



An introduction to **EU Cohesion Policy** 2014-2020

| June 2014

Cohesion
Policy

→ What is Cohesion Policy?

Cohesion Policy is the EU's main investment policy

It targets all regions and cities in the European Union in order to support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life.

Cohesion Policy has a strong impact in many fields

The investments help to deliver many other EU policy objectives. It complements EU policies such as those dealing with education, employment, energy, the environment, the single market, research and innovation. In particular Cohesion Policy provides the necessary investment framework and strategy to meet our agreed growth goals (Europe 2020 Strategy – ec.europa.eu/eu2020).

By 2020 the EU aims to meet five concrete objectives – on employment, innovation, education, social inclusion, and climate/energy. Each Member State has adopted its own national targets in these areas.

In order to reach these goals and address the diverse development needs in all EU regions, EUR 351.8 billion – almost a third of the total EU budget – has been set aside for Cohesion Policy for 2014-2020.

Cohesion Policy underpins European solidarity

The bulk of Cohesion Policy funding is concentrated on less developed European countries and regions in order to help them to catch up and to reduce the economic, social and territorial disparities that still exist in the EU.

Overall financial impact

Cohesion Policy is a catalyst for further public and private funding, not only because it obliges Member States to co-finance from the national budget, but since it also creates investor confidence.

Taking into account national contributions and other private investment, the impact of Cohesion Policy for 2014-2020 is expected to be about EUR 450 billion.

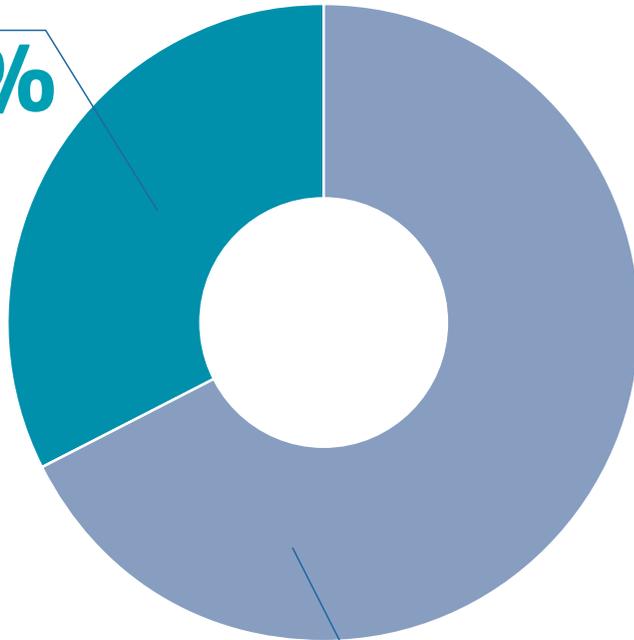
→ What are the key achievements*?

OVERALL EU BUDGET 2014-2020

TOTAL: **€ 1082 billion**

32.5%

Cohesion Policy
funding
€ 351.8 bn



67.5%

Other EU policies:
agriculture, research,
external, etc.
€ 730.2 bn

Creating jobs and growth

- ▶ Income has increased in the poorest EU regions with GDP per capita growing in these areas from 60.5 % of the EU average in 2007 to 62.7 % in 2010.
- ▶ An estimated **594 000 new jobs** were created from 2007 to 2012.

Investing in people

- ▶ Every year, around **15 million people** take part in the thousands of projects co-financed by the European Social Fund (ESF) across the EU.
- ▶ **2.4 million participants** in ESF actions supporting access to employment **found a job within 6 months** (2007-2010).

Supporting enterprises

- ▶ **198 000** small and medium-sized enterprises (SMEs) received direct investment aid.
- ▶ **77 800** start-ups were supported.
- ▶ **262 000** jobs were created in SMEs.

Strengthening research and innovation

- ▶ **61 000** research projects have been supported.
- ▶ **5 million** more EU citizens were covered by broadband connectivity.
- ▶ **21 000** new long-term research jobs were created.

Improving the environment

- ▶ **Water supply systems** have been modernised, benefiting **3.2 million citizens**.
- ▶ **9 400 projects** improved the sustainability and attractiveness of towns and cities.

Modernising transport

- ▶ **1 200 km of roads** and **1 500 km of railway line** have helped to establish an efficient trans-European transport network (TEN-T).

**Unless otherwise stated, data are for the period 2007-2012.*

→ How does it work?

How funding is delivered

Cohesion Policy is delivered through **three main funds**.

