



**EUROPEAN COMMISSION**

DIRECTORATE-GENERAL  
REGIONAL POLICY

DIRECTORATE-GENERAL  
EMPLOYMENT, SOCIAL AFFAIRS and EQUAL OPPORTUNITIES

## **Information note:**

# **Indicative structure for the national strategic reports 2009**

## 1. INTRODUCTION

The more strategic approach under Cohesion Policy for 2007-2013 is reflected in the way that the programmes were conceived in line with the Community Strategic Guidelines and developed through the National Strategic Reference Frameworks, which in turn are linked to the Lisbon National Reform Programmes. This new strategic approach is also reflected in the way that implementation of the programmes is to be reported and discussed through strengthened inter-institutional dialogue with the European Parliament and Council on the delivery and impact of Cohesion Policy.

In summary, the General Regulation provides the following elements for the conception, implementation and reporting on Cohesion Policy programmes:

- the Community Strategic Guidelines for Cohesion, 2007-2013 (adopted by the Council, with assent from Parliament);
- the National Strategic Reference Frameworks (NSRFs) adopted by the Member States;
- adoption by the Commission of the Operational Programmes(OPs);
- annual implementation reports, by OPs, by 30 June each year;
- strategic reporting by Member States by the end of 2009 and 2012;
- presentation by the Commission of a synthesis of the Member States' strategic reports by 1 April in 2010 and 2013;

The key source of information on the progress of the individual OPs remains the annual implementation reports (Article 67 of the General Regulation). In addition, however, the General Regulation now requires national strategic reporting on progress towards achieving the objectives of the policy and on the contribution to the objectives of the Renewed Growth and Jobs Agenda.

In this overall context the Member States strategic reports (2009 and 2012) are a new and important feature of the period leading to the Commission publishing (in 2010 and 2013) a summary of the national reports addressed to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. The aim of this more strategic approach is to increase the transparency and accountability of Cohesion Policy by involving the other European institutions.

In addition to the rationale set out above the Strategic report 2009 take on a new significance in the current economic context. The Commission Communication "*Cohesion policy: investing in the real economy*"<sup>1</sup>, framed in the context of the European Economic Recovery Plan, encouraged Member States to take advantage of the focus and stability of Cohesion policy strategies and programmes and encouraged accelerated delivery. It presented a legislative package designed to improve liquidity, accelerate reimbursement and introduce targeted simplifications. It also promoted the use of existing flexibilities and initiatives within the existing programmes in order to adapt to the changed economic circumstance while keeping a focus on medium and long term challenges. In that Communication the Commission saw the 2009 strategic report "*as an opportunity to report on the early results in delivering the new round of programmes. Those reports take on an added importance in the light of the new economic conditions.*"

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<sup>1</sup> Commission Communication COM(2008) 876/3 "Investing in the real economy"

Finally, the European Parliament has called for early reporting by the Commission on the progress in delivering the “recovery package” while conclusions from formal and Informal Councils of Ministers have included recommendations in relation to strategic reporting under Cohesion Policy<sup>2</sup>.

The legal provisions – presented below – make it clear that the Member States shall define the content of these concise strategic reports. The objective of this information note is to provide an indicative structure to facilitate the task of the national authorities and the task of the Commission in drafting its strategic report in 2010.

## 2. CONTENT OF THE STRATEGIC REPORT 2009

### Article 29(2) and (3) of the Regulation No 1083/2006 (General Regulation)

*2. At the latest by the end of 2009 and 2012, the Member States shall provide a concise report containing information on the contribution of the programmes co-financed by the Funds*

- a) towards implementing the objectives of cohesion policy as established by the Treaty,*
- b) towards fulfilling the tasks of the Funds as set out in this Regulation,*
- c) towards implementing the priorities detailed in the Community Strategic Guidelines on cohesion referred to in Article 25 and specified in the priorities set by the national strategic reference framework referred to in Article 27.*
- d) towards achieving the objective of promoting competitiveness and job creation and working towards meeting the objectives of the Integrated Guidelines for Growth and Jobs (2005-2008) as laid down in Article 9 (3).*

*3. Each Member State shall define the content of the report referred to in paragraph 2 above, with a view to identifying:*

- a) the socio-economic situation and trends;*
- b) achievements, challenges and future prospects in relation to implementation of the agreed strategy; and*
- c) examples of good practice.*

As established in this Article Member States are required to address a range of issues in a concise report. The Commission is providing (in Annex I) an indicative structure for the national reports.

