purposes of the start date for the document retention period)	
72. Amount of eligible expenditure in each payment claim as paid out to the beneficiary, as well as the date of payment to the beneficiary	
73. Total amount of eligible expenditure entered into the accounting system(s) that has been included in the final payment application for the accounting year and total amount of the corresponding public contribution made or to be made	
74. Only for operations with expenditure related to operations covering more than one category of region, pro-rata allocation of expenditure to the categories of region	Not applicable to the ESF+, EMFAF, AMIF, ISF or BMVI

Data fields	Indication of Funds for which data is not required
75. Only for operations with expenditure related to operations receiving support from one or more Funds or one or more programmes and from other Union instruments, pro-rata allocation of expenditure to each Fund and for the programme or programmes	
76. Dates and short description of the results of management verifications of the operation	
77. Dates and short description of the results of on-the-spot audits of the operation	
78. Body carrying out audit work or verifications	
	Data on expenditure in payment claim from beneficiary – only for expenditure based on real costs
79. Eligible expenditure declared to the Commission established on the basis of costs actually incurred and paid, together with in-kind contributions and depreciation, where applicable	
80. Public contribution corresponding to the eligible expenditure declared to the Commission established on the basis of costs actually reimbursed and paid, together with in-kind contributions and depreciation, where applicable	
81. Contract type and contract amount if the contract award is subject to the provisions of Directive 2014/23/EU ¹ , 2014/24/EU ² or 2014/25/EU ³ of the European Parliament and of the Council	

¹ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1.).

² Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

³ Directive 2014/25/EU of the European Parliament and the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

Data fields	Indication of Funds for which data is not required
82. Eligible expenditure incurred and paid based on a contract if the contract award is subject to the provisions of Directive 2014/23/EU, 2014/24/EU or 2014/25/EU	
83. The procurement procedure used if the contract award is subject to the provisions of Directive 2014/23/EU, 2014/24/EU or 2014/25/EU	
84. Name and VAT registration or tax identification number of the contractor(s) and sub-contractor(s) if the contract award is subject to the provisions of Directive 2014/23/EU, 2014/24/EU or 2014/25/EU or national provisions on public procurement ¹	
85. The procurement procedure used, contract amount and eligible expenditure incurred and paid based on a contract if the contract award is subject to the provisions of Directive 2009/81/EC of the European Parliament and of the Council ²	Not applicable to ERDF, ESF+, Cohesion Fund, JTF or EMFAF
	Data on expenditure in each payment claim from beneficiary – only for expenditure based on unit costs
86. Amount of eligible expenditure declared to the Commission on the basis of unit costs	

¹ Information under this field is only required where information is recorded under fields 23 or 24.

² Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76).

Data fields	Indication of Funds for which data is not required
87. Public contribution corresponding to the eligible expenditure declared to the Commission established on the basis of unit costs	
88. Definition of a unit to be used for each unit cost	
89. Number of units delivered as indicated in the payment claim for each unit item for each unit cost	
90. Unit cost for a single unit	
Data on expenditure in each payment claim from beneficiary – only for expenditure based on lump sums	
91. Amount of eligible expenditure declared to the Commission on the basis of lump sums	
92. Public contribution corresponding to eligible expenditure declared to the Commission established on the basis of lump sums	
93. For each lump sum, deliverables (outputs or results) in accordance with the document setting out the conditions for support as the basis for disbursement of lump sum payments	
94. For each lump sum, the corresponding amount in accordance with the document setting out the conditions for support	
Data on expenditure in payment claim from beneficiary – only for expenditure based on flat rates	
95. Amount of eligible expenditure declared to the Commission, as well as the flat rate in the document setting out the conditions for support	
96. Public contribution corresponding to eligible expenditure declared to the Commission established on the basis of flat rates	

Data fields	Indication of Funds for which data is not required
<p style="text-align: center;">Data on expenditure of financial instruments in payment claims by beneficiaries</p>	
<p>97. Total amount of programme contribution paid to final recipients in the case of loans, equity and quasi-equity, by product:</p> <ul style="list-style-type: none"> (a) out of which total amount of Funds contribution, broken down by Fund (b) out of which total amount of national public co-financing (c) out of which total amount of national private co-financing 	
<p>98. Total amount of programme contributions set aside for guarantee contracts, in accordance with point (b) of Article 68(1):</p> <ul style="list-style-type: none"> (a) out of which total amount of Funds contribution, broken down by Fund (b) out of which total amount of national public co-financing 	
<p>99. Total amount of programme contribution corresponding to payments to, or for the benefit of, final recipients where financial instruments are combined with other Union contribution in a single financial instrument operation:</p> <ul style="list-style-type: none"> (a) out of which total amount of Funds contribution, broken down by Fund (b) out of which total amount of national public co-financing (c) out of which total amount of national private co-financing 	

Data fields	Indication of Funds for which data is not required
100. Information on amount of management costs and fees where bodies implementing a holding fund and/or specific funds are selected through a direct award, distinguishing between: (a) in relation to a holding fund: by financial product operating within the holding fund structure (b) in relation to specific funds (set up either with or without the holding fund structure): by financial product	
101. Amount of management costs and fees where bodies implementing a holding fund and/or specific funds are selected through a competitive tender	
Data on deductions from the accounts	
102. Date and reason for each deduction made in accordance with Article 98(6), as well as information on the type of deduction	
103. Amounts of total eligible expenditure affected by each deduction (out of which, amount corrected as a result of audit)	
104. Amounts of public contribution affected by each deduction (out of which, amount corrected as a result of audit)	

Data fields	Indication of Funds for which data is not required
Data on payment applications to the Commission (in EUR)	
105. Date of submission of each payment application including eligible expenditure from the operation	
106. Total amount of eligible expenditure incurred by the beneficiary and paid in implementing the operation included in each payment application	
107. Total amount of public contribution of the operation included in each payment application	
108. Only for cases of State aid where advances are paid in accordance with Article 91(5), the amount paid to the beneficiary under the operation as an advance and included in a payment application (date and amount)	
109. Only for cases of State aid where advances are paid in accordance with Article 91(5), the amount of the advance included in a payment application which has been covered by expenditure paid by the beneficiary within three years of the payment of the advance	
110. Only for cases of State aid where advances are paid in accordance with Article 91(5), the amount paid to the beneficiary under the operation as an advance included in a payment application which has not been covered by expenditure paid by the beneficiary and for which the three-year period has not yet elapsed	
111. Only for aid schemes under Article 107 TFEU, amount of public contribution paid to the beneficiary in case of aid schemes, pursuant to Article 91(6) of this Regulation	

Data fields	Indication of Funds for which data is not required
Data on expenditure in each payment application from the Member State – only for expenditure for which Union contribution under Article 94 is provided	
112. For each type of expenditure in a payment application date on which it was paid and type of reimbursement by the Member State to the beneficiary	
113. Date and short description of the audits and management verifications carried out by the Member State aiming at verifying that the conditions for reimbursement by the Commission have been fulfilled	
114. Only for reimbursement of eligible expenditure under Article 94, amount of eligible expenditure in accordance with the decision referred to in Article 94(2) or the delegated act referred to in Article 94(4), included in each payment application	
Data on expenditure in each payment application from the Member State - only for expenditure for which Union contribution under Article 95 is provided	
115. Information on the type of reimbursement by the Member State to the beneficiary and what kind of support it takes, as well as the date of reimbursement	
116. Date and short description of the audits and management verifications carried out by the Member State aiming at exclusively verifying that the conditions for reimbursement by the Commission have been fulfilled	
117. Only for reimbursement of eligible expenditure under Article 95, amount of eligible expenditure in accordance with the decision referred to in Article 95(2) or the delegated act referred to in Article 95(4), included in each payment application	

Data fields	Indication of Funds for which data is not required
Specific data on payment applications to the Commission (in EUR) for financial instruments	
118. Total amount of programme contributions effectively paid, or, in case of guarantees, set aside for guarantee contracts, as eligible expenditure in accordance with Article 92(1)	
119. Amount of public contribution effectively paid or, in case of guarantees, set aside for guarantee contracts, as eligible expenditure in accordance with Article 92(1)	
120. Total amount of programme contributions paid to financial instrument included in the first payment application	
121. Amount of public contribution paid to the financial instrument included in the first payment application	
122. Total amount of programme contributions effectively paid or, in the case of guarantees, set aside for guarantee contracts as eligible expenditure, and included in payment applications in accordance with point (b) of Article 92(2)	
123. The amount of corresponding public contribution, effectively paid or, in the case of guarantees, set aside for guarantee contracts as eligible expenditure, and included in payment applications in accordance with point (b) of Article 92(2)	
Data on accounts submitted to the Commission under point (a) of Article 98(1) (in EUR)	
124. The date of submission of each set of accounts, including expenditure linked to an operation	
125. Total amount of eligible expenditure of the operation entered into the accounting systems of the body carrying out the accounting function, which has been included in the accounts	

