

EURADA-NEWS
Périodique Mensuel
Editeur Responsable : Christian SAUBLENS

E

EURADA NEWS

REGIONAL POLICY

This EURADA News is solely dedicated to the consolidated version of the ERDF proposal for the next programming period.

We draw your attention to the changes introduced for the thematic concentration regarding regions in transition (between 75 % and 100 % of EU GDP average). The other changes are easy to detect.

NB: Though the document dates from June 2013, it seems it was not widely spread.

ERDF Regulation
Consolidated Text - 26 June 2013

Unless otherwise indicated, the text below is considered covered by a political agreement as a result of the trilogues as documented in the texts adopted by COREPER on 26/06/2013

- (1) **Article 176 of the Treaty on the Functioning of the European Union (TFEU) provides that the European Regional Development Fund (ERDF) is intended to help to redress the main regional imbalances in the Union. Therefore, in accordance with that article and Article 174, second and third paragraphs, of TFEU, the ERDF is to contribute to reducing [...] disparities between the levels of development of the various regions [...] and the backwardness of the least favoured regions, [...] among which particular attention should be paid to regions which suffer from severe and permanent natural or demographic handicaps such as [...] the northernmost regions with very low population density and island, cross-border and mountain regions.**
- (2) The provisions common to the ERDF, the European Social Fund (ESF) [...] and the Cohesion Fund are set out in Regulation (EU) No [...]/2013 of [...] 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 [Common Provisions Regulation - CPR].
- (3) **Specific provisions concerning the type of activities which may be supported by the ERDF in order to contribute to the investment priorities within the thematic objectives defined in Regulation (EU) No [...]/2013 [CPR] should be laid down. At the same time, expenditure outside the scope of the ERDF should be defined and clarified, including [...] investments to achieve the reduction of greenhouse gas emissions [...] from the activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC [...].²**

In order to avoid excessive financing, these investments should not be eligible for support from the ERDF as they already benefit financially from the application of Directive 2003/87/EC. This exclusion should not restrict the possibility to use the ERDF to support activities not covered by Annex I of Directive 2003/87/EC even if implemented by the same economic operators, such as energy efficiency investments in the district heating networks, smart energy distribution, storage and transmission systems, measures aimed at reducing air pollution, even if one of their indirect effects is the reduction of greenhouse gas emissions or if they are listed in the national plan referred to in Article 10c(1) of Directive 2003/87/EC.

- (3a) **Support under the investment priority ‘community-led local development’ may contribute to all thematic objectives as set out in this Regulation.**

¹ OJ L , , p. .

⁴ OJ L 210, 31.7.2006, p. 1.

- (3b) It is important to ensure that, in promoting risk management investments , specific risks at regional, cross border and transnational level should be taken into account;**
- (4) In order to address the specific needs of the ERDF, and in line with the Europe 2020 strategy³ that cohesion policy should support the need to deliver smart, sustainable and inclusive growth, it is necessary to set out within each thematic objective laid down in Article 9 of Regulation (EU) No [...] /2013 [CPR] the ERDF-specific actions as 'investment priorities' which shall set out detailed objectives, which are not mutually exclusive, to which the ERDF shall contribute. These investment priorities should form the basis for the definition of specific objectives within programmes that take into account the needs and characteristics of the programme area.**
- (5) The ERDF should contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, thus ensuring greater concentration of ERDF support on the priorities of the Union. According to the category of regions supported, the support from the ERDF under the investment for growth and jobs goal should be concentrated on research and innovation, information and communication technologies (ICT), small and medium-sized enterprises (SMEs) and promoting a low carbon economy. This concentration should be attained at national level allowing for flexibility at the level of operational programmes and in different categories of regions and should be adjusted, if appropriate, to take into account Cohesion Fund resources allocated to supporting the investment priorities referred to in Article 3(a) of Regulation (EU) No [...] /2013 [CF]. The degree of concentration should take into account the level of development of the region, the contribution of Cohesion Fund resources if applicable, as well as the specific needs of regions whose GDP per capita for the 2007-13 period was less than 75% of the average GDP of the EU-25 for the reference period, regions designated with the phasing-out status in the 2007-2013 period and certain NUTS 2 level regions consisting solely of island Member States or of islands.**
- (5a) It is necessary to promote innovation and the development of SMEs in emerging areas linked to European and regional challenges such as creative and cultural industries and innovative services reflecting new societal demands or products and services linked to ageing population, care and health, eco-innovation, the low carbon economy and resource efficiency.**
- (5b) In accordance with Regulation (EU) No. [...] /2013 [CPR], in order to optimise the added value from investments funded wholly or in part through the Union budget in the field of research and innovation, synergies will be sought in particular between the operation of the ERDF and Horizon 2020 whilst respecting their distinct objectives.**