- ▶ **European Regional Development Fund (ERDF):** aims to strengthen regional economic and social cohesion by investing in growth-enhancing sectors to improve competitiveness and create jobs. The ERDF also finances cross-border co-operation projects.
- ▶ **European Social Fund (ESF):** invests in people, with a focus on improving employment and education opportunities. It also aims to help disadvantaged people at risk of poverty or social exclusion.
- ▶ **Cohesion Fund:** invests in green growth and sustainable development, and improves connectivity in Member States with a GDP below 90% of the EU-27 average.

Together with the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), they make up the **European Structural and Investment (ESI) Funds** (ec.europa.eu/esif).

Setting the right objectives

The Commission works with the Member States and the regions to draw up Partnership Agreements and Operational Programmes outlining investment priorities and development needs. Programmes are managed, and individual projects selected, by Managing Authorities in the Member States.

Channelling the Funds

- ▶ Managing Authorities select individual projects. If the total cost of a project is over EUR 50 million, it is subject to approval by the Commission.
- ▶ The Commission makes funding available at the beginning of each year to allow the countries to start investing in projects.
- ▶ The expenditure certified by national authorities is paid out by the Commission.
- ▶ Programmes are constantly monitored. This includes on-the-spot audits and checks by the Commission and the Member State. Both must submit reports throughout the 7-year budgetary period.

What's new for 2014-2020?

- ▶ **Stronger focus on results:** clearer and measurable targets for better accountability.
- ▶ **Simplification:** one set of rules for five Funds.
- ▶ **Conditions:** introduction of specific preconditions before funds can be channelled.
- ▶ **Strengthened urban dimension and fight for social inclusion:** a minimum amount of ERDF earmarked for integrated projects in cities and of ESF to support marginalised communities.
- ▶ Link to **economic reform:** the Commission may suspend funding for a Member State which does not comply with EU economic rules.

→ What are the priorities?

Cohesion Policy has set **11 thematic objectives** supporting growth for the period 2014-2020.

→ **Investment from the ERDF** will support all 11 objectives, but **1-4 are the main priorities** for investment.

→ **Main priorities for the ESF** are **8-11**, though the Fund also supports 1-4.

→ **The Cohesion Fund** supports objectives 4-7 and 11.



1. Strengthening research, technological development and innovation



2. Enhancing access to, and use and quality of, information and communication technologies



3. Enhancing the competitiveness of SMEs



4. Supporting the shift towards a low-carbon economy



5. Promoting climate change adaptation, risk prevention and management



6. Preserving and protecting the environment and promoting resource efficiency



7. Promoting sustainable transport and improving network infrastructures



8. Promoting sustainable and quality employment and supporting labour mobility



9. Promoting social inclusion, combating poverty and any discrimination



10. Investing in education, training and lifelong learning



11. Improving the efficiency of public administration

→ Who benefits?

Cohesion Policy benefits all EU regions

The level of investment reflects the development needs of the Member States. Regions are categorised according to their Gross Domestic Product (GDP) as **more developed**, **transition** or **less developed**. Depending on this, the Funds can provide between 50% and 85% of the total financing of a project. The remaining financing can come from public (national or regional) or private sources. The overarching aim of the Policy is to make Europe's regions and cities more competitive, fostering growth and creating jobs.

Who can apply?

Potential beneficiaries include public bodies, enterprises (especially SMEs), universities, associations, NGOs and voluntary organisations.

Applications for funding should be submitted to the national or regional authority managing the relevant programme.

European Territorial Cooperation

Cohesion Policy encourages regions and cities from different EU Member States to work together and learn from each other through joint programmes, projects and networks with concrete impacts on every aspect of economic life, including innovation, accessibility, education, business, employment or the environment.

Cross-border, transnational and interregional programmes receive funding through the ERDF. People living outside the EU's borders also benefit through the Instrument for Pre-Accession Cross-Border Cooperation programmes.

International cooperation can also take place through a 'macro-regional strategy', an integrated framework that addresses common challenges faced by Member States and third countries in defined geographical areas. There are currently two macro-regional strategies: the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region; a third is to be adopted by the end of 2014 (the EU Strategy for the Adriatic and Ionian Region) and a fourth by the end of 2015 (the EU Strategy for the Alpine Region).

