

Study on the use of ERDF/CF common indicators by Member States in the 2021-2027 period and possibility of using common indicators in a system of “payments not based on costs”

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Background and purpose

- 1) Taking stock of 2021-2027 common indicator use across ERDF/CF/JTF programmes – following an extensive take-up of common indicators (over 80%), compared to 2014-2020, and detailed methodological underpinning developed during negotiations – a great, collaborative experience with Greek programmes.
- 2) Looking towards the future, this study also offers a way forward using elements of our current, robust indicator system in a performance-based delivery system. Elements of this study have been used to inform the Commission's proposal for the new performance framework of NRRP's.

First Objective: the study assesses the **use of ERDF/CF/JTF common indicators in 2021-2027** from a quantitative and qualitative perspective.

It identifies **challenges** in managing data, **potential changes** in indicator scope.

Sub-task 1A

Sub-task 1B

Second Objective: the study evaluates the **feasibility of using ERDF/CF/JTF common indicators** for a **system of payment based on milestones and targets**, similar to the one used in RRF.

Sub-task 2A

Sub-task 2B

Sub-task 1A

QUANTITATIVE
ANALYSIS
(all indicators)

Sub-task 1B

QUALITATIVE
ANALYSIS
(Selected indicators +
Programmes)

Sub-task 2A

COMPARATIVE
ANALYSIS

Quantitative
analysis

Qualitative
analysis

Comparative
analysis

Set of 43
indicators
suitable as
payment
triggers

Sub-task 2B

**Admissibility
and Feasibility
checks on 43
selected indicators**

Indicators were
combined to cover
different areas of
ERDF/CF/JTF
interventions
**(Intervention
Action Matrices)**

**Stakeholder
analysis**

Strengths of using common indicators for FNLC

Methodological **homogeneity & comparability**

- ✓ Comparability across Member States (within parameters of indicators)
- ✓ Well-defined methodologies ensure more reliable data collection and reporting

Coverage and Flexibility of common indicator system

- ✓ Coverage of a broad range of intervention actions
- ✓ Ex-post evaluations confirm their adaptability and effectiveness
- ✓ Strong applicability across various policy area

Reliability of the common indicator system

- ✓ Widely used and well-known among Managing Authorities
- ✓ Ease of implementation due to administrative familiarity

ERDF/CF common indicators address the weaknesses identified by the ECA in relation to the RRF model

- ✓ Unlike the RRF model (often based on inputs or output), ERDF/CF common indicators provide a **more robust basis for performance measurement**;
- ✓ The variety of common result indicators allows also for a more **effective assessment of interventions** and their actual contribution to overarching policy goals.

Weaknesses of using common indicators for FNLC

Heterogeneity in indicator use

- ✓ High variability in how indicators are used across programmes
- ✓ Complex / inconsistent associations with interventions lead to cost variability

Complexity of Result Indicators

- ✓ More challenging to measure and verify than output indicators
- ✓ Require ex-post tracking, increasing administrative burden
- ✓ Often assess intangible outcomes (e.g., behavioural changes)

FNLC reimbursement flow, certain types of common indicators are not suitable for reimbursement at lower level:

- ✓ **Process-based Common Output Indicators** → (i) Difficulty in identifying the output triggering payment (ii) Issues in financial flow alignment at both levels (i.e., lower and upper level)
- ✓ **Indicators that do not allow for intermediate deliverables at the lower (project) level** → there are indicators such as RCO34 - additional capacity for waste recycling which is “indivisible” at the lower level (i.e., when tied to a single operation)
- ✓ **Population coverage indicators often relying on statistical data** → this implies that programmes may need to assess the achievement of these indicators only at an aggregate level rather than tracking them at the level of individual operations.

Potential use of ERDF/CF common indicators
with a FNLC framework

Investment Action Matrices (IAM) as basis for the development of performance-based delivery model with FNLC

