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PART 1/2

COMMISSION STAFF WORKING DOCUMENT

EVALUATION

Ex post evaluation of the European Regional Development Fund (ERDF) and the Cohesion Fund for the programming period 2014-2020

{SWD(2025) 329 final}

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Glossary

Term or acronym	*Meaning or definition*
AMIF	Asylum, Migration and Integration Fund
CARE / FAST-CARE	Cohesion's Action for Refugees in Europe / Flexible Assistance to Territories - CARE
CEF	Connecting Europe Facility
CF	Cohesion Fund
CI	Common indicator
CIE	Counterfactual Impact Evaluation
CLLD	Community-led local development
COSME	Programme for the competitiveness of enterprises and small and medium-sized enterprises
CPR	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 (Common Provisions Regulation)
CSF	Common Strategic Framework
CRII / CRII+	Coronavirus Response Investment Initiative / Coronavirus Response Investment Initiative Plus
DEA	Digital Europe Agenda
EAFRD	European Agricultural Fund for Rural Development
ECA	European Court of Auditors
EFSI	European Fund for Strategic Investments
EGD	European Green Deal
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESI Funds	European Structural and Investment Funds
ESF	European Social Fund
ETC	European territorial cooperation
EU	European Union
FI	Financial instrument
FNLC	Financing not linked to costs

GDP	Gross domestic product
GVA	Gross value added
INSPIRE	Infrastructure for Spatial Information in Europe
IP	Investment priority
ITI	Integrated territorial investment
JAP	Joint action plan
LIFE	Programme for the environment and climate action
MA	Managing Authority
MS	Member State
MLCM	Machine learning control method
NRP	National reform programme
PO	Policy objective
RCI	Regional Competitiveness Index
RDP	Rural development plan
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
RHOMOLO	Dynamic spatial general equilibrium model of the European Commission
RIS3	Research and innovation smart specialisation strategy
RRP	Recovery and resilience plan
RTDI	Research, technological development and innovation
SCOs	Simplified Cost Options
SUD	Sustainable urban development
SWD	Staff Working Document
S3	Smart specialisation strategy
TDM	Territorial Delivery Mechanism
TFEU	Treaty on the Functioning of the European Union
TO	Thematic objective
YEI	Youth Employment Initiative

Introduction

Cohesion policy is one of the European Union's main investment policies, **rooted in Articles 174-178 of the Treaty on the Functioning of the European Union (TFEU)**. The EU's ambition is **to promote harmonious development by reducing economic, social, and territorial disparities between Member States (MSs) and regions**, especially underdeveloped areas, and cohesion policy is one of the main tools for delivering on this objective. The policy seeks to foster lasting socio-economic convergence and a smooth and fair green and digital transition, ensuring that no one is left behind.

The objective of cohesion policy is to strengthen economic, social and territorial cohesion[1]. **Under the 2014-2020 Multiannual Financial Framework (MFF), cohesion policy accounted for over a third of the EU budget** or a total of EUR 405 billion in EU funding, increased to EUR 531 billion through the addition of national co-financing[2].

This Staff Working Document (SWD) presents the findings of the *ex post* evaluation of the European Regional Development Fund[3] (ERDF) and Cohesion Fund (CF)[4] for the 2014-2020 programming period.

Article 57 of the Common Provisions Regulation (CPR) 2014-2020 **requires the Commission to carry out an *ex post* evaluation** of the European Structural and Investment Funds (ESI Funds) by the end of 2024 and to prepare a fund-specific synthesis report outlining its main conclusions by the end of 2025[5]. The CPR lays down that **evaluations must assess the effectiveness, efficiency and impact of the ESI Funds and their contribution to the targets under the EU strategy for smart, sustainable and inclusive growth.** Furthermore, Article 2 of the REACT-EU Regulation[6] foresees its evaluation, the results of which will be communicated to the European Parliament and the Council. This SWD contains analytical elements in this regard.

The evaluation is built around the five evaluation criteria stemming from the Better Regulation Guidelines[7]. Accordingly, it examines the: (i) effectiveness, achievements and impacts of the funds in relation to the objectives of cohesion policy, (ii) efficiency, in particular whether simplification measures reduced the administrative burden, (iii) coherence with other EU, national and subnational instruments, (iv) EU added value, i.e., whether the effects generated by the ERDF / CF went beyond what could be reasonably achieved by Member States and subnational authorities, and (v) relevance for strategic political and policy priorities, in terms of creating the conditions for development and addressing emerging challenges for social, economic and territorial cohesion. The scope of this evaluation, within the overall framework of the Better Regulation Guidelines, covers thematic investments under the ERDF / CF, the achievement of the policy's objectives, the identification barriers and enablers to effective implementation, and lessons learnt.

This evaluation is underpinned by 18 cross-cutting and thematic supporting studies[8]. The supporting studies drew findings based on a broad range of evidence, including project-level data, combined with systematic monitoring data on the financial and physical implementation of each

[1] European Union (2012) (TFEU), Article 174.
[2] This sum is composed of the ERDF and CF.
[3] Regulation (EU) 1301/2013.
[4] Regulation (EU) 1301/2013.
[5] Regulation (EU) 1303/2013, Article 57.
[6] Regulation (EU) 2020/2221.
[7] European Commission (2021d).
[8] For a list of the supporting studies, see Annex I – Procedural information.

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programme[9], and literature reviews. More in-depth analysis was conducted in the case studies, supported by some 2 000 interviews with a wide range of stakeholders. Evidence was cross-verified through surveys, focus groups and validation seminars. Dedicated counterfactual impact evaluation studies strengthened the evidence base, alongside RHOMOLO-based economic modelling simulation, employing multiple methods for assessing the impact of the funds. Member State evaluations were also considered in the course of the analysis: they complemented the fund-level evaluation with national/regional-level evidence but were complex to synthesise given their contextual specificity. Furthermore, an interservice steering group[10] helped ensure that the evidence was representative and valid, and that the conclusions were reliable.

The *ex post* evaluation had several limitations. First and foremost, due to **recent regulatory changes, the closure of the programmes was postponed to February 2026**. Final Implementation Reports are therefore still not available, which means that only end-2022 indicator achievement data could be considered. Other data limitations also impacted the scope of the evaluation**. For example, operation-level and beneficiary data was not sufficiently standardised**; this uneven micro-data availability was a limitation to carrying out a robust quantitative causal analysis of effectiveness. In addition, in some policy areas, **there was a lack of systematic data on usage and take-up**, such as for broadband infrastructure and some types of transport interventions. To remediate this to some extent, the theory-based approach used in the supporting studies helped investigate the mechanisms underlying the implementation of the funds. Furthermore, the contribution of the funds to EU objectives could be established through the presented evaluation design, but **the attribution of the effects was challenging, since the funds support thematic areas frequently covered by multiple funding sources**. Finally, evaluating the policy shortly after the implementation period meant that long-term impacts could only be estimated through modelling. Cohesion policy is a long-term investment policy aimed at achieving structural change, meaning that most supported projects, especially large infrastructure projects, are yet to yield their full impacts[11].

This SWD is divided into the following sections:

- **Section 2 describes the expected outcome of the intervention**, including the background, intervention logic, and objectives of the funds (2.1), and points of comparison (2.2).
- **Section 3 outlines how the situation evolved**. It focuses on economic and policy developments, the impact of crises (3.1), and legislative changes (3.2).
- **Section 4 reports on the evaluation findings,** structured according to the Better Regulation criteria.
- **Section 5 distils the main conclusions and lessons learned.**
- **The annexes provide supplementary information, namely** on procedural information (Annex I), the methodology and analytical models used (Annex II), the evaluation matrix (Annex III), an overview of the benefits and costs (Annex IV), a report on stakeholder consultation (Annex V), a presentation of the intervention logic and how the intervention fields are allocated to smart, sustainable and inclusive growth objectives (Annex VII), evidence from earlier programming periods (Annex VIII), and additional evidence (Annex IX).
- Furthermore, **Annex VI presents the findings of the REACT-EU evaluation[12].**

[9] The supporting studies analysed financial and indicator data from the performance monitoring system.
[10] See Annex I for the composition of the Interservice Steering Group.
[11] Several large infrastructure projects were phased to 2021-2027 programmes.
[12] In accordance with Regulation (EU) 2020/2221.

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What was the expected outcome of the intervention?

2.1 Description of the intervention, its objectives, background and needs

The aim of the European Union's cohesion policy, as stated in Article 174 of the Treaty on the Functioning of the EU, is to **reduce regional economic disparities and the backwardness of the least favoured regions** in order to promote overall harmonious development. The overarching objective of 'reducing the differences existing between the various regions and the backwardness of the less-favoured regions' is already enshrined in the Treaty of Rome as economic and social cohesion. From the outset it was recognised that reducing internal disparities benefited Europe as a whole.

Cohesion policy has accompanied every major milestone in the deepening and widening of EU integration, from the creation of the single market, the economic and monetary union, to several rounds of enlargement. **It has also been an instrument for streamlining key EU priorities, from the Lisbon Strategy to the green and digital transitions.** More recently, cohesion policy has helped to mitigate the negative consequences of the financial crisis, of the COVID-19 pandemic, and Russia's war of aggression against Ukraine.

The main idea behind cohesion policy, expressed in the late 1980's in the Padoa-Schioppa report[13] which advocated for a reinforced cohesion policy to accompany the EU single market, is that market forces alone cannot ensure that the benefits deriving from major steps forward in EU integration are evenly spread across Europe. **A redistributive investment policy is therefore needed to help all regions benefit more equally from this integration, strengthening overall EU integration.**

Since then, many parts of Europe have experienced remarkable upward economic and social convergence, notably the least developed Member States and regions of eastern Europe, with cohesion policy playing a proven part in this. However, socio-economic disparities persist, with a number of regions seemingly failing to catch up with the EU average, especially since the economic crisis of 2008, while others are expected to face serious difficulties in responding to new challenges.

Cohesion policy has a strong regional or 'place-based' approach[14], which means that programmes are designed to address the needs of specific local contexts. This specific feature of the policy reflects the fact that most development mechanisms are highly context dependent. At their core is a complex interplay of different factors, spanning from the engines of economic growth to the workings of societal institutions, which are likely to change from one place to the next or to work principally at a given spatial scale.

In line with the mandate of reducing regional disparities, cohesion policy resources are concentrated on the less developed Member States and regions of the European Union. The accession in 2004 of twelve new Member States brought a surge in economic, social, and territorial disparities, and in the 2007-2013 period more than 80% of the policy's resources were dedicated to regions whose development was lagging behind, covering more than 35% of the EU's population. While on average cohesion policy corresponds to between 0.3-0.4% of EU GDP per year, the geographical concentration of funding implies that for some Member States and even

[13] Padoa-Schioppa (1987).

[14] The expression 'place-based' usually refers to policies that are geographically targeted and aimed at redistributing resources to reduce spatial disparities and/or for which sub-national level plays a critical role.

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more so for some regions, the resources channelled by the policy are considerable, reaching almost 4% in some regions in the 2014-2020 period, notably in Portugal, Hungary and Poland.

Cohesion policy has also become thematically concentrated, following concerns raised in the late 1990s and early 2000s that 'the EU needed to increase its productivity and competitiveness in the face of ever fiercer global competition, technological change and an ageing population'[15].

In 2010, the EU adopted its ten-year strategy for long-term recovery, Europe 2020, with the objective of smart, inclusive and sustainable growth. Even more than its predecessor, the Lisbon Strategy, Europe 2020 emphasised the need for innovation, employment and social inclusion, and a strong response to environmental challenges and climate change in order to meet this objective. It became a cornerstone of cohesion policy to align itself with its defined objectives.

Earmarking mechanisms ensure that cohesion policy programmes are focused on key EU priorities that are relevant to fostering development in the Member States and regions. This **combination of geographical and thematic concentration is crucial** to avoiding the dispersal of resources across too many places and areas of interventions, instead ensuring the necessary critical mass to bring the structural changes expected from the interventions.

Resources are channelled to the Member States and/or the regions via different funds. The European Regional Development Fund (ERDF) is the EU's main instrument for regional development, aimed at reducing disparities between regions, supporting measures fostering growth and development in the regions concerned, through research and development, productive investment, access to services and capital for enterprises, or the creation or modernisation of infrastructure. The European Social Fund (ESF) (not covered in this evaluation) supports measures intended to facilitate vocational training, maintain and create jobs for unemployed persons or those threatened with unemployment, while the Cohesion Fund (CF) supports investments in the environment and trans-European networks in the area of transport (TEN-T).

Eligibility criteria designate which less developed Member States and regions are the main beneficiaries of the interventions. The ERDF provides the most generous support to regions with a GDP per capita below 75% of the EU average, while the Cohesion Fund provides support to Member States with a gross national income (GNI) per capita below 90% of the EU average.

2.2 Development needs identified for the 2014-2020 period

The contribution of the ERDF and CF to the reduction of regional disparities and the delivery of the competitiveness and growth agenda of the European Union was acknowledged[16] at the beginning of the design phase of the 2014-2020 cohesion policy framework. Still, challenges remained, and these - along with development gaps and needs - were identified in the Fifth and Sixth Cohesion Reports[17]:

- Disparities had reduced over the preceding decade, nevertheless, it remained vital to narrow the wide gap between the EU's less developed and highly developed EU regions.
- R&D investment was still not increasing fast enough to reach the 3% target set for 2020. As innovation was highly concentrated in spatial terms, ESI Funds should be used to reverse this trend by supporting its spread to regions lagging behind.
- Access to the internet and new technology were particular new challenges for rural areas, where there was limited connectivity.

[15] European Commission (2010b).
[16] European Council (2011).
[17] European Commission (2010a) and (2014).

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- The Trans-European Transport network needed further development. It was estimated that its completion would require at least two more decades of substantial investment, particularly in most of the central and eastern European Member States.
- Enhancing regional competitiveness remained a challenge for the 2014-2020 period. Despite investment during 2007-13, competitiveness remained low in most regions of the central and eastern European Member States, although capital city regions were typically an exception and tended to be highly competitive, however they still needed to generate measurable spillovers to benefit other regions.
- Substantial investment was still required for improving the treatment of urban wastewater and solid waste, particularly in many of the less developed Member States and regions.
- Further needs were identified in relation to improving administrative capacity and developing national anti-corruption and anti-fraud strategies, in order to ensure that ESI Funds could be used effectively.
- Disparities in quality of life between regions remained. Life expectancy and living conditions still varied considerably, while major disparities existed in unmet medical needs. Regions that were sparsely populated, remotely located or had special characteristics (mountainous, isolated, islands etc.) continued to have specific development needs, especially the EU's outermost regions. Demographic trends were becoming a central factor when addressing development needs in some regions.
- Substantial challenges persisted in terms of unemployment and poverty. Given the previous trend in the reduction of ESIF investment in people, a sufficient volume of investment in human capital, employment, social inclusion, public administration reform and institutional capacity building was needed.
- Analysis of trends in national budget priorities revealed that ESI Funds would need to be mobilised in the 2014-2020 period to sustain public expenditure in vital areas such as R&D, support for SMEs, sustainable energy, the low-carbon economy, environmental infrastructure and ICT.

The above needs informed the impact assessment, which is presented in Section 2.3. Overall, preparatory work[18] for the 2014-2020 period confirmed that cohesion policy was already closely aligned with the Lisbon Strategy. However, a stronger link to the Europe 2020 strategy should have been made for the 2014-2020 period.

Intervention logic

The preamble to the Treaty on the Functioning of the European Union (TFEU) affirms the EU's dedication to enhancing economic unity and ensuring balanced development by addressing disparities between regions and supporting less-developed regions. This commitment is also reflected and further emphasised in **Article 174 of the TFEU**, which lays down **that 'in order to promote overall harmonious development' the EU must implement measures to strengthen cohesion across the EU**. Cohesion policy serves as the EU's principal instrument for advancing the objective of cohesion, as enshrined in Articles 3 and 174 of the TFEU.

The ERDF and Cohesion Fund aim to contribute to the cohesion of EU regions by **supporting regional GDP growth and convergence**, and in so doing alleviate social and economic inequalities that negatively affect European competitiveness.

Rooted in this strategic framework, Article 4 of the CPR states that cohesion policy interventions must provide support to deliver the EU's strategy for smart, sustainable and inclusive growth. ESI Funds are required to support the delivery of these objectives, by achieving their Fund-specific missions. The objective of the ERDF[19] is to finance interventions to strengthen

[18] European Commission (2010a) and (2014).
[19] Regulation (EU) 1301/2013, Article 2.

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economic, social and territorial cohesion. It addresses regional disparities by promoting sustainable development and structural adjustment, particularly in declining industrial areas and less-developed regions. The CF[20] pursues the same objectives by financing transport, environment and energy interventions to support the EU's goal of achieving a zero-carbon economy.

In order to contribute to the EU's strategy and Fund-specific missions, the ERDF supported the following thematic objectives (TOs) listed in the CPR in the 2014-20 period:

(1) strengthening research, technological development and innovation;
(2) enhancing access to, and use and quality of, ICT;
(3) enhancing the competitiveness of SMEs;
(4) supporting the shift towards a low-carbon economy in all sectors;
(5) promoting climate change adaptation, risk prevention and management;
(6) preserving and protecting the environment and promoting resource efficiency;
(7) promoting sustainable transport and removing bottlenecks in key network infrastructures;
(8) promoting sustainable and quality employment and supporting labour mobility;
(9) promoting social inclusion, combating poverty and any discrimination;
(10) investing in education, training (including vocational) for skills and lifelong learning;
(11) enhancing institutional capacity of public authorities and stakeholders and efficient public administration[21].

The eleven thematic objectives were translated into priorities, i.e. investment envelopes within programmes, which were specific to each of the Funds. The priorities were further broken down into 40 investment priorities (IPs) as listed in the ERDF Regulation, of which 13 were also relevant for the Cohesion Fund. Output indicators were set for each of the IPs, and the national authorities added one or more specific objectives with national or regional specific impact indicators.

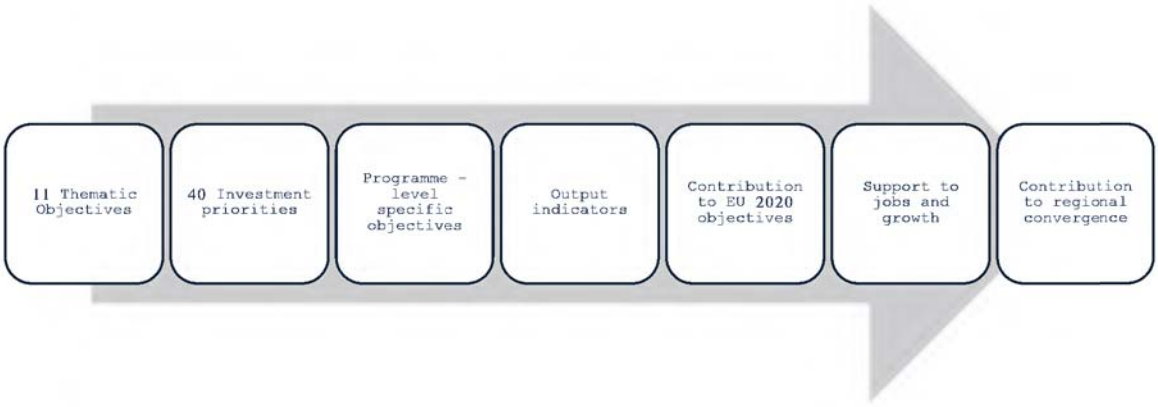
In addition to the envelopes included in the investment priorities, programmes also benefited from support for technical assistance under dedicated priority axes. In 2021, in response to the economic crisis caused by the COVID-19 pandemic, a REACT-EU thematic objective[22] was created to cover support for crisis repair and resilience measures.

The intervention logic of the funds is rooted in the framework laid down by the legislation. TOs and IPs identify the objectives of the funds. Common indicators (CIs) aim to capture the outputs and results linked to the intervention of the funds (more information below under heading 'Objectives and targets' and in Section 3.1 'State of play'). The expected outcomes are linked to the funds' objectives of contributing to smart, sustainable and inclusive growth. The intervention logic is mapped out in the diagram in Annex VII.a. The funds have a broad set of objectives, as indicated by the 11 Thematic Objectives and 40 Investment Priorities. For the purposes of this evaluation, the programme objectives were grouped into three intervention logic frameworks-corresponding to the objectives of smart, sustainable and inclusive growth. While each framework has its own underlying needs and objectives, they are ultimately interconnected.

Overall, the intervention logic of the funds flows from the thematic menu set out by the 11 thematic objectives in the regulation, to the more specific 40 investment priorities. It is then translated into specific objectives by the managing authorities (MAs) to match the programme needs. In this way, the thematic objectives of the funds are turned into actions, which contribute to the long-term objective of convergence by responding to territorial needs.

[20] Regulation (EU) 1301/2013, Article 1.
[21] Four thematic objectives (4 to 7 in the list above) were supported by the Cohesion Fund.
[22] Thematic obejctive 13: Fostering crisis repair in the context of COVID-19 pandemic and prepare recovery

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The legislation describes a programming process within which thematic objectives set for the ERDF / CF are translated through shared management into investment programmes at national and regional level. Partnership agreements, drafted by the MSs and agreed with the Commission in line with the CPR, set out the expected results for each programme relevant to its territory. Each national and regional programme sets a strategy to contribute to the chosen policy objectives, using the legislative framework. Programme documents present a summary of the main challenges in their area covered by the programme (i.e. regional, cross-border or national) and a justification for the selected thematic objectives, priorities, investment priorities and specific objectives.

In order to ensure coherence between the interventions supported by programmes and the main thematic objectives of the funds, thematic concentration requirements were introduced. As stated by Article 4 of the CPR, thematic objectives under the ERDF vary by category of region. In more developed regions, at least 80% of total ERDF resources at national level must be allocated to two of the following thematic objectives: 1 – Research and innovation, 2 – ICT and broadband, 3 – Competitiveness of SMEs, and 4 – Low carbon economy. At least 20% must be dedicated specifically to thematic objective 4. Transition regions are required to allocate at least 60% of their budget to two or more of these objectives and at least 15% to thematic objective 4. In less developed regions, at least 50% of resources must support two or more of the aforementioned thematic objectives, with at least 12% dedicated to thematic objective 4.

Objectives and targets

Monitoring in the 2014-2020 period was significantly more detailed than in the previous period. The monitoring system took a more granular approach to investment categorisation, with 123 intervention fields to accurately capture the types of activities being financed[23]. Additionally, the system featured **an extended list of 46 common output indicators** to comprehensively assess programme achievements.

As part of the drive to make cohesion policy more results-oriented, a set of milestones and targets was defined for each priority of each programme. The milestones were intermediate targets set for indicators to be achieved by 31 December 2018 and assessed in 2019. The targets were set with a deadline of by 31 December 2023 to be assessed at the closure of the programme period (by 2026). Progress towards achieving the targets was monitored using three categories of indicators: financial, output and result indicators.

Alongside these changes, other performance-related improvements were made, such as the setting of more robust objectives, clearer targets and a performance framework for the 2014-2020 period. The performance framework, in particular, is a tool for achieving results-oriented ESI Funding.

[23] A detailed explanation on categorisation data is available here.

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The **performance framework** was incorporated into the legislation[24] as a way of monitoring the implementation and delivery of planned programme outputs, working in conjunction with the performance reserve and performance review. The performance reserve was a share of EU resources that was not available for use by MAs until the performance review was carried out in 2019. The performance review[25] acted as an incentive for achieving milestones by the end of 2018, releasing the performance reserve to performing priorities in national and regional programmes. After the review, the reserve could only be allocated to priorities that had achieved their milestones under the performance framework. In case of non-performing priorites, their performance reserve was reallocated to performing priorities. In line with Article 20 of the CPR, the performance reserve represented 6% of the resources allocated to the ERDF and CF under the 'investment for growth and jobs goal'. After 2019, the performance framework continued to function as a tool for stimulating performance. At the end of the programming period, serious failure to achieve targets set for the end of 2023 may lead to financial corrections in 2026.

Programmes supported by ESI Funds were multi-annual, running for up to 10 years. A programme could have thousands of projects starting and finishing at different times. The common indicators served as a useful tool for assessing progress towards the initial target at EU, national and programme level, across the project portfolio. Member States had a list of 46 common indicators to choose from. Overall, since Member States could decide to match only a certain number of interventions to indicators[26], the indicators covered an estimated 50-60% of the interventions funded and thus give a partial picture of how programmes were performing.

The assessment of implementation and indicator achievement (see Section 'Progress on outputs') revealed that the ERDF and CF provided robust support to regions and beneficiaries to help them overcome the challenges associated with the green and digital transitions.

2.3 Point(s) of comparison

This section outlines the points of comparison for the evaluation of the ERDF and CF 2014-2020. The *ex post* evaluation considers previous programming periods, including the results of past evaluations, and the impact assessment (IA) that accompanied the proposal for the 2013 ERDF and CF Regulation 2013[27].

Impact assessment

The 2014-2020 IA focused on three key areas where adjustments to the funds were needed: (1) support to enterprises, (2) support for investment in infrastructure, (3) territorial cooperation. Within this framework, the IA proposed a wide range of measures to improve the legal framework for 2014-2020.

[24] Regulation (EU) 1303/2013, Articles 21 and 22.
[25] More information on the exercise in the dedicated data story on the Cohesion Open Data Platform.
[26] In compliance with Commission Implementing regulation (EU) No 215/2014 Art. 5(1), establishing that 'Output indicators… set out in the performance framework shall correspond to more than 50% of the financial allocation to the priority'.
[27] European Commission (2011b).

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Table 1 – *Changes proposed by the 2014-2020 impact assessment*

Change	Explanation	Discussed in
Need for cohesion policy to concentrate on EU priorities and align with the EU 2020 Strategy	In order to maximise the growth effects of cohesion policy, the IA called for cohesion policy to be aligned with the Europe 2020 Strategy which provides common objectives and a clear framework for funding priorities. As outlined in the Communication on the MFF[28], cohesion funding for 2014-2020 should be targeted at a limited set of objectives linked to the EU 2020 priorities. These overall priorities are articulated in a list of 11 thematic objectives (Article 9 of the CPR), and further developed in the Fund-specific priorities (Article 5 of the ERDF Regulation; Article 4 of CF Regulation).	Effectiveness, Coherence
improvement of the performance framework	The IA highlighted the need for a new, reinforced performance framework with relevant objectives and benchmarks for measuring performance. The funds' regulations established a range of requirements to strengthen the robustness of the performance framework, such as the need to define investment priorities, and specific objectives. Importantly, a list of Fund-specific common indicators was introduced (Article 6 of the ERDF Regulation; Article 5 of the CF Regulation).	Objectives and targets; Efficiency
Introduction of conditionalities	Regarding the need to improve performance orientation, ex ante and ex post conditionalities were introduced in the CPR 2014-2020. The new conditionality provisions responded to the need for stronger incentives to ensure effective delivery on the funds' objectives. Ex ante conditionalities (Article 19 CPR) call for an assessment of the fulfilment of thematic and general ex ante conditionalities in advance of disbursement (See Annex XI CPR on Ex ante conditionalities). This assessment is part of the Partnership Agreement, and any requirements deemed unfulfilled require an action plan for their fulfilment. Ex ante conditionalities are not the only non-financial aspects of cohesion policy in the area of environment and climate policy which contribute to the greening of public investments. The programming process of cohesion policy encompasses horizontal criteria which encourage the implementation of sustainability rules, standards, and safeguards such as the polluter-pays principle or green public procurement. While under the shared management of cohesion policy MAs have flexibility regarding the selection of priority projects, the Commission supports the formulation of selection criteria and other good practices, such as guidance and training, which further strengthen the mainstreaming of environmental considerations in the supported interventions.	Coherence
Reduction of administrative burden	The IA cited the need to balance effective spending and financial management with proportional administrative effort. To this end, changes to the delivery system - via, inter alia, provisions on reporting requirements and forms of financing – were introduced in the new CPR. By means of simplified cost options (SCOs), provisions for unit costs and lump sums were established at EU level, allowing for a consistent and simplified approach to costing across different EU instruments (Article 67 of the CPR). The community-led local development (CLLD) approach was also introduced to allow for a simplified form of integrated	Efficiency

[28] European Commission (2011a).

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	investment (i.e. multiple funds) to be carried out by local communities with reduced burden (Article 32 of the CPR). As a complement to the above simplification measures, all operational programmes (OPs) were required to conduct an assessment of administrative burden for beneficiaries, together with an accompanying action plan and targets for reducing the burden. Programme strategies and partnership agreements also adhere to this requirement (Articles 15, 27 and 96 CPR).	
New category of 'transition regions' in place of the phasing-out and -in system.	The IA noted the existence of regions that have not yet completed their catching-up process (thus facing significant social and economic challenges) but receive significantly lower aid intensities due to their GDP per capita rates. Moreover, most stakeholders viewed the 'phasing-in' and '-out' process as being overly complex and unfair. A new category of region was thus introduced in the 2014-2020 CPR, encompassing regions with a GDP per capita between 75 – 90% of the EU27 average (Article 90 of the CPR). Transition regions are also subject to thematic concentration requirements under the ERDF (Article 4 of the ERDF Regulation), namely: a minimum of 60% of total ERDF resources to be allocated to two or more of the thematic objectives (TOs) 1, 2, 3 and 5; and a minimum of 15% to be allocated to TO4.	EU added value

Results of previous programming periods

Place-based development

The 2009 Barca report on the reform of cohesion policy emphasised the need for place-based responses to complex development challenges across the EU. The report argued for a renewed focus on place-based interventions to address complex territorial contexts, with the participation of local stakeholders. Territorial cohesion was formalised as an objective for the EU in the Treaty on the Functioning of the EU (TFEU), as well as in the Territorial Agenda[29]. For 2014-2020, a set of new territorial delivery mechanisms was introduced in the legislation. These allowed ERDF interventions to be tailor-made to specific territorial challenges, simultaneously increasing the involvement of local stakeholders.