Data fields	Indication of Funds for which data is not required
126. Total amount of public contribution made or to be made in implementing the operation corresponding to the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function, which has been included in the accounts	
127. Total amount of payments paid to the beneficiary corresponding to the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the accounts	
128. Total eligible expenditure of the operation withdrawn during the accounting year included in the accounts	
129. Total amount of public contribution made or to be made in implementing the operation corresponding to total eligible expenditure of the operation withdrawn during the accounting year included in the accounts	
130. Total expenditure of the operation deducted from the accounts under points (a), (b) and (c) of Article 98(6) during the accounting year reflected in the accounts (out of which amounts corrected as a results of audits)	
Specific data for financial instruments on accounts submitted to the Commission under point (a) of Article 98(1) (in EUR)	
131. Total amount of programme contributions paid to financial instruments included in the first payment application	
132. The amount of public contribution paid to financial instrument included in the first payment application	
133. Total amount of programme contributions effectively paid or, in the case of guarantees, set aside for guarantee contracts, as eligible expenditure included in the accounts	

Data fields	Indication of Funds for which data is not required
134. The amount of corresponding public contribution effectively paid or, in the case of guarantees, set aside for guarantee contracts as eligible expenditure included in the accounts	
Data on specific types of expenditure	
135. Amount of ERDF-type expenditure co-financed by the ESF+ under Article 20(2) paid or to be paid	Not applicable to the ERDF, the Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI
136. Amount of ESF+-type expenditure co-financed by the ERDF under Article 20(2) paid or to be paid	Not applicable to the ESF+, the Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI
137. Amount of incurred and paid expenditure for land purchase under point (b) of Article 64(1) and the amount linked to land purchase pursuant to 64(1) and, where applicable, the reasons for exceeding the ceilings	
138. Amount of in-kind contributions to the operation	
139. Amount of depreciation costs for which no payment supported by invoices has been made to the operation	
140. Amount of the contribution from the ERDF or, where applicable, an external financing instrument of the Union to a small project Fund within an Interreg programme	Not applicable to the ESF+, the Cohesion Fund, JTF, EMFAF, AMIF, ISF or BMVI
141. Amount of incurred and paid expenditure for operating support under Article 16(1) of the BMVI Regulation (and Article 17(3) of the BMVI Regulation for LT only), Article 16(1) of the ISF Regulation, or Article 21(1) of the AMIF Regulation.	Not applicable to the ERDF, ESF+, the Cohesion Fund, JTF or EMFAF
142. Amount of incurred and paid expenditure for equipment, means of transport or the construction of security-relevant facilities pursuant to Article 13(7) of the ISF Regulation	Not applicable to the ERDF, ESF+, the Cohesion Fund, JTF, EMFAF, AMIF or BMVI

ANNEX XVIII

Template for the management declaration – point (f) of Article 74(1)

I/We, the undersigned (name(s), first name(s), title(s) or function(s)), Head of the managing authority for the programme (name of the programme, CCI)

based on the implementation of the (name of programme) during the accounting year ended 30 June (year), based on my/our own judgment and on all information available to me/us at the date of the accounts submitted to the Commission, including the results from management verifications carried out in accordance with Article 74 of Regulation (EU) 2021/1060 of the European Parliament and of the Council¹ and from audits in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June ... (year),

and taking into account my/our obligations under Regulation (EU) 2021/1060

hereby declare that:

- (a) the information in the accounts is properly presented, complete and accurate in accordance with Article 98 of Regulation (EU) 2021/1060,
- (b) the expenditure entered in the accounts complies with applicable law and was used for its intended purpose,

¹ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159)

I/We confirm that irregularities identified in the final audit and control reports in relation to the accounting year have been appropriately treated in the accounts, in particular to comply with Article 98 for submitting accounts. I/We also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in a payment application in a subsequent accounting year.

Furthermore, I/we confirm the reliability of data relating to indicators, milestones and the progress of the programme.

I/we also confirm that effective and proportionate anti-fraud measures are in place and that these take account of the risks identified in that respect.

Finally, I/we confirm that I/we am/are not aware of any undisclosed reputational matter related to the implementation of the programme.

ANNEX XIX

Template for the annual audit opinion – point (a) of Article 77(3)

To the European Commission, Directorate-General [name of the concerned Directorate(s)-General]

1. INTRODUCTION

I, the undersigned, representing the [name of the audit authority], independent in the sense of Article 71(2) of Regulation (EU) 2021/1060 of the European Parliament and of the Council¹, have audited

- (i) the accounts for the accounting year started on 1 July ... [year] and ended 30 June ... [year+1] and dated ... [date of the accounts submitted to the Commission] (hereafter ‘the accounts’),
- (ii) the legality and regularity of the expenditure for which reimbursement has been requested from the Commission in reference to the accounting year (and included in the accounts), and
- (iii) the functioning of the management and control system, and verified the management declaration in relation to the programme [name of programme, CCI number] (hereafter ‘the programme’),

in order to issue an audit opinion in accordance with point (a) of Article 77(3).

¹ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

2. RESPONSIBILITIES OF THE MANAGING AUTHORITY

[Name of the managing authority], identified as the managing authority of the programme, is responsible to ensure proper functioning of the management and control system in regard to the functions and tasks provided for in Articles 72 to 75.

In addition, the [name of the managing authority or of the body carrying out the accounting function where relevant], is responsible to confirm the completeness, accuracy and veracity of the accounts, as required in Article 76 of Regulation (EU) 2021/1060 (and Article 46 of Regulation (EU) 2021/1059 of the European Parliament and of the Council^{1,2}).

Moreover, in accordance with Article 74 of Regulation (EU) 2021/1060 it is the responsibility of the managing authority to confirm that the expenditure entered in the accounts is legal and regular and complies with applicable law.

3. RESPONSIBILITIES OF THE AUDIT AUTHORITY

As established by Article 77 of Regulation (EU) 2021/1060, my responsibility is to independently express an opinion on the completeness, accuracy and veracity of the accounts, whether expenditure for which reimbursement has been requested from the Commission and which is included in the accounts is legal and regular, and whether the management and control system put in place functions properly.

¹ Regulation (EU) 2021/1059 of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L 231, 30.6.2021, p. 94).

² To be included in case of Interreg programmes.

My responsibility is also to include in the opinion a statement as to whether the audit work puts in doubt the assertions made in the management declaration.

The audits in respect of the programme were carried out in accordance with the audit strategy and complied with internationally accepted audit standards. Those standards require that the audit authority complies with ethical requirements, plans and performs the audit work in order to obtain reasonable assurance for the purpose of the audit opinion.

An audit involves performing procedures to obtain sufficient and appropriate evidence to support the opinion set out below. The procedures performed depend on the auditor's professional judgement, including assessing the risk of material non-compliance, whether due to fraud or error. The audit procedures performed are those that I believe to be appropriate in the circumstances and comply with the requirements of Regulation (EU) 2021/1060.

I believe that the audit evidence gathered is sufficient and appropriate to provide the basis for my opinion, [in case there is any scope limitation:] except those which are mentioned in point 4 'Scope limitation'.

The summary of the main findings drawn from the audits in respect of the programme are reported in the attached annual control report in accordance with point (b) of Article 77(3) of Regulation (EU) 2021/1060.

4. SCOPE LIMITATION

Either

There were no limitations on the audit scope.

Or

The audit scope was limited by the following factors:

- (a) ...
- (b) ...
- (c) ...

[N.B. Indicate any limitation on the audit scope, for example any lack of supporting documentation, cases under legal proceedings, and estimate under 'Qualified opinion' below, the amounts of expenditure and contribution the support from the Funds affected and the impact of the scope limitation on the audit opinion. Further explanations in this regard shall be provided in the annual control report, as appropriate.]

5. OPINION

Either

(Unqualified opinion)

In my opinion, and based on the audit work performed:

- (1) Accounts
 - the accounts give a true and fair view;

- (2) Legality and regularity of the expenditure included in the accounts
 - expenditure included in the accounts is legal and regular¹,
- (3) The management and control system in place as at the date of this audit opinion
 - the management and control system functions properly

The audit work carried out does not put in doubt the assertions made in the management declaration.

Or

(Qualified opinion)

In my opinion, and based on the audit work performed,

- (1) Accounts
 - the accounts give a true and fair view [where the qualification applies to the accounts, the following text is added:] except in the following material aspects:
- (2) Legality and regularity of the expenditure included in the accounts
 - the expenditure included in the accounts is legal and regular [where the qualification applies to the accounts, the following text is added:] except for the following aspects:

The impact of the qualification is limited [or significant] and corresponds to (amount in EUR of the total amount of expenditure included in the accounts)

¹ Except for the Interreg programmes that fall under the annual sample for audits of operation to be drawn by the Commission as envisaged in Article 48 of the Interreg Regulation.

- (3) The management and control system in place as at the date of this audit opinion
- the management and control system put in place functions properly [where the qualification applies to the management and control system, the following text is added:] except for the following aspects¹:

The impact of the qualification is limited [or significant] and corresponds to (amount in EUR of the total amount of expenditure included in the accounts).

The audit work carried out does not put/puts [delete as appropriate] in doubt the assertions made in the management declaration.

[Where the audit work carried out puts in doubt the assertions made in the management declaration, the audit authority shall disclose in this paragraph the aspects leading to this conclusion.]

Or

(Adverse opinion)

In my opinion, and based on the audit work performed:

- (i) the accounts give/do not give [delete as appropriate] a true and fair view; and/or
- (ii) the expenditure included in the accounts for which reimbursement has been requested from the Commission is/is not [delete as appropriate] legal and regular; and/or
- (iii) the management and control system put in place functions/does not function [delete as appropriate] properly.