The overall logic of the IAM

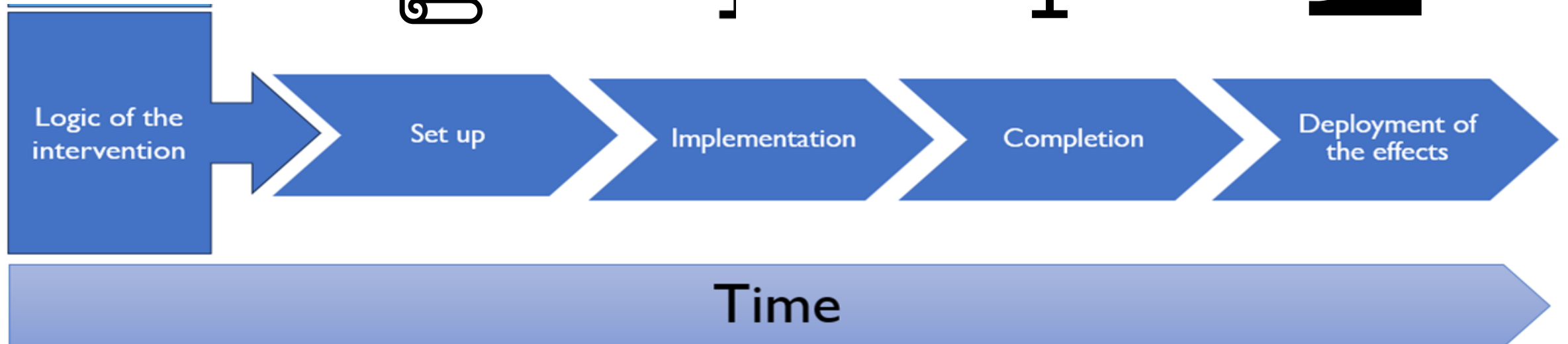
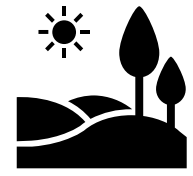
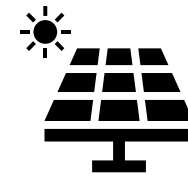
- a) Balanced risk allocation
- b) Comprehensive lifecycle coverage
- c) Focus on results

The main features of the exercise

- Based on the **indicator analysis already achieved in Task 1: primarily admitted indicators** (i.e., admissibility check)
- Each matrix covers a specific type of intervention.
- We developed **42 IAMs covering 4 POs**, also providing alternatives for some intervention actions.
- A first attempt of transforming the IAMs into FNLC schemes was also made.

Example of a matrix

Type of operation	Process indicator	Output indicator 1/2	Output indicator 2/2	Result indicator
Energy efficiency in housing	Awarding of the public procurement contract	RCO18 - Energy: Dwellings with improved energy performance (50%)	RCO18 - Energy: Dwellings with improved energy performance (100%)	RCR29 - Climate: Estimated GHG emissions



Matrix of POI (Innovation/competitiveness)

Intervention Action	Related SO	Indicator 1 (input/process indicator)	Indicator 2 (Common output indicator)	Indicator 3 (Common result indicator)	Option
Skills, advanced support and incubation	1.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR03 - RTDI: SMEs introducing product or process innovation	First-choice option
R&I cooperation and technological transfer	1.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR03 - RTDI: SMEs introducing product or process innovation	First-choice option
R&I cooperation and technological transfer	1.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR102 - RTDI: New researchers	Second-choice option
R&I in enterprises	1.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR102 - RTDI: New researchers	First-choice option
R&I in enterprises	1.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR03 - RTDI: SMEs introducing product or process innovation	Second-choice option
E-government	1.2	Awarding of the public procurement contract	RCO14 - Digital: Public institutions supported for Digital	RCR11 - Digital: users of new and upgraded public digital services	First-choice option
E-inclusion	1.2	Awarding of the public procurement contract	RCO14 - Digital: Public institutions supported for Digital	RCR11 - Digital: users of new and upgraded public digital services	First-choice option
E-health	1.2	Awarding of the public procurement contract	RCO14 - Digital: Public institutions supported for Digital	RCR11 - Digital: users of new and upgraded public digital services	First-choice option
Digital connectivity	1.2	Awarding of the public procurement contract	RCO14 - Digital: Public institutions supported for Digital	RCR11 - Digital: users of new and upgraded public digital services	First-choice option
Business development and support	1.3	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR01 - Jobs created in supported entities	First-choice option
Business development and support	1.3	Publication of the call for proposals to deliver the grant or service scheme	RCO05 - Firms: New Enterprises	RCR01 - Jobs created in supported entities	Second-choice option
Circular economy	1.3	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR01 - Jobs created in supported entities	First-choice option
Innovation and cooperation	1.3	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR01 - Jobs created in supported entities	First-choice option
Entrepreneurship and SME survival	1.3	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR01 - Jobs created in supported entities	First-choice option
Digital connectivity	1.5	Awarding of the public procurement contract	RCO 41 - Digital: Add. dwellings with broadband of v high capacity	RCR 53 - Digital: Dwellings with broadband to vhc network	First-choice option