Clarification and extended scope of financial instruments[30]

The 2007-2013 ERDF / CF *ex post* evaluation[31] concluded that although the period saw a significant increase in the take-up of financial instruments (FI) (EUR 1 billion in the previous period, increased to EUR 11.5 billion), FI funding had been too concentrated in enterprise support (90%), and the limited legal provisions had led to inefficiencies and implementation delays. Subsequently, the MFF communication[32] emphasised the need for greater use of financial instruments in the 2014-2020. The scope for using financial instruments was clarified and extended under Articles 37-46 of the CPR. For the ERDF, FI support was extended to all thematic objectives of programmes. Moreover, the legislation provided further clarifications on the set-up, implementation options, management costs, and reporting of FIs.

[29] See Territorial Agenda 2030 | A future for all places.
[30] Discussed in greater detail under Section 4.1 – Efficiency.
[31] European Commission (2016d).
[32] European Commission (2010c).

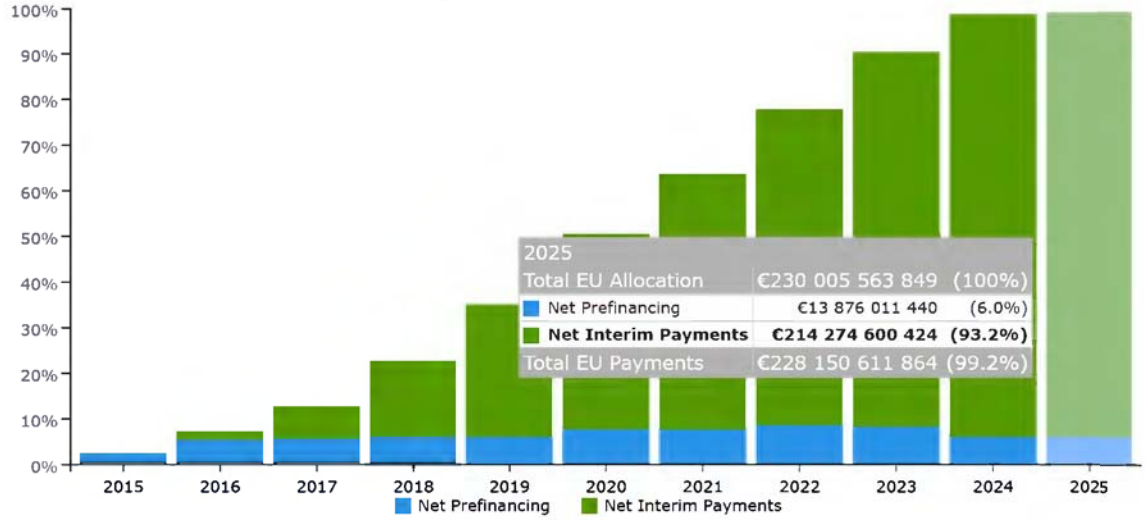
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How has the situation evolved over the evaluation period?

3.1 State of play

By the end of December 2024 an estimated EUR 289 billion (i.e. 99%) of the planned ERDF and CF funding for 2014-2020 period had been paid to Member States. The final implementation data will be transmitted by Member States at the closure of the programmes in February 2026, in line with the STEP[33] amendment which introduced this flexibility to ease the administrative burden on MAs.

Figure 1 - ERDF 2014-2020 total EU payments



Source: DG REGIO, Cohesion Open Data.

The ERDF is the larger of the two funds, with a total planned amount of EUR 230 billion (see Figure 1 above). By the end of December 2024, almost the entirety of this amount (99.1%) had been paid. Of this amount, EUR 14 billion (6% of the total planned amount – the blue bars in the chart) represents prefinancing which was paid out at the start by the Commission and which still needs to be recovered from the final financial claims submitted under the programmes. Once the final implementation reports are submitted and the closure procedure is finalised, it can be safely assumed that spending will reach 100% of the target. ERDF payment rates for all Member States[34] are above 95%, with no significant variation between countries. The full amount of the CF (EUR 61 billion planned) has been paid out to programmes, thus spending has reached 100% of the target[35].

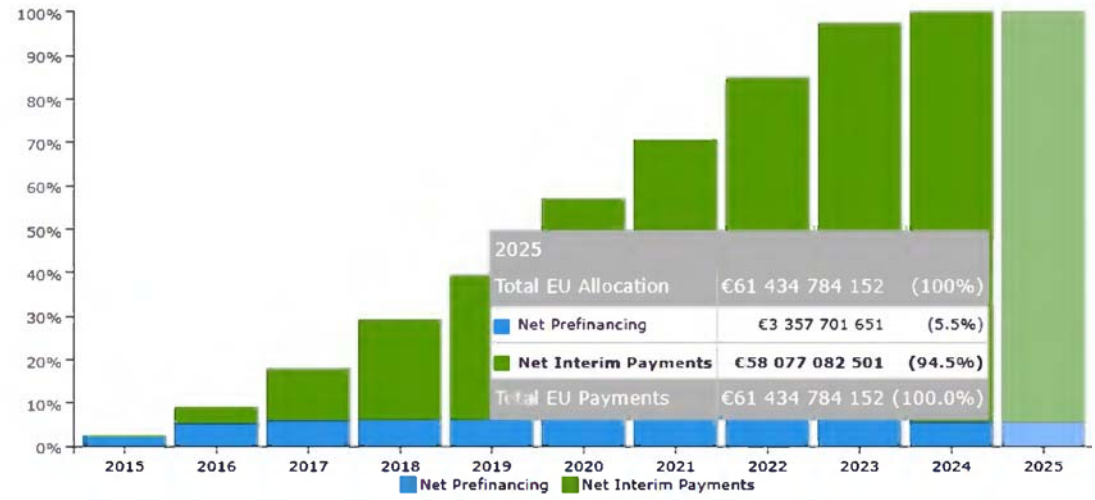
[33] See Strategic Technologies for Europe Platform.

[34] Although the United Kingdom is no longer part of the EU, it is included in the graph above for consistency reasons since it benefited from 2014-2020 cohesion policy funding.

[35] All implementation data can be found on the following website: Cohesion Open Data.

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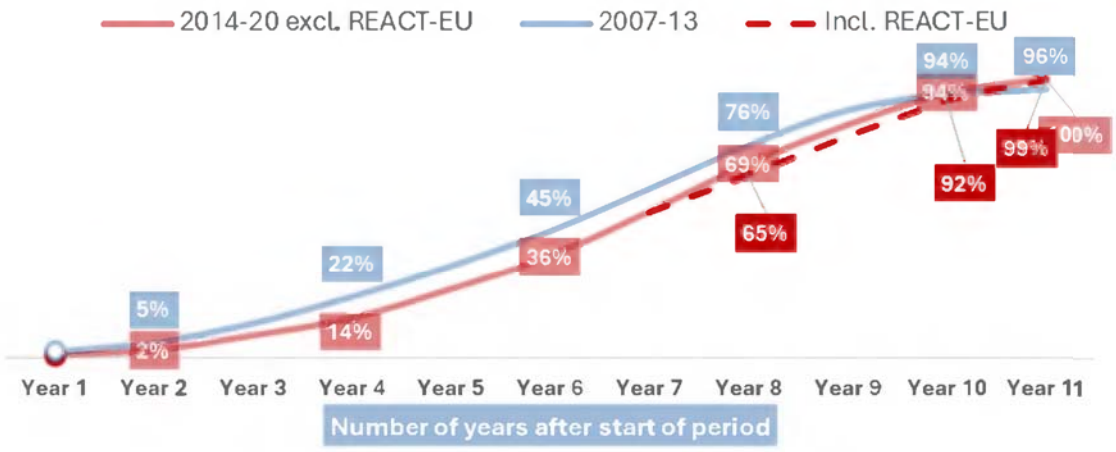
Figure 2 - Cohesion Fund 2014-2020 total EU payments



Source: DG REGIO, Cohesion Open Data.

Out of this amount, EUR 3 billion (5.5% of the total planned amount) represents prefinancing. Similar to the ERDF, once the final implementation reports are submitted and the closure procedure is finalised, it can be safely assumed that the 100% target of spending will be confirmed. Implementation data broken down by Member State can be found in Annex IX.

Figure 3 - Absorption rates of ERDF and CF – 2014-2020 and 2007-2013



Source: European Commission.

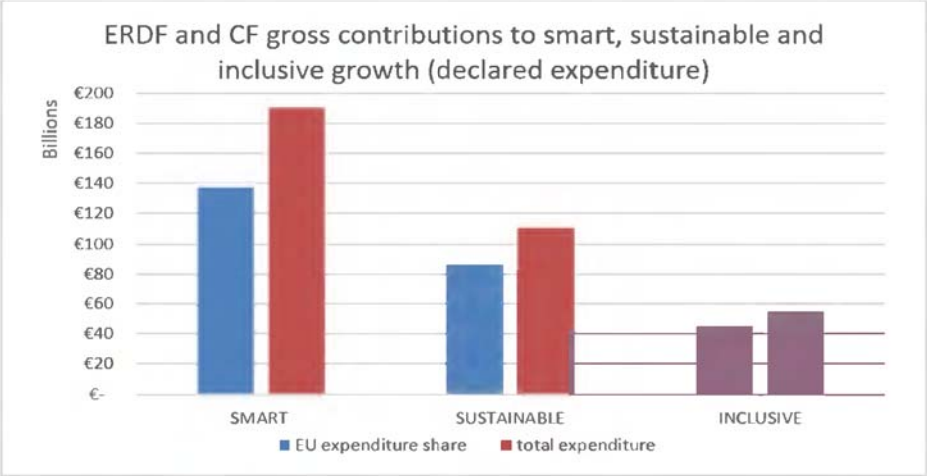
Over the course of the programming period, absorption rates were consistently lower than in 2007-2013. However, by the end of 2024, implementation had caught up, with near-complete absorption, despite additional NGEU resources introduced at the end of 2020 under REACT-EU considerably increasing total planned amounts (2007-2013 saw no comparable increase).

The overall financial contribution of the ERDF and CF to the objectives of smart, sustainable and inclusive growth can be estimated by using the intervention fields established in Annex I to the Commission Implementing Regulation (EU) No 215/2014. As supported interventions under each intervention field contribute to more than one objective, the estimated allocation for each of the three growth objectives, when added together, would exceed the total allocation to the policy. The contribution of the intervention fields to each of the objectives is detailed in Annex VII.b.

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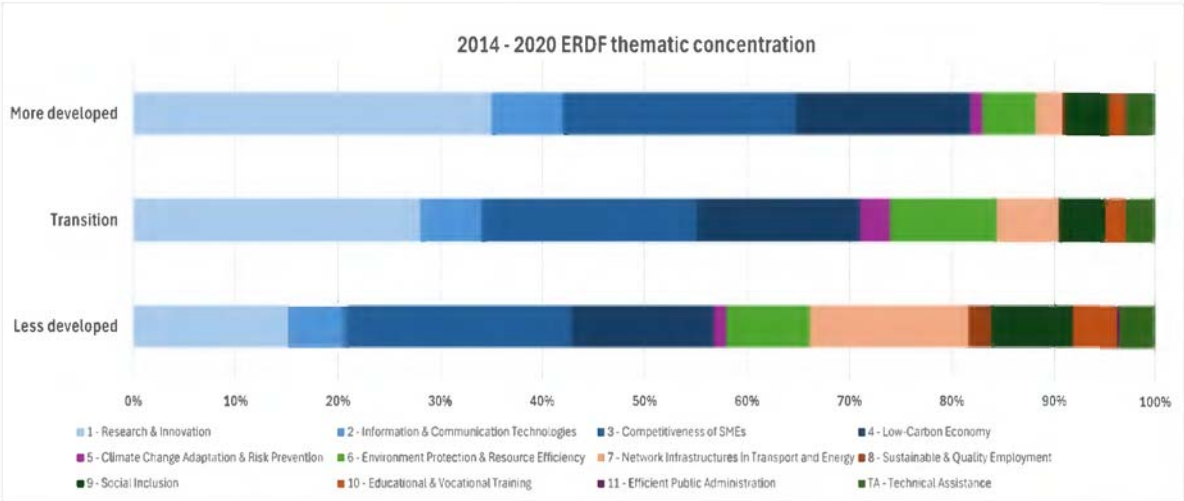
As at the end of 2023, it is estimated that the ERDF and CF mobilised over EUR 180 billion of investment in smart growth, over EUR 110 billion of investment in sustainable growth, and over EUR 50 billion of investment in inclusive growth.

Figure 4 - ERDF and CF gross contributions to smart, sustainable and inclusive growth (declared expenditure)



Source: DG REGIO, Cohesion Open Data.

Figure 5 - Thematic objectives for all categories of regions



Source: DG REGIO, Cohesion Open Data.

The ERDF and CF contribute directly and indirectly to quality of life in EU regions through their focus on smart, sustainable and inclusive interventions[36]. Improving existing and building new infrastructure for education, health and social services can lead to improved access to urban and rural basic services. In terms of sustainable interventions, reducing noise and air pollution, enhancing ecosystem services and stepping up investment in transport and energy infrastructure is also essential. Moreover, social housing, employment opportunities, improving the quality of public services and institutions also have a direct impact on quality of life in the EU.

Looking at operation-level data[37], certain thematic and geographical trends can be identified. In total, MAs published around 900 000 operations financed by the ERDF and CF in 2014-2020.

[36] See Annex VII.b – Table 2.

[37] For more detail on the operation-level analysis of ERDF/CF investments, including full tables, figures, and a description of the methodology and limitations, see Annex IX.

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When assessed by category of region, project selection was by far the highest in less developed regions. Overall, almost half a million operations were carried out in these areas, far exceeding the number carried out in transition regions and more developed regions (around 140 000 and 280 000 respectively). In terms of the financial size of operations, certain patterns could also be identified. For example, in transition regions, investments in public administration were larger than in other categories of regions, with the median cost of operations being EUR 200,000. In the case of more developed regions, investments in climate change adaptation stand out compared to other categories of regions due to the notably higher cost of operations.

Macroeconomic developments

Over the 2014-2020 programming period, the macroeconomic conditions in which the ERDF and the CF were implemented across the EU changed markedly. The following section focuses on regional competitiveness and the periods immediately before (2014-2019) and after (2020-2023) the COVID-19 outbreak.

2014-2019 period

At the beginning of the programming period, the EU economy was in the process of recovering from the financial crisis, as described in Section 2.1. GDP per capita in the first six years of the 2014-2020 period grew at a fairly stable rate of 2% a year (see Annex IX). By 2019, GDP per capita in real terms was some 13% above that of 2013, but only 11% above its level in 2007, i.e. before the global recession struck.

The trend at EU level hides considerable variation between MSs and regions. Over the programming period, average GDP per capita in cohesion countries[38] increased markedly in relation to the EU average, while it declined in other Member States[39] (see Annex IX). Accordingly, the gap between these two groups of countries narrowed significantly. This continued the long-term trend of GDP per capita in the less developed countries of the EU converging towards that of the more developed Member States.

In 2013, most Member States had a budget deficit. In 10 countries it was over the limit of 3% of GDP set by the Stability and Growth Pact, and in eight countries it was over 5% of GDP. By 2019, through a combination of fiscal restraint and economic growth, budget deficits were reduced or reversed in almost all countries. As a consequence, public investment had remained stable at a relatively low level between 2013 and 2016 after which it increased each year until 2022 (see Annex IX). By 2019, public investment in cohesion countries was around 22% higher than in 2013, compared to non-cohesion countries where it was 11.5% higher.

In short, programming activities and the first years of implementation of 2014-2020 cohesion policy period took place in a moderately favourable economic climate. By contrast, national fiscal headroom and public investment were initially limited before improving in the years prior to the COVID-19 pandemic.

Impact of the successive crises on implementation (2020-2023)[40]

Between 2020 and 2023, a series of unprecedented crises profoundly reshaped the economic, social, and political landscape in the European Union and around the world. The COVID-19 pandemic, which began in early 2020, delivered a sudden and severe shock to economies, healthcare systems, and society in general. The health crisis cost lives, put the safety of healthcare professionals at risk, and challenged the cost and sustainability of healthcare systems. The measures introduced to halt the spread of the virus also had severe economic consequences.

[38] Five Member States with gross national income (GNI) below 90% of the EU average and in receipt of the Cohesion Fund.

[39] 12 Member States with gross national income (GNI) above 90% of the EU average which do not have access to the Cohesion Fund.

[40] Data and analysis based on Chapter 1 (1.1: COVID-19 crisis, 1.2 Refugee crisis, 1.3 Energy crisis) of the crisis response supporting study.

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Industrial manufacturing and construction experienced a decline of 20% and 15% respectively in early 2020. Moreover, less developed regions were hit harder, especially those heavily dependent on specific economic sectors, such as tourism, thus increasing regional disparities.

Russia's full-scale invasion of Ukraine on 24 February 2022 unleashed a series of new crises with far-reaching consequences. By the end of 2023, nearly six million displaced Ukrainians had had fled to Europe, with 4.2 million benefiting from temporary protection within the EU[41]. The invasion exacerbated an energy crisis that had been developing since mid-2021, primarily due to increased demand for energy in the aftermath of the COVID-19 pandemic recovery. The crisis affected countries differently, with those heavily dependent on Russian fossil fuel imports, and implementing strict import measures, feeling the impact hardest.

The EU responded to these crises with a series of coordinated and collective actions. In response to the COVID-19 pandemic and energy crises, EU measures included coordination on health policy, centralised vaccine procurement, temporary fiscal and State aid provisions and the REPowerEU plan. In response to the refugee crisis sparked by Russia's war of aggression against Ukraine, the EU provided direct humanitarian aid, emergency civil protection assistance, and support at border crossings. It also granted temporary protection to those fleeing the conflict and seeking safety within the EU.

The crises led to major challenges for ERDF and CF programme authorities and beneficiaries. Public health measures hindered reaching certain groups, especially in remote areas, while on-site work suspensions caused infrastructure project delays. Supply chain disruptions and border closures complicated cross-border initiatives. Inflation in 2022-2023 exacerbated these issues by raising costs for energy and materials, leading to project delays and contract adjustments as budgets no longer matched expenses. This uncertain economic environment likely reduced interest in long-term projects, impacting implementation efforts further[42].

The cohesion policy framework was adapted to support Member State crisis response measures, address bottlenecks and ease the pressure on national public administrations and budgets. This resulted in a series of legislative amendments to the CPR, which are discussed in Section 3.2 - Cohesion policy regulatory changes.

Regional developments

From 2016 to 2022, regional competitiveness improved in 109 of 220 EU regions[43]. However, there is considerable variation across regional groups and groups of Member States (see Figure 6 below).

The change in regional competitiveness index (RCI) scores suggests a convergence trend. In 2016, more developed regions had RCI scores that were, on average, 50 points higher than those in less developed regions. By 2022, this gap had narrowed to 37 points. Throughout the period in question, more developed regions continued to perform best, while competitiveness was lowest in the less developed regions of the eastern European Member States. In the transition regions, the picture was more mixed. They had an average score of 93 in 2022, a slight decrease from their 2016 score.

The largest increases were observed in central and eastern Europe, particularly in Poland, Hungary and Bulgaria, where most areas continued their course towards converging with the EU average. Conversely, the largest decreases were observed in parts of Germany, followed by Sweden, Finland and parts of France. The performance in southern Europe was more mixed. While regions in

[41] Eurostat (2024), available here.

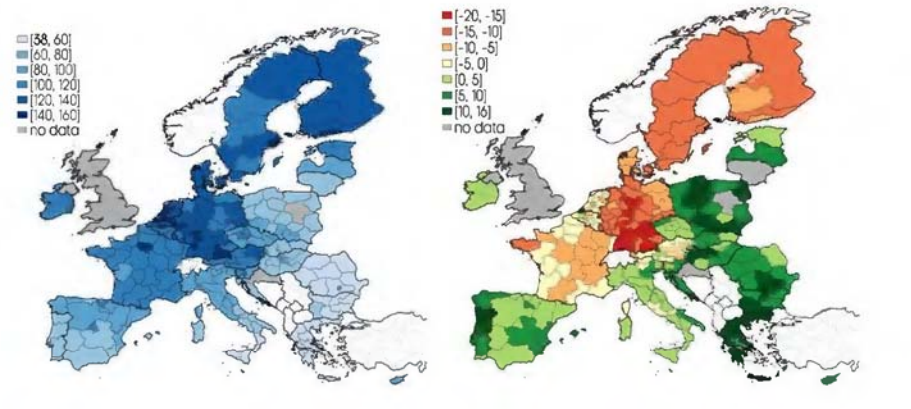
[42] See supporting study on crisis response, as well as: European Parliament, Spatial Foresight, t33 (2022a) and European Parliament, CEPS (2024a); Dozhdeva & Fonseca (2021); Dozhdeva and Jabri (2023).

[43] The RCI measures the major factors of competitiveness for all NUTS-2 level regions across the European Union. The Index measures, with a rich set of indicators, the ability of a region to offer an attractive environment for firms and residents to live and work.

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Portugal and Greece recorded some of the highest increases, Italy and Cyprus moved further away from the EU average.

Figure 6 – RCI score in 2016 with EU27=100 (left) and change in RCI score 2016-22 (right)



Source: 'Synthesis' supporting study based on regional competitiveness index.

Capital regions continued to register the highest RCI scores, scoring (118 in 2016 and 2022), followed by metropolitan and non-metropolitan regions. However, the gap between the latter two regions narrowed in 2022 as metropolitan regions experienced a decrease in their average score.

Most EU regions also experienced growth in gross value added (GVA) per capita over the 2013-2022 period (see Figure 8 in Annex IX). The strongest growth overall occurred in the central and eastern European regions, along with Cyprus and Ireland. Growth was particularly slow across parts of Italy and Greece, where GVA per capita remained substantially below its 2008 levels. Additionally, in contrast to the pre-recession years, growth was relatively slow in Finnish and Swedish regions.

Looking at inequalities within MSs, the majority of regions grew at a similar rate as the national level over 2013-2022 (see Figure 9 in Annex IX). Only 9 regions grew by over 1 percentage point more than the national average, while 25 grew by at least 1 percentage point less than the national rate.

Regional differences were larger in central and eastern European Member States than in most of the rest of the EU, especially in Bulgaria, Romania, Hungary, Slovakia and Czechia. On the other hand, Greece showed low levels of growth and large regional differences, with the islands, the northern and western Thrace all underperforming when compared to the national average.

Capital regions generally grew faster than the national average over this period. This was notably the case in Berlin, Athens, Bucharest and Prague. Nevertheless, many exceptions were observed, not least Rome, Lisbon and Vienna, where growth was below the national average.

Looking at categories of regions, GDP per capita in less developed regions increased at a faster rate than other regions, narrowing the gap with the EU average (see Figure 10 in Annex IX). By contrast, GDP per capita in transition regions moved further away from the EU average over the period and from more developed regions.

In addition, there were notable differences between geographical areas. GDP per capita in less developed regions in central and eastern Europe converged towards the EU average at a relatively rapid rate (see Figure 11 in Annex IX). However, at the same time as converging towards the EU, disparities within those countries widened as their capital regions grew faster than in other countries. By contrast, GDP per capita in less developed regions in southern Europe tended to decline relative to the EU average throughout the period. As a result, by 2022 average GDP per capita in those regions was similar to the average in that of central and eastern European regions, having been almost twice as high only 20 years before.

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A number of less developed regions in southern Europe registered GDP per capita growth below both the EU and their national average. In Italy, GDP per capita in regions in the south of the country, most of which are less developed, generally grew at a slower rate than the national average. The same can be said of regions in western Greece.

Performance related developments

A new, more robust performance framework for 2014-2020 was instrumental for assessing the progress and results of implementation. The more detailed financial categorisation system allowed for more detailed tracking of implementation of themes such as climate action, biodiversity and other themes. With the introduction of common indicators in the legislation for the first time, progress data could be harmonised, facilitating reporting, aggregation and benchmarking throughout the programming period. The common indicators and categorisation also allowed corporate reporting and scoping of the evaluations and studies. The common indicators were mainly output indicators, many of which measured outcomes (e.g. jobs directly created, estimated GHG savings, etc.). Programmes also used programme-specific result (impact) indicators as proxies of the longer-term change expected. Early experience with the 2014-2020 categorisation system and common indicators led to further development of the monitoring system for the 2021-2027 period. Furthermore, the performance review (described in greater detail under Section 2.1) provided a built-in mechanism for allocating funding – unlocking the 6% performance reserve – to areas where efficient disbursement could be demonstrated. During the period, three quarters of the priority axes met their milestones and, as a consequence, around 82% of the performance reserve was released to these successful priorities.

Following the outbreak COVID-19 crisis, it was necessary to adapt the performance framework in order to capture the effects of reprogramming and the funds' crisis response. The monitoring framework adapted to the crisis measures by proposing a list[44] of programme-specific indicators to monitor cohesion policy's direct response to the COVID-19 pandemic. While the use of the indicators was voluntary, take-up was strongly encouraged and a dedicated Coronavirus Dashboard[45] was set up for monitoring CRII/CRII+ implementation.

Due to the uncertainty surrounding the real needs stemming from the crisis, no common definitions were attached to the COVID-19 indicators in order to allow for flexibility in how they are used. The European Court of Auditors (ECA) raised concerns over the voluntary nature of the indicators and the lack of common definitions, warning of the risk of inconsistent results[46]. Nevertheless, the ECA Special Report acknowledged the broad take-up of the indicators (over 80%[47], as confirmed by a further study), which in turn facilitated the evaluation of cohesion policy funding in the context of the crisis.

Progress on outputs

The indicator values showed strong upward trend in 2014-2020 implementation by the end of 2022[48]. At the same time, there was also a positive correlation over the years between indicator achievement and disbursement values for the associated projects. This means that most indicator targets set for 2023 are likely met or close to being met, attributable to projects that are already

[44] To exploit programme specific indicators, which could be commonly applied across Member States, the Commission proposed a number of such voluntary indicators. The first non-paper containing these indicators was updated in February 2021 to include vaccination-related indicators.

[45] CORONAVIRUS DASHBOARD: COHESION POLICY RESPONSE | Cohesion Open Data

[46] ECA (2023).

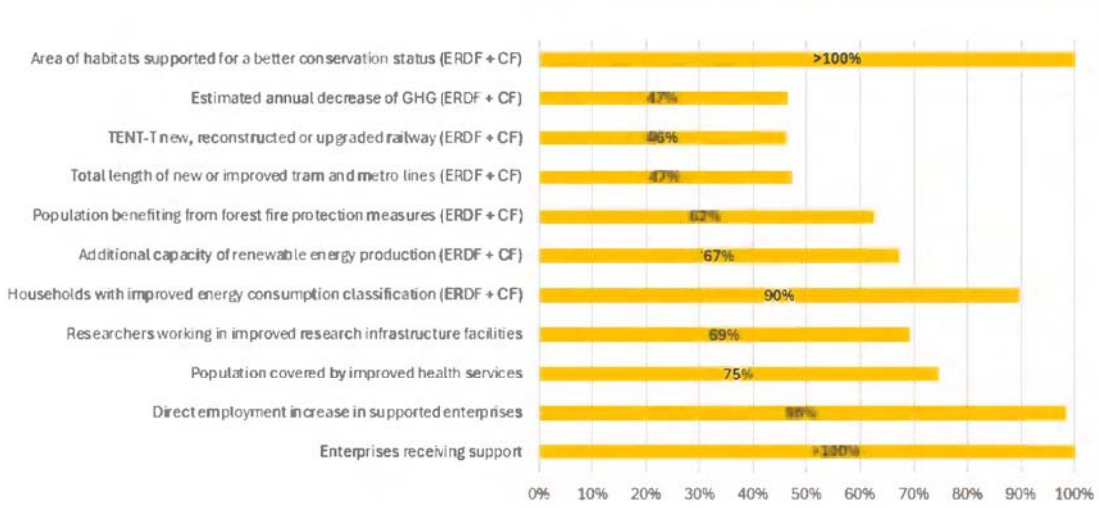
[47] European Parliament, CEPS (2024a).

[48] The figures presented cover achievements up to December 2022 and are extracted from the 2023 annual implementation reports which the cohesion policy programmes had to submit. In accordance with the CPR, 2023 was the last year of regular reporting for the 2014-2020 period. The final picture on the achievements of the 2014-2020 period will only be available once the final reports are submitted. The final implementation reports can be submitted up to 2026.