Trilogue on 18.02.2013: A longer recital (Council's proposal) is negotiated in the CPR. In case of the lack of inclusion of the Council's new recital in the CPR, the text will be moved to the ERDF.

- (5c) In order to maximise their contribution to the objective of supporting employment friendly growth, activities supporting sustainable tourism, culture and natural heritage should be part of a territorial strategy for specific areas, including the conversion of declining industrial regions. Support for such activities should also contribute to strengthening innovation and the use of ICT, SMEs, environment and resource efficiency or the promotion of social inclusion.**
- (5d) In order to promote sustainable regional or local mobility or to reduce air and noise pollution, it is necessary to promote healthy, sustainable and safe modes of transport. Investments in**

⁴ OJ L 210, 31.7.2006, p. 1.

airport infrastructure supported by the ERDF should promote environmentally sustainable air transport inter alia when the promotion of sustainable enhancing regional and local mobility and through the connection of connecting secondary and tertiary nodes to TEN-T infrastructure, including through multimodal nodes.

- (5e) In order to promote the achievement of the energy and climate targets set by the Union as part of the Union strategy for smart, sustainable and inclusive growth, the ERDF should support investments to promote energy efficiency and security of supply in Member States through, inter alia, the development of smart energy distribution, storage and transmission systems, including through the integration of distributed generation from renewable sources. Member States should be able to invest in energy infrastructures that are consistent with their chosen energy mix in order to meet their security of supply requirements and consistent with their targets under the Union strategy for smart, sustainable and inclusive growth.
- (5f) In order to ensure alignment with Regulation (EU) No. [...] /2013 [CPR], small and medium-sized enterprises (SMEs), which may include social economy enterprises, should be understood as covering micro, small and medium-sized enterprises in the meaning of the Annex to the Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p.36).
- (5g) In order to promote social inclusion and combat poverty, particularly among marginalised communities, it is necessary to improve access to social, cultural and recreational services, through the provision of small-scale infrastructure, taking account of the specific needs of the disabled and the elderly.
- (5h) Community-based services shall cover all forms of in-home, family-based, residential and other community services which support the right of all persons to live in the community, with an equality of choices and which seek to prevent isolation or segregation from the community.
- (5i) It is necessary to specify what additionally can be supported by the ERDF under the European territorial cooperation goal.
- (5l) In order to increase flexibility and reduce administrative burden by allowing joint implementation, the ERDF and the Cohesion Fund investment priorities under the corresponding thematic objectives should be aligned.
- (6) A common set of output indicators to assess the aggregated progress at Union level of implementation of programmes should be set out [...] in Annex to this Regulation. These should correspond to the investment priority and type of action supported in accordance with this Regulation and the relevant provisions of Regulation (EU) No [.....] /2013 [CPR]. Those indicators should be complemented by programme-specific result indicators and, where appropriate, programme-specific output indicators.
- (7) Within the framework of sustainable urban development, it is considered necessary to support integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas, and to promote urban-rural linkages.

Criteria for selecting urban areas where integrated actions for sustainable urban development are to be implemented and indicative amounts for those actions should be set out in the Partnership Agreement with a minimum of 5% of the ERDF resources allocated at national

level for that purpose. The scope of any delegation to urban authorities should be decided by the managing authority in consultation with the urban authority.