The basic structure proposed in Annex I is derived from Article 29.3 where the Regulations states that the Member States shall define the content with a view to identifying the following:

- the socio-economic situation and trends;
- achievements, challenges and future prospects in relation to implementation of the agreed strategy; and
- examples of good practice.

Within that basic structure it is proposed that the strategic report provide information on the issues raised in Article 29.2.

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<sup>2</sup> Example: Conclusions Competitiveness Council 5-6 March 2009, Key Issues Paper, Para 33 page 17. Link: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/intm/106538.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/106538.pdf)

It is proposed that the public version of the strategic report should include at least the written text of the report and good practices examples – eventually in an annex. The highlight data on financial spend, cumulative commitment to selected operations and programme indicators would be presented in the body of the text (i.e. in commentary to boxes, graphs etc.).

It is proposed that the formal presentation of the strategic reports to the Commission (foreseen through SFC 2007) be accompanied by tables or documents based on the models in Annexes III and IV. The data from the Member States in Annexes III and IV would clearly facilitate the production of the Commission's synthesis report by harmonising the content and presentation of information from Member States.

## **2.1. SOCIO ECONOMIC SITUATION AND TRENDS**

Bearing in mind that the NSRF's were called upon to present "*an analysis of development disparities, weaknesses and potential, taking into account trends in the European and world economy*" the Strategic reports should focus on any major socio-economic changes following the presentation of the NSRFs.

The section dealing with the socio-economic situation should particularly focus on those elements most relevant to the objectives of the programmes including changes in the business environment, the labour market and the social situation, as well as addressing the development of socio economic disparities at the regional level, where relevant.

In this context, the Sixth Progress report, to be published by the Commission in mid-2009, will provide updated statistics on the development of the GNI at NUTS 2 regions as an important point of reference.

Major developments in national and regional policies and any responses to the changing socio-economic conditions should also be summarised and reported.

## **2.2. UPDATE ON THE ACHIEVEMENTS AND FUTURE PROSPECTS IN RELATION TO IMPLEMENTATION OF THE AGREED STRATEGY**

The strategic reports should refer to three primary sources of quantified data linked to reporting on the actual implementation of the Convergence and Regional Competitiveness and Employment programmes on the ground. The Cooperation programmes are dealt with separately at the end of this section.

This can help to meet the objective of reporting on progress toward the objectives of the CSGs, the NSRFs and the Integrated Guidelines on Growth and Jobs.

- Firstly, the Member State should have available an aggregate overview of financial implementation at OP level. By Mid October 2009 the Commission will provide each Member State with an extract from its database on the financial implementation of the OPs. That table will be presented in the format of the EXCEL table in Annex II covering the total programme volume 2007-2013 per OP. The information concerning advance payments made and payments declared to the Commission up to 30 September 2009 will be provided by the Commission. Member States will be invited to complete the column showing aggregate commitments to operations selected under the OPs.

- Secondly, the NSRFs and each individual programme have an agreed set of NSRF or programme indicators linked to context indicators, or outputs, results and impacts<sup>3</sup>. Member States are invited to present relevant quantified data on the actual and expected contribution of the overall NSRF and OPs under the agreed indicators. Whenever relevant and possible, information should be aggregated at national level (in particular in relation to the core indicators). A comparison of achievements with key objectives is desirable.

Key results of any completed evaluations should be included in the analysis. Such evaluations may also relate to activities co-financed under the 2000-2006 funding period or to specific implementation issues, but they may provide useful insights into performance.

- Third, with the notification of the OPs, the Member States have already successfully provided indicative data in the use of the EU financing under a set of 86 "priority themes" (a subset of these priority themes makes up the earmarking categories).. The results of that information exchange effort – in aggregate and at MS level - is presented in the EXCEL table in ANNEX III to this note.