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underway or in the pipeline. Figure 7 below shows the progress towards the targets of 11 of the most important common indicators (out of the 46 common indicators available)[49].

Figure 7 - Percentage realisation of core indicators at end of 2022



Source: DG REGIO, Cohesion Open Data.

Some of the lower values can be explained by the fact that these are related to long-term, large-scale projects. For example, large infrastructure projects normally take significant time to be finalised (e.g., building new metro lines), sometimes beyond the duration of a programming cycle. In some sectors, public institutions find it challenging to design and deliver complex projects. In these cases, MAs can phase certain large projects over two funding periods and adapt their targets, thus ensuring that they can be finalised successfully and that the objectives are met.

The achievement of crisis response outputs is a special case. As the COVID-19 pandemic hit in the last year of regular programming, and especially for mechanisms introduced to address subsequent crises (CARE(+), FAST-CARE, SAFE), the timeframe for reaching targets was extremely tight. Given their specific nature, the achievement of REACT-EU indicators is analysed separately (see REACT-EU analysis in Annex VI). Among the common indicators most relevant for the REACT-EU initiative, two enterprise-related indicators were used by more than half of the programmes that implemented REACT-EU. Among the COVID-specific indicators, there is considerable variation in achievement rates, from no reported progress until 2022 to 308%. While overall progress is difficult to evaluate for the REACT-EU initiative, due to the relatively short period between the launch of the instrument and the latest available data, the high variation in achievement rates across programmes implies difficulties in setting targets for crisis response. Moreover, the low number of programmes which made use of the relevant indicators further adds to the difficultly of the assessment.

Work on the common indicators for the 2014-2020 period and on preparing for the 2021-2027 period, revealed specific characteristics and similarities in the indicator systems for the ESI Funds. However, the indicators were largely specific to the nature of the funds, with few commonalities between them. The ERDF and CF common indicators covered investment outputs across a wide variety of thematic areas (productive investments in firms, research and innovation, green investments, energy, transport, education and health infrastructure, etc.). Meanwhile the ESF monitoring system focused largely on the characteristics of those individuals benefiting from the training, labour market or social inclusion measures. EAFRD and EMFF systems focused on measuring actions linked to the agricultural and fisheries sectors and their actors and related communities. The maturity of the common indicator systems varied. Reporting on the ESI Funds in the 2014-2020 period revealed only one indicator common to all funds: the total number of

[49] The subset of common indicators here corresponds to the indicators used by the Commission for corporate reporting of performance. For further information see Section 4.1 – 'Effectiveness'; 'Indicator achievement'

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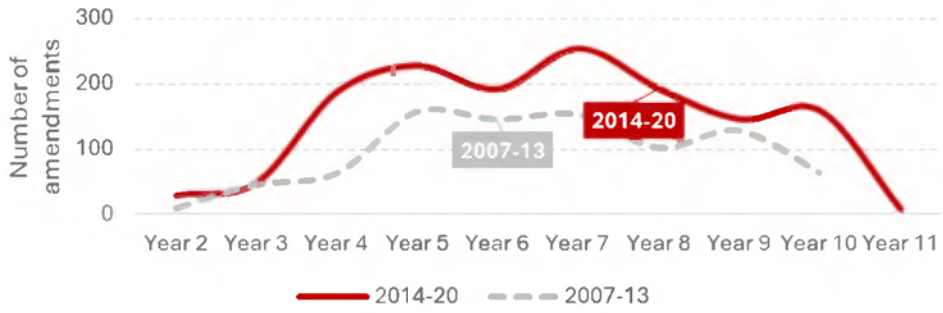
enterprises supported, which was reported in Annual Reports by aggregating specific indicators across the ESI Funds.

3.2 Cohesion policy regulatory changes and programme amendments

Legislative changes are made as necessary to address emerging challenges and extraordinary circumstances, prompting adjustments to policy and funding. There were 16 amendments to the cohesion policy regulatory framework (the CPR) during the programming period. Most of those amendments concerned crisis response, with the majority introduced in the wake of the COVID-19 pandemic in 2020. Other notable amendments included the changes following the 2018 revision of the Financial Regulation, which prompted several changes to articles of the CPR articles[50].

In total 1448 programme amendments were adopted over the course of the programming period, i.e. an average of 149 per year. This marks an increase from the 870 amendments in 2007-2013. The majority of amendments were initiated between 2017-2023 (see Figure 8 below). The two peaks in 2018 and 2020 (years 5 and 7 on the chart) can be explained by the performance review (see dedicated box in Section 2.2) and the introduction of COVID-19 crisis response mechanisms (CRII/CRII+), respectively. Following the performance review, Member States were required submit programme modification requests which reallocated the performance reserve from non-performing to performing ones. Under the ERDF and CF, 111 programme amendments were adopted by the Commission. In total, these 111 programmes reallocated EUR 3.7 billion. More than one-third of all amendments included crisis-related measures[51]. A more detailed breakdown of amendments can be found in Annex IX.

Figure 8 - Number of amendments per year of the programming period



Source: DG REGIO.

Under the CPR[52] a Common Strategic Framework is required to provide strategic guiding principles to facilitate the programming process and the sectoral and territorial coordination of interventions (see also 'Intervention logic' under Section 2.2). This strategic coordination is intended to ensure cohesion policy contributes to overarching EU objectives and that the programming of ESI Funds is coherent and consistent with the relevant European Semester country specific recommendations (CSRs). Out of the 2668 CSRs issued between 2012 and 2019, 1065 were relevant for the ERDF and CF[53]. The level of alignment between CSRs and investments was not uniform across Member States. At European level, 80% of investments were allocated to policy areas where reforms were required, with 18 countries allocating funding above this threshold. This figure, however, provides no indication of the volume of funding and thus the relative importance.

[50] An overview of legislative changes, with their key features, can be found in Annex IX.
[51] More precisely, 518 amendments included CRII/CRII+, CARE, SAFE or REACT-EU-related measures. In addition, one Interreg programme introduced an amendment with STEP-related measures.
[52] Regulation (EU) 1303/2013, Articles 10-13.
[53] See supporting study on institutional capacity and reform, pp. 94.

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3.3 Key features of cohesion policy

The design of cohesion policy has evolved to allow for stable, effective delivery that facilitates reaching objectives. The resulting continuity has contributed to resource efficiency over consecutive programming periods.

Firstly, cohesion policy is built as a place-based approach. There have been consistent **arguments presented over the past decades in favour of a place-based approach for improving cohesion**. It has been assessed as a "superior to alternative strategies that do not make explicit and accountable their territorial focus"[54]. At the heart of the place-based design of cohesion policy is its **focus on less developed regions as and areas facing specific difficulties**, for example outermost regions, sparsely populated and remote areas, territories with geographic or demographic disadvantages. These regions receive far higher levels of support on account of the allocation method which is based on the development level of regions.[55] In addition, the principle of tailoring interventions to the specific development needs and strengths of regions, known as **territoriality, was operationalised in the 2014-2020 period through a series of mechanisms and tools**. Analysis of programming documents confirmed that **the regulatory obligation of taking territoriality into account in programming was fulfilled**. Furthermore, a set of new territorial mechanisms comprising community-led local development, integrated territorial investment, sustainable urban development[56], and smart specialisation strategies, were introduced as 'ex ante conditionalities'. These are presented in Annex IX. Moreover, relevant evaluation findings are presented in Section 4.

Under shared management, national and regional administrations play a key role (selection of beneficiaries, implementation management, ensuring reaching targets) including ensuring the regulatory compliance and sound financial management. At the same time, the Commission has responsibility for budget execution. **Cohesion policy's multi-level governance model promotes decentralised and partnership-based implementation, enabling investments to be tailored to regional and local needs and on identified regional strength by drawing on local knowledge and increasing ownership**[57]. A prerequisite for shared management and multi-level governance efficiency is the availability and quality of sub-national administrative capacity[58]. Related findings are included in Section 4.4.

National co-financing ensures commitment and ownership on the part of the Member States, and guarantees value for money for EU-supported interventions. National co-financing rates range from 15% to 60%, depending on the fund and the level of development of the region. In some instances, Member States could receive 100% EU financing owing to exceptional circumstances, such as the financial crisis of 2008-2009, and more recently, the COVID-19 pandemic and the effects of Russian's war of aggression against Ukraine. Crisis response under cohesion policy is assessed in Section 4.5.

To allow for the absorption of funds, achievement of objectives and delivery of long-term structural change, the programming period spans 10 years (N+3 rule[59]). This time span is necessary, particularly for large infrastructure investments which can be challenging to implement

[54] Barca (2008), Draghi, M. (2024), Letta, E. (2024), McCann, P. (2023).
[55] Allocation methodology is defined in CPR Annex VII.
[56] Respectively Article 32-38 of the CPR and Article 7 of the ERDF Regulation
[57] Barca (2008).
[58] Bachtler and Mendez (2024).
[59] Funds can be used up to three years after they have been committed as per Article 65(2) of the CPR

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due to long and complex planning, assessment, and public procurement processes[60]. The multi-phase cycle is presented in Annex IX. **Simplification measures were also introduced** (for analysis, see Section 2.3 and 4) **aimed at improving absorption rates** to the extent possible, as low rates can weaken the relevance of interventions and capacity to achieve objectives. Shared management allows Member States to adjust their programming to changes in the socio-economic context and political priorities. **This flexibility carried out by amending programmes is an important feature of the policy**, to keep the programmes relevant and ensuring they achieve objectives (see previous section for further details).

The focus given to financial absorption in previous periods came at the expense of the effectiveness of spending to some extent. This is why **the approach laid down in the 2014-2020 CPR reinforced the performance-orientation of programmes,** which is now an important feature of cohesion policy, as presented in Section 2.2 and assessed in Section 4.1. In addition, the new performance framework and review were considered a major step forward for cohesion policy, improving its financial management and making it more results-oriented[61].

The conditionality principle of cohesion policy is aimed at creating the right conditions for EU investments, as they need to be fulfilled in order for Member States to access EU financial support. In accordance with Article 2(33) of the CPR, ''an applicable ex ante conditionality' means a concrete and precisely pre-defined critical factor, which is a prerequisite for, and has a genuine link and direct impact on the effective and efficient achievement of a specific objective for an investment priority or an EU priority'. **Ex ante conditionalities and the link to policy coordination mechanisms addressing political priorities through the requirement to act on relevant CSRs are effective features of cohesion policy** and they made the deployment of the ESI Funds more effective and structured. The ECA found that **ex ante conditionalities provided a consistent framework for assessing Member States' readiness to implement EU funds**[62]. These serve as levers that can help the EU provide more targeted incentives to deliver on the EU structural reform agenda. Section 4.3 analyses the role of ex ante conditionalities in ensuring the internal coherence of ERDF / CF.

The key design features of cohesion policy work together within a single system, each interacting with one another while together forming an effective model and delivery system. These features are examined in comparison to the RRF in Annex IX.

[60] Hagemann, C. (2019). How politics matters for EU funds' absorption problems.
[61] European Court of Auditors (2021) Performance-based financing in Cohesion policy.
[62] European Court of Auditors (2017) Ex ante conditionalities and performance reserve in Cohesion.

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Evaluation findings

To what extent was the intervention successful and why?

4.1 Effectiveness

Effectiveness considers how successful EU action has been in achieving or progressing towards its objectives[63]. The analysis builds on the information on implementation progress presented in detail in Section 3.1.

Macroeconomic effects

Cohesion policy has a positive impact

Cohesion policy aims to reduce disparities between regions and promote balanced development across the EU. To ensure that these objectives are effectively met, robust evaluations that focus on causality are essential. Evidence-based policymaking requires a clear understanding of the causal relationships between policy interventions and outcomes. Without this, policymakers risk adopting strategies that are unable to deliver the intended results, or worse, have unintended negative consequences. Robust causality-focused evaluations help determine whether changes in socio-economic indicators can be truly attributed to policy interventions, thereby improving the allocation of resources and enhancing policy effectiveness.

Cohesion policy is one of the most evaluated European policies, given its long history and prominence within the EU budget. Economic literature has debated the positive impact – or lack thereof – of cohesion funds on the growth of European regions, with scholars up until the financial crisis divided on whether such effects could be truly attributed. Over the last decade, thanks to the availability of more and better quality data, and the application of more advanced techniques, there is general consensus in literature on the positive impact of ESI Funds. Several papers review recent literature looking into the impact of cohesion policy[64]. Overall, they suggest that **cohesion policy in general has had a positive impact on growth, particularly in regions with stronger institutions and higher human capital. Recent empirical analyses generally find that the ERDF and CF have had a positive and significant effect on growth in regions**, regardless of whether these regions are primary beneficiaries. At the same time, model simulations point to positive long-term effects and spillovers beyond targeted regions. Evidence is more mixed when looking at the impact of the ERDF and CF on employment. Some studies identify only modest or temporary employment gains, while others find stronger effects when funds are combined across sectors or directed towards human capital.

Early research in this field was based on a neoclassical growth framework and used a reduced-form estimation of cross-country or cross-regional growth, where cohesion policy funds were introduced as independent variables. Spatial weighting could be included to capture spillovers. **This strand of literature found overall mixed results**, ranging from the (mildly) positive, to no effect, to even (mildly) negative. A critical analysis of this earlier strand of research suggests that **there were methodological shortcomings to many of the studies.** In particular, the inherent endogeneity of the main variable of interest (cohesion funds) was inappropriately handled, given that it was used as an explanatory variable which depends, through the allocation key, on the same variable (GDP) it is used to explain[65].

Following this early phase, empirical analysis of cohesion policy made increasing use of **counterfactual impact evaluation (CIE) methods, which have become a cornerstone of quantitative evaluation work.** They involve comparing the actual outcomes of a policy

[63] European Commission (2021d), pp. 405.

[64] See Casas et al. (2025b), European Commission (2024a), Berkowitz et al. (2025), or Bandeira Morais (2025).

[65] This problem is well known in the literature and known as 'reverse causality'.

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intervention with what would have occurred in the absence of the intervention, known as the counterfactual scenario. **This approach allows the effects of the policy to be isolated from other confounding factors, providing a clearer picture of its impact.** For example, in evaluating an ERDF or CF-financed intervention aimed at improving regional infrastructure, a CIE might compare economic growth rates in regions receiving funding with comparable regions that did not receive such support[66] [67].

Recently, Untiedt et al.[68] carried out a meta-analysis, covering publications in between 2013 and 2024 and hence focussing the analysis of the impact of the policy on the EU programming period 2007-2013[69]. The work suggests that in the majority of the covered studies, cohesion policy was found to have a positive impact, supporting the strategic objectives of the EU in reducing regional disparities. However, like previous meta-analyses[70], this study also hints to heterogenous effects (e.g. across regions of the EU) as well as to the significant influence of contextual factors, such as external economic conditions, on the observed results.

Recent analyses based on counterfactual methods largely agree that cohesion policy has had a positive impact, and that this impact has been greater in recent programming periods, especially in less developed regions[71]. This suggests economies of learning, with funds becoming more effective and public administrations becoming better able to manage funds with each programming period. Furthermore, **increased growth is generally more pronounced in beneficiary regions**, implying that the policy effectively contributes to reducing regional disparities.

Among the various methodologies used for CIEs, one in particular, the regression discontinuity design (RDD), provided a solution to the problem of identifying a control group. This method focuses on those regions that are near – either above or below – the cut-off point in terms of GDP (75% and 90% of EU average) that determines the amount of support provided by ESI Funds. These regions could in fact be considered relatively similar, if not for the amount of funding received. The RDD method showed cohesion policy to have a generally significant and positive impact, albeit with differences across the EU[72].

Building on this strand of economic literature, a study commissioned for this evaluation[73] [74] used the RDD approach to estimate the impact of cohesion policy in the 2014-2020 programming period. **The authors of the study did not find ESI Funds to have had a significant impact. This is because a central underlying assumption for the approach – a statistically significant jump in the treatment variable at a designated cut-off point – did not hold in the present case.** This was in part also due to the limited number of observations around the cut-off point as a result of the analysis being restricted to the 2014-2020 period.

[66] The assumptions that had to be met are described in Annex X.

[67] In addition, also other empirical methods have been employed, e.g. cointegration analyses which offer an approach to capture the long-term effects of cohesion policy, allowing for a deeper understanding of its sustained impact on regional economic indicators, c.f. e.g. Untiedt et al. (2025a).

[68] Untiedt et al. (2025a).

[69] Untiedt et al. (2025b), p. 223.

[70] E.g. Dall'Erba & Fang (2015).

[71] European Commission et al. (2023e); Pinho et al. (2015); Rodríguez-Pose and Novak (2013). See also Ceccanti et al. (*forthcoming*) for a review of recent counterfactual impact evaluation approaches.

[72] Crescenzi and Giua (2020); Cerqua and Pellegrini (2018); Gagliardi and Percoco (2017); Ferrara et al. (2017); Percoco (2017); European Commission (2016d); Pellegrini et al. (2013); and Becker et al. (2010).

[73] Huber et al. (2025). Annex X provides further details on the results.

[74] Ceccanti et al. (*forthcoming*) review the three counterfactual impact evaluation approaches which are applied in the context of assessing the economic impact of cohesion policy during the 2014-2020 programming period with a particular focus on the applicability and limitations of the methodologies.

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To overcome the difficulties found by Huber et al., a further study by Spruk[75] was commissioned for this evaluation which explored the application of a synthetic control approach for estimating the impact of ESI Funds on economic growth, labour productivity, sectoral employment, and unemployment in supported regions[76]. **The results suggested a positive, significant, and sustained effect on regional GDP per capita.** Concerning the short run impact, Spruk finds that for the EU as a whole, a 10% increase in cohesion policy investments yields a 0.2 percentage point increase in GDP per capita in the recipient regions relative to the non-recipient (synthetic control) regions. Further, **the impact increases over time.** Spruk finds that by the end of the programming period the impact reaches an increase of 0.7 percentage points in per capita GDP, i.e. the long run fiscal multiplier is 3.5 times larger than the short run fiscal multiplier. This suggests a durable improvement of the EU's growth trajectory in response to the cohesion policy intervention.

However, the aggregate effects mask **differences across the categories of regions of the EU**. In less developed regions the fiscal multipliers are markedly higher. In the short run, the same 10% increase in expenditures is associated with a 0.4 percentage point expansion of GDP per capita in treated regions relative to the control group while in the long run the value is 2.3 percentage points. This implies a ratio of 5.75, underscoring the high and sustained impact of the policy on the GDP per capita in less developed regions. The high ratio also **highlights the policy's contribution to (economic) convergence** by showcasing the relatively more positive impact on GDP vis-à-vis other categories of region. In particular, both in transition and more developed regions, the reported multipliers are very close to (and in parts indistinguishably different from) zero. However, the results also indicate a positive and lasting impact of cohesion policy interventions on gains in the employment share of high-skilled services. In contrast to the overall GDP effects, these developments are driven by positive results in more developed regions. Notwithstanding the overall positive results, the findings suggest a need for greater strategic differentiation, institutional alignment, and functional targeting in future programming periods.

A third study which was conducted in the context of this evaluation used a novel methodology based on machine learning[77]. The study looked at data from previous programming periods (pre-2000, 2000-2006, and 2007-2013) in order to forecast the counterfactual scenario for the 2014-2020 period[78]. It found that owing to **the funding provided in the 2014-2020 programming period, GDP per capita over the period 2014-2023 was approximately 5.3% higher** than it would have been without the funding. Broken down by category of region, it **was 6.4% higher in less developed regions and 2.9% higher in the other region types.** In turn, **total employment had increased by an average of approximately 3%, with less developed regions registering a 4.2% increase**. Finally, **labour productivity**, measured by dividing GDP at constant prices by the number of hours worked, **had increased by an average of 5.3%** (5.6% in less developed regions, 4.6% in the other region types).

Beyond aggregate average effects, Cerqua and Letta[79] also analysed the heterogeneity of findings across EU regions. Their study found that, on average, regions that saw the most growth due to EU funding were located in central and eastern Europe, while the impact appeared smaller for regions in southern Europe. Substantial national disparities also emerged, meaning that the amount of support did not lead to a proportional increase in growth. Indeed, the regions which had benefitted from the highest funding intensities were not necessarily those which experienced the strongest impacts, while conversely, net contributors to the policy also appeared to benefit from it. This is consistent with the finding, well-established in academic literature, that the impact of cohesion

[75] Spruk (2025).
[76] The synthetic control method compared each beneficiary region against a 'synthetic' counterfactual observation which is obtained on the basis of a weighted combination of similar regions that did not receive funding.
[77] Cerqua and Letta (2025).
[78] See Cerqua et al. (2024) for an elaboration of the methodology.
[79] Cerqua and Letta (2025).

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funds is conditional on the economic, institutional, and administrative characteristics of the recipient regions[80].

Of the many studies on the macro-economic impact of cohesion policy, very few cover the 2014-2020 programming period. Bourdin et al.[81] analysed the period 2000-2028 and found that the ERDF had a positive effect on productivity, whereas the ESF favoured employment over productivity, which is consistent with the main objectives of the different funds. The CF was also found to effectively promote regional growth in lagging regions. Amendolagine et al.[82], using data up to 2018, found that cohesion policy had a positive impact on regional GDP, and that spillover effects on other regions were not limited to neighbouring regions[83]. Lastly, Untiedt et al.[84] highlighted the potential of large-scale counterfactual evaluations using micro data, which can enhance the robustness of counterfactual impact assessments in determining the effectiveness of cohesion policy interventions. Focussing on Germany, Untiedt et al. also found a positive impact of the policy.

In addition to counterfactual evidence, a spatial dynamic computable general equilibrium model (RHOMOLO)[85] was used to assess the impact of the 2014-2020 cohesion policy programmes and the net effects of the policy on the allocation of resources across EU economies. The analysis covered all expenditure channelled through the ERDF, CF, ESF, YEI, and REACT-EU. In addition to modelling the transmission channels activated by the different types of interventions (which include, among others, public investment, subsidies to private investment, and labour market interventions), the simulations also accounted for the cost of the policy, which is assumed to be financed by taxes levied in the Member States and regions. Taking into account the N+3 rule, funding through the different instruments corresponded on average to about 0.4% of EU GDP per year over the 10-year implementation period. Table 2 provides an overview of the financial allocation by fund[86].

Table 2 - Budget by fund (Euro, current prices)

Fund	Planned amount (€)
CF	61 434 784 152
ERDF	230 005 563 849
ESF	104 402 027 966
YEI	8 960 645 385
Total	**404 803 021 352**

Source: DG REGIO, Cohesion Open Data Platform.

Although the results of the model simulations are based on actual expenditure data, it is important not to interpret them as the actual impact of cohesion policy. In fact, rather than estimating the impact on the basis of data on growth and employment, as in the case of macro-level CIEs, the model derives the long-term impact on the basis of pre-defined parameters, which are either estimated or gathered from literature. For this reason, the results provide a number of insights that

[80] See for instance Becker et al.(2013).
[81] Bourdin et al. (2024).
[82] Amendolagine et al. (2024).
[83] Annex X provides further details on the counterfactual evidence on the impact of ESI funds, as well as more details on the research work carried out for this evaluation.
[84] Untiedt et al. (2025a).
[85] RHOMOLO is developed and maintained by the Joint Research Centre (JRC) of the European Commission in cooperation with the Directorate-General for Regional and Urban Policy (DG REGIO). It estimates the impact of cohesion policy on EU regions, taking into account both demand and supply-side effects (see Annex II for further details).
[86] See Casas et al. (2025b) for more details about data.

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complement those obtained from other types of approach, such as CIEs. In particular, they can help to better understand a number of key features of the policy, such as spatial spillovers, the various market mechanisms through which its impact is channelled, or its long-term impact.

The results obtained with the RHOMOLO model suggest that cohesion policy interventions had a positive impact on the EU economy[87]. **EU GDP is estimated to be up to +0.6% higher at the end of the programmes' implementation (2023) compared to under a hypothetical scenario without the policy**. At macroeconomic level, the policy amounts to a shift in the sectoral and spatial allocation of resources, but there is, theoretically speaking, no guarantee that this leads to improvements in the overall performance of the EU economy. Nevertheless, the policy allows a number of market imperfections to be addressed, e.g. the provision of public goods which are otherwise lacking, and these effects appear to be generalised. The (limited) empirical evidence available[88] suggests that these impacts also result from a crowding-in of private investments. This can be explained by the increase in economic activity resulting from cohesion policy investments which creates an incentive for the private sector to invest, as well as by the policy's focus on areas where private investment is lacking (i.e. market failures, public goods) and by design features such as co-financing requirements, the use of financial instruments and incentives for financing public-private partnerships[89].

The results also highlight that the policy has a long-lasting impact. Despite a gradual decline after the end of programme implementation owing to depreciation of the resources derived from the interventions, the effects of the policy can still be significant long after closure of the programmes. 25 years after the end of the programming period, EU GDP was estimated to still be 0.3% higher than it was at the start. This implies that in the long term, the cohesion policy investments generate positive returns, with a 25-year GDP multiplier[90] of almost 3 (equivalent to an annual rate of return of around 4%). Note that the values of the GDP multiplier obtained from the RHOMOLO model are in the range of those obtained from other studies based on econometrics[91] or using other models such as QUEST[92]. The policy is also likely to boost jobs creation, with an estimated impact on employment peaking at +0.91% in 2023, equivalent to around 2.1 million additional jobs compared to the baseline[93].

The impact of the policy differs across intervention fields

Cohesion policy programmes support a broad range of investments, from R&D to transport and energy infrastructure, from subsidies to private investment and investment in human capital. As each of these investments affects regions in a distinct way, the composition of the policy mix, i.e. the relative size of each type of investment in programmes financed under cohesion funding, is likely to have a strong influence on the impact of the policy, whether at EU, Member State or regional level.

Each field of intervention produces its effect via different transmission channels. For instance, incentives meant to foster R&D activities are likely to affect GDP and economic growth by stimulating production factors, as documented extensively in literature (see for instance Männasoo et al., 2018; Kancs and Siliverstovs, 2016; Bronzini and Piselli, 2009; Griffith et al., 2004).

[87] Note that model simulations isolate the impact of cohesion policy from those stemming from other developments, including other EU, national, regional or local policies. In particular, the Recovery and Resilience Facility is not included in the simulations and its possible impact on the performance on EU regions is therefore not reflected in the results.

[88] See Asatryan and Birkholz (2024).

[89] See Chapter II of the CPR.

[90] The multiplier is the ratio of the cumulative change in GDP to the cumulative policy shock. It can be interpreted as the euro of GDP created for each euro invested in the policy or the GDP impact per euro spent on the policy. It gives an indication of the return on the policy investment.

[91] European Commission (2024a).

[92] Monfort et al. (2017).

[93] The total number of persons employed in the EU-28 in the base year of the model is around 231.83 million (source: Eurostat).

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Investments in the fields of transport on the other hand have both demand-side and supply-side effects, the former being generated by the purchase of goods and services needed to build the actual infrastructure, the latter stemming from the ensuing reduction in transport costs, which lowers the price of goods and stimulates trade flows.

The impact of interventions is therefore likely to vary from one field of intervention to the next, both in terms of magnitude and time profile. According to the model simulations carried out for this *ex post* evaluation, **interventions in the field research and technical developments (RTD) have the potential to increase EU GDP by 0.17% by the end of the 2014-2020 period compared to a scenario without investments in this field**. This corresponds to **37% of the total impact of the policy despite RTD only accounting for 13%** of total cohesion policy funding. In the long run (i.e. 15 years after the programmes have ended), the multiplier (i.e. impact per euro spent) is 5.6, or the equivalent of a 5.5% annual rate of return. This suggest that investments in R&D produce substantially higher than average returns on growth. This is broadly consistent with the impact found for investments under Horizon2020, where the multiplier was found to be 6.5.

By way of comparison, **the impact of interventions in the field of transport is lower, with EU GDP some 0.06% higher** compared to a scenario without policy interventions. This impact corresponds to 13% of the total impact of the policy while accounting for17% of total cohesion policy funding. The long-term **multiplier** associated with this field was found to be **3.1, or the equivalent of a 3.6% annual rate of return**. The lower impact and multiplier associated with interventions in the field of transport is partly due to such investments having a demand component that produces no long-lasting impact in the long run. In addition, investments in transport are extremely costly. For instance, in eastern European countries, the cost of building, upgrading, or restoring 10 km of road is estimated to be more than EUR 30 million.

The impact of cohesion policy is particularly high in the less developed regions of the EU, i.e. its main beneficiaries, notably regions in eastern Europe, as well as Portugal and Greece. By the end of the programmes, GDP is estimated to be around 5.5% higher in Croatia, 3.9% higher in Lithuania, 3.8% higher in Latvia, and around 3.7% higher in Portugal and Greece, compared to a scenario without cohesion policy.

In the most developed regions of the EU, the short-term impact of the policy is more limited, and sometimes even negative, as many of these regions are net contributors to the policy. However, once the interventions have been fully implemented (and financed), **in the medium to long term, differences in the GDP impact between EU regions diminish and the estimated impact becomes positive in all categories of regions**. Reasons for this include the strong positive spatial spillovers generated by the policy, whereby programmes implemented in one region have an impact on other regions. In particular, more developed regions which have a strong trading relationship with main beneficiaries see their exports benefit from the boost in economic activity generated in the regions where these programmes are implemented.

