

Performance Framework

The 2019 Performance Review

RDC, 25 April 2018

Overview of the review exercise

- Major exercise for both Commission and Member States.
 - *115 RDPs – 541 priorities*
 - *5.5 billion EURO (= amount of the performance reserve)*
- Essential to put in place all measures necessary for a smooth running of the exercise.

Preparation – steps towards the review

- The progress of the PF should appear as a regular item on the agendas of MCs and annual review meetings.
- Ad hoc meetings (MS and COM) on PF may be organised to discuss and address potential problems in milestone achievement.
- Importance of 2017 AIR (= last stock-taking moment for PF indicators before the review takes place). In case of risk of serious failure in achieving milestones, COM will make specific observations.
- Measures to address problems affecting milestone achievement to be taken as early as possible.
- Data plausibility issues in monitoring systems to be addressed asap.
- Alignment of reporting opportunities for all ESI Funds possible as of 2017 AIRs [Guidance "performance framework, review and reserve in 2014-2020" is being updated, will be presented in next EGESIF meeting].
- MS invited to submit all substantial requests for PF changes by 30.06.2018

Reminder of rules for changing milestones and targets through RDP modifications

In duly justified cases, such as (Annex II of Regulation 1303/2013):

- changes in allocations for a given priority
- significant change in the economic, environmental and labour market conditions in a Member State or region
- Other duly justified cases ("*such as*")

Incorrect assumptions for determining milestones and targets (Art. 5(6) of Implementing Regulation 215/2014) (e.g. for operations linked to innovation)

Justifications should not relate to:

Implementation weaknesses, adaptation to low performance, reduction in allocation due to de-commitment (possible exception), suspension of commitments or interim payments, financial corrections ...

The performance review

Legal basis:

- Art. 21 and 22 of the CPR and
- Art. 6 of Reg. 215/2014

Basis for the performance review

- Implementation progress: data in admissible 2018 AIR submitted via SFC in June 2019
- Milestones: PF in RDP version that is in force on 31 Dec 2018

Timing

- Deadline for AIR submission: 30 June 2019.
- Deadline for Commission assessment of milestone achievement: 2 months from AIR submission.

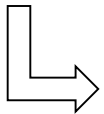
Performance Framework:

Milestones 2018

A <u>priority</u> will be deemed to have...	if...	Consequences
...achieved the milestone	<p>All indicators of the priority have attained at least 85% of the milestone value</p> <p>If 3 or more indicators, all indicators have attained at least 85% except for 1 which have achieved at least 75%</p>	<p>CPR Art. 22 §3: the amount of the performance reserve ... considered to be definitively allocated</p> <p><i>2 months after AIR reception, EC decision to determine which priorities have achieved milestones (IA)</i></p>
... not achieved the milestone	<p>One indicator of the priority achieved less than 85% of the milestone value</p> <p>If 3 or more indicators, 2 indicators have attained less than 85% or 1 indicator has attained less than 75% of the milestone values</p>	<p>CPR Art. 22 §4: MS should propose re-allocation to successful priorities <i>(3 months after EC decision)</i></p>
...seriously failed to achieve the milestone	<ul style="list-style-type: none"> Commission has previously communicated to MA implementation weaknesses (CPR art. 50(8)) and MS has failed to take action 1 out of 2 <u>or</u> 2 out of 2+x indicators failed to attain at least 65% of the milestone value 	<p>CPR Art. 22 §6: Commission may suspend all or part of an interim payment of the priority</p>

Recommendations for the preparation of AIR 2018

The Commission will have only 2 months to establish which RDP priorities have fulfilled their milestones, by means of an implementing act.



This will leave very limited time for a check for data errors/quality (no comprehensive/systematic check, but rather a mechanical exercise).

Therefore, MAs are strongly recommended to:

- Verify ex-ante the quality of data included in AIRs and correctness of SFC encoding, in order to minimise the risk of errors.
- Ensure proper consultation of Monitoring Committees in analysing the progress made towards achievement of milestones.

Re-allocation of the reserve

- MS to propose a re-allocation of the reserve (programme amendment) for priorities that have not achieved their milestones– within three months after the decision (this amendment does not count against the annual limits for amendments).
 - Amendments to reflect the underlying RD strategy/needs
 - Respect of minimum allocation requirements; 30% to environment/climate and 5% to LEADER (derogation only acceptable based on Art. 22(5) CPR)
 - Adjustment of the indicator plan (target and output indicators) to align with the changed financial allocation
- COM to approve amendment proposals within two months. COM observations limited to (art 30(3) CPR)
 - incompliance with applicable rules
 - inconsistent with development needs of the MS/region
 - Significant risk that objectives and targets are non-achievable

Serious failure to achieve milestones

Commission may suspend all or part of the interim payments of a priority of a programme

where there is evidence from the performance review exercise that there has been a serious failure in achieving a priority milestone and that failure is due to clearly identified implementation weaknesses which the Commission had communicated to the MS and the MS had failed to take the necessary corrective action to address such weaknesses.

The suspension cannot be issued earlier than 5 months after communication of implementation weaknesses (Art. 50(8) CPR), following close consultations with MS.

It shall be lifted as soon as the MS has taken necessary corrective actions.

"Non-achievement of milestones" VS "Serious failure to achieve milestones"

The following-up a 'serious failure to achieve milestones' and the re-allocation of the performance reserve are two separate and independent processes.

Type of non-achievement	Consequence
Non-achievement (art. 6(2))	Re-allocation of performance reserve
Serious failure to achieve milestones (art. 6(3))	Possible suspension of interim payments

Thank you for your attention!