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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE EVALUATION

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

{SWD(2025) 328 final}

1. Context and scope

This executive summary presents the main findings of the *ex post* evaluation of the European Regional Development Fund (ERDF) and Cohesion Fund (CF). The two funds collectively cover just under a third of the EU's long-term budget under the 2014-2020 multiannual financial framework (MFF) and a substantial share of all cohesion policy funds. Given their considerable size and broad scope, the funds serve as a crucial instrument for fulfilling the objectives of the EU's political agenda.

The purpose of this *ex post* evaluation is to make a comprehensive assessment of the 2014-2020 programming period. This includes assessing the effectiveness, efficiency and impact of the European Structural and Investment Funds (ESI Funds), their contribution to the targets under the EU strategy for smart, sustainable and inclusive growth, and to the high-level objectives of the funds, namely contributing to GDP growth and regional convergence. The evaluation comes at an important time in the EU policy cycle, when the preparation of the 2028-2034 MFF is underway. This document aims to present findings and lessons learned that are relevant for the future of the policy in general.

The evaluation was conducted using a theory-based impact evaluation approach, which involved reconstructing the theory of change behind the public intervention and testing its mechanisms. It also builds on comprehensive supporting studies managed by the Commission's Directorate-General for Regional and Urban Policy that assessed the funds across all the relevant thematic areas. Quantitative inputs included an analysis of selected operations, expenditure, output and result indicators. Qualitative information from case studies and extensive stakeholder engagement work, including surveys, focus groups, interviews and seminars, further complement the analysis. A modelling exercise was carried out to estimate the impact of the policy, in addition to counterfactual impact evaluation studies. Finally, the analysis is also underpinned by evidence from Member States' evaluations and relevant academic literature.

2. Findings

Effectiveness

Cohesion policy has been successful overall in achieving its objectives. This is confirmed by the progress made on both budgetary and project implementation, and on the achievement of the intended targets, objectives and impacts.

By the end of 2024, an estimated EUR 289 billion (representing 99% of the planned resources under the 2014-2020 ERDF and CF) was paid to Member States, showing that **the ERDF and the CF successfully disbursed funding despite major macroeconomic disturbances.**

According to project pipelines and estimated progress by programme closure, **most targets will be reached** by the closure of programmes. The programmes are also on track to meet most of their objectives. To date, the funds have supported over 2.5 million small and medium enterprises (SMEs) and have contributed to the creation of over 370 000 jobs. In parallel, 24 million children have benefited from newly built childcare places. Furthermore, more than EUR 66 billion has been invested in climate-relevant projects, and the EU's capacity for

renewable energy production has been increased by more than 6 000 MW. The funds also made it possible to put in place forest fire protection measures benefiting more than 24 million people, based on reported programme values, and to improve broadband internet access for more than 8 million households.

The ERDF and the CF are appropriate tools for supporting territorial cohesion. Their design and governance structure ensures that investment strategies address regional challenges and enable programming and implementation at both national and regional (decentralised) level, adapting the pursuit of EU priorities to the needs of specific areas. In some cases, more flexibility in the application of the thematic concentration principle would have resulted in a better adjustment to the specific characteristics of the regions.

There has been significant evidence from counterfactual impact evaluation studies that cohesion policy has been effective in achieving its Treaty objectives. While there are relatively few studies for the 2014-2020 completed in the timescale of this evaluation, given the similarity of intervention types, it is likely that the impacts will be similar.

Counterfactual impact evaluations studies carried out for this evaluation confirm that **cohesion policy positively affects macroeconomic outcomes in the EU,** although **the magnitude of this impact varies across EU regions,** being stronger in the regions that are the main beneficiaries of funding. This meant the **ERDF and CF were successful in helping to reduce regional disparities.**

Modelling work provides a range of complementary insights into the location and scale of policy effects. In particular, it shows that **in the medium to long term, the differences in the GDP impact between EU regions diminish, and the impact becomes positive in all regions.** The model simulations suggest that cohesion policy interventions have a positive impact on the economy of the European Union. The GDP of the EU is estimated to be up to 0.6% higher at the end of the policy period compared to a hypothetical scenario where no such policy was pursued. Still, an increased focus on targeted, strategic investment is required to enhance the competitiveness of the regions.

At the same time, the policy's effectiveness is conditional upon several factors, such as the quality of governance, administrative capacity, and the broader economic and business environment of the regions receiving support. It is vital to create the right investment conditions in order to optimise investment. A stronger focus on reforms and administrative capacity is therefore needed in the future.

Throughout the period, the implementation of the ERDF and the CF was successfully adjusted to the changing macroeconomic conditions. Crises were addressed quickly, but a swifter response could have made some crisis mechanisms more effective. Support measures addressing COVID-19 played an important role in cushioning the negative economic impact on SMEs, with an estimated 4% of SMEs in the EU benefiting directly from the extraordinary measures.