¹ In case the management and control system is affected, the body or bodies and the aspect(s) of their systems that did not comply with requirements and/or did not function properly shall be identified in the opinion, except where this information is already clearly disclosed in the annual control report and the opinion paragraph refers to the specific section(s) of this report where such information is disclosed.

This adverse opinion is based on the following aspects:

- in relation to material matters related to the accounts:

and/or [delete as appropriate]

- in relation to material matters related to the legality and regularity of the expenditure included in the accounts for which reimbursement has been requested from the Commission:

and/or [delete as appropriate]

- in relation to material matters related to the functioning of the management and control system¹:

The audit work carried out puts in doubt the assertions made in the management declaration for the following aspects:

[The audit authority may also include emphasis of matter, not affecting its opinion, as established by internationally accepted auditing standards. A disclaimer of opinion can be envisaged in exceptional cases².]

Date:

Signature:

¹ In case the management and control system is affected, the body or bodies and the aspect(s) of their systems that did not comply with requirements and/or did not function properly shall be identified in the opinion, except where this information is already clearly disclosed in the annual control report and the opinion paragraph refers to the specific section(s) of this report where such information is disclosed.

² These exceptional cases should be related to unforeseeable, external factors outside the remit of the audit authority.

ANNEX XX

Template for the annual control report – point (b) of Article 77(3)

1. Introduction
 - 1.1. Identification of the audit authority and other bodies that have been involved in the preparation of the report.
 - 1.2. Reference period (i.e. the accounting year).
 - 1.3. Audit period (during which the audit work took place).
 - 1.4. Identification of the programme(s) covered by the report and of its/their managing authority/ies. Where the report covers more than one programme or Fund, the information shall be broken down by programme and by Fund, identifying in each Section the information that is specific for the programme and/or the Fund.
 - 1.5. A description of the steps taken to prepare the report and to draw up the corresponding audit opinion.

Section 1.5 is to be adapted for Interreg programmes in order to describe the steps taken to prepare the report based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 49 of Regulation (EU) 2021/1059 of the European Parliament and of the Council¹ (the ‘Interreg Regulation’).

¹ Regulation (EU) 2021/1059 of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L 231, 30.6.2021, p. 94).

2. Significant changes in management and control system(s)
 - 2.1. Details of any major changes in the management and control systems related to the managing authority's responsibilities, in particular with respect to the delegation of functions to intermediate bodies, to the body to which the accounting function has been entrusted and confirmation of their compliance with Articles 72 to 76 and 81 based on the audit work carried out by the audit authority.
 - 2.2. Information on the application of enhanced proportionate arrangements pursuant to Articles 83, 84 and 85.
3. Changes to the audit strategy
 - 3.1. Details of any changes made to the audit strategy and related explanations. In particular, indicate any change to the sampling method used for the audit of operations (see Section 5) and whether the strategy was subject to changes due to the application of enhanced proportionate arrangements pursuant to Articles 83, 84 and 85.
 - 3.2. Section 1 is to be adapted for Interreg programmes in order to describe changes to the audit strategy based on the specific rules on audits of operations applicable to Interreg programmes as set out in Article 49 of the Interreg Regulation .
4. System audits (where applicable¹)
 - 4.1. Details of the bodies (including the audit authority) that have carried out audits on the proper functioning of the management and control system of the programme ('system audits').

¹ This section is voluntary for programmes that fall under the 'enhanced proportionate arrangements' for the accounting year in question.

- 4.2. A description of the basis for the audits carried out, including a reference to the audit strategy applicable and more particularly to the risk assessment methodology and the results that led to establishing the audit plan for system audits. If the risk assessment has been updated, this should be described in Section 3 covering the changes in the audit strategy.
- 4.3. In relation to the table in Section 9.1, a description of the main findings and conclusions drawn from system audits, including the audits targeted at specific thematic areas.
- 4.4. Indications as to whether any irregularities identified were considered to be of a systemic character, details of the measures taken, including a quantification of the irregular expenditure and any related financial corrections made, in accordance with point (b) of Article 77(3) and Article 103.
- 4.5. Information on the follow up of audit recommendations from system audits from previous accounting years.
- 4.6. A description of irregularities or deficiencies specific to financial instruments or other types of expenditure or costs covered by particular rules (e.g. State aid, public procurement, simplified cost options, financing not linked to costs), detected during system audits and of the follow up given by the managing authority to remedy these irregularities or deficiencies.
- 4.7. Level of assurance obtained following the system audits (low/average/high) and a justification.

5. Audits of operations

Sections 5.1 to 5.10 are to be adapted for Interreg programmes in order to describe the steps taken to prepare the report based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 49 of the Interreg Regulation.

- 5.1. Identification of the bodies (including the audit authority) that carried out the audits of operations (as envisaged in Article 79).
- 5.2. A description of the sampling methodology applied and information as to whether the methodology is in accordance with the audit strategy.
- 5.3. An indication of the sampling parameters and other information for statistical or non-statistical sampling procedures, as well as an explanation of the underlying calculations and professional judgement applied. The information should include: materiality level, confidence level, sampling unit, expected error rate, sampling interval, standard deviation, population value, population size, sample size and information on stratification. The underlying calculations for sample selection, total error rate and residual error rate in Section 9.3, in a format permitting an understanding of the basic steps taken, in accordance with the specific sampling method used.
- 5.4. A reconciliation between the amounts included in the accounts, as well as the amounts declared in payment applications during the accounting year and the population from which the random sample was drawn (column 'A' of table in Section 9.2). Reconciling items include negative sampling units where financial corrections have been made.
- 5.5. Where there are negative sampling units, confirmation that they have been treated as a separate population. Analysis of the principal results of the audits of these units, namely focusing on verifying whether the decisions to apply financial corrections (taken by the Member State or by the Commission) have been registered in the accounts as withdrawals.

- 5.6. Where a non-statistical sampling method is used, specify the reasons for using the method, the percentage of sampling units covered by audits, the steps taken to ensure randomness of the sample bearing in mind that the sample has to be representative.

In addition, define the steps taken to ensure a sufficient size of the sample, enabling the audit authority to draw up a valid audit opinion. A total (projected) error rate is also calculated where non-statistical sampling method has been used.

- 5.7. Analysis of the main findings of the audits of operations, describing:

- (a) the number of sampling units audited, the respective amount;
- (b) the type of error by sampling unit¹;
- (c) the nature of errors found²;
- (d) the stratum³ error rate and corresponding serious deficiencies or irregularities the upper limit of the error rate, root causes, corrective measures proposed (including those intending to improve the management and control systems) and the impact on the audit opinion.

Further explanations on the data presented in Sections 9.2 and 9.3 shall be provided, in particular concerning the total error rate.

¹ Random, systemic, anomalous.

² For instance: eligibility, public procurement, State aid.

³ The stratum error rate is to be disclosed where stratification was applied, covering sub-populations with similar characteristics such as operations consisting of financial contributions from a programme to financial instruments, high-value items, Funds (in the case of multi-Fund programmes).

- 5.8. Details of any financial corrections relating to the accounting year and implemented by the managing authority before submitting the accounts to the Commission, and as a consequence of the audits of operations, including flat rate or extrapolated corrections leading to a reduction to 2 % of the residual error rate of the expenditure included in the accounts pursuant to Article 98.
- 5.9. Comparison of the total error rate and the residual error rate (as shown in Section 9.2) with the materiality level of 2 %, in order to ascertain if the population is materially misstated and the impact on the audit opinion.
- 5.10. Details of whether any irregularities identified were considered to be systemic in nature, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections.
- 5.11. Information on the follow-up of audits of operations carried out in respect of the common sample for Interreg programmes based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 49 of the Interreg Regulation.
- 5.12. Information on the follow-up of audits of operations carried out for previous accounting years, in particular on serious deficiencies of systemic nature.
- 5.13. A table categorising errors identified by type.
- 5.14. Conclusions drawn from the main findings of the audits of operations with regard to the proper functioning of the management and control system.

Section 5.14 is to be adapted for Interreg programmes in order to describe the steps taken to draw the conclusions based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 49 of the Interreg Regulation.

6. Audits of accounts
 - 6.1. Identification of the authorities/bodies that have carried out audits of accounts.
 - 6.2. Description of audit approach used to verify that the accounts are complete, accurate and true. This shall include a reference to the audit work carried out in the context of system audits, audits of operations with relevance for the assurance on the accounts and additional verifications to be carried out on the draft accounts before these are sent to the Commission.
 - 6.3. Conclusions drawn from the audits in relation to the completeness, accuracy and veracity of the accounts, including an indication on the corresponding financial corrections made and reflected in the accounts as a follow-up to these conclusions.
 - 6.4. Indication of whether any irregularities identified were considered to be systemic in nature, and of the measures taken.
7. Other information
 - 7.1. Audit authority's assessment of the cases of suspicions of fraud detected in the context of their audits (and of the cases reported by other national or Union bodies and related to operations audited by the audit authority), together with the measures taken. Information on number of cases, gravity, and the amounts affected, if known.
 - 7.2. Subsequent events occurred after the end of the accounting year and before the transmission of the annual control report to the Commission and considered when establishing the level of assurance and opinion by the audit authority.