There is a clear geographical distribution to the macroeconomic impact of the policy when the effects of the policy are broken down by category of region. The impact of the policy is significantly higher in less developed regions than in the other categories of region, both initially and over time. In 2023, the estimated impact on GDP is +3.4% in less developed regions, compared to +0.7% and +0.2% in transition and more developed regions, respectively. The difference between the impact on the different categories decreases over time but remains significant: +1.1% in less developed regions, +0.3% in transition regions and +0.1% in more developed regions by 2045.

This suggests that cohesion policy is achieving its mandate to strengthen economic and social cohesion by reducing disparities in the level of development between regions, a finding backed up by analysis which shows that the policy reduces regional disparities both between and within Member States. For instance, by the end of the implementation period, it is estimated that the policy will have reduced by more than 3.5% the gap between the top and bottom 20% of regions in terms of GDP per capita.

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The impact of the policy is conditioned by a number of factors

As highlighted above, while the aggregate impact for the macroeconomic outcomes in the EU is positive, it is not homogenous across the EU. Specifically, some regions see a strong positive impact per euro received, while other regions see only a negligible impact.

A number of recent studies have focused on the heterogeneous effects of cohesion policy in different parts of the EU and between Member States. Crescenzi and Giua[94], using an RDD approach, found that although the policy had had a positive effect on the growth of EU regions over the 2007-2015 period, its impact varied markedly between countries, the estimated effects being the largest in Germany while much lower in southern EU countries. Cerqua and Letta[95] found that on average, the regions that saw the most growth due to EU funds were located in central and eastern Europe, while the impact appeared smaller for regions in southern Europe. Similar conclusions were drawn by Di Caro and Fratesi[96] who found that over successive programming periods, the policy did not seem to have had positive effects on growth in southern EU regions, while for regions in Germany, France, and eastern Europe, funding had seemingly had a significant effect on GDP. Likewise, the conclusions from the synthetic control-based analysis by Spruk[97] highlighted that the effects of the policy were highly concentrated in less developed regions of the EU.

A significant part of the literature convincingly argued that key factors possibly condition the impact of cohesion policy on economic growth[98]. Quality of institutions seems to play a critical role in explaining why the policy has a diverse impact, as stressed by many studies[99]. Fiscal decentralisation[100], openness to trade[101], or the presence of certain assets and endowments[102] have also been found to influence the effectiveness of the policy in boosting economic performance.

As already mentioned, the investment mix and the source of funding are other key determinants of the policy's degree of impact. According to Spruk[103], the ERDF was most effective for boosting GDP, productivity, and employment in high-value sectors while the CF also delivered strong results, particularly in reducing unemployment and achieving long-term economic gains. The ESF+ had a strong impact on employment and productivity outcomes, especially in high-skilled services and the YEI proved highly effective in reducing unemployment. Bourdin et al.[104] found that the ERDF tended to enhance productivity, whereas the ESF favoured employment over productivity, which is consistent with the main objectives of these funds. The CF was also found to effectively promote regional growth in lagging regions.

Others[105] argue that the impact in less developed regions, especially in Cohesion Fund countries, is higher for larger investments in transport and communication infrastructure. This was also stressed by Cerqua and Letta[106], who found that the most substantial positive impacts on regional GDP per capita growth occurred in regions where a larger share of funds was spent on transport infrastructure.

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[94] Crescenzi and Giua (2019).
[95] Cerqua and Letta (2025).
[96] Di Caro and Fratesi (2021).
[97] Spruk (2025).
[98] Fratesi and Wishlade (2017).
[99] Becker et al. (2013); Rodríguez-Pose and Garcilazo (2015); Aiello et al. (2019); Crescenzi and Giua (2019); Albanese et al. (2021), Incaltarau et al. (2020); or Bachtler and Mendez (2024).
[100] Bähr (2008).
[101] Ederveen et al. (2006).
[102] Pinho et al. (2015).
[103] Spruk (2025).
[104] Bourdin et al. (2024).
[105] Destefanis and Di Giacinto (2023).
[106] Cerqua and Letta (2025).

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Taken together, this substantial body of counterfactual evidence provides strong confirmation that cohesion policy contributes meaningfully to the achievement of Treaty objectives, while also identifying necessary conditions under which its effectiveness is maximised.

The composition of value added, and the specific sectors of economic activity found in the regions are also likely to affect the degree of impact of the policy. Amendolagine et al.[107] found that effects varied considerably between regions as a result of spillovers. Such effects were found to be the highest in less developed regions where the share of value-added in manufacturing is above average and the share of employment in medium-to-high-tech manufacturing and knowledge-intensive services is close to the EU average (most of which are in central and eastern Europe), as such sectors are generally associated with global value chains. According to the findings of Cerqua and Letta[108], the impact of the policy was higher in regions with a larger share of employment in sectors G to J of the NACE classification of economic activities, i.e. wholesale and retail trade, transportation, accommodation and food services, and information and communication services.

The geographical and sectoral heterogeneity was also detected by model simulations. As indicated above, the impact of the policy was found to be much higher in less developed regions due to the concentration of funding in those regions. However, model simulations highlighted other factors influencing the effectiveness of the policy. Based on the same spatial general equilibrium model used to analyse the impact of cohesion policy in this *ex post* evaluation, Barbero et al.[109] showed that an increase in government quality across EU regions could significantly increase the impact of the policy.

Model simulations also confirmed that the investment mix had a major influence on the effectiveness of the policy. However, these simulations provided additional insights by looking at the long-term effects of the policy and the timeliness of its impact which critically varies from one field of intervention to another[110]. More specifically, interventions that mostly trigger demand-side effects tended to have an impact in the short term, while those involving strong supply-side effects were more likely to yield their full impact in the long term. In particular, while the impact of infrastructure investment was generally felt the quickest as it fell directly within the definition of GDP by virtue of being government expenditure, investments in R&D and human capital took longer to materialise. In the medium term, the productivity enhancing effects of such investments became gradually stronger and generated larger output effects.

The model simulations also highlighted that the impact of the policy critically depended on the regional macroeconomic framework. For instance, Casas et al.[111] showed how the size of local fiscal spending multipliers was determined by factors such as the region's openness to trade, the tightness of the labour market or its saving rate.

Overall, the above findings and the evidence gathered for the 2014-2020 period highlight that the effects of cohesion policy are likely to be strongly context-dependent and conditional on certain factors. The most important of those factors are the quality of governance and administrative capacity, however other factors include the composition of the programmes and the focus of their fields of interventions, the region's industrial fabric and sectoral composition of GDP and employment, the degree of capacity utilisation (for instance, as captured by the regional unemployment rate), exposure to inter-regional and international trade, and the remoteness of the region, which also affects its trade links.

Evidence from the investment areas

As outlined in Section 2.2, the overall intervention logic of the ERDF / CF stems from the thematic menu (11 thematic objectives). The logics of intervention outlined in Annex VII.a link expected

[107] Amendolagine et al. (2024).
[108] Cerqua and Letta (2025).
[109] Barbero et al. (2023).
[110] Varga and in 't Veld (2011a and 2011b); Monfort et al. (2017); Casas et al. (2025b).
[111] Casas et al. (2025a).

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outcomes to the overall objectives of the ERDF / CF contributing to smart, sustainable and inclusive growth. The outcomes of the funds are considered in relation to these overall objectives and – where possible to observe – the expected impacts. In this section, evidence from the investment areas is considered in order to assess the effectiveness of the policy in fulfilling the objectives of smart, sustainable and inclusive growth. Thematic studies looking at cohesion policy have confirmed that the effectiveness of the policy varied in terms of both implementation and the achievement of objectives. Variation was found to be mostly linked to differences between thematic investments, although some cross-cutting trends emerged, most importantly in relation to the quality of administrative capacity.

For instance, an empirical analysis conducted to test the impact of support on small and medium-sized enterprises (SMEs) showed that **ERDF / CF investment had had a positive and significant impact on SME survival rates.** This also applied to support granted during the COVID-19 crisis[112], and support for company start-ups, with supported firms more likely to reach their third year in business and exhibiting higher survival rates than the national average[113]. A counterfactual analysis carried out by national authorities confirmed this finding, indicating a causal relationship between ERDF support and company survival[114]. During the COVID-19 crisis, it is estimated that 4% of European SMEs benefited directly from financial support, and a much larger proportion benefited indirectly[115].

Econometric analysis revealed that beneficiary SMEs performed better after projects were complete where there was **positive alignment with the Smart Specialisation Strategy priority areas.**[116] This confirms how significant the territorial approach is for ERDF / CF investment.

Case study analysis highlighted that across investment areas, **investments were more effective when forming part of a long-term strategic plan** (RTDI, SME and RIS3, territorial strategies) where both regional (or local) and national authorities were aligned.

Operations supporting investments in competitiveness, e.g. supporting companies and R&D, had mostly high completion rates, generally achieved their objectives, and were positively assessed by stakeholders. In the area of research and innovation, 64% of ERDF operations were found to be thematically aligned with the S3 priority areas, and investments yielded a range of outcomes aligned with ERDF investment priorities[117].

In the case of SME support, case studies as well as an econometric study on a sample of beneficiaries[118] found there to be **a positive correlation between effectiveness and the ambition of the supported project. Qualitative and quantitative evidence consistently showed that the amount of funding at project level was crucial to increasing the chance of triggering expected effects under the ERDF**[119]. This was especially true when funding was focused on digitalisation or new technologies and was guided by a structured development strategy. **The ability of SMEs to manage complex investment projects and previous experience in managing EU (or similar) investments were key factors** for their success. This meant that more capable SMEs, which are often larger and more export-oriented, saw greater benefits than less capable ones (often micro-sized and operating in traditional, local markets). More competitive selection procedures were also more effective in selecting high-quality projects and had a higher probability of success. This was

[112] High survival rates of SMEs granted support to withstand the crisis, exceeding 90% (supporting study on SME support).
[113] Supporting study on SME support, based on EUROSTAT and ORBIS database.
[114] Supporting study on SME support - case study on company creation.
[115] Supporting study on Crisis Response.
[116] Supporting study on SME support
[117] Supporting study on RTDI.
[118] Supporting study on SME support - Counterfactual Impact Evaluation (CIE) conducted using data on beneficiaries and unsuccessful applicants in Portugal.
[119] Supporting study on SME support.

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also true in the field of RTDI, where a strong selection system, aligned with the instruments' objectives, was deemed to be a necessary condition for support to be effective[120].

Member States' counterfactual evaluations strengthened the evidence base regarding the effectiveness of ERDF investment in supporting SMEs. In Warmińsko-Mazurskie (Poland), a CIE analysis showed that ERDF support to businesses had resulted in projects which were consistent with the region's RIS3 (wood and furniture, high-quality food and the marine economy), **leading to 3% higher revenue growth over the 2016-2019 period among supported companies** compared to those not receiving support, due to the former being able to reach more new clients. This outcome was associated with employment growth of at least 4%. In Friuli Venezia Giulia (Italy), between 2015 and 2022, small firms receiving support recorded 14.7% higher employment growth under ERDF interventions for 'productive investments in micro-enterprises' and 15.0% higher employment growth under 'ICT investments in micro-firms', as compared to the counterfactual scenario of no funding. **Both outcomes showed higher revenue growth among firms which received support**[121]. In Poland, regional ERDF investment resulted in 4% higher employment growth among recipient companies between 2015 and 2018, compared to unsuccessful applicant companies. **Counterfactual analysis in these regions also indicated a strong positive effect on GDP, employment, private investment and exports.**

The same counterfactual analysis in Poland[122] also showed that **participation in ERDF / CF projects supporting business RTDI activities had led to an increase in RTDI expenditure, as well as in the number of employees and the number of innovations introduced**. For both SME and RTDI support, evidence showed that investments were more effective when follow-up support was planned and spanned different stages of development[123].

Furthermore, **a recent CIE of ERDF funding in Germany found a positive impact on employment levels.**[124] The authors used data on subsidised companies taken from federal state project lists for the 2014-2020 period, which they compared against data on similar non-subsidised companies. The results showed an increase in employment among subsidised companies of between 8% and 13%, confirming existing empirical evidence. Notably, the impact on employment was greater in small companies and equity investments. In addition, the study highlighted that in Germany around EUR 0.74 billion of cohesion policy funding had been used for equity financing for start-ups and highly innovative SMEs. According to the study, financial instruments for equity financing showed high leverage effects. Specifically, for every publicly-funded euro, 2.73 euro in external equity investments was generated.

Member State evaluations also showed that not all interventions produced significant results. For example, under Czechia's Operational Programme 'Enterprise and Innovation for Competitiveness', no statistically significant relationship could be found between ERDF support and the creation of SMEs in knowledge-intensive areas. Likewise, in the South Bohemian Region, counterfactual analysis revealed that EU funding had no statistically significant impact on firm creation following a comparison of supported and non-supported municipalities. Similarly, under the Śląskie Operational Programme, investment expenditure was not significantly higher among supported firms compared to those not receiving support[125].

More generally, stakeholder involvement was also found to be important to the success of investments, particularly in social infrastructure and integrated territorial development. **Integrated territorial instruments (ITI, CLLD) were found to be broadly effective in applying an explicit**

[120] Supporting study on RTDI.
[121] Piotrowski et al. (2021); EVALU-S-T-O-S-WiseEuropa (2020); Consorzio MIPA (2023).
[122] Re-Source (2023).
[123] Supporting study on SME support - Case studies on research and science-industry cooperation.
[124] GEFRA, ifo Institut, Ramboll and ZEW (2025).
[125] Ernst & Young and s.r.o. (2023); Ernst & Young et al. (2023).

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territorial lens to target ERDF resources, promoting multilevel governance and an integrated, multi-sectoral approach[126].

Concerning infrastructure investments, supporting studies found that completed projects generally met their objectives. The EESC's *ex post* evaluation came to similar results, underlining that ERDF investments had positive impacts especially regarding energy efficiency, public services, and educational buildings[127]. Investments in transport had provided support to key networks and removed bottlenecks (a total of 20 501 km of railways, roads and urban transport networks were built, restored or upgraded[128]). Similarly, ICT investments were linked to increased high-speed internet access. Importantly, while the physical deployment of broadband infrastructure experienced delays due to the COVID-19 pandemic, the sudden growth in digital education and learning led to faster roll-out of equipment to teachers and pupils for distance learning, accelerating improvements in digital skills[129].

Wastewater treatment and management projects made a positive contribution to water quality[130]. In terms of water supply, there was a statistically significant correlation between changes in the number of people connected to main water supply and funding per capita[131]. Moreover, regression analysis showed that **there was a statistically significant relationship between changes in the proportion of recovered municipal waste and the amount of funding allocated**, including when additional factors, such as GDP per capita, are taken into account[132].

Environment infrastructure investments made a positive contribution to resource efficiency and waste recovery, and responded to compliance and modernisation needs. While **overall achievement rates of ERDF / CF investments in decarbonisation were high, the degree to which ERDF / CF investments contributed to macro-level positive trends could not be statistically confirmed**[133]. MAs reported that decarbonisation investments delivered through the ERDF / CF had led to an estimated annual decrease in greenhouse gas emissions of 9.6 million t/CO□ equivalent, which was only 47% of the initial target. This modest achievement rate can in part be attributed to the complexity of projects related to decarbonisation efforts, which typically require longer implementation times.

Support for environmental protection and biodiversity showed mixed overall effectiveness. The ERDF / CF supported both the planning and implementation of nature protection interventions, but compared to other EU funds, the contribution of the funds to the Natura 2000 network of protected areas was relatively low[134]. Additionally, analysis of OPs showed that 21% of investments earmarked for biodiversity and nature protection were focused on developing tourism and cultural assets, which is at odds with the biodiversity ambitions of the European Green Deal, despite the dual benefits. At the same time, case studies[135] suggested that supported interventions, where targeted, were successful in improving nature protection. Over 11.2 million hectares benefited from ERDF / CF support to improve their conservation status, which is around 111% of the target.

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[126] Supporting study on integrated territorial development.
[127] EESC (2025).
[128] Supporting study on transport and energy network infrastructures.
[129] Supporting study on ICT.
[130] Supporting study on the European Green Deal.
[131] Once the two outliers of BG and MT are excluded.
[132] Ibid.
[133] This analysis did not identify a statistically significant correlation. This should not be misinterpreted as ERDF / CF funds are only one of many factors that are needed to achieve desired outcomes.
[134] An analysis of operations using the Preparatory Study database found that only 6.7% "Natura 2000" in their project descriptions. When compared with other EU funding instruments (e.g. EAFRD, EMFF, LIFE), the ERDF/CF had the lowest share (2%) of funding committed to Natura 2000 sites. The lack of co-funding opportunities for actors (namely NGOs) was identified as a main obstacle.
[135] Supporting study on the European Green Deal – final report and case study on biodiversity.

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For environmental and decarbonisation interventions, an analysis of 70 OPs, together with desk reviews, interviews, technical workshops and seminars, all confirmed[136] that **issues of administrative capacity had a limiting impact on the effectiveness of ERDF / CF investments**. This is more acute at local administration level than at regional or central level. A lack of staff and adequate expertise sometimes created implementation bottlenecks, especially for interventions supporting clean urban public transport, waste, water, wastewater, climate adaptation and other environmental infrastructure.

While investments in the natural and living environment are vital for improving quality of life[137] in supported regions, **investments in social infrastructure** arguably make the most significant impact in this regard. **Case studies confirmed that social infrastructure interventions had met their objectives, with early childhood education and care investment resulting in an increase of 24.6 million additional places in care facilities**; investment in healthcare had enabled infrastructure to be build and renovated and modern equipment to be purchased, resulting in improved health services for more than 68 million people[138]. ERDF-supported interventions in the field of social housing had helped to address gaps in the existing housing stock and in the provision of support to vulnerable and disadvantaged population groups, with 13 500 housing units renovated or newly developed. Efforts to improve access to **culture, sports, and leisure in disadvantaged areas** had also helped to reduce quality-of-life disparities by expanding community offerings and boosting participation across diverse groups. The EESC's *ex post* evaluation also concluded that the ERDF and CF were particularly effective in supporting vulnerable groups, such as people with disabilities and youth entrepreneurship[139].

Several large-scale infrastructure projects were not completed, or their implementation was behind schedule. Several transport projects had been phased or were incomplete at the end of 2023. Furthermore, half of the initial allocation to rail investment had still not been used. In the field of transport, the limited implementation of rail projects was attributed to the complexity of such projects and the weak administrative capacity of beneficiaries. A greater number of road investments, which are comparatively simpler to implement, came at the expense of rail outputs, partly offsetting the positive decarbonisation effects achieved through energy efficiency measures in housing and public buildings, increased use of renewables, and cleaner transport (trains, trams, metros). In the area of green infrastructure, implementation of large-scale construction and infrastructure projects was delayed, partly due to successive crises, and partly due to higher costs. At the half-way point of the 2014-2020 period, most Member States were at risk of missing their municipal waste targets.

Case study evidence on business investments supporting innovation uptake confirmed that in the 2014-2020 period, **skills shortages were a significant barrier to the uptake of innovative activities. A lack of staff and insufficient scientific knowledge and technical skills were also common barriers to the programming, planning and implementation of climate adaptation projects**[140].

ICT investments were sometimes implemented without adequate consideration for end-user uptake and changes in demand trends, potentially reducing their effectiveness. Furthermore, reprogramming (independent of the crises) tended to shift funding away from ERDF expenditure on ICT by comparison to initial ambitions.

Difficulties were also encountered in relation to burdensome administrative procedures, notably linked to public procurement (partly due to gold-plating, i.e. going beyond EU law), which are

[136] Supporting study on the European Green Deal.
[137] While there is a lack of firm consensus on the definition of the term, the definitions produced by Eurostatand the OECD were used for the purposes of this analysis.
[138] Supporting study on Employment, Education and Social Cohesion.
[139] EESC (2025).
[140] Supporting study on the European Green Deal; Supporting study on Institutional Capacity and Reform.

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generally perceived as complex. In the case of RTD, SMEs and green investment, **overly complex procurement procedures were indicated as the reason why some potential beneficiaries did not participate in calls for proposals**[141]. In the case of SMEs, these barriers were particularly difficult to overcome for the smallest firms.

On the side of managing authorities, beneficiaries and the wider cohesion policy ecosystem, **administrative capacity and human capital play an important role in shaping the outcomes of the interventions supported by the funds**[142]**.** Without strong institutions, built on structures, human resources, systems and tools, managing authorities encounter notable challenges in utilising the funds competently and maximising their effectiveness. Without an understanding of the rules and obligations that govern the operational programmes, for instance, the application and reporting procedures, beneficiaries cannot reap the benefits from such programmes.

Administrative developments, particularly those driven by digital technology, have positively influenced the effectiveness of interventions. The implementation of robust digital systems for data collection and management has contributed to streamlining administrative processes, reduced burdens, and expedited fund absorption, ultimately contributing to a more effective delivery of support[143].

Specific initiatives were put in place in areas perceived as highly complex, such as the COMP-REGIO State Aid action plan, which improved the administrative capacity of managing authorities of dealing with such complexity and facilitated the interpretation of State Aid legislation.

In addition, knowledge sharing and the exchange of best practices among managing authorities and stakeholders across different regions and countries were crucial for enhancing institutional learning and capacity. For example, territorial cooperation programmes supported the capacity building and the transfer of know-how, including among local authorities, helped overcome administrative and legal barriers and contributed to improving institutional capacity through learning from different regional solutions and tools.

Investments in skills were crucial for enhancing the capabilities of the entities involved in the design and implementation of the interventions. Specialised training, continuous professional development, and sector-specific expertise could significantly improve the capacity of managing authorities and other stakeholders to effectively design and implement the interventions.

Administrative capacity problems are still present especially at the level of local administrations and impact small municipalities regardless of whether they are located in less developed, transition or more developed regions.

Limited administrative capacity was found to result in simpler project selection procedures, potentially reducing the effectiveness of investments compared to if a more targeted, strategic approach had been taken[144]. Furthermore, lower levels of coordination between relevant authorities negatively affected the completion of projects. Insufficient administrative capacity was also identified in case studies and interviews as one of the main obstacles to effective implementation of integrated territorial instruments. With the exception of community-led local development, investments delivered through integrated instruments or other delivery mechanisms were characterised by a reduced, inconsistent stakeholder engagement, with limited involvement of civil society[145].

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[141] See Section 4.2 – Efficiency for more analysis on gold-plating.
[142] European Commission. Roadmaps for Administrative Capacity Building.
[143] Supporting study on SME support; Supporting study on institutional capacity and reform.
[144] Supporting study on the European Green Deal; Supporting study on RTDI.
[145] Supporting study on integrated territorial development.

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The shortage of specific skills in the workforce was highlighted as an important challenge for the implementation of projects and the sustainability of their outcomes. This was observed in several areas, from investments contributing to the Green Deal objectives to RTDI activities, and could lead, for example, to underutilisation of infrastructures for technology transfer and innovation[146]. The analysis found that capacity-building initiatives and technical assistance projects financed through ERDF investments have played a pivotal role in mitigating the constraints deriving from lack of administrative capacity and in particular the shortage of skilled experts, even though with different levels of success across regions[147].

In the private sector, the success rate of the assistance provided to SMEs in the form of advisory services and customised support varied and there is still potential for supporting skills and capacity development, especially in SMEs operating in local contexts and in more traditional sectors. For positive effects to be observed, companies, and beneficiaries in general, need to engage in a process of continuous learning and behavioural change that often requires both time and efforts on their side.

Finally, crisis measures were introduced quickly overall. However, in cases where delays were experienced, emergency measures had a reduced impact. Notably, in the case of the refugee and energy crises, CARE / CARE+ and FAST-CARE were able to help refugees by providing support for housing and education at local level. However, they were less effective at addressing the immediate needs of the countries and regions experiencing large influxes of refugees. Therefore, these initiatives remained largely targeted at long-term investment and integration, while other instruments such as the Asylum, Migration and Integration Fund (AMIF) provided support to address short-term needs in the early stages of the crisis. For the energy crisis, the effectiveness of SAFE during the 2014-2020 period was also limited by its late introduction (SAFE may only have an impact in the 2021-2027 period).

Indicator achievement and monitoring system

The table below presents the status of the main achievements by the end of 2022, i.e. the last year of regular reporting. At the time of reporting, based on project pipelines and estimated progress until programme closure, most targets were set to be reached.

Table 3 - Overview of key indicator achievements

Main achievement *(unit of measurement)*	Progress	2023 Target	2022 Results	Estimated result
Area of habitats supported to attain a better conservation status *(hectares)*	>100%	10.0 million	11.2 million	15.7 million
Estimated annual decrease of GHG *(tonnes of CO2 equivalents)*	47%, estimated: >100%	20.5 million	9.6 million	24.8 million
Trans-European transport networks – total length of new and reconstructed railway lines *(km of railway)*	46%, estimated: > 100%	3 200	1 500	4 700

[146] Supporting study on the European Green Deal; supporting study on RTDI.

[147] At the start of 2023 (European Year of Skills), the Commission published a Communication on Harnessing Talent in Europe's regions (European Commission 2023f) and launched the Talent Booster Mechanism, aiming to bring a fresh impetus for reskilling and upskilling, also in response to the demographic trends of an aging population and the shrinking of the working-age population.

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Total length of new or improved tram and metro lines *(km)*	47%, estimated: > 100%	543	257	635
Population benefiting from forest fire protection measures *(people)*	62%, estimated: >100%	38.1 million	23.8 million	33.6 million
Additional capacity of renewable energy production *(MW)*	67%, estimated: >100%	8 945	6 012	12 817
Households with an improved energy consumption classification *(households)*	90%, estimated: > 100%	626 000	562 000	77 000
Researchers working in improved research infrastructure facilities *(number of researchers)*	69%, estimated: > 100%	105 000	73 000	125 000
Population covered by improved health services *(people)*	75%, estimated: > 100%	92 million	69 million	141 million
Additional employment in supported enterprises *(full-time jobs created)*	98%, estimated: > 100%	377 000	377 000	533 000
Enterprises receiving support *(number of enterprises)*	**> 100%**	2.2 million	2.5 million	2.9 million

Source: Cohesion Open Data Platform

The indicators presented above are only a subset of the 46 common indicators available in the monitoring system and correspond to those used by the Commission for performance reporting to the other European institutions in the programme statements and annual activity report[148].

The supporting study on ERDF / CF monitoring data[149] assessed the reliability of common output indicators and concluded that most of the reported values were consistent and reliable. Specifically, the study aggregated data at operation level from national and regional monitoring sources. It reconciled this aggregated data with what was reported in the annual implementation reports (AIRs). Through analytical tests and both quantitative and qualitative cross-checks, the study attempted to identify discrepancies and potential cases of under- and overreporting. The quantitative analysis and further cross-checks revealed that 89% of the selected (i.e. contracted) values and 78% of the implemented values for common indicators reported in the AIRs were assessed as plausible.

However, the system also presented some shortcomings. The list of common indicators fell short of covering the complete range of investment goals. Furthermore, inconsistencies in methodologies concerning object identification and measurement timing led to challenges in target setting, milestone determination, and overall comparability. To address these issues, the 2021-2027 legislation introduced a more comprehensive list of common indicators with detailed common definitions, supported by comprehensive guidance documents[150]. The new monitoring system was developed following extensive discussions with managing authorities and was supported by a

[148] Progress on the full set of indicators is publicly available on the Open Data Platform.
[149] Study on the monitoring data on ERDF and Cohesion Fund operations,
[150] Available on the Inforegio website.

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dedicated study[151].Coverage of funded actions under the new system has been increased from 50-60% to approximately 80%.

In the 2014-2020 period, the result indicators served as proxies for the expected impacts at programme level but could not be directly attributed to interventions or be aggregated and compared at EU level. To address this, common result indicators were introduced for the 2021-2027 period which allowed the outcomes for beneficiaries to be directly attributed to actions and outputs, thereby enhancing the precision and value of the indicators.

In addition, the design of the 2014-2020 monitoring system applied a different breakdown for financial categorisation data (at priority level) and output indicator data (at investment priority level). Consequently, the financial implementation of certain thematic objectives could not be clearly identified where priorities were assigned to more than one thematic objective. As a result, the **supporting studies had to infer relationships between budgets by intervention field, investment priorities, and indicators.** Additionally, project details and beneficiaries were not notified to the Commission. Instead, a list of operations had to be published for each programme, containing specific minimum information, but without a harmonised template. The supporting study on the monitoring system[152] compiled and expanded the operations list with a view to better understanding the operations implemented. This one-off task was carried out in preparation for the *ex post* evaluation, however information was collected on operations completed by the end of 2021, when financial implementation was relatively low (40-50% of planned expenditure). The collection of operation-level data was a costly exercise, relied on cooperation from national and regional authorities, and produced varying results which led to gaps in the final dataset**. The supporting studies indicated that efforts to carry out a robust, quantitative causal analysis of effectiveness were heavily impeded by the varying availability of micro-level data**. As explained above (see Section 1), the availability of sufficiently complete and standardised project and beneficiary level data is an important element for the quantitative analysis of the impact of the policy.