- (8) In order to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level, the ERDF should support innovative actions in the field of sustainable urban development.
- (9) In order to reinforce capacity building, networking and exchange of experience between programmes and bodies responsible for implementing sustainable urban development strategies and innovative actions in the field of sustainable urban development it is necessary to establish an urban development network at Union level to complement existing programmes and bodies.
- (10) The ERDF should address the problems of accessibility to, and remoteness from, large markets facing areas with an extremely low population density, as referred to in Protocol No 6 on special provisions for Objective 6 in the framework of the Structural Funds in Finland and Sweden to the 1994 Act of Accession. The ERDF should also address the specific difficulties encountered by certain islands, mountainous areas, border regions and sparsely populated areas whose geographical situation slows down their development, with a view to supporting their sustainable development.
- (11) Specific attention should be paid to the outermost regions, namely adopting measures under Article 349 of the Treaty on the Functioning of the European Union extending, on an exceptional basis, the scope of the ERDF to the financing of operating aid linked to the offsetting of the additional costs resulting from their specific economic and social situation, which is compounded by the handicaps resulting from the factors referred to in Article 349 of the Treaty on the Functioning of the European Union, namely their remoteness, insularity, small size, difficult topography and climate and their economic dependence on a few products, the permanence and combination of which severely restrain their development. [...]. Operating aid granted by Member States in this context is exempt from the notification obligation laid down in Article 108(3) TFEU, if, at the time it is granted, it fulfils the conditions laid down by a Regulation declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 TFEU adopted pursuant to Article 1 of Regulation (EC) No 994/98.

Following point 51 of the conclusions of the European Council of 7-8 February 2013, and taking into account the special objectives of the Treaty on the Functioning of the European Union concerning the territories referred to in Article 349 of the Treaty, the status of Mayotte has been changed by the European Council Decision No. 2012/419/EU of 11 July 2012 to become a new outermost region from 1st January 2014. In order to facilitate and to promote a focused and rapid infrastructural development of Mayotte, a derogation from the general rules on the ERDF thematic objectives should be granted in order to make it exceptionally possible for Mayotte that at least 50% of the ERDF component of its total Structural Funds envelope be allocated to five thematic objectives of Regulation EU No...(CPR).

- (12) In order to *supplement this Regulation with certain non-essential elements*, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of detailed rules for the *criteria for the selection and management of innovative actions*. *The Commission should also be empowered to amend the Annex to this Regulation, in order to make adjustments, where justified, to ensure the effective assessment of progress in programme implementation*. It is of particular importance that the Commission carries out appropriate

consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

- (13) **No 1080/2006 of the European Parliament and the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999⁴. In the interests of clarity, Regulation (EC) No 1080/2006 should therefore be repealed.**

Nevertheless, this Regulation should not affect either the continuation or modification of assistance approved by the Commission on the basis of Regulation (EC) No 1080/2006 or any other legislation applying to that assistance on 31 December 2013, which should consequently apply thereafter to that assistance or the projects concerned until their closure. Applications to receive assistance made under Regulation (EC) No 1080/2006 should therefore remain valid.

- (14) **Since the economic, social and territorial cohesion objectives cannot be sufficiently achieved by the Member States by reason of the extent of the disparities between the levels of development of the various regions and the backwardness of the least favoured regions and the limit on the financial resources of the Member States and regions and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.**

⁴ OJ L 210, 31.7.2006, p. 1.

Chapter I

Common provisions

Article 1

Subject-matter

This Regulation establishes the tasks of the European Regional Development Fund (ERDF), the scope of its support with regard to the Investment for growth and jobs and the European territorial cooperation goals and specific provisions concerning ERDF support for the Investment for growth and jobs goal.

Article 2

Tasks of the ERDF

The ERDF shall contribute to the financing of support which aims to reinforce economic, social and territorial cohesion by redressing the main regional imbalances through support for the **sustainable** development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions lagging behind.