In the 2009 annual reports the Member States shall go an important step further. They shall provide, OP by OP, updated data on the *commitment of EU financing to operations selected* under the OPs. This data will for the first time provide an insight into the programme project pipelines.

However the data in the 2008 Annual reports will only be cumulative up to 31 December 2008. It is therefore proposed that the Strategic report present a national "priority theme" table (covering all 86 categorisation codes) by objective (i.e. convergence and regional competitiveness and employment) in order to give a more recent national overview - updated to 30 September 2009 - for the Commission's Strategic Report in Spring 2010. By providing the spending allocated to selected operations by priority theme as set out in the EXCEL template in ANNEX III, the Member States will:

- be in a position to report on the relative progress in meeting the earmarking targets set during the negotiations (in particular the EU-15) compared to the full range of priority themes;
- allow the Commission to use the national data to draw conclusion at EU level on the overall progress in the implementation of the OPs.

These three sets of data are a valuable source of information for the Member States to be able to report in a quantified way on the progress – both financial and physical (indicators on outputs, results or impacts) - towards the different objectives to be covered by the Strategic reports in the context of the objectives of the NSRF.

The Member States are invited to

- set out summaries of the relevant quantified measures of progress in relation to key NSRF and or programme indicators and progress in allocating EU financing to selected

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<sup>3</sup> For the ERDF Operational Programmes work is ongoing to improve the use and reporting of a limited set of so-called "core indicators" which were identified in the Evaluation Working Document N° 2. However that work will not be fully tested and complete before the 2010 annual reporting exercise.

operations in order to provide an up to date image of progress on implementation of Cohesion Policy on the ground;

- provide the Commission in parallel with more detailed tables on the evaluation indicators, financial progress (OP volume allocated to selected operations) and priority themes.

The Cooperation programmes were not covered by the Member States in the NSRFs. The Commission considers that it would be more appropriate to collect similar quantitative information (on spending, allocations to selected operations and on indicators) on a central basis on the Cooperation programmes rather than ask the Member States to report. The Commission will therefore explore with the managing authorities (and the INTERACT programme) how this information can be collated in parallel to the preparation of the National Strategic reports.

### **2.3. OVERCOMING DIFFICULTIES / DELAYS IN IMPLEMENTING PROGRAMMES**

The Commission is aware that in terms of implementing the 2007-2013 programmes there have been various difficulties which resulted in the delayed launch of the OPs. As a result, the content of the strategic report in relation to quantifying progress - in aggregated financial data and indicators - is likely to be modest. In this respect it is likely that there will be far more to report on in the 2012 report when the OPs shall be at full implementation speed.

In that context the qualitative content of the Strategic Report 2009, the textual presentation of the efforts made to launch the OPs, takes on added importance. The emphasis in the 2009 report should be on the how the initial difficulties are being overcome and providing an insight into the perspectives for delivering the agreed priorities and objectives in the light of the changing global economic conditions.

### **2.4. RESPONSE TO THE PROPOSALS IN THE EUROPEAN ECONOMIC RECOVERY PLAN**

It is proposed, with the cooperation of the Member States, that the scope of the report should extend to provide a first formal report from each Member State on

- the socio economic impact of the crisis – with an emphasis on the impact on the agreed objectives of the programmes – and
- the take up of the measures in the Cohesion Policy Recovery package, as well as on those aspects from the European Economic Recovery Plan which are most relevant for Cohesion Policy (e.g. the temporary state aid framework).

The impact of the recession and the take up of the Cohesion recovery package are to a large extent linked with the delivery of the strategic objectives. The Commission proposes that the most important measures from the Cohesion Policy recovery package (as summarized in Annex IV) be treated in the main body of the Strategic reports. The Member States are also invited to provide specific responses to each of the points in Annex IV to allow the Commission to prepare a separate full report for the EU Institutions on the Cohesion Policy recovery package.