Finally, the performance framework aimed to incentivise target achievement by setting strict thresholds for the release of the performance reserve in 2018 and for assessing potential serious failures to achieve targets at closure (see Section 2 'Objectives and targets'). However, the European Court of Auditors pointed out that the **strict rules might instead have incentivised the downward revision of indicator targets[153]**. The 2021-2027 legislation laid out a more flexible and nuanced approach for assessing programme performance.

4.2 Efficiency

The efficiency of the ERDF and CF is assessed on the basis of a cost-benefit analysis of the policy. Studies and evaluations were carried out to review the administrative systems in place for deploying projects financed by the ERDF / CF and to assess whether the overall cost attributed to all actors involved could be reduced. The efficiency analysis also looks at administrative simplification as a means to reducing the cost of the policy while keeping output constant.

Simplification has been at the centre of recent discussions on competitiveness. **The Draghi report[154] noted that further simplification was needed to strengthen governance and boost overall competitiveness.** Thus, the first major initiative launched under the new Commission's mandate was the Competitiveness Compass[155]. The Commission's Communication on a

[151] See here for the study.
[152] Study on ERDF and CF operations' monitoring data (WP2) – final report available here.
[153] ECA (2021).
[154] Draghi (2024); the report proposed a series of 'simplifying rules' including the need to lower the 'stock' of regulation, reduce reporting obligations (especially for SMEs), and develop a common methodology for assessing regulatory burden.
[155] COM(2025) 30 final.

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Competitiveness Compass for the EU identified 'simplifying the regulatory environment, reducing burden and favouring speed and flexibility' as one of the five horizontal enables of competitiveness, while outlining key actions to be taken for delivering unprecedented simplification.

Competitiveness also emerged as a central issue in the ERDF / CF public consultation[156], with responses pointing to a mixed picture regarding the efficiency and perceived burden of the funds.

Stakeholder consultation: main feedback on efficiency and simplification

Responses to questions relating to the funds' efficiency varied. On the whole, respondents were positive about the funds' ability to achieve results within a reasonable time frame and in a cost-effective manner (57 out of 75 respondents agreed 'to some extent' or 'to a significant extent').

Regarding simplification and the burden of management tasks, the most burdensome management aspects identified by respondents were: the management control system, the entire management and implementation system, and audit and control requirements (each scoring at least 7 out of 10[157] on average). By contrast, evaluation, communication, the monitoring committee and partnership were seen as the least burdensome aspects (average score under 5). Additionally, respondents most frequently cited gold-plating as as source of burden (43 out of 76). Other frequently cited issues related to the management burden were EU, national, and local regulations, and the capacity of beneficiaries.

This section brings together findings on simplification measures and administrative costs drawn from relevant evidence and analyses. Additionally, it analyses areas for further simplification. Some of the evidence used was qualitative, such as the stakeholder consultation, case studies and interviews conducted for the thematic supporting studies. These sources of information were supplemented by quantitative estimates of administrative costs and burden taken from external studies. Additional information complementing this section can be found in Annex IV, 'Overview of benefits and costs', where use is made of RHOMOLO macro-economic modelling in addition to the above information sources in order to estimate benefits[158].

A study of the administrative costs and burden[159] of the ESI Funds during the 2014-2020 period concluded that **although programmes were complex to implement, the overall administrative costs associated with the funds were modest**[160]. This is in line with previous findings[161] and was confirmed by the ECA[162]. In quantitative terms, the total cost of administering the evaluated funds was estimated to be between EUR 30 billion and EUR 44.4 billion, or 8-11.8% of total spending. However, about half of these costs were related to project management activities (EUR 15.6-22.3. billion), which are not unique to cohesion policy processes. The costs specific to the ERDF and CF (i.e. excluding project management) therefore amounted to EUR 14.5-22.1 billion, or 3.9-5.9% of total spending.

Administrative costs for programme authorities associated with the ERDF amounted to EUR 22 600 per million euros of eligible funding. Interreg programmes had generally higher costs due to their complex programme geography. For the CF, administrative costs for programme authorities were estimated at 18 400 EUR per million euros of eligible funding, the lowest of the five ESI Funds. Overall, costs for programme authorities made up 2.3% of total spending under

[156] ERDF & CF 2014-2020 – public consultation
[157] On a scale of 1 – Not burdensome to 10 – Very burdensome.
[158] For further detail on the methodology applied to the calculations, see Annex IV.
[159] 'Administrative cost and burden' refers to the obligations imposed by ESIF regulations and any other regulations related to ESIF support, such as state aid, public procurement, and environmental legislation.
[160] European Commission, Spatial Foresight & t33 (2018c).
[161] Spatial Foresight & t33 (2017).; SWECO (2010).
[162] Special Report 07/2020.

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the evaluated funds[163]. The vast majority (78%) of those costs were borne by managing authorities. The **cost to beneficiaries of applying for funding** was estimated to be between 1.5-3.6% of total spending.

Several factors affect the reliability of the above estimates[164]. First, they are based on a 2018 study, meaning that they do not take into account regulatory changes introduced after this point and the post-crisis context since 2020. Moreover, while the estimates for the programme authorities are based on a relatively large sample, data on beneficiaries is extremely limited. The estimates are therefore expressed as a range rather than absolute values in order to account for the uncertainty in the estimated costs to beneficiaries.

The 2018 study also found that:

- although the ESI Fund programmes were very complex to implement, overall administrative costs were modest;
- costs varied considerably between programmes and funds, influenced by factors such as the financial size of the programme (smaller programmes being more costly), the number of beneficiaries, and the thematic focus (with TOs 11 – Institutional capacity and efficient public administration; 5 – Climate change adaptation and risk management; and 3 – Competitiveness of SMEs having the highest administrative costs);
- actual administrative burden was often lower than perceived by stakeholders. While complaints about excessive burden are widely shared within the ESI Fund community, the study found that the actual burden was reasonable[165].

These findings were supported by the ECA, in its Special Report[166] which concluded that the costs associated with the implementation of cohesion policy funds, at 2.3%, was similar to, if not less than, comparable internationally funded schemes.

Simplification measures in the 2014-2020 period were estimated to have reduced ERDF and CF administrative costs for MAs by 4-8% and administrative burden on final beneficiaries by 9-14%[167] compared to the 2007-2013 period.

Although the costs of cohesion policy are immediate, its benefits are felt in the long term. These benefits can be estimated using modelling, as described in Section 4.4 and Annex IV.

On the basis of the aforementioned supporting studies, a series of factors could be identified which impact how efficiently the ESI Funds were implemented. These factors are outlined below.

Gold-plating

Gold-plating refers to the administrative burden resulting from additional rules and regulatory requirements at national and/or subnational level, which go beyond requirements at EU level and make the implementation of EU funds unnecessarily more costly and burdensome[168]. **Numerous studies[169] have identified gold-plating to be a significant source of complexity for the implementation of the ERDF and CF**, with almost one third of avoidable burden specifically attributed to gold-plating and inefficiencies **stemming from national-level implementation.**

[163] Calculation based on input from studies, but including updated spending figures. Note that given its timing, this 2018 study does not take into account changes in the cost structure related to crisis response.
[164] See Annex IV for a detailed description of the limitations and uncertainty associated with these figures.
[165] When compared with similar investment policies.
[166] ECA (2020).
[167] European Commission, Sweco, t33 & Spatial Foresight (2017a).
[168] European Parliament, Spatial Foresight (2017a).
[169] See above, and European Commission, Applica, Ismeri Europa (2016c).

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For the 2014-2020 period, a number of simplifications were introduced with the intention of streamlining EU funding rules and increasing flexibility for national/regional management structures. Nevertheless, efficiency issues attributed to gold-plating practices[170] were consistently identified by case studies in the thematic supporting studies. Aspects of gold-plating that were commonly identified by the studies are discussed in the following sub-sections.

Public procurement and permitting rules

Inefficiencies related to public procurement and permitting rules were identified in relation to investments across a wide range of areas contributing to smart, sustainable and inclusive growth.

Specifically in relation to investments in technology transfer and innovation, evidence from case studies[171] identified implementation challenges stemming from public procurement rules. For example, in Bulgaria, public procurement rules on research equipment, research infrastructure, software, and related expenditure had generated excessive administrative burden for beneficiaries at various stages of implementation. To remediate this to some extent, the MAs produced guidance material on public procurement laws. Similar findings came to light in the case study concerning the Flemish region of Belgium and Czechia.

Example: Greek broadband infrastructure project affected by permitting delays

The purpose of Greece's OP Competitiveness, Entrepreneurship, Innovation (EPANEK) was to implement the National Digital Strategy 2016-2021[172] and National Next Generation Broadband Access Plan (NGA Plan). The EPANEK OP built on an OP from the 2007-2013 period, which had successfully rolled out broadband services across a large part of the country. The EPANEK OP included a Rural Broadband project aimed at developing a high-speed, modern broadband network in 'white areas', i.e. areas not covered by a mobile network, in rural parts of the country, thus alleviating network gaps. Across one cluster of regions covered by the project (Peloponnese, Crete, Ionian Islands and Dodecanese Islands), the roll-out of the network was significantly delayed (from 2 to 3.5 years) due to the lengthy permitting procedures for wireless telecommunication towers and antennas. Permitting procedures could comprise up to 14 stages. The permitting delays also led to changes in the planned actions, with the contracted entity having to replace part of the planned wireless network with costlier fibre-optic.

Challenges associated with procurement and permitting were also identified in relation to a range of ICT investments, including investments in broadband infrastructure, e-government services, and digital education and training. By way of example, case studies[173] analysing ERDF broadband projects in Spain, Poland, Greece and Lithuania attributed implementation delays to procurement processes and difficulties in obtaining planning and construction permits.

Stakeholder interviews and consultations regarding climate and environment interventions also identified major efficiency issues caused by procurement and permitting rules. Of the MAs[174] interviewed for the supporting study[175], 70% considered that procurement and tendering procedures had had a negative impact on project implementation. This was further corroborated by case studies[176] confirming, for example, that permitting had been a barrier to wider uptake of water reuse

[170] Both specific to ESI Funds and gold-plating in a wider context of EU fund management.
[171] Supporting study on RTDI - Final report and case study - PI2.
[172] The Digital Strategy aimed to promote ICT as a driver for economic growth and a more efficient public administration.
[173] Supporting study on ICT- final report and case studies.
[174] Covering 70 OPs representing a wide range of regions and MSs. Additionally, it should be noted that 80% of the MAs which indicated the barriers due to procurement were from less developed regions. See supporting study on the European Green Deal for further information on stakeholder interviews.
[175] Supporting study on the European Green Deal - final report.
[176] Supporting study on the European Green Deal - case studies.

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activities and investments. By way of a further example, complex permitting procedures were also considered by interviewed stakeholders to be a factor contributing to delays to large-scale adaptation interventions (e.g. targeting flooding) and more innovative projects (e.g. nature-based solutions). The complexity of procedures, including excessive documentation and delays, especially in smaller projects, remains a major impediment to the effectiveness of programmes[177].

Public procurement rules are responsible for numerous issues which vary between Member States and sectors. Significantly, one of the root causes of these issues, according to evidence from the funds' investment areas (above) and from various studies[178], is the excessive complexity of national and legal frameworks for public procurement. According to the results of an ECA survey of audit authorities, 90% of respondents agree that the legal framework is more complex than it needs to be[179]. Reasons for this include inconsistent interpretation of EU legislation on public procurement, and overcomplication of EU legislation when it is transposed into national law by the Member States.

Several initiatives addressing public procurement have been launched by the Commission in view of its importance to efficiency gains and policy outcomes. During 2018-2021, DG REGIO worked with the OECD to provide dedicated support to regions with the purpose of enhancing public procurement practices[180]. Other support measures have included a public procurement strategy[181], a dedicated ex ante conditionality for public procurement, and guidance for MAs[182].

Consistency across governance levels

The ESI Funds are managed across different governance levels. Despite efforts to coordinate, **inconsistencies exist between these levels of governance, thereby increasing the risk of gold-plating**[183]. In the course of this evaluation, various types of inconsistencies[184] with an impact on efficiency were identified across governance levels, including inconsistencies in capacity and set-up, and inconsistent frameworks imposed by different governance levels. Efficiency challenges due to such inconsistencies were found across several investment areas and particularly affected the territorial dimensions of the funds.

With regard to the implementation of territorial delivery mechanisms (TDMs), the supporting study[185] observed instances of an 'administrative capacity paradox'[186]. In other words, the study found that local authorities which took on management activities because they had better resources (capacity) absorbed the learning and capacity-building benefits of TDM governance. On the other hand, local authorities with capacity challenges rarely had management activities delegated to them, despite the potential for them to learn from the experience due to the need for timely implementation and compliance with the funds' management and control rules. The findings from the study supported existing literature[187] on cohesion policy that points out the administrative

[177] EESC (2025).
[178] ECA (2015); OECD (2020).
[179] ECA (2015).
[180] See Public procurement to pursue cohesion policy objectives (2018-2021) | OECD.
[181] European Commission (2017b).
[182] See a comprehensive list of resources here: Inforegio - Public Procurement
[183] European Parliament, Spatial Foresight (2017a).
[184] As noted by the REGI Committee study (see citation above), the ecosystem of ESI Funds' governance varies across Member States. In some MS (e.g. Estonia, Latvia, Slovenia), few consistency issues can be observed between ESIF and national regulations, as the funds are implemented under national frameworks. In other cases, national regulations create 'parallel systems', with additional national rules that are not always compliant with ESIF rules. The study further notes that in particular, State aid and public procurement rules lead to a high risk of gold plating.
[185] Supporting study on integrated territorial development - final report.
[186] Polverari et al. (2024).
[187] Ibid.

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capacity paradox, i.e. the fact that asymmetries across local administrations end up being reinforced.

For Interreg programmes, internal and external EU borders present a major obstacle to efficiency. The supporting study on European territorial cooperation[188] identified a range of border obstacles impeding implementation, most notably administrative and legal differences. This finding was supported by a report[189] analysing case studies on border obstacles, which found that the main obstacles to the implementation of Interreg projects implementation stemmed from complex legal and administrative procedures related to cross-border cooperation, as well as a lack of coordination among stakeholders. In response to this, the b-solutions[190] initiative was implemented to help tackle border obstacles across a range of geographical and programme-related aspects under Interreg.

At the same time, sound multi-level governance in a particular policy area, i.e. consistent EU, national, and regional frameworks can make implementation more efficient. For example, strategic alignment of ERDF investments in RTDI – particularly projects supporting collaborative RDI between science and industry, research activities in businesses, and technology transfer and innovation – with national and regional RTDI frameworks was found to be a key enabling factor for success[191].

Crisis

Despite the existing efficiency issues identified by the study, **evidence shows that administrative hurdles could be overcome for crisis measures and that the ERDF was able to react rather swiftly to emerging challenges.** In the case of the COVID-19 and refugee crises, the regulatory framework was amended within two weeks, and although regulatory amendments took longer in the case of the energy crisis[192] – approximately one year – programmes could in the meantime take advantage of the other flexibility arrangements introduced for crisis situations. This swift reaction capacity was also demonstrated by the reduction in the average processing time for programme amendments, as presented in Table 4 below. While the average processing time for amendments pre-crisis was 114 days, this was reduced to just 32 days for REACT-EU, 34 for CRII / CRII+, and 39 for CARE / FAST-CARE. For all crisis measures, a significant drop was observed in the average processing time for programme amendments, allowing programmes to efficiently respond to new crises[193].

Table 4 – Average processing time for programme amendments

	CRII/CRII+	REACT-EU	CARE/CAR+ FAST-CARE	SAFE	Pre-crisis until Feb. 2020	Total 2014-2020
Average processing time	34 days	32 days	39 days	53 days	114 days	76 days

Source: Supporting study on crisis response.

[188] Supporting study on European territorial cooperation - final report.
[189] European Commission (2020a).
[190] Home | b-solutionsproject
[191] Supporting study on RTDI - final report.
[192] The European Commission launched the REPowerEU Plan in May 2022. For cohesion policy, flexibilities were introduced by the SAFE instrument, launched at the end of February 2023, largely mirroring those of earlier crisis response instruments.
[193] Also acknowledged by ECA (2023).

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Simplification measures

In response to findings from the 2007-2013 *ex post* evaluation[194] and the 2014-2020 impact assessment[195], a range of simplification measures[196] were introduced for the ERDF / CF for the 2014-2020 period. These measures targeted the administrative burden associated with the funds' implementation, as well as the overall efficiency of implementation.

Financial instruments

The 2014-2020 CPR extended and clarified the scope of the financial instruments available for investments[197]. Financial instruments were used more intensively during the 2014-2020 period, which presented significant challenges in terms of efficiency of implementation and administrative costs[198]. In particular, the macroeconomic and financial conditions over much of the programming period favoured borrowing since interest rates were lower. In turn, this made ERDF-supported loans less attractive despite interest rates being initially set below the market rate in 2014. The administrative burden and additional requirements often associated with financial instruments further limited the appeal of such loans. These problems were exacerbated by the long period of time normally required to set up financial instruments, during which there is a risk of changing market conditions and regulations, which, in turn, can impact how useful the instruments are.

The **efficiency of financial instruments was**, in some cases, **adversely affected by competition from other (public) funding opportunities at national/regional level, especially grants**. For example, in Italy, very similar measures for supporting R&D projects involving cooperation between enterprises and research centres were launched both at national level and in the region of Lombardy. As funding under the national initiative was in the form of a mix of grants and loans, but under the regional initiative was only in the form of loans, the latter saw limited take-up[199].

Evidence from the supporting study on SME interventions[200] shows that advisory services, often delivered through grant support, did not significantly improve the performance of supported SMEs. For example, in Slovakia, according to a counterfactual impact evaluation[201], the performance of the SMEs that received support did not differ significantly from the performance of unsupported applicants.

Performance-based financing

For the 2014-2020 period, two new performance-based financing models were introduced in the regulation, namely: financing not linked to costs (FNLC)[202] and joint action plans (JAPs)[203]. An FNLC model under the ERDF was piloted by Austria for a project promoting energy efficiency, whereby disbursement of funding was linked to the achievement of procedural steps and CO_2 emission reduction targets set by the programme. FNLC was not taken up for any other project

[194] European Commission (2016d).
[195] European Commission (2011b).
[196] See Section 2.2 – 'Points of comparison'.
[197] Ibid.
[198] See: supporting study on RTDI – case study on financial instruments; supporting study on SME support – case study on financial instruments; supporting study on the European Green Deal – third intermediate and final reports.
[199] Supporting study on RTDI – case study on financial instruments.
[200] Supporting study on SME support – final report.
[201] Baláž et al. (2023).
[202] Regulation (EU, Euratom) 2018/1046, Article 125(1)(a). FNLC was introduced via a revision of the financial regulation in 2018 and was available for use from 2019 for ERDF/CF investments. FNLC is based on the fulfilment of conditions or achievement of results. A delegated regulation regarding the use of FNLC for investments in energy efficiency and renewable sources was adopted in 2019 (Commission Delegated Regulation (EU) 2019/694).
[203] Regulation (EU) 1303/2013, Article 104. For JAPs, financing was based on outputs/results linked to specific objectives of the OP, and their use was restricted to projects of a larger financial size. JAPs were introduced at the start of the programming period.

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during the 2014-2020 period, most likely due to the late regulatory introduction of the scheme, towards the end of the programming period. Use of JAPs was also limited during the 2014-2020 period[204]. Reasons given by the Member States for the limited use of performance-based financing models include the associated burden, lack of flexibility, and risks for beneficiaries[205]. Uptake of FNLC has increased for the 2021-2027 period. However, many of these perceptions remain since these models are still relatively new[206].

Performance-based financing is anchored within a robust performance monitoring system, as discussed in Sections 2.2 and 4.1. Under this monitoring system – which now has more detailed information on inputs, common indicators, milestones and targets – progress data has been harmonised, facilitating comparison and benchmarking and boosting efficiency.

However, further simplification could be achieved through more automated transmissions of data at operation/beneficiary level. This has the potential to reduce the administrative burden on MAs, enhance system interoperability, and supply the Commission with more granular and accurate data, which are crucial for more robust monitoring and evaluation.

Simplified cost options

A new study[207] on the uptake of simplified cost options (SCOs) and under funds governed by the CPR found that around 6.7% of the total ERDF budget and 0.5% of the total CF budget were covered by SCOs during the 2014-2020 period.

Table 5 – SCO use under the ERDF and CF during 2014-2020

	% of OP budget covered	Estimated OP budget covered at EU level (EUR bn)
ERDF	6.7%	21.730
CF	0.5%	0.255

Source: European Commission based on t33 and PPMI (2025, forthcoming).

Under the ERDF, flat rate SCOs were the most common type of SCO, covering 3.6% of the budget, followed by unit costs (2.5%). Under the CF, unit costs were the most common type of SCO, covering 0.3% at EU level. Interreg programmes, which have the highest administrative costs[208] of all ERDF programmes, saw a considerable take-up of SCOs, with 75% of programmes introducing a form of SCO. The two main SCO types employed were flat rates and lump sums (see Figure 12 in Annex IX).

The most significant advantages of SCOs for programme authorities were reported to be reduced administrative burden and easier compliance with rules, while beneficiaries also indicated less burden and greater focus on results[209]. Despite evidence of take-up and overall positive feedback, interviews with stakeholders and case studies[210] suggested that the **simplification potential of SCOs could be better exploited**. Studies[211] on the 2014-2020 simplification provisions also concluded that there was significant potential to further reduce administrative costs and burden by scaling up the use of SCOs. Other supporting studies did not present clear evidence of take-up or of the merits of SCOs, possibly because of the generally low take-up during the 2014-2020 period.

[204] ECA (2021).
[205] European Commission, t33 Srl (2018d).
[206] t33 and PPMI (2025, *forthcoming*).
[207] t33 and PPMI (2025).
[208] European Commission, Spatial Foresight & t33 (2018c).
[209] Spatial Foresight & t33 (2018c).
[210] Supporting study on European territorial cooperation - final report.
[211] European Commission, Sweco, t33 & Spatial Foresight (2017a); European Commission, t33 Srl (2018d).

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A dedicated study on costs and burdens[212] concluded that for the ERDF and CF, there were two key ways of reducing administrative costs. The first was by reducing the number of verifications, which could achieve an estimated 2-5% reduction in overall administrative costs. The second was by expanding the scope of SCOs so that they cover 50% and 40% of the ERDF and CF budgets respectively, leading to an estimated 12-18% reduction in workload[213].

For the 2021-2027 period, further simplification measures were introduced building on those from the previous period. The new CPR placed a clear and renewed focus on capacity building, in response to evidence linking the absorption of the EU funds to the strength of institutions[214]. A total of 80 simplification measures were introduced, such as the inclusion of fewer strategic requirements, streamlined programming steps and a simpler design for territorial tools, alongside a simplification handbook[215] detailing these measures. In addition to the simplification measures proposed, several tools and approaches were developed, including the administrative capacity roadmaps[216]. An ongoing study assessing administrative costs and burden estimates that simplification efforts have resulted in a 20% reduction in ERDF administrative costs for programme authorities[217].

Administrative capacity support

Administrative capacity plays an important role in ensuring the ERDF / CF are implemented effectively and efficiently. Moreover, several studies have emphasised that cohesion policy's contribution to growth and convergence is conditional on institutional capacity[26]. The Ninth Cohesion Report[218] also highlighted the importance of good governance and institutional improvement and the negative effects of weak institutional capacity. In the specific context of cohesion policy, which is based on multilevel governance and targeted to territorial needs, strengthening the capacity of stakeholders allows them to better formulate priorities at local level, identify institutional and administrative challenges, and design a policy mix that better corresponds to the specific local context.

As recognised by the supporting study on institutional capacity and reform, during the 2014-2020 programming period, ERDF / CF investments in institutional and administrative capacity increased the efficiency of public administration by improving internal capacities and staff skills through the hiring, training and retention of new staff, the provision of specialist advisory services for beneficiaries, the dissemination of good practices and more efficient management of human resources. An example[219] of good coordination of such measures could be seen in Slovakia, where the Central Coordination Authority, responsible for the coordination of the ERDF / CF, ensured that projects for setting up and running an integrated network of information and advisory centres complemented other institutional capacity-building activities at national level in the area of EU cohesion policy. The institutional capacity of beneficiaries and stakeholders was also targeted by the ERDF / CF, with observable results in terms of building skills, awareness and understanding.

ERDF support also boosted the digitalisation of internal systems and processes within public administrations, an important enabler of efficiency. The supporting study on institutional capacity and reform found that such support led to an increase in the quality of services, simplified administrative processes, and established new digital registration systems and innovative solutions, as in the case of Romania's integrated digital property and land register, which represented both a tool and stimulus for strengthening digital infrastructure and digital public service delivery.

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[212] European Commission, Spatial Foresight & t33 (2018c).
[213] European Commission, Spatial Foresight & t33 (2018c).
[214] European Commission (2018b), pp. 160-161.
[215] See Simplification Handbook for 2021-27.
[216] See Inforegio - Roadmaps for Administrative Capacity Building.
[217] Ramboll (2025, forthcoming).
[218] See Inforegio - Ninth Report on Economic, Social and Territorial Cohesion.
[219] Supporting study on institutional capacity and reform.

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In general, in order to achieve stable results, project outputs must be integrated into public administration systems to ensure that their results remain usable in the future. This is especially true for soft results, such as improved administrative processes, knowledge and expertise, which risk becoming irrelevant due to changes to the regulatory environments or which may fail to be incorporated into current administrative practices. Positive examples[220] were found in Poland, where the funds supported the creation of a central unit for coordinating policy on public-private partnerships (PPP)[221] to promote and support public entities in the preparation and implementation of PPP projects, and in Italy where ERDF support made it possible to increase internal skills and retain improved administrative capacity in metropolitan cities involved in the 'Plans for administrative reinforcement' initiative.

Political support at national level, local authority approval, and the inclusion of local priorities in national strategic documents were found to be key to the introduction of new initiatives. For example, a key factor behind the success of Romania's digital land register was that property registration was made a local priority by mayors, even if implementation delays meant that the project had to continue into the 2021-2027 period[222]. In Slovakia, the principle of strengthening partnerships gained strong political support, with goals and support measures to this effect included in strategic documents approved by the government.

An interesting spill-over effect was observed in which changes inspired by the management of ESI Funds became embedded in public administrations. National case studies[223] showed how the management and control system of programmes financed by ESI Funds had caused the project management approaches of the public administrations to gradually change. Over time, their initial approach based on the traditional bureaucratic model was replaced by a project-oriented approach. **In essence, a project management logic was seen to spread across public administrations as a direct result of the management approach to projects financed by ESI Funds.**

Technical assistance has played a significant role in this transition, particularly in regions with lower institutional capacity, supporting areas such as financial management, project planning, and digitalisation, thereby leading to greater procedural rigour and transparency in public administration. In the 2014-2020 period, the development of e-cohesion systems, i.e. electronic systems for exchanging information between beneficiaries of cohesion policy programmes and programme authorities, helped to implement the 'once-only principle' which limits requests for documentation already available to public bodies and reduces the burden on beneficiaries[224]. Furthermore, as public sector project managers are typically required to deal with multiple stakeholders who can strongly influence the design and outcomes of projects, a growing need has been identified for project managers to develop specific skills, such as the ability to mediate between competing interests.

For the 2021-2027 period, important measures have been taken to respond to these needs and resolve persisting issues linked to administrative capacity[225].

4.3 Coherence

On the whole, internal and external coherence was observed across a broad range of ERDF/CF interventions. However, coherence was pursued formally or procedurally, rather than a result of strategic, systematic coordination between funding streams and their goals. Findings revealed that greater effort was needed to transform ERDF/CF measures in order to make them 'synergetic'

[220] Ibid.

[221] Contracting arrangements that can be used instead of public procurement: Carbonaro et al. (2017).

[222] Supporting study on institutional capacity and reform.

[223] Supporting study on institutional capacity and reform – case studies.

[224] European Commission (2023c).

[225] There had been increased support through soft measures for administrative capacity building, including encouraging a more strategic approach through 'roadmaps', increased possibilities for learning and exchange, for instance via Peer2Peer communities, which grew in number scope, and the Just Transition Platform for implementing the Just Transition Fund.

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rather than merely 'coherent', and to make financed interventions part of a clear territorial development strategy. Factors hampering more effective coordination between ERDF / CF and other funds (including non-ESIF) include the complexities of different legal frameworks and subsequent administrative burden.

Internal coherence

As described in Section 4.1., the ERDF / CF supported interventions in a wide range of areas in order to deliver on the EU's strategy for smart, sustainable and inclusive growth. The intervention logic (See Annex VII) maps the funds' thematic along these three dimensions. In order to ensure coherence, smart, sustainable and inclusive growth need to be pursued harmoniously, such that investments are complimentary to wider goals and objectives and trade-offs are mitigated. The set of investments supported by the ERDF / CF for programmes was defined in line with these common objectives, also through the inclusion of specific requirements in the regulation: these includes the fulfilment of ex ante conditionalities, the alignment to country-specific recommendations issued under the European Semester (see Section 4.5) and thematic concentration requirements (see Section 2.2).