Article 3

Scope of support

1. The ERDF shall support **the following activities in order to contribute to the investment priorities set out in Article 5:**
 - (a) productive investment, which contributes to creating and safeguarding sustainable jobs, through direct aid to investment in small and medium-sized enterprises (SMEs);
 - (b) Productive investment, **irrespective of the size of the enterprise,** contributing to the investment priorities set out in Article 5.1 and 5.4, **and, if it involves cooperation between large enterprises and SMEs, 5.2** ~~irrespective of the size of the enterprise.~~
 - (c) investments in infrastructure providing basic services to citizens in the areas of energy, environment, transport, and information and communication technologies (ICT);
 - (d)** investments in **business,** social, health, **research, innovation** and educational infrastructure;
 - (e) **Investment in the** development of endogenous potential **through** [...] fixed investment in equipment and small-scale infrastructure; [...], **including small-scale cultural and sustainable tourism infrastructure,** services to enterprises [...], support to [...] research and innovation bodies and investment in technology and applied research in enterprises;
 - (f) Networking, cooperation and exchange of experience between **competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society referred to in Article 5 of the CPR, studies, preparatory actions and capacity building;**
2. The ERDF shall not support:
 - (a) the decommissioning **and the construction** of nuclear power stations;
 - (b) **investment to achieve** the reduction of greenhouse gas emissions **from activities** falling under **Annex I to** Directive 2003/87/EC;
 - (c) the manufacturing, processing and marketing of tobacco and tobacco products;
 - (d) undertakings in difficulties as defined under Union State aid rules.
 - (e) investment in airport infrastructure **unless** related to environmental protection **or** accompanied by investments necessary to mitigate or reduce its negative environmental impact.

3. Under the European Territorial Cooperation goal, the ERDF may also support the sharing of human resources and facilities and all types of infrastructure across borders in all regions.

Article 4

Thematic concentration

1. The thematic objectives set out in Article 9 of Regulation (EU) No [...]/2013 [CPR] and corresponding investment priorities set out in Article 5 of this Regulation to which the ERDF may contribute **under the investment for jobs and growth goal** shall be concentrated as follows:
- (a) in more developed regions [...]:
 - (i) at least 80% of the total ERDF resources at national level shall be allocated to **two or more of** the thematic objectives set out in points 1, **2**, 3 and 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR]; and
 - (ii) at least 20% of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR];
 - (b) *in transition regions:*
 - i) *at least 60 % of the total ERDF resources at national level shall be allocated to two or more of the thematic objectives set out in points 1, 2, 3 and 4 of Article 9 of Regulation EU No [...]/2013 [CPR]; and*
 - ii) *at least 15 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation EU No [...]/2013 [CPR];*
 - (c) in less developed regions:
 - (i) at least 50% of the total ERDF resources at national level shall be allocated to **two or more of** the thematic objectives set in out in point 1, **2**, 3 and 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR]; and
 - (ii) at least **12%** of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR]

By derogation *from point (a)*, ~~in~~ those regions whose GDP per capita for the 2007-13 period was less than 75 % of the average GDP of the EU-25 for the reference period, *and for the regions designated with the phasing-out status in the 2007-2013 period* but which are eligible under the category of more developed regions as defined in Article 82(2)(c) of Regulation (EU) No []/2013 [CPR] in the 2014-2020 period, ~~paragraph (b) shall apply~~ *shall be considered as transition regions for the purpose of this Article*

By derogation from point (a) and (b), Article 4 for all NUTS 2 level regions consisting solely of island Member States or of islands which are situated in Member States which receive support from the Cohesion Fund, or which are outermost regions, paragraph (c) shall apply shall be considered as less developed regions for the purpose of this Article.

2. **By way of derogation from paragraph 1, the minimum ERDF share allocated to a category of region may be lower than that set out in paragraph 1 provided that such a decrease is compensated by an increase in other categories of regions. The resulting sum at national level of the amounts for all categories of region respectively for:**

- (a) **the thematic objectives set out in points 1, 2, 3 and 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR] and;**
- (b) **the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...]/2013 [CPR];**

shall accordingly not be less than the sum at national level resulting from applying the minimum ERDF shares set out in paragraph 1.

