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; general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

2011/0276(COD) - 13/12/2017 - Follow-up document

The Commission presented a 2017 strategic report on the implementation of the European Structural and Investment Funds (ESIF).

This report provides the first strategic overview of the implementation of the 2014-2020 ESI Funds programmes which run until the end of 2023. It summarises Member States' implementation and progress reports, covering the years 2014 to 2016.

With a budget of **EUR 454 billion for 2014-2020**, the ESI Funds are the EU's main tool for investment. The current generation of programmes has incorporated significant reforms and more funding than ever before is now concentrated in areas of highest EU value added, such as employment, social inclusion, skills, research and innovation, the environment or the low-carbon economy.

The ESI Funds provide **better framework conditions for investment –** through *ex ante* conditionalities, the alignment with country-specific recommendations, the reinforced performance framework and better synergies with other instruments.

Putting this ambitious new approach into practice in Member States and regions required time and resources in the start-up phase. The Commission has assisted, and will **further support Member States in complying with new regulatory requirements** and adapting to new challenges in a number of ways, including through advisory services, capacity building, training and sharing of good practice and other measures.

The main conclusions of the report are as follows:

- around **2 million projects** have been selected all over Europe, amounting to **EUR 182 billion** or 28.4 % of the total investment planned in 2014-2020 The EU contribution to these projects is an estimated EUR 128 billion;
- **793 490 businesses** are being supported and 7.8 million people have been helped so far in their search for a job, training, or education;
- about EUR 181.4 billion in investments are planned in **RD&I, ICT and SME competitiveness** in 2014-2020. At the end of 2016, projects worth EUR 50.3 billion had been selected, representing 28 % of the planned total allocation;

- around EUR 168.3 billion, especially from the European Social Fund ('ESF'), will be invested in **employment, social inclusion and education**. At the end of 2016, projects amounting to EUR 48.7 billion had been selected, representing 29 % of the planned total allocation;
- the ESI Funds channel EUR 262.2 billion in key areas for **sustainable development**. By the end of 2016 about 28 % or EUR 73.2 billion was allocated to concrete projects;
- about 20 % of the total agricultural area is covered by climate and environment related actions following investments to improve biodiversity, soil and water management;
- the ESI Funds are the EU’s main instrument to **foster integrated territorial development** in Member States and regions. More than 3 800 urban and territorial strategies are receiving dedicated EU support.

The results of the 2016 monitoring exercise and the latest data available at the end of October 2017 show that with a total amount of project selection now worth EUR 278 billion, representing 44 % of the total financing available for the period, the implementation of the ESI Funds has taken off and is reaching **cruising speed**. Payments are expected to further accelerate in the coming months.

The report shows that while progress is significant across most Member States and policy areas, a **number of challenges still remain such as investments in ICT, the low-carbon economy and support to administrative capacity building for authorities and beneficiaries**. More effort is needed to ensure that quality projects are selected and effectively implemented.

Member States need to make sure that the committed funds are **disbursed** while maintaining the positive progress in project selection.