## **2.5. POTENTIAL CHANGES IN THE PRIORITIES OF THE NSRF IN THE CONTEXT OF A CHANGED SOCIO ECONOMIC SITUATION**

There is no express legal obligation to update the NSRF in the light of strategic modifications to the OPs linked to a changed socio-economic situation.

OPs may be modified during the programming period. Such modifications will in any case need to be agreed with the Commission in the light of the strategy defined in the NSRF and the changes that have occurred since its approval (Art 33 of Regulation 1083/2006). Therefore, during the life-time of the programmes, there could be changes in the priorities outlined in the NSRF brought about by changes in the socio-economic situation, the labour market and the wider business climate.

The Strategic reports provide an opportunity (i.e. in the conclusions section) to

- Describe how the strategies set out in the NSRF and OPs will contribute to economic development (i.e. counterbalance the social and economic implications of the crisis).
- Highlight changes to the OPs that have already been made that have implicitly changed the priorities of the NSRF (e.g. in the case of ESF OPs has there been more focus on activation measures).
- Where relevant, identify strategic changes that are needed to the OPs in the light of socio economic changes or tendencies. In such circumstance a well prepared strategic report could in effect provide the reasoning for the modification of OPs.

## **2.6. EXAMPLES OF GOOD PRACTICE**

This section – which may also be annexed to the main report - should include examples of good practice from projects, measures or policies co-financed by the Structural and Cohesion Funds in the 2007-2013 programming period.

It could also be useful to include in the 2009 Strategic Report examples of good practice from the 2000-2006 programmes that are relevant for the 2007-2013 programme strategies.

The Commission proposes that each Member State present at least one good practice example under each of the key pillars of the Community Strategic Guidelines:

- Making Europe and its regions more attractive places in which to invest and work
- Improving knowledge and innovation for growth
- More and better jobs
- The territorial dimension of Cohesion Policy.

It is recommended to select examples, which demonstrate how funding from Cohesion Policy have been used to counterbalance the negative impacts of the economic crisis. The description should include information on achieved or expected results.

In relation to the good examples under the fourth pillar, the objective would be to highlight a good practice that addresses integrated urban development, rural development or other geographic or territorial circumstances.

In Annex V an indicative template is presented which, if followed, would allow the Commission to make the good practice examples available more widely to all interested regional and national authorities, in view of increasing the effectiveness of Cohesion Policy throughout the Union.

### **3. PRESENTATION OF THE NATIONAL STRATEGIC REPORTS**

Article 29 states that the reports should be concise. The length of the body of the strategic report (excluding any annexes, good practice examples etc.) will vary according to the scale of the Cohesion Policy contribution, the range of priority objectives and number of OPs in each Member state.

The body of the reports (word document, etc) should be presented electronically through SFC, by not later than end-December 2009. It should be accompanied by the supporting documents and excel templates examples of which are provided in Annexes.