3. **By way of derogation from paragraph 1, Cohesion Fund resources allocated to supporting the investment priorities set out in Article 3(a) of Regulation (EU) No [...]/2013 [CF] may be counted towards achieving the minimum shares set out in paragraph 1(a)(ii), 1(b)(ii) and 1(c)(ii) of this Article. In such a case, the share referred to in paragraph 1(c)(ii) of this Article shall be increased to 15%. Where applicable, these resources shall be allocated *pro rata* to the different categories of region based on their relative shares of the total population of the Member State concerned.**

Article 5

Investment priorities

The ERDF shall support the following investment priorities within the thematic objectives set out in Article 9 of Regulation (EU) No [...]/2013 [CPR] **in accordance with needs and potentials described in the Partnership Agreement referred to in Article 14(1)(a)(i) of that Regulation.**

- (1) strengthening research, technological development and innovation **through:**
 - (a) enhancing research and innovation **(R&I)** infrastructure [...] and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest;
 - (b) promoting business investment **in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular** product and service development, technology transfer, social innovation, *eco-innovation*, ~~*cultural and creative industries*~~, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation **and** supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, *in particular* in Key Enabling Technologies and diffusion of general purpose technologies,
- (2) enhancing access to and use and quality of ICT **through:**
 - (a) extending broadband deployment and the roll-out of high-speed networks **and supporting the adoption of emerging technologies and networks for the digital economy;**
 - (b) developing ICT products and services, e-commerce and enhancing demand for ICT;
 - (c) strengthening ICT applications for e-government, e-learning, e-inclusion, *e-culture* and e-health;
- (3) enhancing the competitiveness of SMEs **through:**
 - (a) promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, **including through business incubators;**
 - (b) developing **and implementing** new business models for SMEs, in particular for internationalisation;
 - (c) **supporting the creation and the extension of advanced capacities for product and service development;**
 - (d) supporting the capacity of SMEs to engage in growth in **regional, national** and international markets, and in innovation processes;
- (4) supporting the shift towards a low-carbon economy in all sectors **through:**
 - (a) promoting the production and distribution of **energy derived from renewable** sources;
 - (b) promoting energy efficiency and renewable energy use in **enterprises;**
 - (c) supporting energy efficiency, **smart energy management** and renewable energy use in public infrastructures, *including in public buildings*, and in the housing sector;
 - (d) developing **and implementing** smart distribution systems at low **and medium** voltage levels;

- (e) promoting low-carbon strategies for *all types of territories, in particular for* urban areas, **including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures;**
- (f) promoting research in, innovation in and adoption of low-carbon technologies;**
- (g) promoting the use of high-efficiency co-generation of heat and power based on useful heat demand,**
- (5) promoting climate change adaptation, risk prevention and management **through:**
 - (a) supporting [...] investment for adaptation to climate change, **including eco-system based approaches;**
 - (b) promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems;

Whereas it is important to ensure that, in promoting investments in risk management, specific risks at regional, cross border and transnational level should be taken into account;

- (6) protecting the environment and promoting resource efficiency, **through:**
 - (a) **investing** [...] in the waste sector to meet the requirements of the **Union's environmental acquis and to address needs, identified by Member States, for investment going beyond those requirements;**
 - (b) **investing** [...] in the water sector to meet the requirements of the **Union's environmental acquis and to address needs, identified by Member States, for investment going beyond those requirements;**
 - (c) *conserving*, protecting, promoting and developing *natural and* cultural heritage;
 - (d) protecting *and restoring* biodiversity, soil protection and *restoration and* promoting ecosystem services including NATURA 2000 and green infrastructures;
 - (e) action to improve the urban environment, revitalisation of cities, [...] regeneration **and decontamination** of brownfield sites (including conversion areas),-reduction of air pollution **and promotion of noise-reduction measures;**
 - (f) promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector, soil protection or to reduce air pollution;**
 - (g) supporting industrial transition towards a resource-efficient economy, [...] promoting green growth, **eco-innovation and environmental performance management in the public and private sectors;**
- (7) promoting sustainable transport and removing bottlenecks in key network infrastructures **through:**
 - (a) supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) network;
 - (b) enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, **including multimodal nodes;**
 - (c) developing **and improving** environment-friendly (including low-noise) and low-carbon transport systems **including [...] inland waterways and maritime transport, ports⁵, [...] multimodal links and airport infrastructure, in order to** promote sustainable **regional and local** mobility;
 - (d) developing **and rehabilitating** comprehensive, high quality and interoperable railway system, **and promoting noise-reduction measures;**
 - (e) **improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and** through the integration of **distributed generation from renewable sources;**

⁵ This is connected with the introduction of an ex-ante conditionality on these types of transports in the CPR regulation.