8. Overall level of assurance
 - 8.1. Indication of the overall level of assurance on the proper functioning of the management and control system, and an explanation of how the level was obtained from the combination of the results of the system audits and audits of operations. Where relevant, the audit authority shall take also account of the results of other national or Union audit work carried out.
 - 8.2. Assessment of any mitigating actions not linked to financial corrections that were implemented, financial corrections implemented and an assessment of the need for any additional corrective measures, both from the perspective of improvements of the management and control systems and of the impact on the Union budget.

9.2. Results of audits of operations

Fund	Programme CCI number	Programme title	A Amount in Euros corresponding to the population from which the sample * was drawn	B Expenditure in reference to the accounting year audited for the random sample		C Amount of irregular expenditure in random sample	D Total error rate**	E Corrections implemented as a result of the total error rate	F Residual total error rate	G Other expenditure audited***	H Amount of irregular expenditure in other expenditure audited
				Amount****	%*****						

* Column 'A' shall refer to the positive population from which the random sample was drawn, i.e. total amount of eligible expenditure entered into the accounting system of the managing authority/body carrying out the accounting function which has been included in payment applications submitted to the Commission less negative sampling units if any. Where applicable, explanations shall be provided in Section 5.4.

** The total error rate is calculated before any financial corrections are applied in relation to the audited sample or the population from which the random sample was drawn. Where the random sample covers more than one Fund or programme, the total error rate (calculated) presented in column 'D' concerns the whole population. Where stratification is used, further information by stratum shall be provided in Section 5.7.

*** Column 'G' shall refer to expenditure audited in the context of a complementary sample.

**** Amount of expenditure audited (in case sub-sampling is applied) only the amount of the expenditure items effectively audited, shall be included in this column).

***** Percentage of expenditure audited in relation to the population.

9.3. Calculations underlying the random sample selection, total error rate and total residual error rate.

ANNEX XXI

Template for the annual audit report – Article 81(5)

1. Introduction
 - 1.1. Identification of the external audit firm that has been involved in preparing the report.
 - 1.2. Reference period (e.g. 01 July N-1 to 30 June N).
 - 1.3. Identification of the financial instrument(s)/mandate(s) and programme(s) covered by the audit report. Identification of the funding agreement to which the report relates to (the ‘Funding agreement’).
2. Audit of internal control systems applied by the EIB/EIF or other international financial institutions

Results of the external audit of the internal control system of the EIB or other international financial institutions (IFIs), in which a Member State is a shareholder, assessing the set-up and effectiveness of this internal control system and covering the following elements:

 - 2.1. Mandate acceptance process.
 - 2.2. Process for the appraisal and selection of financial intermediaries: formal and quality assessment.
 - 2.3. Process for the approval of transactions with financial intermediaries and signature of relevant funding agreements.
 - 2.4. Processes for the monitoring of financial intermediaries relating to:
 - 2.4.1. reporting by financial intermediaries;
 - 2.4.2. maintenance of records;

- 2.4.3. disbursements to final recipients;
 - 2.4.4. eligibility of support to final recipients;
 - 2.4.5. management fees and costs charged by the financial intermediaries;
 - 2.4.6. visibility, transparency and communication requirements;
 - 2.4.7. implementation of State aid requirements by the financial intermediaries;
 - 2.4.8. differentiated treatment of investors, where relevant;
 - 2.4.9. compliance with applicable Union law related to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.
- 2.5. Systems for the processing of payments received from the managing authority.
 - 2.6. Systems for the calculation and payment of amounts related to management costs and fees.
 - 2.7. Systems for the processing of payments to financial intermediaries.
 - 2.8. Systems for the processing of interest and other gains generated by support from the Funds to financial instruments.

For points 2.1, 2.2 and 2.3, following the submission of the first annual audit report information only on the updates or changes to the procedures or arrangements in place need to be provided.

- 2.9. For the annual audit report concerning the final accounting year information on the following elements shall be covered in addition to those of points 2.1 to 2.8:
- 2.9.1. Use of differentiated treatment of investors;
 - 2.9.2. Achieved multiplier ratio compared to the agreed multiplier ratio in the guarantee agreements for financial instruments delivering guarantees;
 - 2.9.3. Use of interest and other gains attributable to the support from the Funds paid to financial instruments in line with Article 60;
 - 2.9.4. Use of resources paid back to financial instruments, which are attributable to the support from the Funds, until the end of the eligibility period and arrangements put in place for the use of those resources after the end of the eligibility period in line with Article 62.
3. Audit conclusions
- 3.1. Conclusion as to whether the external audit firm can provide reasonable assurance on the set-up and effectiveness of the internal control system put in place by the EIB or other IFIs, in which a Member State is a shareholder, in accordance with the applicable rules, as per the elements referred to in Section 2.
 - 3.2. Findings and recommendations resulting from the audit work carried out.

Points 3.1 and 3.2 shall be based on the results of the audit work referred to in Section 2 and, where relevant, take account of the results of other national or Union audit work carried out in relation to the same body implementing financial instruments or to the same mandate for financial instruments.

ANNEX XXII

Template for the audit strategy – Article 78

1. INTRODUCTION

- (a) Identification of the programme(s) (title(s) and CCI(s) numbers¹), Funds and period covered by the audit strategy.
- (b) Identification of the audit authority responsible for drawing up, monitoring and updating the audit strategy and of any other bodies that have contributed to this document.
- (c) Reference to the status of the audit authority (national, regional or local public body) and the body in which it is located.
- (d) Reference to the mission statement, audit charter or national legislation (where applicable) setting out the functions and responsibilities of the audit authority and other bodies carrying out audits under its responsibility.
- (e) Confirmation by the audit authority that the bodies carrying out audits have the requisite functional and organisational independence.

¹ Indicate the programmes covered by a common management and control system, in case a single audit strategy is prepared for several programmes.

2. RISK ASSESSMENT

- (a) explanation of the risk assessment method followed; and
- (b) internal procedures for updating the risk assessment.

3. METHODOLOGY

3.1. Overview

- (a) Reference to the internationally accepted audit standards that the audit authority will apply for its audit work.
- (b) Information on how the audit authority will obtain its assurance with regard to programmes in the standard management and control system and for programmes with enhanced proportionated arrangements (description of main building blocks - types of audits and their scope).
- (c) Reference to the procedures in place for drawing up the annual control report and audit opinion to be submitted to the Commission in accordance with Article 77(3) of this Regulation, with the necessary exceptions for Interreg programmes based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 49 of the Interreg Regulation.
- (d) Reference to audit manuals or procedures containing the description of the main steps of the audit work, including the classification treatment of the errors detected in the preparation of the annual control report to be submitted to the Commission in accordance with point (b) of Article 77(3).

- (e) For Interreg programmes, reference to specific audit arrangements and explanation on how the audit authority intends to ensure cooperation with the Commission regarding the audits of operations under the common Interreg sample to be drawn by the Commission set out in Article 49 of the Interreg Regulation.
- (f) For Interreg programmes, when additional audit work may be required as set out in Article 49 of Regulation the Interreg Regulation (reference to specific audit arrangements in that respect and to the follow up of that additional audit work).

3.2. Audits on the proper functioning of management and control systems (system audits)

Identification of the bodies/structures to be audited, as well as the relevant key requirements in the context of system audits. The list shall include any bodies that have been appointed in the last twelve months.

Where applicable, reference to the audit body on which the audit authority relies to perform these audits.

Indication of any system audits targeted at specific thematic areas or bodies, such as:

- (a) quality and quantity of the administrative and on-the-spot management verifications in respect of applicable law such as public procurement rules, State aid rules or environmental requirements;
- (b) quality of project selection and of management verifications at the level of the managing authority or intermediate body;
- (c) set-up and implementation of financial instruments at the level of the bodies implementing financial instruments;

- (d) functioning and security of electronic systems, and their connection with the electronic data exchange system of the Commission;
- (e) reliability of data related to targets and milestones and on the progress of the programme in achieving its objectives provided by the managing authority;
- (f) financial corrections (and deductions from the accounts);
- (g) implementation of effective and proportionate anti-fraud measures underpinned by a fraud risk assessment.

3.3. Audits of operations

3.3.1. For all programmes except Interreg programmes

- (a) Description of (or reference to internal document specifying) the sampling methodology to be used in line with Article 79 (and other specific procedures in place for audits of operations, namely related to the classification and treatment of the errors detected, including suspected fraud).
- (b) A separate description shall be proposed for years when the Member States chooses to apply the enhanced proportionate system for one or more programmes as set out in Article 83.

3.3.2. For Interreg programmes

- (a) Description of (or reference to internal document specifying) the treatment of findings and errors to be used in line with Article 49(1) of the Interreg Regulation and other specific procedures in place for audits of operations, namely related to the common Interreg sample to be drawn up by the Commission each year.

- (b) A separate description shall be proposed for years when the common sample for audits of operations for Interreg programmes does not include operations or sampling units from of the programme in question and when the audit authority carries out a sampling exercise in line with Article 49(10) of the Interreg Regulation.

In case of sampling exercise referred to in point (b), there shall be a description of the sampling methodology to be used by the audit authority and other specific procedures in place for audits of operations, namely related to the classification and treatment of the errors detected, etc.