**ANNEX I**  
**INDICATIVE STRUCTURE OF THE STRATEGIC REPORT**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>A. The socio-economic situation and trends</b>                                                                                                                                                                                                                                                                                                                                                                                                          |          |
| 1. Changes in the socio-economic situation (including the labour market and business environment) in particular in so far as the changes are relevant for the agreed objectives and strategies of the OPs.                                                                                                                                                                                                                                                 | Art 29.3 |
| 2. Developments and trends in socio-economic and territorial disparities, including inter regional disparities below national level.                                                                                                                                                                                                                                                                                                                       | Art 29.2 |
| <b>B. Achievements and future prospects</b>                                                                                                                                                                                                                                                                                                                                                                                                                |          |
| 3. Contribution to the objectives of the NSRF, drawing on quantified data on output and result indicators - achieved or expected – based on the agreed programmes specific indicators.                                                                                                                                                                                                                                                                     | Art 29.2 |
| 4. Results of any evaluations undertaken of cohesion policy programmes and any insights they give to analyse progress towards achieving the objectives of the policy.                                                                                                                                                                                                                                                                                      | Art 29.2 |
| 5. Information at national level on expenditure declared by OP and progress in committing planned allocations to selected operations and (Annex II & III provide templates for reporting). The information on commitments to selected operation by priority theme (by Objective - Convergence and RCE) will allow an assessment of progress in contributing to the Lisbon integrated guidelines by examining commitments to the earmarked priority themes. | Art 29.2 |
| 6. Realised or expected contribution to the tasks of the Funds as set out in Article 3 of the General Regulation and to the priorities detailed in the Community Strategic Guidelines, in particular to the objectives of the strategy as outlined in the National Strategic Reference Framework.                                                                                                                                                          | Art 29.2 |
| 7. Contribution of the ESF to the implementation of guidelines and recommendations under the European Employment Strategy (as set out in Article 2.1 of Regulation No. 1081/2006)                                                                                                                                                                                                                                                                          | Art 29.2 |
| 8. Contribution of the ESF to the relevant objectives and targets of the National Strategy Reports on Social Protection and Social Inclusion and to other community priorities and objectives in the field of education and training.                                                                                                                                                                                                                      | Art 29.2 |
| 9. Contribution expected or realised to other priorities of the National Reform Programmes under the Lisbon agenda.                                                                                                                                                                                                                                                                                                                                        | Art 29.2 |
| <b>C. Progress and challenges in implementation of the agreed priorities and strategy</b>                                                                                                                                                                                                                                                                                                                                                                  |          |
| 10. Summary of the main measures taken, difficulties overcome to accelerate implementation of the 2007-2013 programmes on the ground (e.g. preparation of project pipeline and elaboration of major projects).                                                                                                                                                                                                                                             | Art 29.3 |
| 11. Major developments in relevant national and regional policies                                                                                                                                                                                                                                                                                                                                                                                          |          |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| (relevant public service reforms, development in public expenditure plans, etc.)                                                                                                                                                                                                                                                |          |
| 12. Contribution of Cohesion Policy OPs to the response to European Economic Recovery Plan. To assist in a consistent presentation to the proposals and recommendations of the Cohesion policy related measures see the list of questions in Annex IV.                                                                          |          |
| <b>D. Examples of good practice</b>                                                                                                                                                                                                                                                                                             |          |
| 13. See Section 2.6 of this note and Annex V for a template.                                                                                                                                                                                                                                                                    | Art 29.3 |
| <b>E. Conclusions</b>                                                                                                                                                                                                                                                                                                           |          |
| 14. Overall conclusions on <ul style="list-style-type: none"> <li>a. the anticipated socio-economic trends,</li> <li>b. the real and expected contribution of Cohesion policy</li> <li>c. the continuing relevance of the NSRF / OP strategies and</li> <li>d. coherence of and synergies between agreed priorities.</li> </ul> |          |

**ANNEX II**  
**TABLE PRESENTING FINANCIAL PROGRESS BY OPERATIONAL PROGRAMME**  
**(UP TO 30/09/2009)**

See separate Excel Sheet

**ANNEX III**  
**TABLE PRESENTING NATIONAL FINANCIAL ALLOCATIONS**  
**BY OBJECTIVE, BY PRIORITY THEME TO OPERATIONS SELECTED**

1. Table to be provided by objective – (1) Convergence and (2) Regional Competitiveness and Employment.
2. See separate Excel Sheet for the template and available data at EU, Member state and Objective level on priority theme allocations in the Ops.
3. Column 3 of table 1 in the Excel table in annex is to be completed based on data from the Managing Authorities up to 30/09/2009 on the financial allocations per priority theme to selected operations.

## ANNEX IV

### INDICATIVE QUESTIONS ON THE NATIONAL RESPONSES TO THE EUROPEAN ECONOMIC RECOVERY PLAN

The following indicative set of questions is presented to help with the consistent presentation of the different national responses to the economic downturn and the follow-up to the European Economic Recovery Plan measures relating to Cohesion Policy – as set out in Commission Communication COM(2008) 876 "Investing in the real economy".

The questions relate to new legislative provisions under Cohesion Policy (**highlighted in bold**) and other recommendations linked to existing initiatives and flexibilities under existing programmes or related policy areas.