- (8) promoting employment and supporting labour mobility **through**:
- (a) *supporting the* development of business incubators and investment support for self-employment, *micro-enterprises* and business creation;
 - (a a) supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources;**
 - (b) *supporting* local development initiatives and aid for structures providing neighbourhood services to create jobs, where such actions are outside the scope of Regulation (EU) No [...] /2013 [ESF];
 - (c) investing in infrastructure for [...] employment services;
- (9) promoting social inclusion and combating poverty **through**:
- (a) investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, **promoting social inclusion through improved access to social, cultural and recreational services** and **the** transition from institutional to community-based services;
 - (b) support for physical, economic *and social* regeneration of deprived *communities in* urban and rural areas,
 - (c) support for social enterprises
 - (d) investments undertaken in the context of Community-led local development strategies
- (10) investing in education, skills and lifelong learning by developing education and training infrastructure;
- (11) enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.

Chapter II

Indicators for ERDF support for the Investment for growth and jobs goal

Article 6

Indicators for the Investment for Growth and Jobs Goal

Common output indicators, as set out in the Annex to this Regulation, programme-specific result indicators and, where relevant, programme-specific output indicators shall be used [...] in accordance with Article 24(3) and Article 87(2)(b)(ii) and (iv) of Regulation (EU) No [...] /2013 [CPR].

For common and programme-specific output indicators, baselines shall be set at zero. Cumulative quantified target values for these indicators shall be fixed for 2022.

For programme-specific result indicators, which relate to investment priorities, baselines shall use the latest available data and targets shall be fixed for 2022. Targets may be expressed in quantitative or qualitative terms.

The Commission shall be empowered to adopt a delegated act in accordance with Article 13 to amend the list of common output indicators in the Annex to this Regulation, in order to make adjustments, where justified to ensure effective assessment of progress in programme implementation.

Chapter III

Specific provisions on the treatment of particular territorial features

Article 7

Sustainable urban development

1. The ERDF shall support, within operational programmes, sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, taking into account the need to promote urban-rural linkages.
 - 1a. Sustainable urban development shall be undertaken through Integrated Territorial Investments referred to in ex-Article 99 of Regulation (EU) No. [...] /2013 [CPR] or through a specific operational programme, or a specific priority axis in accordance with Article 87(1)(c) of Regulation (EU) No [...] /2013 [CPR].
 2. Taking into account its specific territorial situation, each Member State shall establish in its Partnership Agreement the principles for the selection of urban areas where integrated actions for sustainable urban development are to be implemented and an indicative allocation for these actions at national level.
 - 2a. At least 5% of the ERDF resources allocated at national level under the Investment for growth and jobs goal shall be allocated to integrated actions for sustainable urban development where cities, sub-regional or local bodies responsible for implementing sustainable urban strategies (hereinafter "Urban Authorities") shall be responsible for tasks relating at least to the selection of operations in accordance with Article 113(6) of Regulation (EU) No [...] /2013 [CPR], or, where appropriate, in accordance with Article 113(7) of that Regulation. The indicative amount to be dedicated for the purposes of paragraph (1a) shall be set out in the operational programme or operational programmes concerned.
 - 2b. The managing authority shall decide, in consultation with the urban authority, the scope of tasks concerning the management of integrated actions for sustainable urban development which urban authorities shall undertake. The decision of the managing authority shall be formally recorded in writing. The managing authority may retain the right to undertake a final verification of eligibility of operations before approval.