3.4. Audits of the accounts

Description of the audit approach for audits of accounts.

3.5. Verification of the management declaration

Reference to the internal procedures setting out the work involved in the verification of the assertions in the management declaration as drawn up by the managing authority, for purposes of the audit opinion.

5. RESOURCES

- (a) Organisation chart of the audit authority.
 - (b) Indication of planned resources to be allocated in relation to the current accounting year and the two subsequent accounting years (including information on any foreseen outsourcing and its scope, where appropriate).
-

ANNEX XXIII

Template for payment applications – Article 91(3)

PAYMENT APPLICATION

EUROPEAN COMMISSION

Fund concerned¹:<type="S" input="S" >²

Commission reference (CCI):

<type="S" input="S">

Name of programme:

<type="S" input="G">

Commission decision:

<type="S" input="G">

Date of Commission decision:

<type="D" input="G">

Payment application number:

<type="N" input="G">

Date of submission of the payment application:

<type="D" input="G">

National reference (optional):

<type="S" maxlength="250"
input="M">

¹ If a programme concerns more than one fund, a payment application should be sent separately for each fund.

² Legends:
type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean,
Cu=Currency
input: M=Manual, S=Selection, G=Generated by system

According to Article 91, this payment application refers to the accounting year:

From¹

<type="D" input="G">

until:

<type="D" input="G">

¹ First day of the accounting year, automatically encoded by the electronic system.

Expenditure broken down by priority and, where relevant, by category of region as entered into the accounts of the body carrying out the accounting function

(Including programme contributions paid to financial instruments (Article 92 and advances paid in the context of State Aid (Article 91(5)))

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
Priority 1	(A)	(B)	(C)	(D)	(E)
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ For the EMFAF the co-financing applies only on "Total eligible public expenditure". Therefore, in case of EMFAF, the calculation base in this template will automatically be adjusted to "Public".

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2					
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3					
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contributions pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

OR

Expenditure broken down by specific objective as entered into the accounts of the managing authority

Applicable for AMIF, ISF and BMVI

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Specific objective 1				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4 (AMIF)				
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer in')	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer out')	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance specific objective				
Technical assistance in accordance with Article 36(5)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 37	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of region (the Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Calculation basis (public or total) (1)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)
Priority 1	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

DECLARATION

By validating this payment application the body carrying out the accounting function/managing authority requests the payment of the amounts as mentioned below.

Representing the body carrying out the accounting function:

Or

Representing the managing authority responsible for the accounting function:

<type="S" input="G">

PAYMENT APPLICATION

FUND				
	Less developed regions	Transition regions	More developed regions	Outermost regions and Northern sparsely populated regions
	(A)	(B)	(C)	(D)
<type="S" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

COMMENTS

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The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

FUND	AMOUNT
<type="S" input="G">	<type="Cu" input="G">

Or

Applicable for AMIF, ISF and BMVI

Fund		Amounts
<type="S" input="G">	Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 19 of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Actions co-financed in line with Article 20 of AMIF Regulation	<type="Cu" input="G">
<type="S" input="G">	Technical assistance in accordance with Article 36(5)	<type="Cu" input="G">
<type="S" input="G">	Technical assistance in accordance with Article 37	<type="Cu" input="G">

COMMENTS

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The payment will be made on the following bank account:

Body identified	<type="S" maxlength="150" input="G">
Bank	<type="S" maxlength="150" input="G">
BIC	<type="S" maxlength="11" input="G">
Bank account IBAN	<type="S" maxlength="34" input="G">
Holder of account (where not the same as the body identified)	<type="S" maxlength="150" input="G">

Appendix I

Information on programme contributions paid to financial instruments as referred to in Article 92 and included in the payment applications (cumulative from the start of the programme)

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to Article 92(2)(b)	(D) Total amount of corresponding public contribution
Priority 1				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount shall not be included in the payment application.

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of programme contributions pursuant to Article 92(2)(b)	Total amount of corresponding public contribution
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of programme contributions pursuant to Article 92(2)(b)	Total amount of corresponding public contribution
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of programme contributions pursuant to Article 92(2)(b)	Total amount of corresponding public contribution
Priority 1	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

¹ This amount shall not be included in the payment application.

Or

Applicable for AMIF, ISF and BMVI

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)			Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to Article 92(2)(b)	(D) Total amount of corresponding public contribution	
Specific objective 1					
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2					

¹ This amount shall not be included in the payment application.

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to Article 92(2)(b)	(D) Total amount of corresponding public contribution
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4 (AMIF)				
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Appendix 2

Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions (cumulative from the beginning of the programming period)

Priority	Calculation basis (public or total) ¹	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ²	
		Total (B)	Public (C)	Total (D)	Public (E)
Priority 1	(A)				
Less developed regions	<type="S"> <input="G">	<type="Cu"> <input="M">	<type="Cu"> <input="M">	<type="Cu"> <input="M">	<type="Cu"> <input="M">
Transition regions	<type="S"> <input="G">	<type="Cu"> <input="M">	<type="Cu"> <input="M">	<type="Cu"> <input="M">	<type="Cu"> <input="M">

¹ For the EMFAF the co-financing applies only on "Total eligible public expenditure". Therefore, in case of EMFAF, the calculation base in this template will automatically be adjusted to "Public".

² Amounts in this column should be identical to the amounts in the first table of Annex XXIII.

Priority	Calculation basis (public or total) ¹	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ²	
		Total	Public	Total	Public
	(A)	(B)	(C)	(D)	(E)
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2					
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Calculation basis (public or total) ¹	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ²	
		Total	Public
	(A)	Total (B)	Public (C)
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3			
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
		Total (D)	Public (E)
		<type="Cu" input="M">	<type="Cu" input="M">
		<type="Cu" input="M">	<type="Cu" input="M">
		<type="Cu" input="M">	<type="Cu" input="M">

Priority	Calculation basis (public or total) ¹	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ²	
		Total	Public
	(A)	(B)	(C)
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">
		(D)	(E)
		<type="Cu" input="M">	<type="Cu" input="M">
		<type="Cu" input="M">	<type="Cu" input="M">
		<type="Cu" input="M">	<type="Cu" input="M">
		<type="Cu" input="G">	<type="Cu" input="G">

Appendix 3

Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions (cumulative from the beginning of the programming period) for AMIF, ISF and BMVI

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Specific objective 1					
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ Amounts in this column should be identical to the amounts in the first table of Annex XXIII.

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2					
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	(A) <type="S" input="G">	Total (B) <type="Cu" input="M">	Public (C) <type="Cu" input="M">	Total (D) <type="Cu" input="M">	Public (E) <type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹
	(A)	Total (B)	Total (D)
		Public (C)	Public (E)
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3			
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation	(A) <type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4 (AMIF)					
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 91(3), points (a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer in')	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer out')	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 36(5)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 37	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="M">

Appendix 4

Advances paid in the context of State aid (Article 91(5)) and included in the payment applications
(cumulative from the start of the programme)

Priority	Total amount paid as advances ¹ (A)	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance (B)	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed (C)
Priority 1			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount is included in the Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As state aid is by nature public expenditure, this total amount is equal to public expenditure.

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Priority 2			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Totals			
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF) the table shall look as follows:

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within 3 years of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed
	(A)	(B)	(C)
Priority 1	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

¹ This amount is included in the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As State aid is by nature public expenditure, this total amount is equal to public expenditure.

Or

Applicable for AMIF, ISF and BMVI Funds

Specific objective	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Specific objective 1			
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2			
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount is included in the Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As state aid is by nature public expenditure, this total amount is equal to public expenditure.

Specific objective	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Specific objective 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4 (AMIF)			
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

ANNEX XXIV

Template for the accounts - point (a) of Article 98(1)

ACCOUNTS FOR ACCOUNTING YEAR

<code><type="D" – type="D" input="S"></code>
--

EUROPEAN COMMISSION

Fund concerned ¹ :	<code><type="S" input="S" >²</code>
Commission reference (CCI):	<code><type="S" input="S"></code>
Name of programme:	<code><type="S" input="G"></code>
Commission decision:	<code><type="S" input="G"></code>
Date of Commission decision:	<code><type="D" input="G"></code>
Version of the accounts:	<code><type="S" input="G"></code>
Date of submission of the accounts:	<code><type="D" input="G"></code>
National reference (optional):	<code><type="S" maxlength="250" input="M"></code>

¹ If a programme concerns more than one fund, accounts should be sent separately for each fund.

² Legends:
 type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean,
 Cu=Currency
 input: M=Manual, S=Selection, G=Generated by system

DECLARATIONS

The managing authority / the body carrying out the accounting function responsible for the programme hereby confirms that:

- (1) the accounts are complete, accurate and true;
- (2) the provisions in points (b) and (c) of Article 76(1) are respected.

Representing the managing authority /
the body carrying out the accounting
function:

<type="S" input="G">

The managing authority responsible for the programme hereby confirms that:

- (1) the expenditure entered into the accounts complies with applicable law and is legal and regular;
- (2) the provisions in the Fund-specific Regulations, Article 63(5) of the Financial Regulation and in points (a) to (e) of Article 74(1) of this Regulation are respected;
- (3) the provisions in Article 82 with regard to the availability of documents are respected.