IAM Matrix: PO2 (green)

Intervention Action	Related SO	Indicator 1 (input/process indicator)	Indicator 2 (Common output indicator)	Indicator 3 (Common result indicator)	Option
Energy efficiency in enterprises	2.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR26 - Energy: Annual primary energy consumption	First-choice option
Energy efficiency in enterprises	2.1	Publication of the call for proposals to deliver the grant or service scheme	RCO02 - Firms: Grant aided	RCR29 - Climate: Estimated GHG emissions	Second-choice option
Energy efficiency in housing	2.1	Awarding of the public procurement contract	RCO18 - Energy: Dwellings with improved energy performance	RCR26 - Energy: Annual primary energy consumption	First-choice option
Energy efficiency in housing	2.1	Awarding of the public procurement contract	RCO18 - Energy: Dwellings with improved energy performance	RCR29 - Climate: Estimated GHG emissions	Second-choice option
Energy efficiency in public infrastructure	2.1	Awarding of the public procurement contract	RCO19 - Energy: Public buildings with improved energy performance	RCR26 - Energy: Annual primary energy consumption	First-choice option
Energy efficiency in public infrastructure	2.1	Awarding of the public procurement contract	RCO19 - Energy: Public buildings with improved energy performance	RCR29 - Climate: Estimated GHG emissions	Second-choice option
Renewable energy (solar, wind biomass, other)	2.2	Publication of the call for proposals to deliver the grant or service scheme / Awarding of the public procurement contract	RCO22 - Renewable Energy Capacity	RCR29 - Estimated GHG Emission	First-choice option
Nature and biodiversity protection	2.7	Awarding of the public procurement contract	RCO36 - Env: Green infrastructure (not related to climate change)	RCR95 - Env: Pop. with access to green infrastructure	First-choice option
Clean urban Transport	2.8	Awarding of the public procurement contract	RCO57 - Urban Trans: rolling stock for public transport	RCR29 - Climate: Estimated GHG emissions	First-choice option

IAM Matrix: PO3 (transport)

Intervention Action	Related SO	Indicator 1 (input/process indicator)	Indicator 2 (Common output indicator)	Indicator 3 (Common result indicator)	Option
Railway	3.1	Awarding of the public procurement contract	RCO49 - Rail: Length of rail reconstructed or modernised - TEN-T	RCR58 - Road: Annual users railways	First-choice option
Railway	3.1	Publication of the call for proposals to deliver the grant or service scheme	RCO47 - Rail: Length of new or upgraded rail - TEN-T	RCR58 - Road: Annual users railways	Second-choice option

IAM Matrix: PO4 (social)

Intervention Action	Related SO	Indicator 1 (input/process indicator)	Indicator 2 (Common output indicator)	Indicator 3 (Common result indicator)	Option
Infrastructure for primary and secondary education	4.2	Awarding of the public procurement contract	RCO67 - Education: Classroom capacity of education facilities	RCR71 - Education: Annual users of education facilities	First-choice option
Infrastructure for tertiary education	4.2	Awarding of the public procurement contract	RCO67 - Education: Classroom capacity of education facilities	RCR71 - Education: Annual users of education facilities	First-choice option
Infrastructure for vocational education	4.2	Awarding of the public procurement contract	RCO67 - Education: Classroom capacity of education facilities	RCR71 - Education: Annual users of education facilities	First-choice option

Conditions for the effective use of common indicators in a future FNLC system

Adjusting the common indicator design for FNLC performance-based compatibility.

- The existing indicator framework should be adjusted to better align with FNLC payment mechanisms, particularly concerning **aggregation rules and double counting**.
- The **timing of data collection** and the issuance of supporting documentation should be explicitly defined, especially for energy efficiency and renewable energy indicators.
- When using multiple indicators in combination, clear guidelines should be established to **prevent double counting** and to maintain consistency in financial flows.
- Consideration should be given to developing **additional qualitative intermediate deliverables to bridge the gap between output completion and final result achievement**, ensuring smoother financial flows in FNLC schemes.

Conditions for effective use in a performance-based delivery system

- Using **common indicators in combination**
- Considering monitoring of indicators as an additional (eligible) cost
- Enhanced verification and adjustment mechanisms
- Designing FNLC through common indicators as a **collaborative and adaptive** programming approach

Next steps

- Publication is planned for November 2025

Thank you for your attention.