Article 9

Urban Development Network

1. The Commission shall establish, in accordance with Article 51 of Regulation (EU) No [...] /2013 [CPR], an urban development network to promote capacity-building, networking and exchange of experience at Union level between urban authorities responsible for implementing sustainable urban development strategies in accordance with Article 7 paragraphs 2 (a) and 2 (b) of this Regulation and innovative actions in the field of sustainable urban development in accordance with Article 8 (ex-Article 9) of this Regulation."
2. The activities of the urban development network shall be complementary to those undertaken under interregional cooperation pursuant to Article 2 paragraph 3 (b) of Regulation (EU) No [...] /2013 [ETC]."

Article 8

Innovative Actions in the field of Sustainable Urban Development

1. At the initiative of the Commission, the ERDF may support innovative actions in the field of sustainable urban development in accordance with Article 84 (7) of Regulation (EU) No [...] /2013 [CPR]. They shall include studies and pilot projects to identify or test new solutions to issues relating

to sustainable urban development which are of relevance at Union level. The Commission shall encourage the involvement of relevant partners from the categories referred to in article 5.1 of Regulation (EU) No. [...] /2013 [CPR] in the preparation and implementation of innovative actions.

2. By derogation to Article 4 **of this regulation**, innovative actions may support all activities necessary to achieve the thematic objectives set out in Article 9 of Regulation (EU) No [...] /2013 [CPR] and corresponding investment priorities.
3. **The Commission shall be empowered to adopt delegated acts in accordance with Article 13 laying down detailed rules concerning the principles for the selection and management of innovative actions to be supported.**

Article 10

Areas with natural or demographic handicaps

Operational programmes co-financed by the ERDF covering areas with severe and permanent natural or demographic handicaps referred to in Article 111(4) of Regulation (EU) No [...] /2013 [CPR] shall pay particular attention to addressing the specific difficulties of those areas.

Article 11

Outermost regions

1. The specific additional allocation for the outermost regions shall **not be subject to Article 4 and** be used to offset the additional costs, linked to the **characteristics and constraints** referred **to** in Article 349 of the Treaty **on the Functioning of the European Union**, incurred in the outermost regions in supporting:
 - (a) the thematic objectives set out in Article 9 of Regulation (EU) No [...] /2013 [CPR];
 - (b) freight transport services and start-up aid for transport services;
 - (c) operations linked to storage constraints, the excessive size and maintenance of production tools, and lack of human capital in the local market.
2. The specific additional allocation may also be used to help finance operating aid and expenditure covering public service obligations and contracts in the outermost regions.
3. The amount to which the rate of co-financing applies shall be proportionate to the additional costs referred to in paragraph 1 incurred by the beneficiary in the case of operating aid and expenditure covering public service obligations and contracts only, and may cover the total eligible costs in the case of expenditure for investment.
4. Financing under this Article shall not be used to support:
 - (a) operations involving products falling within Annex I to the Treaty **on the Functioning of the European Union**;
 - (b) aids to transport of persons authorised under Article 107(2)(a) of the Treaty **on the Functioning of the European Union**;
 - (c) tax exemptions and exemption of social charges.
5. By derogation from Article 3(1), points a) and b), the ERDF may support productive investments in enterprises in the outermost regions, irrespectively of their size.
6. **The ERDF part of the special allocation for the outermost region of Mayotte shall not be subject to Article 4 of this Regulation, and at least 50% shall be allocated to the thematic objectives set out in points 1, 2, 3, 4 and 6 of Article 9 of Regulation (EU) No [...] /2013 [CPR].**

Article 11 bis

Northern sparsely populated regions

The specific additional allocation for the Northern sparsely populated regions shall not be subject to Article 4 and shall be allocated to the thematic objectives set out in points 1, 2, 3, 4 and 7 of Article 9 of Regulation EU No..../2013 (CPR).

Chapter IV

Final provisions

Article 12

Transitional provisions

1. This Regulation shall not affect either the continuation or modification, including the total or partial cancellation, of assistance approved by the Commission on the basis of Regulation (EC) No 1080/2006 or any other legislation applying to that assistance on 31 December 2013, which shall consequently apply thereafter to that assistance or the **operations** concerned until their closure.
2. Applications to receive assistance made **or approved** under Regulation (EC) No 1080/2006 shall remain valid.