Representing the managing authority

<type="S" input="G">

Appendix 1

Amounts entered into the accounting systems of the accounting function – point (a) of Article 98(3)

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)	(C)
Priority 1			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)	(C)
Priority 2			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)	(C)
Totals			
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Or

Applicable for AMIF, ISF and BMVI

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Specific objective 1		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Specific objective 4 (AMIF)		
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer in')	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer out')	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 36(5)	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 37	<type="Cu" input="M">	<type="Cu" input="M">
Totals		

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment for the accounting year in accordance with point (a) of Article 98(3)	Total amount of the corresponding public contribution made or to be made in accordance with point (a) of Article 98(3)
	(A)	(B)
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 20 of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Technical assistance in accordance with Article 36(5)	<type="Cu" input="G">	<type="Cu" input="G">
Technical assistance in accordance with Article 37	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF, if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

This table shall not include expenditure linked to specific objectives for which enabling conditions are not fulfilled, with the exception of operations that contribute to the fulfilment of enabling conditions

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in accordance with point (a) of Article 98(3)	The amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of the corresponding public contribution made or to be made in accordance with point(a) of Article 98(3)
	(A)	(B)	(C)
Priority 1	<type="Cu" input="M">		<type="Cu" input="M">
Priority 2	<type="Cu" input="M">		<type="Cu" input="M">
Priority 3	<type="Cu" input="M">		<type="Cu" input="M">
Grand total	<type="Cu" input="G">		<type="Cu" input="G">

Appendix 2

Amounts withdrawn during the accounting year – point (b) of Article 98(3) and Article 98(7)

Priority	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
Priority 1		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
Priority 3		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">
Totals		
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">

Priority	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of regions (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF, if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
Priority 1	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">

Or

Applicable for AMIF, ISF and BMVI

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Specific objective 1		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Specific objective 2		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4		
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(2) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(3) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Actions co-financed in line with Article 15(4) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line Article 15(5) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer in')	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 20 of AMIF Regulation ('transfer out')	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 36(5)	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 37	<type="Cu" input="M">	<type="Cu" input="M">
Totals		
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 12(5) of BMVI Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 19 of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Actions co-financed in line with Article 20 of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">
Technical assistance in accordance with Article 36(5)	<type="Cu" input="G">	<type="Cu" input="G">

Specific objective	Withdrawals	
	Total amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
Technical assistance in accordance with Article 37	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits	<type="Cu" input="M">	<type="Cu" input="M">

Appendix 3

Amounts of programme contributions paid to financial instruments
(cumulative from the start of the programme) - point (c) of Article 98(3)

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 92(2)	(D) Total amount of corresponding public contribution
Priority 1				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount shall not be included in payment applications.

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 92(2)	(D) Total amount of corresponding public contribution
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 92(2)	(D) Total amount of corresponding public contribution
Priority 3				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Totals				

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of programme contributions pursuant to point (b) of Article 92(2)	Total amount of corresponding public contribution
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF, if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of programme contributions pursuant to Article 92(2)(b)	Total amount of corresponding public contribution
Priority 1	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

¹ This amount shall not be included in payment applications.

Or

Applicable for AMIF, ISF and BMVI

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)			Corresponding cleared amount as referred to in Article 92(3) ¹
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 86(2)	
Specific objective 1	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount shall not be included in the payment application.

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 86(2)	(D) Total amount of corresponding public contribution
Specific objective 2				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹	
	(A) Total amount of programme contributions paid to financial instruments	(B) Total amount of corresponding public contribution	(C) Total amount of programme contributions pursuant to point (b) of Article 86(2)	(D) Total amount of corresponding public contribution
Specific objective 3				
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective	Amount included in the first payment application and paid to the financial instrument in accordance with Article 92 (maximum 30 % of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 92(3) ¹
	(A)	(B)	
	Total amount of programme contributions paid to financial instruments	Total amount of corresponding public contribution	Total amount of corresponding public contribution
Specific objective 4	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Appendix 4

Reconciliation of expenditure - point (d) of Article 98(3) and Article 98(7)

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference for each type of deduction in accordance with Article 98(6))
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the body system of the body carrying out the accounting function	Total amount of eligible expenditure entered into the accounting systems of the function and which has been included in payment applications submitted to the Commission linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	Total amount of the corresponding public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	(E=A-C)	(F=B-D)	
Priority 1	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Priority 3									
Totals									
Less developed regions	<type="Cu" input="G">								
Transition regions	<type="Cu" input="G">								
More developed regions	<type="Cu" input="G">								
Outermost regions and Northern sparsely populated	<type="Cu" input="G">								
Grand total	<type="Cu" input="G">								
Out of which amounts corrected in the current accounts as a result of audits								<type="Cu" input="M">	<type="Cu" input="M">

Or
Applicable for AMIF, ISF and BMVI

Specific objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference for each type of deduction in accordance with Article 98(6))
	(A)	(B)	(C)	(D)	(E=A-C)	(F=B-D)	
Specific objective	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in payment applications submitted to the Commission linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions	Total amount of the corresponding public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions			
			(C)	(D)	(E)	(F)	(G)
Specific objective 1							

<p>Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

<p>Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

<p>Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(5) of BMVI Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

<p>Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="G">	<type="S" maxlength="500" input="M">					
Specific objective 3							
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="G">	<type="S" maxlength="500" input="M">					

<p>Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation	<type="Cu" input="G">	<type="S" maxlength="500" input="M">							
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="Cu" input="G">	<type="S" maxlength="500" input="M">							

<p>Actions co-financed in line with Article 20 of AMIF Regulation ('transfer out')</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Technical assistance in accordance with Article 36(5)</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					
<p>Technical assistance in accordance with Article 37</p>	<p><type="Cu" input="G"></p>	<p><type="S" maxlength="500" input="M"></p>					

<p>Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>						
<p>Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation</p>	<p><type="Cu" input="G"></p>						

Actions co-financed in line with Article 20 of AMIF Regulation	<type="Cu" input="G">								
Technical assistance in accordance with Article 36(5)	<type="Cu" input="G">								
Technical assistance in accordance with Article 37	<type="Cu" input="G">								
Grand total	<type="Cu" input="G">								
Out of which amounts corrected in the current accounts as a result of audits									
								<type="Cu" input="M">	<type="Cu" input="M">

The template is automatically adjusted on the basis of the CCI. For example, in the case of programmes not including categories of regions (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF, if applicable) or programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 98 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function	Total amount of public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or operations that contribute to the fulfilment of enabling conditions, as entered in the body carrying out the accounting function	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	Total amount of the corresponding public contribution made or to be made in implementing operations linked to specific objectives for which enabling conditions are fulfilled or to operations that contribute to the fulfilment of enabling conditions	(E=A-C)	(F=B-D)	
Priority	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Priority 1	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Priority 2	<type="Cu" input="G">	<type="S" maxlength="500" input="M">							
Grand total	<type="Cu" input="G">	<type="Cu" input="M">							
Out of which amounts corrected in the current accounts as a result of audits									

Appendix 5

Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled
(cumulative from the beginning of the programming period)

Priority	Calculation basis (public or total) ¹	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with Article 91(3)(a) or (c) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with Article 91(3)(a) or (c) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ²	
		Total	Public	Total	Public
Priority 1	(A)	(B)	(C)	(D)	(E)
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ For the EMFAF the co-financing applies only on "Total eligible public expenditure". Therefore, in case of EMFAF, the calculation base in this template will automatically be adjusted to "Public".

² Amounts in this column should be identical to the amounts in the first table of Appendix 1 of Annex XXIV.

More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2					
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3					
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Appendix 6

Information on expenditure linked to specific objectives for which enabling conditions are not fulfilled
(cumulative from the beginning of the programming period) for AMIF, ISF and BMVI

Specific objective	Calculation basis (public or total)	Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of points (a) or (c) of Article 91(3) or Union contribution pursuant to Article 91(4) linked to non-fulfilled enabling conditions within the meaning of Article 15(5) or (6), with the exception of operations that contribute to the fulfilment of enabling conditions ¹		Amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of points (a) or (c) of Article 91(3) or Union contribution pursuant to Article 91(4) linked to fulfilled enabling conditions within the meaning of Article 15(5) or (6), or contributing to the fulfilment of enabling conditions ¹	
		Total (B)	Public (C)	Total (D)	Public (E)
Specific objective 1					
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ Amounts in this column should be identical to the amounts in the first table of Annex XXIV.

Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation (excluding Special Transit Scheme) or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of BMVI Regulation (Special Transit Scheme)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

<p>Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation</p>	<p><type="S" input="G"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>
<p>Actions co-financed in line with Article 12(5) of BMVI Regulation</p>	<p><type="S" input="G"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>
<p>Specific objective 2</p>					
<p>Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation</p>	<p><type="S" input="G"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>
<p>Actions co-financed in line with Article 12(2) of ISF Regulation or Article 12(2) of BMVI Regulation or Article 15(2) of AMIF Regulation</p>	<p><type="S" input="G"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>	<p><type="Cu" input="M"></p>

Actions co-financed in line with Article 12(3) of ISF Regulation or Article 12(3) of BMVI Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 12(4) of BMVI Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 12(6) of BMVI Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3					

Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(2) of ISF Regulation or Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(3) of ISF Regulation or Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(4) of ISF Regulation or Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(5) of ISF Regulation or Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4 (AMIF)					

Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions co-financed in line with Article 15(2) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions co-financed in line with Article 15(3) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions co-financed in line with Article 15(4) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions co-financed in line Article 15(5) of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions financed in line with Article 19 of AMIF Regulation	<type="S" input="G">	<type="Cu" input="M">				
Actions financed in line with Article 20 of AMIF Regulation ('transfer in')	<type="S" input="G">	<type="Cu" input="M">				

Actions financed in line with Article 20 of AMIF Regulation ('transfer out')	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 36(5)	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Technical assistance in accordance with Article 37	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Appendix 7

Advances paid in the context of State aid under Article 91(5) (cumulative from the start of the programme)

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within 3 years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed
	(A)	(B)	(C)
Priority 1			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount is included in the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As State aid is by nature public expenditure, this total amount is equal to public expenditure.