The supporting studies generally converge on the finding that there was broad internal coherence in the interventions supported by the ERDF / CF. Integration into national or EU-level strategies and goals (see section below), and to a certain extent, ex ante conditionalities, contributed to the intervention mix chosen. These were defined at the stage of programming, which, through repeated interactions between Member States and the European Commission in the definition of the programmes, ensured internal coherence in the investments within and across programmes. Based on evidence from case studies and analysis of OPs, internal coherence of investments was also ensured by making adjustments throughout the programming period. For example, this was the case for investments supporting smart growth objectives via SME support, which ultimately had high internal coherence, thanks to adjustments made throughout the programming period, rather than by establishing it at the design and inception stages[226].

Moreover, case studies and analysis of OPs[227] identified one noteworthy case concerning investments contributing to the EGD and sustainable growth in which potential for synergies and co-benefits from different investments were either not exploited or under-exploited, specifically co-benefits between pollution prevention measures and decarbonisation measures, and synergies between energy efficiency measures and investments in sustainable energy.The introduction of ex ante conditionalities was a key feature of the 2014-2020 programming period and had the aim of aligning ERDF / CF programmes with EU goals. According to a Commission study on the early implementation of ex ante conditionality provisions, general ex ante conditionalities were fulfilled at a rate of 75%[228]. Fulfilment of OP-level thematic conditionalities was around 58%. In general, the fulfilment rate was lower in EU-13 countries which had more limited administrative capacity and less experience[229]. **State aid and public procurement rules were identified by the study as presenting the greatest challenges.** Moreover, the fulfilment of conditionalities was found to be an additional burden. This was corroborated by an ECA Special Report, which concluded on the basis of monitoring data that action plans for **unfulfilled general ex ante conditionalities related to public procurement and State aid had achieved the slowest progress[230].**

Furthermore, there is evidence to suggest that conditionalities became less effective as a result of inconsistencies between Member States in the self-assessment of ex ante conditionalities, and the

[226] Supporting study on SME support – final report.
[227] Supporting study on the European Green Deal – final report.
[228] European Commission et al. (2016b).
[229] At the same time, analysis later in the period found that ex ante conditionalities were especially effective for countries with low administrative capacity, in improving the quality of programme strategies and accelerating the adoption process of EU directives and regulations – see CEPS (2018).
[230] ECA (2017).

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generic nature of the assessment criteria[231]. Despite these issues, **the ECA's analysis[232] found that the introduction of conditionalities for the 2014-2020 period had been positive and generally welcomed**[233]. Relevant studies[234] also noted that intangible benefits stemming from improvements in governance and strategic thinking in Member States could be delivered through the reforms and efforts made to fulfil ex ante conditionality criteria.

Case study evidence on investments contributing to the European Green Deal (EGD) and sustainable growth found that ex ante conditionalities had led to improved governance and better investment strategies. For example, investments in climate change adaptation and risk management benefited from the corresponding ex ante conditionality (existence of national or regional risk assessments considering climate change adaptation) which helped strengthen alignment with the EU Adaptation Strategy and other relevant EU legislation and resulted in targeted interventions[235]. Furthermore, the ex ante conditionality related to waste (preparation of waste management plans and waste prevention programmes) led to reforms and associated efforts[236].

Coherence with other ESI Funds

European Social Fund (ESF)

The extent to which the ERDF / CF and the ESF were implemented in a complementary way varied substantially across investment areas, Member States and regions. Joint support from the ERDF / ESF was introduced in the 2014-2020 legal framework[237]. Numerous cases were identified in the supporting studies, in which **complementarities between the ERDF / CF and ESF were achieved as part of a targeted policy mix**. For example[238], a comprehensive policy mix of ERDF and ESF support was used by an MA[239] in Belgium to cover all phases of the innovation cycle. ESF investments were used to subsidise the hiring of researchers for the RTDI infrastructure developed using ERDF support, and to create other complementary support measures targeting specific phases of the innovation cycle. Other examples in which ERDF infrastructure investments were combined with complementary ESF investments were also found in employment, education and social cohesion interventions[240]. In Croatia, primary healthcare infrastructure and equipment delivered through ERDF interventions were complemented by ESF interventions to support the training of healthcare professionals and service delivery[241]. Other examples of the funds being strategically combined were also found in interventions targeting institutional capacity. In Italy[242], ERDF interventions strengthening digital infrastructure were complemented by ESF interventions through which administrative capacity in public administration was successfully increased by

[231] ECA (2017).

[232] ECA (2017); ERDF/CF Public consultation (2023); European Commission, Metis GmbH, ICF International (2016b); CEPS (2018).

[233] As confirmed by the Member States surveyed as part of the ECA Special report, and by respondents to the ERDF / CF public consultation, whereby the majority of respondents (41 out of 76) considered their ex ante conditionalities to be 'reasonably useful' or 'very useful', and only few (15) judged them to be 'not useful' or 'not very useful'.

[234] ECA (2017); Nunez Ferrer et al. (2018).

[235] Supporting study on the European Green Deal – policy instrument fiche on adaptation and risk management.

[236] Supporting study on the European Green Deal – policy instrument fiche on waste.

[237] See Article 98 CPR – joint support was available within a 10% limit for each priority axis of an operational programme. In 2014-2020, 92 of 292 OPs were co-funded by the ERDF and ESF. The scope of joint support was expanded in 2021-2027. Lack of coordination in previous programming periods had led to inefficiencies and poor outcomes, as found by a forthcoming DG EMPL study on Complex Operations.

[238] Supporting study on RTDI – final report.

[239] Flanders ERDF MA (VLAIO). A joint monitoring committee was set up by the MA to further ensure synergies between the funds.

[240] Supporting study on employment, education and social cohesion – final report and case studies.

[241] The sustainability of the interventions was further reinforced by complementary ESF support requiring healthcare professionals to continue working at the locations for a minimum of 5 years after their training.

[242] Supporting study on institutional capacity and reform – final report and case studies.

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improving digital infrastructures, human resources and skills. Additionally, support under the ERDF and the ESF for institutional capacity building was generally found to be coherent, based on analyses of OPs[243]. Under TO11, a substantial proportion of the funding (>70%) stems from the ESF (while the ERDF provided the remaining <30%).

At the same time, the studies found also scope to leverage **synergies with the ESF more consistently and effectively**. For instance, in the case of ERDF investments in ICT, the supporting study found little evidence (from analysis of OPs and case studies) of systematic planning to ensure that broadband infrastructure was developed alongside measures supporting digital skills[244]. Interviews with stakeholders revealed administrative challenges which had prevented optimal synergies with the ESF in e-government and e-business interventions[245].

Challenges in integrating the ERDF / CF and the ESF owing to the administrative burden were also found in projects implemented via territorial delivery mechanisms (TDMs). Only 8% of eligible funding under TDMs[246] could be classified as integrated ERDF / ESF funding, as confirmed by the analysis of OPs conducted in the supporting study. Case studies[247] found that the **limited uptake of the ESF in TDMs could be explained by the administrative complexity of combining resources, which programme authorities viewed as a deterrent**. This was backed up by stakeholder interviews, of which several noted the practical challenges of integrating the ERDF and ESF within operations. Several positive attempts were made in various Member States (e.g. Finland, Sweden, the Netherlands), but stakeholder feedback[248] emphasised that coordination of the funds at a strategic level, rather than at project level, was more feasible and still provided some benefits. Similar challenges were identified in the case of complex operations with a multi-fund approach[249]. Nevertheless, good practices were also observed, e.g. in projects under Thematic Objective 11 (enhancing institutional capacity of public authorities and stakeholders and efficient public administration)[250]. Coordination between the two funds was the least successful when Member States had separate institutions for each fund, and where there was a lack of experience. Additionally, there is some evidence to suggest that multi-fund OPs, when inefficiently coordinated, lead to a blurring of lines between the funds and therefore overlapping objectives[251]. To facilitate better coordination between the funds, the CPR for the 2021-2027 extended the possibilities for ensuring complementarities between the funds, such as by allowing for greater cross-financing[252] between the ERDF and ESF+[253].

EAFRD, EMFF

There is limited evidence of synergies with the EAFRD or EMFF. An ex ante assessment[254] of rural development plans (RDPs) under the EAFRD in 2014-2020 found 72% of RDPs to be highly consistent with other ESI Funds. At the same time, **the absence of formal coordination mechanisms was highlighted as a barrier to achieving coherence between the funds.** Similarly, an ex ante assessment[255] of EMFF OPs during the 2014-2020 period found that information was lacking on the interaction between the EMFF and other ESI Funds (synergies were largely nominal). General principles for ensuring complementarity were followed in order to prevent

[243] Ibid.
[244] Supporting study on ICT – final report.
[245] Ibid.
[246] Excluding CLLD.
[247] Supporting study on integrated territorial development – final report.
[248] Ibid.
[249] Based on emerging findings from a forthcoming study commissioned by DG EMPL on complex operations.
[250] Based on findings from the forthcoming 2014-2020 *ex post* evaluation of the ESF.
[251] Ibid.
[252] Up to 15% in 2021-2027, as opposed to 10% in the 2014-2020 period.
[253] European Commission (2025b).
[254] European Commission (2015).
[255] European Commission (2016a).

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double funding, e.g. as coordination through monitoring committees, procedural checks at OP level. However, synergies were not fostered actively or systematically between the funds.

In the case of ICT investments, a case study on broadband infrastructure[256] found that the ERDF and EAFRD had been implemented separately as the latter explicitly targeted rural areas. One such example was seen in Sweden where the two funding sources were implemented separately. However, the separate rules (e.g. on co-funding rates, eligibility) created an administrative burden, particularly for checks on double-funding. Similar examples could be found in investments in SME support. Nevertheless, a case was identified in Finland in which entrepreneurs in rural areas were eligible for EAFRD subsidies, however duplicate funding with the ERDF was avoided through the presence of shared intermediary organisations[257].

Coherence with other EU funds

Horizon 2020

ESI Funds[258] and Horizon 2020 are the two main sources of funding for research and innovation at EU level, so coherence between them is essential. Specific requirements to enable synergies were incorporated into both funds' legal frameworks for the 2014-2020 period. Coherence with Horizon 2020 is evaluated in terms of upstream and downstream synergies[259].

Overall, **both upstream synergies and downstream synergies between the ERDF / CF and Horizon 2020 were limited** and **were rarely pursued systematically or as part of clear investment strategies**. In terms of upstream synergies, 9.7%[260] of ERDF RTDI beneficiaries also received Horizon 2020 funding. Concerning their territorial distribution, 71% of dual beneficiaries were located in more developed regions and EU-14 countries (79%). As for downstream synergies, 840 innovations supported by ERDF funding linked to Horizon 2020 outputs were identified, representing 10.7% of innovations listed in the Innovation Radar[261]. Only 1.2% of the innovations identified were business-ready at the time the evaluation was carried out, this suggests a modest outcome in terms of the scale of innovation and thus limited downstream synergies.

The main obstacles according to interviews with stakeholders and case studies[262] included misconceptions about the funds' compatibility, differences in scope and objectives, and the high administrative burden of simultaneously managing both funds. These findings supported the conclusions of the Horizon 2020 *ex post* evaluation[263], which similarly found limited evidence of synergies between ESI Funds and Horizon 2020, which it attributed to barriers such as administrative burden, limited cooperation between MAs, a lack of project mapping, and information gaps.

Despite the lack of direct synergies, **high complementarity between ERDF interventions and Horizon 2020** was observed across OPs[264]. For example, complementarity in interventions supporting research activities in universities was observed in 83% of OPs, science-industry collaborative RDI projects in 73% of OPs and research infrastructure investments in 64% of OPs.

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[256] Supporting study on ICT – case study on broadband.
[257] Supporting study on SME support – case study on company creation.
[258] In particular, the ERDF.
[259] Upstream synergies refer to ERDF / CF interventions paving the way for Horizon 2020 projects. Downstream synergies refer to ERDF / CF interventions that bring the outputs of Horizon 2020 to the market.
[260] In absolute terms, 6,002 out of 62 194 identified beneficiaries. An 'approximate string matching' data analysis technical was used to link beneficiaries of ERDF RTDI support in 2014-2020 with those of Horizon 2020, with beneficiaries broken down by regions and EU13/14.
[261] As at June 2024. The Innovation Radar is an EU platform identifying high potential innovations and innovators in EU-funded research and innovation projects.
[262] Supporting study on RTDI – final report and case studies.
[263] European Commission (2024b).
[264] Supporting study on RTDI – final report.

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Complementarity was most frequently observed in more developed regions which had greater R&D capacity facilitating access to Horizon 2020 grants. Factors enabling coherence include ex ante demarcation mechanisms employed by MAs (such as earmarking of funding for specific phases of the innovation cycle, as observed in Belgium, Germany, and France)[265].

Complementarities and strategic coordination were observed in more ambitious interventions driven by underlying strategies. In the case of SME interventions, innovation or digitisation interventions showed greater synergies. For example, in the Netherlands, equity investments in innovative SMEs bringing products to the market supported beneficiaries and research institutes in applying for Horizon 2020 grants. Thus, SMEs receiving investments also applied for support through Horizon 2020 grants[266]. As for Interreg programmes, an analysis of OPs found that in a number of cross-border cooperation programmes, project results had been actively linked to Horizon 2020[267]. An even more systematic approach was taken by transnational programmes, which sought to actively align and pursue synergies with Horizon 2020.

An ECA special report[268] also noted the **limited extent to which interventions capitalised on synergies between Horizon 2020 and ESI Funds**. While the report acknowledged that synergies had been built into the funds' legislative frameworks for the first time in the 2014-2020 period, few actual synergies (in particular, downstream) were observed. While there had been an attempt to correct this in the form of reinforced legal frameworks and guidance[269] for the 2021-2027 period, the ECA report noted that cooperation between the funds remained limited in the new programming period, with further effort needed to improve cooperation and information flows. Analyses[270] also noted that exogenous factors such as State aid rules had hampered synergies during the 2014-2020 period. Notably, one of the main administrative barriers to the Seal of Excellence[271] was the application of State aid rules.

COSME and LIFE

The supporting studies concluded there was little evidence of clear synergies between the ERDF / CF and the COSME or LIFE in the 2014-2020 period. In relation to SME support, case study findings pointed to some evidence of efforts to align interventions with other instruments such as COSME (in the case of Slovakian OPs)[272]. However, on the whole, no explicit coordination mechanisms were identified through the interviews and document reviews conducted. This was also the case for ERDF / CF investments in climate and environment interventions. In particular, the supporting study identified a clear need for stronger coherence with LIFE in the areas of adaptation and risk management, and nature and biodiversity[273].

Connecting Europe Facility (CEF)

Evidence could be found of synergies between the ERDF / CF and CEF. The need to guarantee such synergies and complementarities between the CF and the CEF was clearly laid down in the fund-specific regulation for the period[274]. A meta-synthesis of coordination arrangements in a group of OPs sampled as part of the supporting study revealed clear demarcation between interventions financed by the ERDF / CF and other EU interventions such as those financed by the

[265] Supporting study on RTDI – case studies.
[266] Supporting study on SME support – case study on expansion.
[267] Supporting study on European territorial cooperation – final report.
[268] ECA (2022).
[269] European Commission (2022).
[270] ECA (2022); European Commission (2018a).
[271] The Seal of Excellence is a quality label introduced during Horizon 2020 and taken up by ESI Funds; it is a key instrument for promoting synergies between the funds' research and innovation support programmes.
[272] Supporting study on SME support – case study on company creation.
[273] Supporting study on the European Green Deal – final report and case studies.
[274] Regulation (EU) 1316/2013.

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CEF[275]. TEN-T projects were financed by both the ERDF / CF and the CEF. However, support from the CEF mainly focused on cross-border investments and missing links for transit traffic, while ERDF / CF interventions focused more on national connection priorities, with CEF support complementing the outputs and results of ERDF / CF-funded investments. Additionally, in the energy and transport sectors, case studies[276] found evidence of coordination mechanisms and arrangements in place to ensure operational coherence between the ERDF / CF and CEF.

Recovery and Resilience Facility (RRF)

The RRF was set up as part of the broader Next Generation EU initiative, which also entailed additional REACT-EU resources for cohesion policy to address the economic and social impacts of the COVID-19 pandemic and ensure a resilient recovery aligned with the EU's green and digital transition goals. The RRF was designed to follow on from and align with cohesion policy's short- and medium-term response. While CRII / CRII+ and, to a certain extent, CARE provided immediate support and addressed needs emerging early on in the crisis, REACT-EU also focused on the medium- and long-term recovery. This was also the goal of the national recovery and resilience plans (RRPs), which focused on building long-term resilience, thus providing additional resources to support the aforementioned 'twin transition'. While this approach allowed for synergies, it also created risks.

One such risk **was a lack of coordination**, which could undermine synergies and displace cohesion policy objectives[277]. This coordination gap was primarily due to cohesion policy programme authorities being insufficiently involved in preparing RRPs. As a result, strategic and operational coordination with cohesion policy programmes was often not clearly defined in the RRPs[278]. Some RRPs addressed gaps in health sector reforms and investments, which had not traditionally been a focus of cohesion policy[279]. This was corroborated by the mid-term evaluation of the RRF which did not find evidence of substitution impacting 2014-2020 cohesion policy programmes, since they were already at an advanced stage at the time the RRF was launched[280]. However, the capacity of Member State administrations was constrained by the parallel programming and implementation of the RRF and cohesion policy (across both the 2014-20 and 2021-27 periods)[281]. Moreover, there is evidence that some countries redirected staff previously working on cohesion policy to the RRF[282].

For the 2014-2020 period, RRF resources complemented cohesion policy funds to address recovery needs[283]. Coordination with ministries managing RRF funds was key to identifying funding sources and avoiding overlaps, especially given shared priorities. The RRF mid-term evaluation noted that in some instances governance structures inherently ensured coherence. When the same ministry team was responsible both for devising the RRP and for handling cohesion policy interventions, alignment was smoother, enabling coordinated investment. However, in decentralised systems where line ministries managed implementation, aligning RRPs with sectoral policies was more challenging. Fragmented decision-making often meant that extra effort was required to harmonise funding streams and ensure sector-specific measures were complementary and not redundant[284].

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[275] Supporting study on transport and energy network infrastructures. On the basis of this analysis, Table 8 in Annex IX outlines the demarcation logic in key investment areas under TO7 - Promoting sustainable transport and improving network infrastructures. Additionally, for the first time, in 2014-2020 a share of the cohesion budget (EUR 11.3 billion - transport) was under direct management within the CEF framework. The CEF mid-term evaluation assessed this to be successful in terms of strengthening intervention outcomes (European Commission, 2018e).

[276] Supporting study on transport and energy network infrastructure – final report.

[277] European Parliament, Spatial Foresight, t33 (2022a).

[278] European Committee of the Regions (2021).

[279] European Commission (2024b)

[280] See also European Parliament, CEPS, ifo Institute (2022b).

[281] Confirmed by an internal survey of DG REGIO geographical units.

[282] European Commission (2024b).

[283] European Commission, CEPS et al. (2023b).

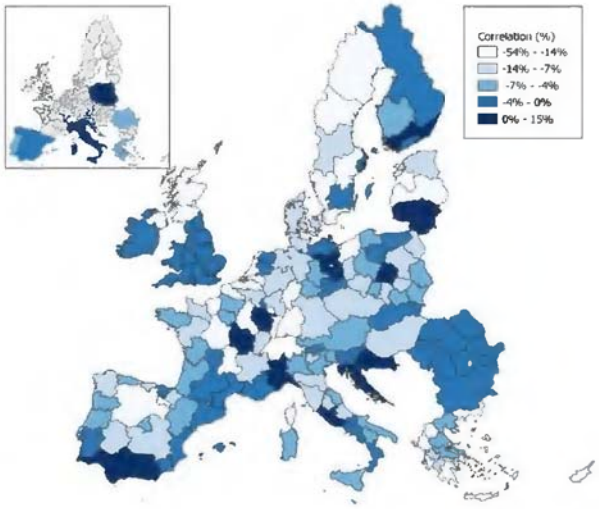
[284] supporting study on crisis response

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Coherence with national and regional strategies

In the 2014-2020 period, a range of national strategies stemming from broader EU policy goals provided a framework for ERDF / CF interventions, including smart specialisation strategies (S3), national digital growth strategies (related to the Digital Europe Agenda), and national strategies related to the European Green Deal. Various approaches were taken to align ERDF / CF interventions with broader national and regional strategies. To a limited extent, some common themes, risks, and good practices could be identified across MSs and investment areas. Overall, findings highlighted the **importance of leveraging the ERDF / CF to pursue targeted, ambitious strategies for development and growth in specific sectors or regions**.

Figure 9 - Alignment between SME competitiveness expenditure and S3



Source: Supporting study on SME support.

The supporting studies found strong cases demonstrating the real added value in targeting ERDF / CF investment strategies in S3 sectors. Furthermore, econometric analysis pointed to missed opportunities, particularly for ERDF investments in SME competitiveness to be aligned with S3. The analysis showed that **where investments were aligned with S3 priority areas, beneficiary SMEs generally performed better after projects were completed**[285]. Specifically, the average turnover growth rate after projects were completed was 3 points higher in regions where ERDF expenditure was concentrated in S3 sectors, as compared to other regions. **Despite evidence of alignment with S3**, qualitative evidence from stakeholder interviews and case studies pointed to **nominal rather than substantial levels of alignment**. Reasons for this included overly broad S3 strategies hindering the focus of the ERDF interventions themselves[286]. Where the scope of S3 was too general, this was often because too many priority areas had been selected, the selected priority areas were too broad, or S3 strategies were misaligned with existing regional comparative advantages[287]. As a result, **the advantages of S3 alignment were underexploited** in several investment areas, particularly support for SMEs and RTDI**. Evidence is limited for assessing the impact of S3 on innovation and to better evaluate this strategy new evaluation methodologies will be necessary to develop and implement.**[288]

[285] Supporting study on SME support – Annex V.
[286] Supporting study on SME support – final report.
[287] Supporting study on RTDI – final report.
[288] Also highlighted in European Court of Auditors, Special Report No 05/2025, 2025.

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Studies[289] also highlighted the need to strengthen S3 targeting under the ERDF / CF in order to maximise the benefits of investments in regional and sectoral growth. One way of achieving this could be by focusing S3 (and subsequent ERDF / CF interventions) on 'transformative activity' – so that the resulting projects have strategic complementarities, with high potential for knowledge and information spillovers[290]. A number of thematic ex ante conditionalities stemming from climate and environmental policy and legislation influenced ERDF / CF investments in climate and environment interventions[291]. Analysis of OPs showed that coherence with these directives and ex ante conditionalities was largely achieved[292]. Simultaneously, the supporting study identified several missed opportunities for ERDF / CF funding to be aligned with strategic national/EU goals[293]. For example, investments were insufficiently focused on waste prevention and reuse, which showed a lack of alignment with the EU's ambitious objectives under the 2020 Circular Economy Action Plan and the broader European Green Deal.

Clean air is another investment area where greater alignment with wider national and EU-level plans would strengthen the impact of ERDF / CF investments. Case studies[294] found evidence to suggest that more attention could be paid to the needs laid down in plans under the EU *acquis* (e.g. air quality plans, national air pollution control programmes, noise plans), as well as needs indicated in the European Semester reports and environmental implementation reports.

In addition to the tangible benefits from ERDF / CF interventions being aligned with broader national and regional strategies – as also confirmed by comparable studies[295] – any increased strategic alignment in the future must also consider wider EU competitiveness ambitions, in particular the objectives of the Commission's Competitiveness Compass[296] – which calls for greater coordination across policy levels to deliver on the Clean Industrial Deal.

Coherence between crisis response and other EU and national interventions

Cohesion policy crisis response mechanisms[297] and REACT-EU were found to be mostly coherent with the EU's crisis management approach, with clearly aligned goals, especially concerning healthcare and SME support during the early stages of the crisis[298]. For instance, CRII / CRII+ focused on healthcare and immediate liquidity needs, while REACT-EU expanded these measures to support the longer-term socio-economic recovery[299].

For the 2014-2020 period, RRF resources complemented cohesion policy funds to address recovery needs. For instance, some RRPs addressed gaps in health sector reforms and investments, which had not traditionally been a focus of cohesion policy. Nevertheless, the mid-term evaluation of the RRF did not find evidence of substitution impacting 2014-2020 cohesion policy programmes, since they were already at an advanced stage when the RRF was initiated. However, there were instances of overlaps and coordination issues, particularly concerning the involvement of cohesion policy programme authorities in the preparation of RRPs. For example, the implementation of CRII / CRII+ and REACT-EU in France was complicated by overlaps with the RRF, requiring the State/Regions Committee to develop a guide on funding calibration[300].The RRF also offered an

[289] Molica (2023); European Commission, Prognos, CSIL (2021b); Foray, Eichler et al. (2020).
[290] Foray, Eichler et al. (2020).
[291] See Annex IX – Additional evidence, ex ante conditionalities related to nature/climate-based directives.
[292] Ibid.
[293] Supporting study on the European Green Deal – final report.
[294] Supporting study on the European Green Deal – case study on pollution reduction.
[295] EESC (2025).
[296] European Commission (2025a).
[297] CRII / CRII+, CARE / CARE+, FAST-CARE, SAFE.
[298] For a more detailed analysis, see the supporting study on crisis response – final report section 3.4.2.
[299] European Commission, Spatial Foresight (2021a) and European Parliament, Spatial Foresight, t33 (2022a) and European Parliament, CEPS (2024a).
[300] See supporting study on crisis response – final report section 3.4.2.

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opportunity for policy learning for cohesion policy. The main strengths of the two instruments are compared in**Error! Reference source not found.** Annex XI.

National responses varied significantly in scale and focus, often due to different strategic priorities and fiscal capacities. Despite the complexities associated with EU funding, it often played a crucial role in complementing the generally much larger national resources mobilised (see Annex IX for details), especially in providing liquidity and supporting sectors that were not prioritised through national funding. In Poland, for example, while the national 'Crisis Shield' initiative was larger in scale and more effective overall[301], cohesion policy played a vital role in providing liquidity to support SMEs[302].

How did the EU intervention make a difference and to whom?

4.4 EU added value

EU added value is analysed by investigating the overall benefit of providing support at the EU level instead of at national or regional level. It corresponds to the additional value of EU interventions compared to the value that would otherwise have been created through Member State action alone. As EU added value is broadly defined and multifaceted in nature, a mix of quantitative and qualitative evidence is needed in order to calculate it.

Scale effects[303]

The ERDF / CF is able to make available an amount of funding which, in particular in less developed regions, allows for a scale of investment that might not be achievable through national financing. This ability to finance projects that are more ambitious than would otherwise have been possible purely with regional/national funding is known as 'scale effects'.

By way of example, SME support under the ERDF led to positive outcomes such as enhanced productivity, expanded services or fast growth[304]. The large volumes of ERDF funding allowed for more ambitious interventions and, as a result, the implementation of larger projects (e.g. in Austria) or projects with more beneficiaries (e.g. micro-enterprises in Ireland). In Hungary, ERDF support increased the amount of funding available for infrastructure investments in local businesses. Consequently, both the number of supported projects and the quality of services increased to a greater degree than would otherwise have been possible without ERDF support. In Thuringia (Germany), ERDF added value could be seen in the faster pace and larger scale investment projects, as well as the possibility for more follow-up investments. The 'booster effect' of the ERDF could be ascribed to the favourable funding conditions for ERDF support. Scale effects were particularly noticeable in less developed regions.

In terms of green investments[305], ERDF / CF funding had triggered investments that would not have materialised with the same scope and speed without EU funding. Despite the environment and climate featuring high on the policy agenda, there was a shared consensus among managing authorities interviewed for the supporting study that the ERDF and CF had had significant added value by triggering the launch of effective operations. In the case of around two thirds of the 70 programmes reviewed in this expenditure area, the ERDF / CF triggered investments that would not have been possible on the same ambitious scale, timeline, or design.

[301] According to both stakeholders interviewed for the supporting study on crisis response and Łopatka and Fedorowicz (2021).
[302] For a more detailed analysis, see supporting study on crisis response - final report section 3.4.2.
[303] Funding at larger scale than from the regional/national level, partially used for more ambitious interventions than those supported by regional/national funding.
[304] Supporting study on SME support.
[305] Supporting study on the European Green Deal.

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Scale effects were also observed in the wastewater case study[306] which was carried out as part of the supporting study on the European Green Deal. ERDF / CF funding made it possible to implement projects with vast territorial scope and regional coherence exceeding the scale of emergency interventions.

In the case of research and innovation projects, scale effects were particularly visible in large-scale infrastructure projects and applied research projects. For some infrastructures, the very high co-funding rates suggest that they might not have been possible without ERDF interventions[307].

Leverage and catalyst effects[308]

ERDF support helped to **leverage private investment** due to the financial reliability and visibility of EU-supported projects. EU loans improved the risk profile for banks, which in turn were more open to lending to companies benefiting from low-interest financing from an EU institution. ERDF funding, in particular through financial instruments, was also able to improve the competitiveness of SMEs by leveraging private sector finance. Such leveraging effects were observed in 48 of the 70 programmes analysed in the supporting study on SME support. For some programmes, the added value lay in the fact that private investment could be leveraged (as required) for ERDF interventions which would not themselves have been possible without ERDF support. In other cases, it was highlighted that ERDF support leveraged private investment beyond the required co-financing amount[309].