Article 13

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 6 and 8(3) shall be conferred on the Commission for an indeterminate period of time from 1 January 2014.
3. The delegation of power referred to in Articles 6 and 8(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Articles (6) and 8(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 14

[...]

Deleted

Article 15

Repeal

Without prejudice to the provisions laid down in Article 12, Regulation (EC) No 1080/2006 is hereby repealed **with effect from 1 January 2014.**

References to the repealed Regulation shall be construed as references to this Regulation **and shall be read in accordance with the correlation table set out in Annex X.**

Article 16

Review

The European Parliament and the Council shall review this Regulation by 31 December 2020, in accordance with Article 177 of the Treaty **on the Functioning of the European Union.**

Article 17

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

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

ANNEX

Common output indicators for ERDF support under the Investment for growth and jobs goal [...]

	UNIT	NAME
Productive investment		
	<u>enterprises</u>	<u>Number of enterprises receiving support</u>
	enterprises	Number of enterprises receiving grants
	enterprises	Number of enterprises receiving financial support other than grants
	enterprises	Number of enterprises receiving non-financial support
	enterprises	Number of new enterprises supported
	EUR	Private investment matching public support to <u>enterprises</u> (grants)
	EUR	Private investment matching public support to <u>enterprises</u> (non-grants)
	full time equivalents	<u>Employment increase in supported enterprises</u>
<u>Sustainable Tourism</u>	Visits/ <u>year</u>	<u>Increase in expected number of visits to supported sites of cultural and natural heritage and attractions</u>
ICT Infrastructure	<u>Households</u>	<u>Additional households with</u> broadband access of at least 30 Mbps
Transport		
Railway	km	Total length of new railway line
		of which: TEN-T
	km	Total length of reconstructed or upgraded railway line
		of which: TEN-T
Roads	km	Total length of newly built roads
		of which: TEN-T
	km	Total length of reconstructed or upgraded roads
		of which: TEN-T
Urban transport	<u>km</u>	<u>Total length of new or improved tram and metro lines</u>

	UNIT	NAME
Inland waterways	km	<u>Total length of improved or created inland waterway</u>
Environment		
Solid waste	Tonnes/ year	Additional waste recycling capacity
Water supply	Persons	Additional population served by improved water supply
	[...]	[...]
Wastewater treatment	population equivalent	Additional population served by improved wastewater treatment
Risk prevention and management	persons	Population benefiting from flood protection measures
	persons	Population benefiting from forest fire protection [...] measures
Land rehabilitation	Hectares	Total surface area of rehabilitated land
[...]	[...]	[...]
Nature and biodiversity	Hectares	Surface area of habitats <u>supported to attain a</u> better conservation status
Research, Innovation		
	<u>Full time equivalents</u>	<u>Number of new researchers in supported entities</u>
	Full time equivalents	<u>Number of researchers working in improved research infrastructure facilities</u>
	Enterprises	Number of enterprises cooperating with <u>supported</u> research institutions
	EUR	Private investment matching public support in innovation or R&D projects
	Enterprises	Number of enterprises <u>supported to introduce new to the market products</u>
	Enterprises	Number of enterprises <u>supported to introduce new to the firm products</u>
Energy and Climate change		
Renewables	MW	Additional capacity of renewable energy production

	UNIT	NAME
Energy efficiency	Households	Number of households with improved energy consumption classification
	kWh/year	Decrease of primary energy consumption of public buildings
	Users	Number of additional energy users connected to smart grids
GHG reduction	tonnes of CO ₂ eq	Estimated decrease of GHG [...]
Social infrastructure		
Childcare & education	Persons	[...] <u>C</u> apacity of supported childcare or education infrastructure
Health	Persons	<u>P</u>opulation expected to use improved health services
[...]	[...]	[...]
[...]	[...]	[...]
Urban Development specific indicators		
	Persons	Population living in areas with integrated urban development strategies
	square metres	[...] <u>O</u> pen space <u>created or rehabilitated</u> in urban areas
	square metres	[...] <u>P</u> ublic or commercial buildings <u>built or renovated</u> in urban areas
	square metres	<u>R</u>ehabilitated housing in urban areas