**DG COMP Note to the members of the SAM Working Group**

A recent report prepared by the Commission confirms that the 2016 budgetary implementation of the European Structural and Investment Funds (ESIF) was characterised by significant under-execution of payment appropriations[[1]](#footnote-1). ESIF stakeholders suggest that the delay in the execution of ESIF operations is due to the complexity of the regulatory and procedural environment which project promotors and the management authorities are facing.

In order to remedy the situation, it is important to identify the main obstacles standing in the way of the smooth implementation of ESIF operations.

To help the Commission services in their efforts to speed up the execution of ESIF operations in the next funding period, we would ask the members of the Working Group for their views on the following two points:

1. Stakeholders blame the delay in the execution of OPs on a range of factors. Please find below a list of the main "obstacles" mentioned by stakeholders as factors responsible for the delay in the implementation of ESIF operations. Please could you ask your managing authorities to rank the factors in accordance with the extent to which they can be held responsible for the delays in the implementation of ESIF operations (please put "1" for the factor that, according to you, contributes most to the delay in the execution of ESIF operations, "2" for the second most important factor explaining the delays, etc.).

□ The need to respect public procurement rules

□ The need to comply with environmental rules

□ Requirements imposed by State aid rules

□ Inconsistency between State aid rules and ESIF rules

□ Complexity of the CPR and the fund-specific regulations

□ Ex ante conditionality requirements

□ Delays in the certification/designation of national authorities

□ Amount of legislative texts and guidance

□ Lack of tailor-made guidance for the implementation of operations

□ Competition from other Union Funds

□ Auditing and controlling requirements

□ Lack of central coordination and support body at national/regional level

□ Other (please specify)………………………………………………

1. Please provide concrete examples (case-studies) of inconsistencies between EU State aid rules and ESIF rules in which the State aid rules concerned acted as an obstacle to the implementation of an ESIF operation. Please explain why, in that case, the State aid rule in that operation was not justified.
2. In order to ensure that the discussion on the role played by State aid policy in the implementation of ESIF operations takes place on the basis of correct factual information, DG COMP has carried out an analysis of the data submitted by Member States in the context of the ongoing annual reporting (Scoreboard) exercise, and more in particular of the data on the expenditure on State aid that is co-financed by ESIF. The results of this analysis are presented in the note attached. We would welcome any comments you may have on the data presented in the note, especially for your Member State. More in particular, would you consider that the annual data on the amounts of State aid that is co-financed and the percentage share of such expenditure in total annual ESIF payments reflects the situation in your Member State correctly?

1. European Commission, Analysis of the budgetary implementation of the European Structural and Investment Funds in 2016, May 2017, available at <http://ec.europa.eu/budget/library/biblio/publications/2016/AnalysisOfTheEuropeanStructuralAndInvestmentFundsIn2016_en.pdf> [↑](#footnote-ref-1)