Efficiency

Appropriate administrative capacity is a key prerequisite for an effective implementation of the funds. In several instances and **across different investment areas, limited administrative capacity hindered effective fund management.** In addition, some managing authorities and

beneficiaries faced unnecessary difficulties due to complex public procurement processes, especially linked to application procedures and excessive legal complexity.

Streamlining public procurement legislation and State aid rules would lead to significant efficiency gains. Complex transposition of EU legislation at national level, coupled with inconsistencies in rules at different levels of governance, leads to unnecessary burden and may impact the effectiveness of the funded measures.

The overall administrative costs associated with the funds were modest compared to other investment policies but could be reduced further, notably by reducing overlaps between funding instruments, applying a more harmonised set of rules and enhancing synergies. The administrative burden on beneficiaries has been reduced thanks to the electronic exchange of correspondence with the Member States' authorities (e-cohesion), which can be developed further.

Simplification measures introduced in 2014-2020 have reduced some of the burden, but there is scope for further simplification, for example through expanding the scope of Simplified Cost Options (SCOs) and Financing Not Linked to Costs (FNLC).

National rules going beyond EU-level requirements (gold-plating) are a considerable source of complexity for the implementation of the ERDF and the CF. Gold-plating creates inefficiencies and distorts stakeholders' views about the real costs and burden associated with cohesion policy programmes, hampering access to the funds. Reducing gold-plating could go a long way towards reducing administrative burden for all actors, especially beneficiaries.

Despite the existing efficiency issues identified above, evidence shows that administrative hurdles were overcome in the case of crisis measures, where ERDF funding was deployed swiftly in reaction to the emerging challenges.

The performance framework, through common indicators, milestones and targets, enabled a robust data base to be assembled for evidence and analysis, notably via the collection of harmonised data on progress, including beneficiaries' data. This improves comparability, benchmarking and overall efficiency where such information is properly followed up by the Member States for monitoring and analysis. Some limitations of the current monitoring system, such as the impossibility of accessing micro- and beneficiary-level information, should be overcome. Enhancing the interoperability and accessibility of national databases would not only facilitate monitoring and increase the performance focus of the policy, but it could also reduce administrative burden.

Focusing productive investment on areas with comparative advantage improves the efficiency of ERDF / CF investment, as it helps ensure that resources are allocated to sectors with the highest potential for innovation, competitiveness and growth.

Coherence

Overall, a high level of internal and external coherence was observed across a broad range of ERDF / CF interventions. However, coherence was often pursued as a formal requirement, rather than being a result of strategic, systematic coordination between funding streams and their goals.

Certain preconditions for funding led to improved governance and better strategies for ERDF / CF investment. However, their added value for improving investment conditions was diminished by inconsistencies in their application and assessment across Member States.

Several complementarities were identified whereby the European Social Fund (ESF) was part of a targeted policy, for example in the case of support for Research, Technology, Development and Innovation (RTDI) and ICT, where complementary ESF measures supported a sustainable uptake of ERDF / CF interventions. However, there is scope to more actively leverage synergies with the ESF. Administrative challenges were identified by some stakeholders, particularly in relation to territorial delivery mechanisms, as impediments to increasing synergies with the ESF. Synergies with other ESI Funds (European Agricultural Fund for Rural Development – EAFRD, European Maritime and Fisheries Fund – EMFF) were even more limited, which was partly due to the absence of formal coordination mechanisms.

Synergies between the ERDF / CF and Horizon 2020 were limited and could have been pursued more systematically. Complementarities and strategic coordination with Horizon 2020 played a bigger role in ambitious interventions that were underpinned by clear strategies. Synergies with other EU funds (Competitiveness of enterprises and small and medium-sized enterprises – COSME, Programme for environment and climate action – LIFE, Connecting Europe Facility – CEF) were observed only to a limited extent.

Overall, the findings highlight the importance of using the ERDF / CF to pursue targeted, ambitious strategies for development and growth in specific sectors or regions. This requires aligning interventions with regional and national development strategies, as well as wider industrial strategies for boosting competitiveness at EU level.

The advantages of aligning with smart specialisation strategies (S3) were underexploited in several investment areas, particularly in the context of support for SMEs and RTDI. While there are examples of strong linkages between S3 priority areas and ERDF projects, qualitative evidence points to alignment often being superficial rather than substantial. **There is little evidence of the impact of smart specialisation strategies in relation to innovation objectives. The development of appropriate evaluation methodologies should be a priority for the future.**

The crisis response mechanisms and REACT-EU were found to be mostly coherent with EU crisis management, with a clear alignment of goals, especially those concerning healthcare and support for SMEs in the initial phases. However, there were overlaps and coordination issues, particularly as regards the involvement of cohesion policy programme authorities in the preparation of recovery and resilience plans (RRPs).