In the case of **RTDI projects, ERDF funding acted as a catalyst for new initiatives and projects, stimulating companies to engage in RTDI activities in strategic areas**[310]. Stakeholders acknowledged the role of the ERDF in drawing strategic attention to specific needs, particularly **those identified in S3 strategies**. By focusing on regional specialisations, funding could be concentrated on specific thematic areas, ensuring targeted support for priority sectors and types of beneficiaries. For example, in Denmark, the ERDF was mobilised to support technology transfer to SMEs, a topic which no national or regional policy had targeted.

Continuity

Continuity effects refer to the impact of ensuring a long-term strategic perspective, clear expectations, and certainty of actors across different ERDF funding periods.

In the case of ERDF investments in RTDI[311], funding continuity was particularly important for projects since the nature of the research brought inherent uncertainty. According to MAs, the ERDF offered a reliable funding framework enabling long-term planning and encouraging strategic thinking. Even when ERDF funding allocations were low, MAs appreciated the 'ring-fencing' effect of the ERDF against political turmoil that could threaten the stability of budgets dedicated to RTDI. Funding continuity was also identified by beneficiaries as a major asset of the ERDF. Either alone or in combination with other funding sources within a well-defined policy mix, it was recognised that the ERDF provided continuous support and addressed the different stages of technology and product development over a significant time period (7 years), sometimes over successive programming periods (e.g. in Flanders and Czechia).

[306] Supporting study on the European Green Deal – wastewater case study.
[307] Supporting study on RTDI.
[308] Crowding-in of private investment through EU-financed public support to deliver cohesion policy objectives.
[309] Supporting study on SME support.
[310] Supporting study on RTDI.
[311] Supporting study on RTDI.

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The importance of funding continuity was also confirmed in the case of green investments[312]. In Czechia, for instance, the MA indicated that the longer funding period compared to national financing schemes was an important advantage as it offered scope to implement projects which required a longer timeframe to complete. Moreover, a stable framework is conducive to capacity building effects over time both in public administrations and beneficiaries, a point highlighted in particular by MAs in Germany and Portugal.

Funding continuity is also a distinctive feature of ERDF support to companies. In the case of SME support[313], it was the most frequently cited advantage (52 of the 70 programmes reviewed). Many funding schemes could be built up over successive funding periods and apply the lessons learned during one seven-year programming period during the next.

Funding continuity has downsides too. Data on beneficiaries revealed that over 15% of SMEs had benefited from multiple ERDF projects under the SME competitiveness objective. In other words, these SMEs had repeatedly participated in ERDF calls, demonstrating their familiarity with the process and active engagement with the system. Although programming and funding continuity supports the effectiveness of long-term structural transformation goals, it is nevertheless necessary to also address barriers to entry and ensure inclusive access to support. This is particularly crucial for micro enterprises and SMEs with less capacity, which face the toughest barriers to entry but could also benefit significantly from support.

Capacity-building and governance effects

Capacity-building effects refer to good practices spreading through EU and national administrations, MAs, beneficiaries, and other stakeholders, in a system of multilevel governance. These derive primarily from economies of learning obtained through the management of EU funds, and through benefiting from the related direct and indirect technical assistance.

Capacity-building effects from ERDF support to SMEs were noticeably more prevalent in less developed regions during the 2014-2020 period[314]. Such effects were observed in 28 of the 70 programmes analysed for the supporting study on SME support, and particularly in more than half of the programmes implemented in less developed regions (18 of the 30 programmes analysed). By contrast, capacity-building effects were observed far less in projects implemented in more developed regions (5 of the 26 programmes analysed). This difference demonstrates the strong demand in less developed regions for building public policy capacity in SME investment and for learning within Member States and regions. Especially in less developed regions, entities that succeed in ERDF / CF programmes often leverage their success to access other initiatives like the CEF and Horizon 2020 or collaborate with the European Investment Bank. Their experience with ESI Funds frequently enhances their ability to take such action.

Where ERDF support for SMEs coexists alongside similar regional and national interventions, EU cohesion policy funding can have additional capacity-building effects compared to a scenario where no ERDF support is given to SMEs. The added value for capacity building derived from ERDF support for SMEs comes through improvements to actors, structures, and management processes for regional and national economic development programmes. In complex fields such as financial instrument management, the EU *acquis* transferred well-established hard and soft laws to regional policymakers. This was reinforced through initiatives such as fi-compass, an EU platform and community of practice for advisory services on financial instruments, which was established at the beginning of the 2014-2020 period. In an example cited in one of the supporting studies, the MA for Wallonia (Belgium) indicated that with the use of national and regional contributions to set up financial instruments would have been complicated since this would have required many rules and procedures to be designed from scratch. By contrast, the default ERDF framework used

[312] Supporting study on the European Green Deal.
[313] Supporting study on SME support.
[314] Supporting study on SME support.

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for Wallonia's guarantee and microcredit scheme SOCAMUT was quite clear. Moreover, without the ERDF support, the total amount of funding, the number of supported SMEs and the positive socioeconomic impact would have been lower[315].

As part of a case study on waste[316], stakeholders consulted via interviews and a workshop highlighted the important role of ERDF / CF funding in providing technical assistance and building administrative capacity in the waste sector. Furthermore, a case study on wastewater[317] indicated that in Romania, technical assistance projects financed by the ERDF / CF funding had helped beneficiaries prepare project proposals and related documents, such as environmental impact reports and terms of references for construction contracts.

During the 2014-2020 period, the OECD confirmed that **the EU's governance rules on strategic planning and financial control had significantly impacted governance and development. Furthermore, it ranked the EU budget at the highest level in performance budgeting compared to other OECD countries**[318]. Member States with clear, well-managed programmes under solid strategies in line with the EU model showed higher growth and stronger impacts. **Two fundamental principles underlying the ERDF and CF strengthened the capacity of cohesion policy:** the **shared management** method and the **partnership principle** (see Section 3.3 for details).

Additionally, ex ante conditionalities were found to have acted as a catalyst for structural change and reform[319]. Although there is no legal link between the ex ante conditionalities and the European Semester Country Specific Recommendations (CSRs), the ex ante conditionalities nevertheless facilitated reforms that addressed long-standing challenges identified in the CSRs of several Member States. Ex ante conditionalities were found to have elevated the issue of reforms at relevant political levels, speeding up their execution and even expanding their scope[320]. These reforms led to changes in diverse policy areas, from education and the labour market to institutional capacity and R&I.

A recent study focusing on the governance and implementation of ESI Funds[321] also highlighted the added value of implementing cohesion policy through shared management, i.e. in a multi-level governance framework. Based on literature reviews, dedicated case studies, engagement with MAs from the different German federal states, a large-scale stakeholder consultation (744 participants), and expert workshops, the study argued that governance quality and capacities were crucial to successful policy implementation, specifically for addressing ongoing megatrends such as the green and digital 'twin transition', ensuring and improving coordination with other policies such as Horizon Europe, and linking cohesion policy with structural reforms. The latter is particularly important since reforms can improve the results of projects funded while the multi-level governance approach uses as a starting point a bottom-up approach to identifying regional reform needs. The findings of Celli et al.[322] underline that the added value of EU governance is not merely in the financial resources mobilised, but in the institutional framework it provides which enhances policy effectiveness[323].

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[315] Supporting study on the European Green Deal.
[316] Supporting study on the European Green Deal – waste case study.
[317] Supporting study on the European Green Deal – wastewater case study.
[318] OECD (2017).
[319] Ismeri Europa, wiiw (2018).
[320] Member State examples are presented and discussed in the Commission's Staff Working Document on the value added of ex ante conditionalities for the ESI Funds – see European Commission (2017c).
[321] DLR Prjektträger et al. (2025).
[322] Celli et al. (2025).
[323] Celli et al. (2025): This paper, which examines a specific case in Italy during the 2007-2013 period, investigates the impact of projects 'shifting' from EU to national management. In response to the switch, the financial execution of these projects slowed down substantially, amounting to some 20% lower execution after 24 months.

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Additionality

Additionality is a principle of cohesion policy aiming to ensure that EU funds complement but do not replace equivalent public expenditure by Member States[324], in particular expenditure enhancing the structure of their economies, such as public investment.

The principle of additionality and procedures for verifying its application by Member States were previously specified in the regulations governing the use of structural funds. For the 2007-2013 period[325], the Commission was responsible for this verification and, after receiving the necessary information from the Member States, for producing a report on their structural spending. The exercise concluded that all Member States, except Greece, had complied with their additionality baselines for 2007-2013[326]. However, the report also stressed the shortcomings of the method and the heavy administrative burden it imposed both on the European institutions and the Member States.

Consequently, for the 2014-2020 period, the method of verifying additionality was heavily simplified and aligned with the economic governance of the EU. Member States committed to maintaining a level of public or equivalent structural expenditure, measured in terms of the gross fixed capital formation of the general government, at least equal to the reference level set in the Partnership Agreement at the beginning of the period[327].

Following the mid-term verification, three Member States were found to be non-compliant with the additionality principle (Bulgaria, Romania and Italy). The Commission sent alert letters to the Member States concerned. However, the outbreak of the COVID-19 pandemic and the effects of the measures taken to respond to the crisis understandably changed the economic conditions in (all) Member States significantly, and given these exceptional circumstances, the decision was taken not to impose financial corrections as a result of non-compliance with the additionality principle.

Academic literature investigating whether the additionality principle has been respected also exists, but the number of studies is limited. Mohl[328] found that cohesion policy funding had had no effect on public investment. However, this analysis is based on the 1982-2006 period. By contrast, a study by Alegre[329] which considered total spending under ESI Funds over the years 1993–2005 found that an increase in cohesion policy funding of one euro is associated with an increase in total public investment of around 0.6 euro in the long term. More recently, Cantos-Cantos et al.[330] examined the effect of ERDF funding on public investment in Spain over the period 1994- 2014 and found there was no discernible link. However, a study by Staehr and Urke[331] focusing on the period 2000-2018 found that funding under the CF had triggered an equal increase in public investment in the short term, as if each euro channelled through the CF had financed additional public investment. While funding from the ERDF may have had some effect, it cannot be estimated precisely.

If EU funding were to replace equivalent Member State public expenditure, the effectiveness of cohesion policy would be seriously undermined if that EU support then has no additional effect on the overall investment volume of the Member States. In particular, the provision of EU funds

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[324] The 2007-2013 regulation did not provide details on what should be considered as equivalent public expenditure. As explained below, the 2014-2020 regulations specified that this should be understood as public investment measured in terms of the gross fixed capital formation of the public sector.

[325] Article 15 of Council Regulation (EC) No 1083/2006 specifies that the Commission should verify additionality in the convergence objective in cooperation with each of the Member States concerned.

[326] European Commission (2017), Communication from the Commission, *Ex post* verification of additionality 2007-2013, COM(2017) 138 final.

[327] Article 95 of Regulation (EU) 1303/2013.

[328] Mohl (2016).

[329] Alegre (2012).

[330] Cantos et al. (2020).

[331] Staehr and Urke (2022).

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should not lead to a disruption of public investment in the Member States but to an increase compared to the national steady state. For this reason, the monitoring of public investment trends in the Member States is critical to ensuring that the conditions are in place for cohesion policy to deliver its expected results and, in particular, that the Member States maintain the levels of public investment necessary for programmes to be smoothly implemented and have their full effects.

The evidence collected for this *ex post* evaluation showed that there was a generally strong, positive correlation between cohesion policy funding and public investment in the Member States[332]. In cases where the correlation was weak, this was either because public investment had increased much more than cohesion policy funding (e.g. in Germany) or because the positive link had been temporarily disrupted during the period of fiscal consolidation which followed the financial and economic crisis of 2008. Focusing on the 2014-2020 period, a negative correlation was only found in the Netherlands, where cohesion policy funding was negligible relative to public investment, and in Greece, where public investment fluctuated considerably year-on-year, including episodes where it had increased while cohesion policy funding had decreased.

In the case of 11 Member States, additionality had to be verified against the reference level set in their Partnership Agreement. Following a comparison of public investment, the conclusions of the 2018 mid-term verification at national level were confirmed, namely the gross fixed capital formation of the general government was below the benchmark level for the whole period in Bulgaria and Romania, but above in all the other countries (see Table 6).

Table 6 – Gross fixed capital formation of the general government - % of GDP

	PA Baseline	2014	2015	2016	2017	2018	2019	2020
Bulgaria	4.88	5.30	6.60	2.70	2.30	3.10	3.40	3.30
Czechia	3.30	4.10	5.10	3.20	3.30	4.10	4.30	4.70
Estonia	3.88	5.00	5.20	4.60	5.60	5.20	5.20	5.80
Croatia	2.40	3.60	3.40	3.10	2.60	3.50	4.30	5.60
Hungary	3.33	5.30	6.50	3.10	4.50	5.80	6.20	6.40
Lithuania	3.28	3.70	3.80	3.20	3.40	3.30	3.20	4.50
Latvia	3.34	4.80	5.00	3.70	4.80	5.80	5.10	5.90
Poland	3.73	4.70	4.50	3.30	3.80	4.60	4.30	4.40
Portugal	1.70	2.00	2.30	1.60	1.80	1.90	1.80	2.30
Romania	5.03	4.50	5.20	3.60	2.60	2.50	3.40	4.40
Slovakia	1.95	4.10	6.50	3.40	3.40	3.70	3.60	3.40

Source: EUROSTAT and European Commission.

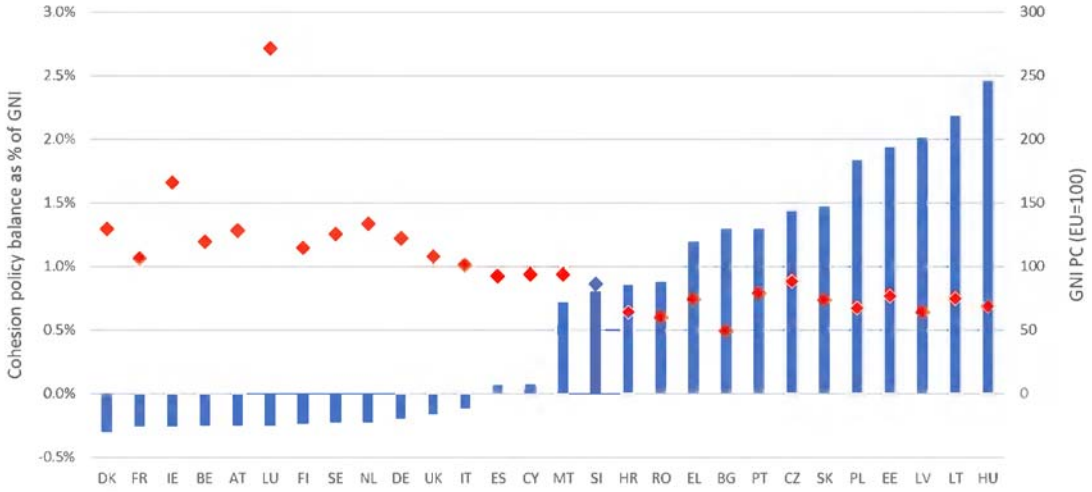
Reduction of disparities

Cohesion policy leads to a significant redistribution of resources from more developed Member States and regions to less developed Member States and regions. Recent analysis estimates that **redistribution between Member States due to cohesion policy corresponds to around 20% of operating expenditure under the EU budget.** As a result, there is a clear negative correlation between the level of cohesion policy balance and the level of GNI per capita (Figure 10). The policy is a clear expression of European solidarity, a major source of its EU added value.

Figure 10 – Cohesion policy balance (% of GNI) and GNI per capita (averages 2007-2021 period)

[332] Specifically, the analysis examines the correlation between gross fixed capital formation of the general government and expenditure under cohesion policy programmes, either from 1995/2004/2007/2013 to 2022 (depending on the date of accession for countries which joined the EU after 2004) or from 2014 to 2022.

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Source: DG REGIO calculations based on Commission data.

It is a challenging exercise to assessing the impact of cohesion policy on the performance of EU Member States and regions and on the extent of regional disparities in the EU. Interventions financed by cohesion policy have both direct and indirect effects on economies, which can be difficult to estimate. For instance, main beneficiary countries and regions will experience an increase in local demand due to the programmes implemented. That demand will be partly met by exports from other countries, in particular from more developed Member States, meaning that those countries will benefit indirectly from those programmes. Cohesion policy also has long-term effects that will be felt after programmes have been concluded. Those effects must also be accounted for to fully capture the impact of the policy. Finally, there is a financial cost to cohesion policy which also has to be taken into account.

Academic literature which uses counterfactual impact evaluation methods for the 2014-2020 programming period has not (yet) investigated the question of dispersion or taken the costs of the policy into account. For example, Cerqua and Letta[333] measured the aggregate or group-specific growth effects and suggested that '[the] policy has contributed to at least partially reducing regional disparities, fostering economic growth and productivity, promoting convergence among regions'. However, the study did not yield insights into changes in regional disparities over time. Similarly, Amendolagine et al[334]. explored the heterogeneity of impacts but did not explore how disparities have changed over time.

Is the intervention still relevant?

4.5 Relevance

The CPR stipulates that a clear intervention logic must be elaborated during the programming exercise, clearly aligning interventions to relevant EU policy objectives. Thematic concentration requirements reinforce this link, as already explained in Section 2.1. After the adoption of the programmes, MAs may request that they are amended during their implementation if the programming context changes significantly, and/or a programme needs to be realigned to new objectives. New objectives or priorities may also be contained in CSRs which will in turn be considered by Member States and may trigger programme modifications. In this regard, see Section 3.2 for information on programme amendments and the role of CSRs.

[333] Cerqua and Letta (2025).
[334] Amendolagine et al. (2024).

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Alignment of the ERDF and CF with smart, sustainable and inclusive growth objectives

Based on the analysis of supporting studies, evidence shows that the **implemented interventions were mostly in line with the defined objectives**. The EESC *ex post* evaluation also came to similar conclusions[335].

Interventions intended to support SMEs were targeted to their specific needs, i.e. improving competitiveness, resilience and innovation, focusing on entrepreneurship and internationalisation, and fostering structural transformation in line with regulatory requirements[336]. **Case studies[337] demonstrated that MAs had tailored interventions to local conditions using a mix of financial instruments,** including grants and loans, in order to address specific funding gaps and market failures[338].

Case studies[339] on RTDI investments indicated that interventions and their overall strategic approach **were largely relevant to addressing the needs of beneficiaries throughout the entire programming period**. In 30 of the 34 case studies analysed, interventions were evaluated as highly relevant, while in the remaining 4 cases, they were deemed to be moderately relevant. Specifically, interventions were relevant to addressing the critical weaknesses and needs of regional innovation systems. These included persistent challenges such as a lack of interaction between business and science, infrastructure deficits, and underinvestment in research areas with high innovation potential.

ERDF / CF investments in RTDI were also found to have patterns based on regional characteristics. Regions recognised as modest and moderate innovators had prioritised investments in basic research and education infrastructure, e.g. in Czechia, Hungary, Slovenia, Cyprus, Greece, and parts of Italy. More advanced regions such as Flanders and parts of Germany had complemented such investments by focusing on advanced research and technology transfer infrastructure.

Institutional capacity-building interventions under the ERDF / CF had effectively responded to needs identified at the programming stage and their evolution over time[340]. The focus of those interventions included the modernisation, digitalisation and simplification of internal public administration systems, processes and regulations and encompassed infrastructure development and innovations. From analysis of case studies in Romania, Greece, Spain and Italy, it emerged that ERDF / CF investments had focused on aspects such as the digitalisation and modernisation of public administration in order to enhance transparency, efficiency and service delivery. Additionally, efforts had supported the management and implementation of projects, and the development of urban-regional strategies, with capacity building and skills development playing a crucial role in implementing reforms and leveraging new technologies effectively. Moreover, interventions had targeted capacity-building within multi-level governance frameworks and the reduction of digital disparities in decentralised regions.

Regarding ICT interventions, case studies[341] showed that **ERDF investments were very well aligned with key initiatives such as the roll-out of high-speed broadband, e-government and e-health**, to address the needs of public institutions, businesses and citizens while adapting to external developments. Over time broadband projects had shifted towards ultra high-speed broadband in order to meet growing digital demands. **E-health projects were especially relevant in rural areas, where digital health services have the potential to improve access to healthcare**

[335] EESC (2025).
[336] Regulation (EU) 1301/2013.
[337] Supporting study on SME support.
[338] Supporting study on SME support - Section 4.3.
[339] Supporting study on RTDI – Section 5.1.
[340] Supporting study on institutional capacity and reform – final report and case studies.
[341] Supporting study on ICT – final report and case studies.

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while reducing social exclusion. In under-resourced areas, the ERDF also supported schools, healthcare facilities and social housing. ICT support for schools, such as e-learning platforms, became particularly important during the COVID-19 pandemic[342].

However, in some instances stakeholders reported challenges in reconciling the need for territorial relevance with the need to comply with the thematic concentration requirement. This tension was particularly evident in the case of integrated territorial investment, where interventions could not always closely match the priorities identified through 'bottom-up' processes at local level[343].

Evidence from Member States' evaluations of the relevance of ERDF ICT interventions:

Case studies from different Member States highlight how e-learning and e-health interventions became more relevant during the COVID-19 pandemic. In the area of e-health, the crisis accelerated the adoption of digital solutions, as demonstrated by the three ERDF-funded projects assessed. Social distancing measures required new service delivery methods, particularly in healthcare. In Malta, for example, there was a rapid surge in remote primary care consultations, reflecting a broader EU-wide trend. Similarly, in Poland, ERDF-funded e-prescriptions were launched just prior to the pandemic and became a crucial tool for maintaining healthcare access while reducing physical contact. These cases demonstrate how ERDF investments were adapted to emerging needs, reinforcing the importance of digital transformation in public services.

Alignment with European Semester country-specific recommendations (CSRs)

Country-specific recommendations (CRSs) are annual recommendations to Member States provided within the framework of the European Semester. Their scope and content vary based on the challenges and priorities identified by the Commission for each country.

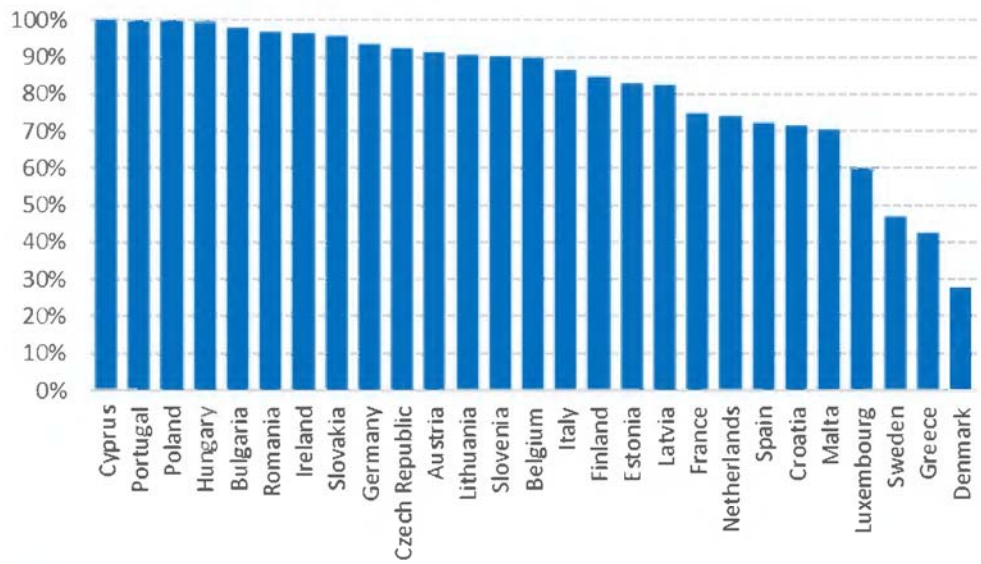
As noted in Section 3.2, at European level, **80% of investments were allocated to policy areas connected to reforms identified as necessary in CSRs**[344]. Nevertheless, alignment with CSRs does not necessarily indicate that ERDF / CF funding was primarily directed toward European Semester policy areas. Looking at Member State level (see Figure 11 below), for example, Spain allocated significantly less (70%) of its ERDF / CF funding to CSR policy areas compared to countries with a similar number of recommendations, such as Hungary, Slovakia, Romania, Bulgaria, Czechia and Italy. By contrast, Austria and Ireland, despite focusing on only a few CSR areas, directed over 90% of their ERDF funding to these specific areas. Notably, 18 countries channelled more than 80% of their ERDF / CF funding to policy areas highlighted in the European Semester cycles[345].

The data presented below, along with documentary evidence and stakeholder feedback, indicate that CSRs have served as a useful tool in helping Member States direct investments towards reform needs. Even if investments are not fully aligned, analysis of the national reform programmes has shown that Member States directed investments in line with careful strategic planning, and with an awareness of reform needs and structural problems. The strategic alignment of interventions is even more evident in Partnership Agreements and in the strategic documents of Operational Programmes. Especially in the latter documents, a clear link could be observed between investment priorities and areas of reform, insofar as solid justifications were provided, starting framework conditions were clearly set out, and indicators were also clearly identified[346].

Figure 11 - Share of ERDF / CF allocation in CSR policy areas, by Member State

[342] Supporting study on ICT.
[343] Supporting study on integrated territorial development.
[344] Supporting study on institutional capacity and reform, pp. 98 and 110.
[345] Supporting study on institutional capacity and reform.
[346] Supporting study on institutional capacity and reform.

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Source: European Commission based on Institutional capacity and reform supporting study

Example: Country-specific recommendation for the energy sector in Poland[347]

The 2014 CSRs for Poland stated that the country should 'invest in the energy sector – improve electricity and natural gas transmission and distribution infrastructures as well as improve energy and natural gas storage solutions'. In response, the CSR on the energy sector was accompanied by a specific objective, namely, to increase the stability of the electricity and natural gas supply by improving the transmission and distribution infrastructure for electricity and natural gas (including by constructiing and extending an LNG terminal) and improving electricity and natural gas storage capacity.

These findings were generally true for the programme design phase. There is considerably less evidence to support the idea that CSRs formulated during the programming period influenced the prioritisation or reallocations of funding. Indeed, analysis of transport or energy infrastructure-related CSRs showed that such changes occurred in only a few cases, in particular as part of the response to the COVID-19 pandemic and energy crisis. This finding can be explained by the long lead times for infrastructure projects, which only allows for limited flexibility after the design phase[348].

Crisis response

Over the course of the 2014-2020 programming period, the cohesion policy framework was adapted in order to address several crises. While this initially concerned the intensification of the Greek debt crisis in 2015 and natural disasters in 2017, the vast majority of amendments came after the outbreak of the COVID-19 pandemic in 2020 and the convergence of multiple overlapping crises, which demanded exceptional adaptability and responsiveness. In total, 518 amendments contained measures related to one of the crisis-response mechanisms introduced during the 2020-2023 period[349], making up roughly one-third of all amendments over the programming period (see Section 3.1). Reprogramming accounted for 8.2% of the total ERDF budget, while REACT-EU provided an EUR 30 billion injection earmarked for the ERDF (see breakdowns in Annex VI). These figures underline the important effect crisis response had on the last years of implementation.

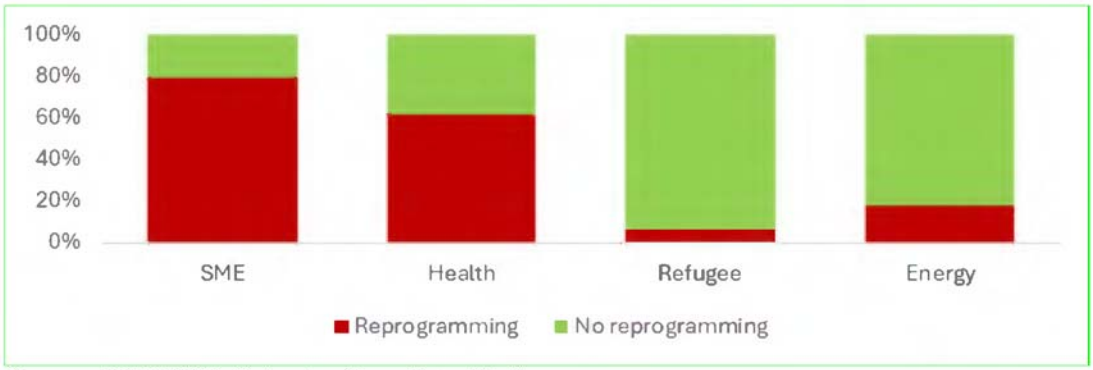
[347] Supporting study on transport and energy network infrastructures.

[348] See supporting study on transport and energy network infrastructures.

[349] More specifically: 384 CRII(+)-related: 237 with REACT-EU resources; 68 (FAST-)CARE; 27 SAFE. Some amendments contained measures related to more than one mechanism.

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Figure 12 - Share of programmes amended using crisis-related flexibilities[350]



Source: DG REGIO, Cohesion Open Data Platform.