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within 3 years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed
	(A)	(B)	(C)
Priority 2			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Total amount paid as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within 3 years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed
	(A)	(B)	(C)
Totals			
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions and Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on basis of the CCI. For example, in the case of programmes not including categories of region (Cohesion Fund, JTF, European territorial cooperation goal (Interreg), EMFAF) the table shall look as follows:

Priority	Total amount paid from the programme as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Priority 1	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

¹ This amount is included in the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As State aid is by nature public expenditure, this total amount is equal to public expenditure.

Or

Applicable for AMIF, ISF and BMVI

Specific objective	Total amount paid from the programme as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Specific objective 1			
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2			
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 12(1) of BMVI Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount is included in the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations as mentioned in the payment application. As State aid is by nature public expenditure, this total amount is equal to public expenditure.

Specific objective	Total amount paid from the programme as advances ¹	Amount which has been covered by expenditure paid by beneficiaries within three years following the year of the payment of the advance	Amount which has not been covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed
	(A)	(B)	(C)
Specific objective 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 12(1) of ISF Regulation or Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 4	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Actions co-financed in line with Article 15(1) of AMIF Regulation	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

ANNEX XXV**Determination of the level of financial corrections: flat-rate
and extrapolated financial corrections – Article 104(1)****1. Elements for applying an extrapolated correction**

Where extrapolated financial corrections are to be applied, the results of the examination of the representative sample are extrapolated to the rest of the population from which the sample was drawn for the purposes of determining the financial correction.

2. Elements for consideration when applying a flat rate correction

- (a) gravity of the serious deficiency(-ies) in the context of the management and control system as a whole;
- (b) the frequency and extent of the serious deficiency(-ies);
- (c) the degree of financial prejudice to the Union budget.

3. The level of flat rate financial correction is determined as follows:

- (a) where the serious deficiency(-ies) is so fundamental, frequent or widespread that it represents a complete failure of the system that puts at risk the legality and regularity of all expenditure concerned, a flat rate of 100 % is applied;

- (b) where the serious deficiency(-ies) is so frequent and widespread that it represents an extremely serious failure of the system that puts at risk the legality and regularity of a very high proportion of the expenditure concerned, a flat rate of 25 % is applied;
- (c) where the serious deficiency(-ies) is due to the system not fully functioning or functioning so poorly or so infrequently that it puts at risk the legality and regularity of a high proportion of the expenditure concerned, a flat rate of 10 % is applied;
- (d) where the serious deficiency(-ies) is due to the system not functioning consistently so that it puts at risk the legality and regularity of a significant proportion of the expenditure concerned, a flat rate of 5 % is applied.

Where, due to a failure of the responsible authorities to take corrective measures following the application of a financial correction in an accounting year, the same serious deficiency (-ies) is identified in a subsequent accounting year, the rate of correction may, due to the persistence of the serious deficiency(-ies) be increased to a level not exceeding that of the next higher category.

Where the level of the flat rate is disproportionate following consideration of the elements listed in section 2, the rate of correction may be reduced.

ANNEX XXVI

Methodology on the allocation of global resources per Member State – Article 109(2)

Allocation method for the less developed regions eligible under the Investment for jobs and growth goal - point (a) of Article 108(2)

1. Each Member State's allocation shall be the sum of the allocations for its individual eligible regions, calculated in accordance with the following steps:
 - (a) determination of an absolute amount per year (in EUR) obtained by multiplying the population of the region concerned by the difference between that region's GDP per capita, measured in PPS, and the EU-27 average GDP per capita (in PPS);
 - (b) application of a percentage to the above absolute amount in order to determine that region's financial envelope; this percentage shall be graduated to reflect the relative prosperity, measured in PPS, as compared to the EU-27 average, of the Member State in which the eligible region is situated, i.e.:
 - (i) for regions in Member States whose level of GNI per capita is below 82 % of the EU-27 average: 2,85 %;

- (ii) for regions in Member States whose level of GNI per capita is between 82 % and 99 % of the EU-27 average: 1,25 %;
 - (iii) for regions in Member States whose level of GNI per capita is over 99 % of the EU-27 average: 0,75 %;
- (c) to the amount obtained in accordance with point (b) is added, if applicable, an amount resulting from the allocation of a premium of EUR 570 per unemployed person per year, applied to the number of persons unemployed in that region exceeding the number that would be unemployed if the average unemployment rate of all the less developed regions applied;
- (d) to the amount obtained in accordance with point (c) is added, if applicable, an amount resulting from the allocation of a premium of EUR 570 per young unemployed person (age group 15-24) per year, applied to the number of young persons unemployed in that region exceeding the number that would be unemployed if the average youth unemployment rate of all less developed regions applied;

- (e) to the amount obtained in accordance with point (d) is added, if applicable, an amount resulting from the allocation of a premium of EUR 270 per person (age group 25-64) per year, applied to the number of persons in that region that would need to be subtracted in order to reach the average level of low education rate (less than primary, primary and lower secondary education) of all less developed regions;
- (f) to the amount obtained in accordance with point (e) is added, if applicable, an amount of EUR 1 per tonne of CO₂ equivalent per year applied to the population share of the region of the number of tonnes of CO₂ equivalent by which the Member State exceeds the target of greenhouse gas emissions outside the emissions trading scheme set for 2030 as proposed by the Commission in 2016;
- (g) to the amount obtained in accordance with point (f) is added, an amount resulting from the allocation of a premium of EUR 405 per person per year, applied to the population share of the regions of net migration from outside the Union to the Member State since 1 January 2014.

Allocation method for transition regions eligible under the Investment for jobs and growth goal - point (b) of Article 108(2)

2. Each Member State's allocation shall be the sum of the allocations for its individual eligible regions, calculated in accordance with the following steps:
 - (a) determination of the minimum and maximum theoretical aid intensity for each eligible transition region. The minimum level of support is determined by the initial average per capita aid intensity of all more developed regions, i.e. EUR 15,2 per head and per year. The maximum level of support refers to a theoretical region with a GDP per head of 75 % of the EU-27 average and is calculated using the method defined in points (a) and (b) of paragraph 1. Of the amount obtained by this method, 60 % is taken into account;
 - (b) calculation of initial regional allocations, taking into account regional GDP per capita (in PPS) through a linear interpolation of the region's relative GDP per capita compared to EU-27;
 - (c) to the amount obtained in accordance with point (b) is added, if applicable, an amount resulting from the allocation of a premium of EUR 560 per unemployed person per year, applied to the number of persons unemployed in that region exceeding the number that would be unemployed if the average unemployment rate of all the less developed regions applied;

- (d) to the amount obtained in accordance with point (c) is added, if applicable, an amount resulting from the allocation of a premium of EUR 560 per young unemployed person (aged 15 to 24) per year, applied to the number of young persons unemployed in that region exceeding the number that would be unemployed if the average youth unemployment rate of all less developed regions applied;
- (e) to the amount obtained in accordance with point (d) is added, if applicable, an amount resulting from the allocation of a premium of EUR 250 per person (aged 25 to 64) per year, applied to the number of persons in that region that would need to be subtracted in order to reach the average level of low education rate (less than primary, primary and lower secondary education) of all less developed regions;
- (f) to the amount obtained in accordance with point (e) is added, if applicable, an amount of EUR 1 per tonne of CO₂ equivalent per year applied to the population share of the region of the number of tonnes of CO₂ equivalent by which the Member State exceeds the target of greenhouse gas emissions outside the emissions trading scheme set for 2030 as proposed by the Commission in 2016;
- (g) to the amount obtained in accordance with point (f) is added, an amount resulting from the allocation of a premium of EUR 405 per person per year, applied to the population share of the region of net migration from outside the Union to the Member State since 1 January 2014.