EU added value

The ERDF and CF enabled projects to be carried out by Member States, that would likely not have been possible without these funds, thanks to the scale of funding, the ability to crowd in additional private investment, and the targeting of investment. This added value can be broken down into several dimensions:

- **Scale effects:** the ERDF / CF mobilised a high volume of funding (particularly for less developed regions) making it possible to carry out more ambitious projects, which, in some cases, would not be achievable with national financing alone. While Member

States found it useful to have the possibility to benefit from 100% EU cofinancing introduced as part of the crisis response measures, this reduced total spending and could undermine the long-term structural and redistributive goals of the funds.

- **For research and innovation projects, the effects of scale were particularly important in large infrastructure projects and applied research projects.** The very high share of cofinancing in some infrastructure projects suggests that it would have been impossible to implement them without ERDF support. From the perspective of **green investment, ERDF / CF funding encouraged projects that would not have had the same scope and would not have been completed so quickly without EU funding.**
- **The ERDF / CF were successful in attracting private investment** thanks to the financial reliability and visibility of EU-funded projects. In some cases, ERDF support to increase the competitiveness of SMEs managed to attract private investment exceeding the required amount of cofinancing.
- **ERDF / CF support made targeted investment, focusing on specific sectors, beneficiaries and territories, possible.** Targeting regional specialisations enabled the concentration of funding on specific thematic areas, ensuring targeted support for priority sectors and beneficiaries.

Two fundamental principles underlying the ERDF / CF strengthened the capacity of cohesion policy for achieving its objectives:

- **The shared management method** ensures that ownership and transparency of and accountability for investments remains with Member States, while the EU is responsible for aligning regional and national efforts with the EU's agreed priorities.
- **The partnership principle** means that policy decisions are made at the level most competent to carry them out, involving stakeholders (workers, employers and civil society organisations), in a cooperative manner.

Moreover, the ERDF / CF generate added value through multiannual planning and continuity of funding. This contributes to the achievement of long-term structural transformation goals. For managing authorities and beneficiaries, the implementation of ERDF / CF programmes is an opportunity for long-term planning, in the context of which strategies can be developed to meet regional and sectoral needs.

Evidence suggests that the principle of additionality (whereby Member States cannot use structural funds to substitute domestic spending that would have been programmed anyway) has generally been respected. The levels of public investment in most Member States where additionality was verified remained above the reference levels agreed at the onset of the programming period. However, the 100% cofinancing rates applied in the context of the crisis situations posed a risk for the respect of the additionality principle in practice.

Participating in the implementation of EU funds can build administrative capacity and strengthen good governance practices. The findings suggest that the EU's structured approach to investment – underpinned by a coherent legal framework, multi-level coordination and multiannual funding perspectives – may mitigate governance issues prevalent in weaker institutional systems, such as corruption and inefficiency. Moreover, the management of EU funds generates economies of learning. The sharing of good practices across different levels of governance – in addition to the direct and indirect technical assistance provided through the

funds – was considered to have tangible benefits for the actors and managing authorities involved in ERDF/CF programmes.

The ERDF and the CF help reduce disparities. The funds are estimated to have a positive impact on the EU economy, generating positive returns in the long run. The impact is especially high in less developed regions of the EU, which are the main beneficiaries. By the end of the implementation period, it is estimated that the policy will have reduced the gap between the richest and poorest 20% of regions in terms of GDP per head by more than 3.5%. This achievement would most likely not have been possible without EU funding, as spill-over effects would not otherwise have been incentivised.

Relevance

The implemented interventions were mostly in line with the set objectives. Evidence shows that managing authorities **tailored interventions to local contexts** and that support was largely used to address both the persistent and emerging needs of beneficiaries throughout the programming period.

ERDF / CF investments were important for boosting the competitiveness of the EU, and they mostly aligned with the European Green Deal, though with some inconsistencies between Member States in terms of programmes' fulfilment of the relevant ex ante conditionalities and broader alignment with climate and environment directives.

At EU level, most resources were allocated to policy areas in line with the necessary reforms identified in the country specific recommendations (CSRs), with variations between Member States. Overall, CSRs have served as a useful tool in helping Member States channel investments in line with the reform needs. There is less evidence of the CSRs formulated during the programming period influencing investment priorities or reallocations.

The cohesion policy framework has been adapted to address several crises. Stakeholders indicate that the changes and measures introduced as part of the crisis response mechanisms and REACT-EU played a significant role in meeting the emerging needs. REACT-EU, CARE(+), and FAST-CARE were seen as moderately relevant for meeting immediate needs and proved more suitable for delivering longer-term support.

Although considerable use was made of the flexible arrangements introduced as part of the crisis response, most programmes maintained their initial rationale for intervention, which demonstrates alignment with the original, long-term objectives and thematic concentration requirements.