The above figures, while considerable in relation to the ERDF or on a regional scale, represented a relatively small share of Member State spending on crisis response measures[351]. Therefore, while the amounts reprogrammed bear little relationship to indicators of the crisis severity level, an important role in terms of the use of cohesion policy resources was played by country-specific factors such as administrative structures, fiscal space or diverse needs of individual regions. For instance, countries with a decentralised structure, such as Germany, Spain and Italy addressed crises through a diversified and multi-faceted approach, deploying many programmes to tackle different aspects of the challenges they faced. Conversely, countries with centralised responses, such as Bulgaria, Czechia and Finland opted for a more streamlined strategy, focusing on a few key areas.

While the crisis response mechanisms were partly intended to ease Member State budgetary pressures, their primary aim was to provide a framework for available resources to be redirected and used more quickly in order to fund needs arising from the respective crises and to help leverage (crowd-in) private investment. The relevance of interventions can therefore be better gauged by the number of amendments and reallocations requested to make use of those mechanisms (see first paragraph of the section) and by uptake of the new features introduced.

For instance, the option of 100% EU co-financing was positively taken up by MAs[352]. For the accounting year ending on 30 June 2021, 18 Member States took advantage of CRII / CRII+ to increase co-financing to 100% for nearly half of all programmes. As a result, they were no longer required to national co-finance EUR 12.9 billion of EU funding[353]. This measure thus served to relieve financial pressure on MAs and/or beneficiaries at a time when their budgets were under pressure. At the same time, the flexibility was challenging for some programmes, for instance due to uncertainties linked to certification of expenditure. Reporting of expenditure under multiannual projects with a different co-financing rate also generated additional administrative burden. Importantly, the option of no longer requiring national or private co-financing reduced total programme spending (EU and national co-financing combined). While the risks of this flexibility were mitigated by the crisis context, this feature could reduce Member State controls, increasing

[350] Note that the term 'refugee' is used here to refer to displaced persons from Ukraine.

[351] The SME crisis mobilised EUR 2.3 trillion across all Member States, eleven times the funds mobilised for the health crisis (EUR 202 billion) and four times those mobilised for the energy crisis (EUR 539 billion). Note that these figures are not directly comparable and therefore should be understood only as a ratio (see supporting study on crisis response, methodology section). Moreover, they underestimate the size of crisis response through the ERDF, as only funding transferred can be tracked through the monitoring system. Funding reassigned for crisis response within a priority axis is therefore not counted.

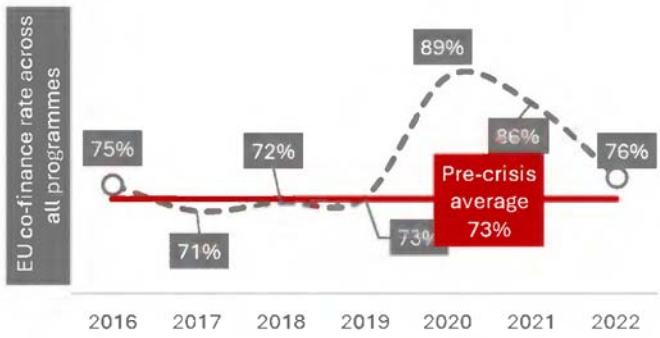
[352] Supporting study on crisis response; Den Hoed et al. (2020).

[353] Amounting to 11% of the payments requested in 2020 and 2021; see ECA (2023).

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the risk of inefficient spending[354]. The Figure below shows the impact of this flexibility on total co-financing rates across the programming period.

Figure 13 - Changes in annual EU co-financing rates – effect of optional 100% EU co-financing



Source: DG REGIO.

The evidence on uptake as a proxy for relevance was largely supported by stakeholder feedback obtained from interviews and the survey. The majority of programme authorities indicated that the changes and measures introduced by crisis response mechanisms and REACT-EU were relevant for meeting their needs. Contrary to other mechanisms, REACT-EU and CARE(+) / FAST-CARE were seen as moderately relevant since they only addressed emerging needs to a certain extent. They fell short of providing immediate assistance, instead proving more suitable for the delivery of longer-term support (e.g. social integration). As noted in the section on effectiveness, this was an intentional design feature, with other instruments (notably the Asylum, Migration and Integration Fund) providing support for addressing short-term needs in the early stages of the crisis[355].

The ECA[356], the European Parliament[357], the CoR[358], academia[359] and think tanks[360] have all raised concerns that repeated use of cohesion policy can impact its primary long-term development goals. However, in practice, these concerns[361] have not materialised. First, the pandemic hit when the programming period was already nearing its end, meaning that project pipelines were largely already set and, with a 92% selection rate, already contracted out. Second, additional funding from REACT-EU allowed more actions to be put in place without modifying the original programmes, showing that crisis response and long-term investments could be pursued at the same time.

A good indicator of alignment with the original (long-term) objectives comes from the extent to which programmes had maintained their original intervention logic and whether new operations were in line with them. In the case of the COVID-19 pandemic, despite new needs and measures, the flexibilities and expanded scope of the ERDF did not compromise the intervention logic of individual programmes, except in a few notable cases[362]. In relation to the energy crisis, as SAFE was only a small part of the overall REPowerEU package, limited funds were mobilised in the 2014-2020 period, leading to no major impact on the intervention logic of programmes. Conversely, there was more limited alignment between the CARE-specific priority axes introduced

[354] ECA (2023); European Parliament, CEPS (2024a).
[355] See Section 3.1.2. of the supporting study on crisis response – final report.
[356] ECA (2023).
[357] European Parliament (2024b).
[358] See press release 'Regions and cities call for an ambitious EU long-term budget post-2027 with improved crisis-management capacity'.
[359] See i.a. Cappellano et al. (2024).
[360] Hunter (2023); Rubio et al. (2024); European Parliament, CEPS (2024a); Schwab (2024).
[361] European Parliament, CEPS (2024a), supporting study on crisis response, Allain-Dupré (2011).
[362] Supporting study on crisis response – final report Section 3.4.1. and SME, Health and Refugee crisis case studies.

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in response to the refugee crisis and original programme objectives. This was because no strategic orientation was initially envisaged for the new axes, and the beneficiaries differed from those previously targeted. This was the case, for example, with Slovakia's Integrated Regional OP, which initially focused on transport, public services, creative potential, environmental quality of life and community-led local development. However, the new CARE priority axis financed the purchase of personal hygiene items, childcare, meals and language translation services or support for municipalities.

In some cases, the long-term focus of programmes was reinforced by the changes, especially those introduced through REACT-EU. The support provided, in addition to cushioning the effects of the pandemic, saw SMEs benefit from advances in digital solutions, infrastructure development and cost reduction. For example, enterprises in the hospitality industry were able to use the funding to carry out renovation works and incorporate advanced digital software to optimise order processing and client management.

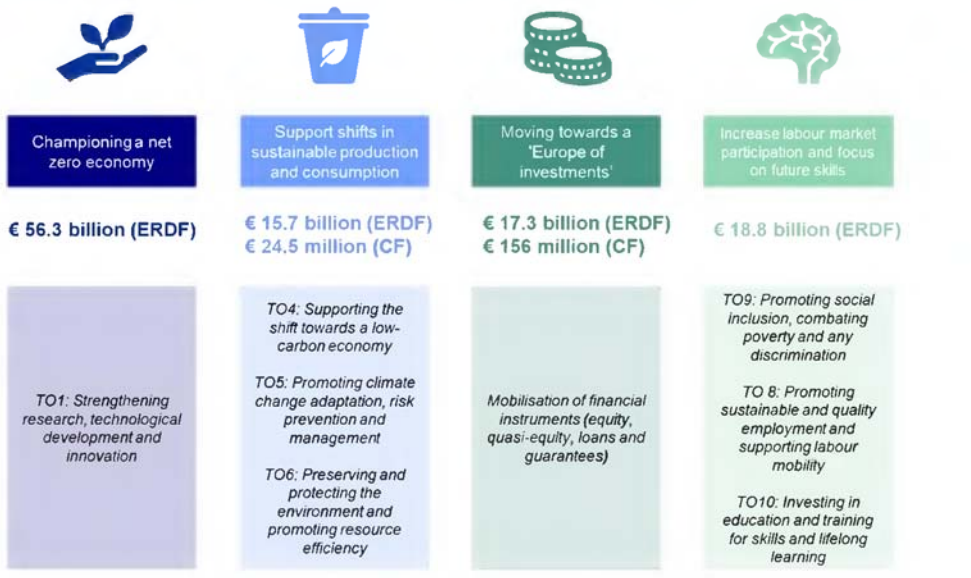
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Continued relevance of interventions for long-term structural change

There are numerous ways in which both the Commission and the Member States, in accordance with shared management principles, ensure the continued relevance of the ERDF / CF to addressing EU regions' territorial needs. The European Semester exercise (outlined earlier in this section) is used by the Commission to communicate changes in territorial needs to Member States. Analysis of evolving territorial needs and priorities inform the CSRs. At the same time, MAs are required to respond to changing needs by submitting programme amendments (analysed in Section 3.2).

Cohesion policy was first introduced in order to invest in the reinforcement of structurally weak regions. Structural change has also since become a necessary part of the green and digital 'twin transitions'. To boost competitiveness and achieve structural change, it is necessary not only to reduce regional disparities, but also to effectively harness regional specificities and comparative advantages. For the 2024-2029 period, this has been identified as strategically important toto the EU[363]. In this regard, interventions implemented over the 2014-2023 period will not only have a positive impact on future growth (Section 4.1) but will also bring long-lasting benefits owing to improvements in infrastructure (energy, climate, ICT, transport, basic services, innovation). Moreover, as large-scale completed projects remain operational in the medium to long term, they will continue to be relevant as strategies and priorities evolve. As such, the achievements of ERDF / CF investments during the 2014-2020 period – as presented in Section 4.1 – will not just be limited to this programming period. On the contrary, their achievements will be assets that new policy agendas can build on, as enablers of the green and digital 'twin transitions'. Intervention outcomes will stay relevant in the coming years and will be possible to use to support measures for overcoming key social and economic challenges. These challenges have also been examined in the 2023 JRC foresight report[364]. 10 areas were identified where policy initiative is likely to be needed. The ERDF and CF cover four of those areas and mobilise resources for investing in them, namely 1) championing a net zero economy; 2) supporting shifts in sustainable production and consumption; 3) moving towards a 'Europe of investments'; and 4) increasing labour market participation and focus on future skills. The figure below provides an estimate of how much the ERDF and CFCF will contribute to the areas identified in the JRC foresight report.

Figure 14 - Alignment of ERDF and CF support with the JRC foresight report (2023)



Source: European Commission.

[363] European Council - Strategic agenda 2024-2029 and Commission political priorities.
[364] European Commission (2023a).

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What are the conclusions and lessons learned?

5.1 Conclusions

Effectiveness

The ERDF and CF have proven to be well-suited to addressing regional disparities. Their design and governance structure have ensured that investment strategies address **territorial challenges and allow for both national and decentralised regional programming and implementation**, adapting both to the pursuit of EU priorities and territorial needs.

There is a large body of evidence from counterfactual impact evaluation studies that demonstrates that cohesion policy has been effective in contributing to the policies' objectives as defined in the Treaty. Evidence also shows that **the impact is likely to be conditional on a series of factors such as the quality of governance and administrative capacity**, the composition of the programmes, the sectoral composition of GDP and employment, the degree of capacity utilisation, exposure to trade and the remoteness of the region. In order to be effective, cohesion policy must be tailored to regional contexts, supported by high-quality governance, and balanced in terms of investment types. **A modernised cohesion policy should give stronger focus to supporting administrative capacity and enacting reforms.**

Econometric and modelling work carried out for this evaluation confirm that **cohesion policy has had a positive impact on macroeconomic outcomes** such as GDP and employment. Moreover, according to estimates obtained via various methods, including counterfactual impact evaluations and model simulations, **positive effects were stronger in the regions which were the main beneficiaries of funding**. This meant the ERDF and CF were successful in **helping to reduce regional disparities**. By the end of the implementation period, it is estimated that the policy will have reduced by more than 3.5% the gap between the top and bottom 20% of regions in terms of GDP per capita. Stronger focus on targeted, strategic investments is needed to **enhance regional competitiveness across the EU.**

Evidence from different investment areas revealed that the effectiveness of the policy varied. In some areas, such as **SMEs support and RDTI**, the funds have been effective in meeting their objectives, especially when integrated into a broader mix of measures. In other areas, such as **transport and other interventions supporting large infrastructure,** several projects have not been completed or their implementation was behind schedule, limiting the benefit of the investment for the time period analysed. In some areas, such as **ICT, insufficient consideration was given to the uptake of new infrastructure**.

The fact that 99% of funding had been paid by the end of 2024 indicated that **ERDF and CF funding had been successfully disbursed despite considerable upheaval in the macroeconomic conditions. Based on project pipelines and estimates of progress by the programme closure stage, most targets will be met.** Achievement rates are somewhat lower for indicators linked to large-scale and infrastructure projects.

The improvements to the monitoring system for the 2014-2020 period offered a more detailed overview of programme achievements and reported values were found to be mostly consistent and reliable. However, the monitoring system also presented some shortcomings. For example, it did not fully cover all investment goals and faced methodological inconsistencies and data aggregation challenges, impacting target setting and comparability. The legislation for the 2021-2027 period has addressed these issues by introducing more comprehensive indicators, including common result indicators and definitions. Challenges in obtaining disaggregated data and micro-data availability, important for the evaluation of the impact of the funds, persist, requiring further adjustments in the future. Enhancing the interoperability and accessibility of national databases could mitigate these challenges and help reinforce the performance orientation of the policy.

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Throughout the 2014-2020 period, the **implementation of the ERDF and CF could be adapted effectively to major changes in the macroeconomic conditions by adapting the regulatory framework and implementation priorities.**

Although cohesion policy initiatives accounted for only a relatively small share of the overall fiscal response to successive crises, **they nevertheless made an effective contribution to mitigating the negative impact of the crises**. In particular, support introduced to address the COVID-19 outbreak was important in cushioning SMEs from the negative economic impact of the pandemic, with an estimated 4% of European SMEs benefiting directly from the extraordinary measures introduced.

Although the introduction of measures to respond to the crisis was fairly rapid, the crisis response could have been more effective if measures had been introduced faster. While the **crisis-related features, such as 100% EU co-financing, were generally well-received and were considered to be effective overall, their use came with considerable trade-offs.** 100% co-financing reduced the total amount of investment mobilised, negatively impacting the additionality of the funds. Furthermore, administrative difficulties emerged after eligibility was widened to stakeholders with no previous experience of ESI Fund management.

Efficiency

Overall administrative costs associated with the funds were modest when compared to other investment policies. A range of new and expanded simplification measures were introduced in 2014-2020 helping to alleviate some of the administrative burden. Nevertheless, there is clear **scope for additional simplification to reduce the administrative burden further**, e.g. by expanding the scope of simplified cost options and financing not linked to costs.

Adequate administrative capacity was a prerequisite for effective implementation of the funds. In several instances and **across different investment areas, limited administrative capacity was a barrier to effective fund management**. Some MAs and beneficiaries were also faced with unnecessary administrative burden due to complexity of the management processes involved. Beneficiaries less familiar with ERDF / CF procedures still faced barriers to entry.

Gold-plating continued to be responsible for complicating the implementation of the ERDF and CF, causing approximately one third of avoidable burden and often being generated at national level. Not only did it **create inefficiencies, it also distorted stakeholders' views about the real costs and burden of cohesion policy programmes.** Reducing gold-plating **could help to significantly reduce the burden for all stakeholders**, especially beneficiaries.

Streamlining public procurement legislation and State aid rules could lead to significant efficiency gains. Complex national transposition of EU legislation and inconsistencies between rules at different governance levels led to unnecessary burden, at times impacting the effectiveness of the interventions.

Despite the efficiency issues identified, evidence shows that **administrative hurdles were overcome in the case of crisis measures, and that ERDF funding for crisis response was deployed relatively swiftly to address emerging challenges**.

Focusing productive investment on areas of comparative advantage could improve the efficiency of ERDF / CF investments, since **it ensures resources are directed to sectors with the highest potential for innovation and growth**.

Managing the expectations and perception of stakeholders - who generally consider financial instruments to be burdensome and associated with longer processing times - **is key to improving uptake of financial instruments, which actually offer a more efficient way of financing, but suffer due to a negative perception among stakeholders.**

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Barriers to the efficient implementation of Interreg programmes continued to exist, including unnecessary cross-border obstacles such as administrative and legal differences in governance systems, complicated procedures, and a lack of stakeholder coordination.

Coherence

The coordination mechanisms built into the CPR (Article 10 of the CPR establishing a Common Strategic Framework) **ensured coherence between ESI funds' and other EU funding instruments and policies.** However, **evidence of actual coordination is mixed,** as coherence was often pursued as a formal requirement, rather than a result of strategic, systematic coordination between funding streams and their goals.

Evidence from the investment areas showed that the **internal coherence of the funds was broadly achieved**. Regulatory requirements, as reflected on the programming process and subsequent adjustments, helped to ensure that smart, sustainable and inclusive growth was pursued harmoniously. **Ex ante conditionalities** contributed to this coherence, and **often led to necessary reforms being carried out and improved ERDF / CF investment strategies and governance**. However, their added value in terms of improving investment conditions was undermined by inconsistences in the way they were applied and assessed across Member States.

Coherence with the ESF was in many cases ensured through the use of a targeted policy mix, but there is scope to further strengthen synergies, such as for instance in investments in ICT and territorial instruments. **Synergies with Horizon 2020 were notably underexploited**, due to limited coordination between funding streams, a lack of strategic planning, and capacity limitations. Greater complementarity and strategic coordination with Horizon 2020 could be seen in more ambitious interventions that were underscored by clear strategies. Synergies with other EU funds (e.g. COSME, LIFE, CEF) were observed but only to a limited extent**.** Overall, in order to boost competitiveness, **synergies need to be better exploited with other national and EU funding instruments, as well as with wider EU industrial strategies.**

Potential benefits from alignment with smart specialisation strategies (S3) were underexploited in several investment areas, particularly SME and RTDI support**.** Alignment with S3 strategies should be **strengthened to ensure that ERDF / CF interventions contribute to targeted, long-term growth goals, and to unlock the potential for further ERDF / CF investments.** These strategies remain important for guiding investments towards high-growth industries such as ICT, renewable energy, biotechnology, and advanced manufacturing, which are **important areas for strategic autonomy and competitiveness. However, evidence was limited regarding the impact of S3 in relation to innovation objectives. In this regard, to assess their impact in the future, appropriate evaluation methodologies will need to be developed and implemented.**

The coherence of **the funds' crisis response mechanisms with other EU and national interventions was strong, with evidence of good alignment and coordination**. However, **there were instances of overlaps and coordination issues**, particularly concerning the involvement of cohesion policy programme authorities in the preparation of RRPs.

EU added value

Due to the redistribution of resources and thematic focus of ESI Funds, investments that might not otherwise have been carried out by Member States became a reality. Factors which made them possible included **the scale of the funding available**, which was substantial relative to the size of some beneficiary regions, and **the ability to crowd in additional private investment**. Moreover, ERDF / CF support allowed for targeted investment in priority sectors and beneficiaries.

Cohesion policy can only be effective if the EU funds are additional to rather than replacing the equivalent public spending of a Member State. Evidence collected for the 2014-2020 period suggests that the principle of additionality was generally respected. In particular, levels of public

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investment in most Member States where additionality was verified remained above the reference levels agreed at the start of the programming period.

The ERDF and CF were successful in ensuring **continuity of funding, which is essential for reducing territorial disparities and for reaching EU policy objectives**. ERDF / CF could also be combined with other funding sources in order to create a well-defined policy mix. Nevertheless, some beneficiaries were found to be repeatedly participating in successive ERDF calls, within and across programming periods, which is potentially problematic. In order to improve access to funding in particular for micro-enterprises and SMEs with less capacity, this finding suggests a **need to tackle barriers to entry and to ensure inclusive access to support**.

Participation in the implementation of EU funds also helped to build administrative capacity and strengthen governance practices. Findings suggested that the EU's structured approach to investment – underpinned by legal frameworks, multi-level coordination and multiannual funding – could mitigate governance issues prevalent in weaker institutional frameworks, such as corruption and inefficiency. Moreover, **management of EU funds generated economies of learning.** In particular, there were tangible benefits for stakeholders and MAs engaging with the ERDF / CF as a result of good practices being shared between levels of governance, as well as direct and indirect technical assistance provided through the funds.

Relevance

The goal of cohesion policy, i.e. to reduce territorial disparities, is reflected in its allocation methodology. **Modelling and econometric evidence confirms that the ERDF and CF played an important role in reducing disparities** during the 2014-2020 period, suggesting that ESI Funds had a significant positive impact on regional growth and convergence within the EU.

Interventions implemented under the policy were mostly in line with its defined objectives. Moreover, ERDF / CF investment had **relevance for European competitiveness and were mostly aligned with the European Green Deal,** albeit with some inconsistencies between Member States.

At EU level, most investments were directed coherently to policy areas **identified as needing reforms in the European Semester country specific recommendations (CSRs)**, although the degree of coherence varied across Member States. Overall, CSRs were a useful tool for helping Member States direct investments to reform needs. There is limited evidence that CSRs formulated later on in the programming period influenced prioritisation or reallocations.

Evidence shows that MAs **tailored interventions to local contexts** and that support was largely relevant to addressing the continued and emerging needs of beneficiaries throughout the programming period. Integrated territorial instruments such as ITI and CLLD were found to be broadly effective in **applying a territorial lens to target ERDF resources**, promoting multilevel governance and an integrated, multi-sectoral approach to the development of territorial strategies.

The cohesion policy framework was adapted in response to several crises during the 2014-2020 period. Stakeholders indicated that the **changes and measures introduced under the crisis response mechanisms and REACT-EU were relevant to meeting emerging needs**. However, REACT-EU, CARE (+), and FAST-CARE were seen as moderately relevant, and better suited to delivering longer-term support.

Although the flexibilities introduced by crisis response were largely taken advantage of, most programmes maintained their original intervention logic, indicating alignment with original, long-term objectives and thematic concentration requirements. **The funds' ability to adapt, reinforced by mechanisms such as the performance review, allowed the policy to remain relevant and responsive in a rapidly changing socio-economic environment**.

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5.2 Lessons learned

Delivery mode and system

Simplification measures are key for making ERDF / CF implementation more efficient and alleviating administrative burden. New ERDF / CF simplification measures introduced for the 2014-2020 period brought discernible benefits. Nevertheless, **there is scope for future simplification measures**, which should focus on widening the scope and flexibility of investments and supporting the uptake of the funds.

Synergies and coherence with other funding instruments did not always materialise, suggesting that a **multitude of funding streams can decrease the effectiveness and efficiency of EU investments**.

When crises emerged, **fast and effective responses were possible by building on existing structures and delivery systems**. As crises are unpredictable in nature, it is important to build **sufficient flexibility into the definition of eligibility**. In addition, by ensuring that programme authorities have sufficient clarity on the type of actions which do and do not fall within the scope of measures, MAs would benefit, measures would be more rapidly taken up, and administrative burden on national administrations and the Commission could also be reduced.

In order to address bottlenecks, further solutions are needed which will ensure **more realistic, detailed planning and implementation of large-scale infrastructure** projects (especially transport, energy, and green infrastructure projects) and thus avoid major delays and absorption issues.

Some of the hurdles faced during the programming, planning, and implementation stages of various interventions **could be eliminated with sufficient staffing, knowledge and technical skills**. Successfully investing in administrative capacity is a precondition to achieving cohesion policy objectives. Administrative capacity building and technical support are especially important for small local municipalities, rural and remote areas, the outermost regions, and island territories.

To improve funding absorption and accessibility in complex investment areas, further **simplification measures** could be considered to **streamline overly complex procurement procedures, different State aid rules, burdensome administrative procedures,** and **inconsistent application of the thematic concentration principle**.

In terms of investments in growth-driving sectors (SMEs, RTDI, basic energy, transport, and communication networks) **addressing factors that hamper efficiency** (e.g. gold-plating, public procurement speed, inconsistencies between governance levels, administrative burden, etc.) **could increase the funds' impact on competitiveness**.

Strategic coordination

Strategic coordination as established by **Article 10 of the CPR and guided by European Semester CSRs has been an effective way** of fostering coherence between national and sub-national policies, as well as with Member States' strategies and common priorities.

Since crises have been a common feature of all programming cycles, **better crisis preparedness is essential for the future delivery system and governance of cohesion policy**. This would bring increased foresight and flexibility for coping with sudden disruptions and uncertainties, strengthening resilience overall.

In all investment areas, **it is important for investments to be in line with long-term strategic plans** (on RTD, SMEs and (RI)S3, territorial strategies) where both regional (or local) and national authorities are aligned.

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Synergies with other funding streams should be pursued more systematically and intentionally as this would enhance the impact of funding. For example, ESI Funds could **play a role in supporting the scale-up of successful EU innovation and research projects results where such potential is** currently underutilised. Mobilising funds for these synergies could contribute to **accelerating the green transition and improving competitiveness.**

Flexibility options and other specific arrangements are essential for the design and implementation of crisis measures. Keeping a **balance between long-term objectives and crisis measures** is key to ensuring programming is successfully concluded during crisis periods.

Smart specialisation strategies (3S) have proven capable of effectively connecting place-based investments with the digital and green 'twin transitions'. However, **improvements are needed to strengthen the links between programme investments and the S3 strategic framework.** This is of key importance as these policy fields are increasingly important for meeting overall EU goals.

Performance, monitoring, and evaluation

Access to micro-level data on operations and direct and indirect beneficiaries would substantially enhance the policy learning from monitoring and evaluation. Such information is **particularly important** to understanding the impact of operations supported by the funds and ultimately **to designing and implementing more effective policies.** If implemented by stepping up automatic data transmissions from national databases, such a shift could also contribute **to lower administrative costs and stronger interoperability**.

An appropriate performance framework can effectively support efforts to ensure results-oriented programming and implementation. **By setting aside a reserve/flexibility amount and conducting a corresponding performance review, funds** can be better directed to better performing investment areas.

Experience from the 2014-2020 period highlighted the importance of comprehensive common indicator systems with clearly defined indicators, to ensure targets are set appropriately and programme achievements are accurately assessed. Future frameworks should focus on robust data collection and methodological consistency to enhance comparability and informed decision-making.

Standard monitoring and indicator systems are only partially suited to providing exceptional flexibility in times of crisis. **Using appropriate indicators and setting realistic targets for monitoring crisis measures** can contribute to making the implementation process more transparent and increasing accountability and efficiency.

Territoriality, partnership, multilevel governance

To ensure the efficient implementation of **Interreg** programmes**, cross-border issues need to be addressed by applying mechanisms to tackle legal and governance differences, simplifying procedures and improving stakeholder coordination**.

To ensure territorial needs are met, it is essential to maintain **shared management and a continued focus on regional needs** when designing and implementing crisis response measures**.**

Stakeholder involvement and **support for building the administrative capacity of local administrations** are preconditions for making investments successful and reaping the potential benefits of multi-level governance.

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6.2 Data, data stories, presentations and communications

A guide to the ESIF performance framework | Cohesion Open Data

Better Regulation: Guidelines and toolbox. https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en.

Coronavirus dashboard - EU cohesion policy response to the crisis: CORONAVIRUS DASHBOARD: COHESION POLICY RESPONSE | Cohesion Open Data

European Commission guidance and information on public procurement: https://ec.europa.eu/regional_policy/policy/how/improving-investment/public-procurement_en

European Committee of the Regions Press Release: Regions and cities call for an ambitious EU long-term budget post-2027 with improved crisis-management capacity | European Committee of the Regions

Eurostat statistics on temporary protection for persons fleeing Ukraine: Temporary protection for persons fleeing Ukraine - monthly statistics - Statistics Explained

Evaluation Helpdesk – Library of Member States' evaluations, English summaries available: Inforegio - Evaluations by the Member States

Implementation and achievement data is available at: Open Data Portal for the European Structural Investment Funds - European Commission | Cohesion Open Data

Interreg b-solutions project for tackling legal and administrative obstacles to cross-border cooperation in Europe: Home | b-solutionsproject

Kohesio: Discover EU projects in your region: https://kohesio.ec.europa.eu/en/

Public consultation for the ERDF / CF 2014-2020 ex post evaluation: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13301-European-Regional-Development-Fund-Cohesion-Fund-2014-2020-ex-post-evaluation/public-consultation_en

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Roadmaps for Administrative Capacity Building: *Inforegio - Roadmaps for Administrative Capacity Building*

Seal of Excellence: *https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/seal-excellence_en*

Simplification Handbook 2021-2027: *simplification_handbook_en.pdf*

Strategic Technologies for Europe Platform ('STEP') - Legislative Train Schedule, European Parliament

Supporting studies for the 2014-2020 ex post evaluation (including WP2 Preparatory study final report): Inforegio - Evaluations of the 2014-2020 programming period

Territorial Agenda 2030 | A future for all places

6 Commission Priorities for 2019-2024: Priorities 2019-2024 - European Commission

2024-2029 Strategic agenda for Europe: Strategic agenda 2024-2029 - Consilium