Allocation method for the more developed regions eligible under the Investment for jobs and growth goal - point (c) of Article 108(2)

3. The total initial theoretical financial envelope shall be obtained by multiplying an aid intensity per head and per year of EUR 15,2 by the eligible population.
4. The share of each Member State concerned shall be the sum of the shares of its eligible regions, which are determined on the basis of the following criteria, weighted as indicated:
 - (a) total regional population (weighting 20 %);
 - (b) number of unemployed people in NUTS level 2 regions with an unemployment rate above the average of all more developed regions (weighting 12,5 %);
 - (c) employment to be added to reach the average employment rate (aged 20 to 64) of all more developed regions (weighting 20 %);
 - (d) number of persons aged 30 to 34 with tertiary educational attainment to be added to reach the average tertiary educational attainment rate (aged 30 to 34) of all more developed regions (weighting 22,5 %);

- (e) number of early leavers from education and training (aged 18 to 24) to be subtracted to reach the average rate of early leavers from education and training (aged 18 to 24) of all more developed regions (weighting 15 %);
 - (f) difference between the observed GDP of the region (measured in PPS), and the theoretical regional GDP if the region were to have the same GDP per head as the most prosperous NUTS level 2 region (weighting 7,5 %);
 - (g) population of NUTS level 3 regions with a population density below 12,5 inhabitants/km² (weighting 2,5 %).
5. To the amounts by NUTS level 2 region obtained in accordance with point (4) is added, if applicable, an amount of EUR 1 per tonne of CO₂ equivalent per year applied to the population share of the region of the number of tonnes of CO₂ equivalent by which the Member State exceeds the target of greenhouse gas emissions outside the emissions trading scheme set for 2030 as proposed by the Commission in 2016.
6. To the amounts by NUTS level 2 region obtained in accordance with point (5) is added, an amount resulting from the allocation of a premium of EUR 405 per person per year, applied to the population share of the region of net migration from outside the Union to the Member State since 1 January 2014.

Allocation method for the Member States eligible for the Cohesion Fund - Article 108(3)

7. The financial envelope shall be obtained by multiplying the average aid intensity per head and per year of EUR 62,9 by the eligible population. Each eligible Member State's allocation of this theoretical financial envelope corresponds to a percentage based on its population, surface area and national prosperity, and shall be obtained by applying the following steps:
- (a) calculation of the arithmetical average of that Member State's population and surface area shares of the total population and surface area of all the eligible Member States. If, however, a Member State's share of total population exceeds its share of total surface area by a factor of five or more, reflecting an extremely high population density, only the share of total population shall be used for this step;
 - (b) adjustment of the percentage figures so obtained by a coefficient representing one third of the percentage by which that Member State's GNI per capita (in PPS) for the 2015-2017 period exceeds or falls below the average GNI per capita of all the eligible Member States (average expressed as 100 %).

For each eligible Member State, the share of the Cohesion Fund shall not be higher than one third of the total allocation minus the allocation for the European territorial cooperation goal (Interreg) after the application of paragraphs 10 to 16. This adjustment shall proportionally increase all other transfers resulting from paragraphs 1 to 6.

Allocation method for the European territorial cooperation goal (Interreg) – Article 12

8. The allocation of resources by Member State, covering cross-border, transnational and outermost regions' cooperation is determined as the weighted sum of the shares determined on the basis of the following criteria, weighted as indicated:
- (a) total population of all NUTS level 3 border regions and of other NUTS level 3 regions of which at least half of the regional population lives within 25 kilometres of the border (weighting 45,8 %);
 - (b) population living within 25 kilometres of the borders (weighting 30,5 %);
 - (c) total population of the Member States (weighting 20 %);
 - (d) total population of outermost regions (weighting 3,7 %).

The share of the cross-border strand corresponds to the sum of the weights of criteria (a) and (b). The share of the transnational strand corresponds to the weight of criterion (c).

The share of the outermost regions' cooperation corresponds to the weight of criterion (d).

Allocation method for the additional funding for the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession – point (e) of Article 110(1)

9. An additional special allocation corresponding to an aid intensity of EUR 40 per inhabitant per year shall be allocated to the outermost NUTS level 2 regions and the northern sparsely populated NUTS level 2 regions. That allocation will be distributed per region and Member State in a manner proportional to the total population of those regions.

Minimum and maximum levels of transfers from the funds supporting economic, social and territorial cohesion

10. In order to contribute to achieving adequate concentration of cohesion funding on the least developed regions and Member States and to the reduction of disparities in average *per capita* aid intensities, the maximum level of transfer (capping) from the Funds to each individual Member State shall be determined as a percentage of the GDP of the Member State, whereby these percentages will be as follows:

- (a) for Member States whose average GNI *per capita* (in PPS) for the 2015-2017 period is under 55 % of the EU-27 average *per capita*: 2,3 % of their GDP;

- (b) for Member States whose average GNI *per capita* (in PPS) for the 2015-2017 period is equal to or above 68 % of the EU-27 average *per capita*: 1,5 % of their GDP;
- (c) for Member States whose average GNI *per capita* (in PPS) for the 2015-2017 period is equal to or above 55 % and below 68 % of the EU-27 average *per capita*: the percentage is obtained through a linear interpolation between 2,3 % and 1,5 % of their GDP leading to a proportional reduction of the capping percentage in line with the increase in prosperity.

The capping shall be applied on an annual basis to the GDP projections of the Commission, and shall - if applicable - proportionally reduce all transfers (except for the more developed regions and European territorial cooperation goal (Interreg)) to the Member State concerned in order to obtain the maximum level of transfer.

11. The rules described in paragraph 10 shall not result in allocations per Member State higher than 107 % of their level in real terms for the 2014-2020 programming period. That adjustment shall be applied proportionately to all transfers (except for the European territorial cooperation goal (Interreg)) to the Member State concerned in order to obtain the maximum level of transfer.

12. The minimum total allocation from the Funds for a Member State shall correspond to 76 % of its individual 2014-2020 total allocation. The minimum total allocation from the Funds for a Member State where at least one third of the population lives in NUTS level 2 regions with a GDP per capita (in PPS) of less than 50 % of the EU-27 average, shall correspond to 85 % of its individual 2014-2020 total allocation. The adjustments needed to fulfil this requirement shall be applied proportionally to the allocations from the Funds, excluding the allocations under the European territorial cooperation goal (Interreg).
13. The maximum total allocation from the Funds for a Member State having a GNI per capita (in PPS) of at least 120 % of the EU-27 average shall correspond to 80 % of its individual 2014-2020 total allocation. The maximum total allocation from the funds for a Member State having a GNI per capita (in PPS) equal to or above 110 % and below 120 % of the EU-27 average shall correspond to 90 % of its individual 2014-2020 total allocation. The adjustments needed to fulfil this requirement shall be applied proportionally to the allocations from the Funds, excluding the allocation under the European territorial cooperation goal (Interreg). If a Member State has transition regions for which paragraph 16 applies, 25 % of that Member State's allocation for the more developed regions shall be transferred to the allocation of that Member State's transition regions.

Additional provisions

14. For all regions that were classified as less developed regions for the 2014-2020 programming period, but whose GDP *per capita* is above 75 % of the EU-27 average *per capita*, the minimum yearly level of support under the Investment for jobs and growth goal shall correspond to 60 % of their former indicative average annual allocation under the Investment for jobs and growth goal, calculated by the Commission within the multiannual financial framework 2014-2020.
15. No transition region shall receive less than what it would have received if it had been a more developed region.
16. The minimum total allocation of a Member State for its transition regions, which were already transition regions in 2014-2020, shall correspond to a minimum of 65 % of the total 2014-2020 allocation for these regions in that Member State.
17. Notwithstanding paragraphs 10 to 13, additional allocations as set out in paragraphs 18 to 23 shall apply.

18. A total of EUR 120 000 000 shall be allocated for the PEACE PLUS programme where it is acting in support of peace and reconciliation and of the continuation of North-South cross border co-operation. In addition, at least EUR 60 000 000 shall be allocated for the PEACE PLUS programme from the allocation for Ireland under the European territorial cooperation goal (Interreg).
19. Where the population of a Member State has declined, on average, by more than 1% per year, between the periods 2007-2009 and 2016-2018, that Member State shall receive an additional allocation equivalent to the total fall in its population between those two periods multiplied by EUR 500. Where applicable, that additional allocation shall be allocated to the less developed regions in the Member State concerned.
20. The less developed regions of the Member States which have only started receiving support from the Funds in the 2014-2020 programming period, shall receive an additional allocation of EUR 400 000 000.
21. In order to recognise the challenges posed by the situation of island Member States and the remoteness of certain parts of the Union, Malta and Cyprus shall receive an additional allocation of EUR 100 000 000 each for the Structural Funds under the Investment for jobs and growth goal. The northern sparsely populated areas of Finland shall receive an additional allocation of EUR 100 000 000 to the amount referred to in paragraph 9.

22. In order to boost competitiveness, growth and job creation in certain Member States, the Funds shall provide the following additional allocations under the Investment for jobs and growth goal:
- (a) EUR 200 000 000 for the transition regions in Belgium;
 - (b) EUR 200 000 000 for the less developed regions in Bulgaria;
 - (c) EUR 1 550 000 000 for Czechia under the Cohesion Fund;
 - (d) EUR 100 000 000 for Cyprus under the Structural Funds;
 - (e) EUR 50 000 000 for Estonia under the Structural Funds;
 - (f) EUR 650 000 000 for the transition regions of Germany affected by paragraph 16;
 - (g) EUR 50 000 000 for Malta under the Structural Funds;
 - (h) EUR 600 000 000 for the less developed regions in Poland;
 - (i) EUR 300 000 000 for the transition regions in Portugal;
 - (j) EUR 350 000 000 for the more developed region of Slovenia.
23. An additional EUR 100 million shall support cross-border cooperation. It shall complete the allocations of resources by Member States pursuant to the weighted criteria detailed in points (a) and (b) of paragraph 8.
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