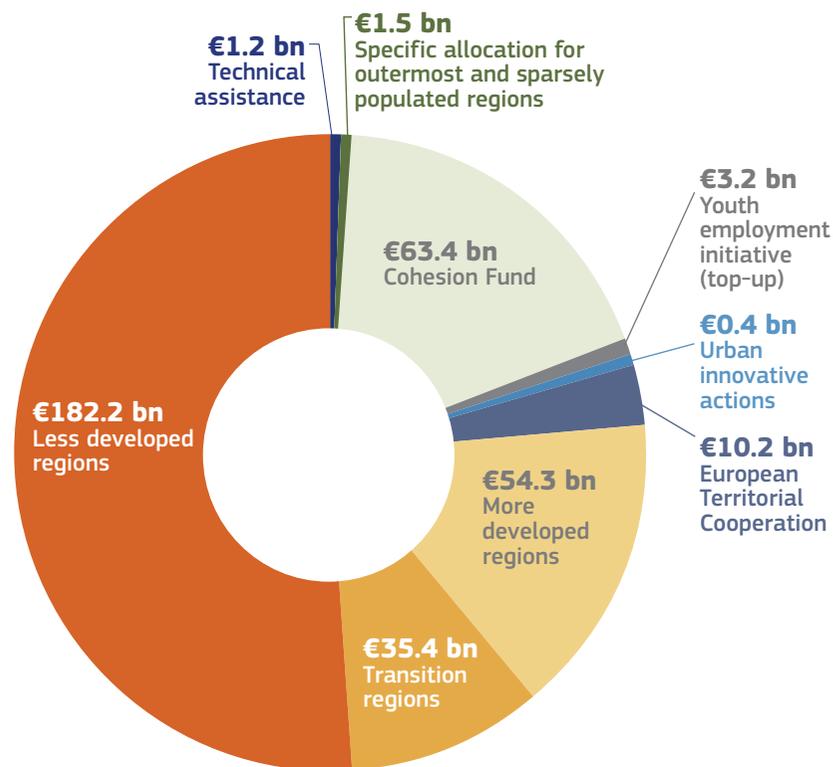
Crisis support

Cohesion Policy has responded quickly and effectively to the crisis with a vital degree of flexibility – **redirecting funding where it is most needed** and investing in key sectors for growth and job creation. Also, **targeted reductions in the national co-financing requirements** and frontloading of financial allocations to Member States in crisis provided much needed liquidity at a time of budgetary constraint.

In the case of a **major natural disaster**, Member States can also apply for help through the European Union Solidarity Fund (EUSF), which can be mobilised up to a maximum annual total of EUR 500 million.

→ Cohesion Policy through time

COHESION POLICY FUNDING 2014-2020 (€ 351.8 billion)



- **1957** First mention of regional differences in the Treaty of Rome.
- **1958** European Social Fund set up.
- **1975** Creation of the European Regional Development Fund.
- **1986** Legal basis for 'Regional Policy' established in The Single European Act.
- **1988** To adapt to the accession of Greece (1981), Spain and Portugal (1986), the Structural Funds are integrated into an overarching 'Cohesion Policy'. Budget: ECU 64 bn.
- **1993** Maastricht Treaty introduces the Cohesion Fund, the Committee of the Regions and the principle of subsidiarity.
- **1994-1999** Doubling of the resources for the Funds to equal a third of the EU budget.
- **1995** Special objective added to support the sparsely-populated regions of Finland and Sweden.
- **2000** 'Lisbon Strategy' shifts the EU's priorities towards growth, jobs and innovation.
- **2000-2006** The priorities for this period are targeted to reflect the Lisbon Strategy's goals. Pre-accession instruments make funding and know-how available to countries waiting to join the EU.
- **2004** Ten new countries join, increasing the EU's population by 20%, but its GDP by only 5%. Specific budget allocated for the new Member States (2004-06).
- **2007-2013** 30% of the budget earmarked for environmental infrastructure and measures to combat climate change, and 25% for research and innovation.
- **2014-2020** New programming period introduces simplified common rules and a better focus on outcomes and results. EUR 351.8 bn budget has a particular focus on 11 thematic objectives to help deliver Europe 2020 goals.

→ Where can I find more information?

EU Cohesion Policy on the web



<http://ec.europa.eu/esf/>



https://twitter.com/@EU_Regional
https://twitter.com/EU_social



www.yammer.com/regionetwork
Regional Policy collaborative platform



www.flickr.com/euregional



www.facebook.com/socialeurope



Inforegio website
http://ec.europa.eu/regional_policy



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Managing Authorities

On the Inforegio and the ESF websites you will find the [contact details](#) of the national authorities responsible for managing Cohesion Policy funding in your region. The Managing Authorities also have their own websites, where detailed information about projects in your region and how to apply for funding is available.

European Commission Representations

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