A summary of the main elements arising under the recovery package can be incorporated in Section B of the indicative structure in Annex II of this document. The Member States have agreed to provide detailed answers to the questions in this annex, where relevant / possible, separately to the Commission to allow the preparation of a detailed report on the recovery package.

1. Financing:

- a. **Are advances made under Cohesion Policy (2007-2009) being used to pre-finance operations on the ground? To public authorities? To enterprises or other economic operators?**
- b. **Is expenditure incurred on major projects being declared while submissions to the Commission are pending?**
- c. **Are advances under state aid schemes to SMEs paid and declared to the Commission for reimbursement?**
- d. Is frontloading of planned investment over the Period 2007-2013 being implemented?
- e. Is the use of flexibility in the existing programmes to modulate the rate of the EU contribution to projects (up to 100% of the eligible costs) being used?

2. Simplification of categories of eligible expenditure:

Are your authorities using or planning to use

- a. **Indirect costs declared on a flat-rate basis?**
- b. **Flat-rate costs calculated by application of standard scales of unit cost?**
- c. **Lump sums to cover all or part of the costs of an operation?**

If use has been made of these categories of expenditure, please provide:

- Information on types of operations where the use of these categories of expenditure is made.
- Information on the (estimated) amount paid out by the beneficiaries and included in payment claims sent to the managing authority;

3. Enlarging or adjusting the priorities of OPs

- a. What measures under the four priority areas outlined in the Communication (people, business, infrastructure and energy; research and innovation) are being accelerated or adjusted? Are other adjustments necessary to the initially planned measures in order to

meet new or different needs? What is the likely impact of these actions? Higher numbers of beneficiaries than anticipated? New needs identified?

In particular,

- b. **Are OPs being amended to open the scope of actions to energy efficiency and renewable energies in housing? If yes, what amount has been (will be) allocated to these measures? What kinds of operations are concerned?**
  - c. Are JEREMIE-type access to finance instruments to benefit SMEs being accelerated or expanded? What is the expected total financial volume? And the EU co-financing?
  - d. Have capacity building priorities to reinforce within public authorities their ability to plan, implement, monitor and control OPs been modified or reinforced?
4. Simplifying the national / regional implementation mechanisms
- a. What national measures have been taken to accelerate the implementation of OPs? Clarifying procedures? Revised guidance or national legislation? Simplified procedures?
  - b. Is it necessary to simplify provisions in the adopted programmes through formal modification to speed up deliver mechanisms?
5. Use of possibilities under the Temporary state aid framework:  
Is it planned, following Commission state aid approval, to use Cohesion Policy funds to finance
- a. Schemes implementing the “Compatible limited amount of aid” up to €500 000,?
  - b. State guarantees for loans at a reduced premium?
  - c. Loans interest subsidies, in particular for the production of green products (meeting environmental protection standards early or going beyond such standards)?
6. Public Procurement  
Within Operational Programmes, is use being made of accelerated public procurement procedures, reducing the overall time limit of the procedure from 87 days to 30 days?

**ANNEX V**  
**INDICATIVE TEMPLATE FOR EXAMPLES OF GOOD PRACTICE**

|                                            |                                                                                                                                                       |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country:                                   |                                                                                                                                                       |
| Region:                                    |                                                                                                                                                       |
| Operation, scheme, policy:                 | Title                                                                                                                                                 |
| Duration:                                  | (Historic or planned)                                                                                                                                 |
| Objective:                                 | Convergence/ Competitiveness / ETC                                                                                                                    |
| Funding:                                   | Total Cost :           €xxx<br>EU contribution :   €xxx<br>National               €xxx<br>Regional               €xxx<br>Private                 €xxx |
| Contact :                                  | Name:<br>Organisation:<br>Address:<br>Email:<br>Internet:                                                                                             |
| Operation / policy description:            | Overall objectives – description of activities – beneficiaries – expected impact (or actual results)                                                  |
| Strategic Context:                         | Background information – link to challenge being addressed by operation / policy                                                                      |
| Operation / policy design/ implementation: | Design – management - monitoring – innovation or good practice elements                                                                               |