



EU Regional Policy: an overview

EJA WP6

Specialised Social Services

Workshop

Guiding Principles for Specialised Social Services

6-7th December, Zalau, Romania

What is EU Regional Policy?

Regional policy is the vehicle for delivering regional aid

Biggest slice of the EU budget which helps:

- poorer regions catch up
- areas undergoing economic change to restructure
- with the realisation of most other Community policies

What is its purpose?

The EU is one of the world's most prosperous economic zones

But huge disparities exist among the 271 EU regions – weakens the EU's dynamism

Hence the political goal of reducing the gaps in development

How does it do this?

Regional policy interventions to reduce disparities and promote economic convergence are spread through 3 funds:

ERDF: European Regional Development Fund

ESF: European Social Fund

and...

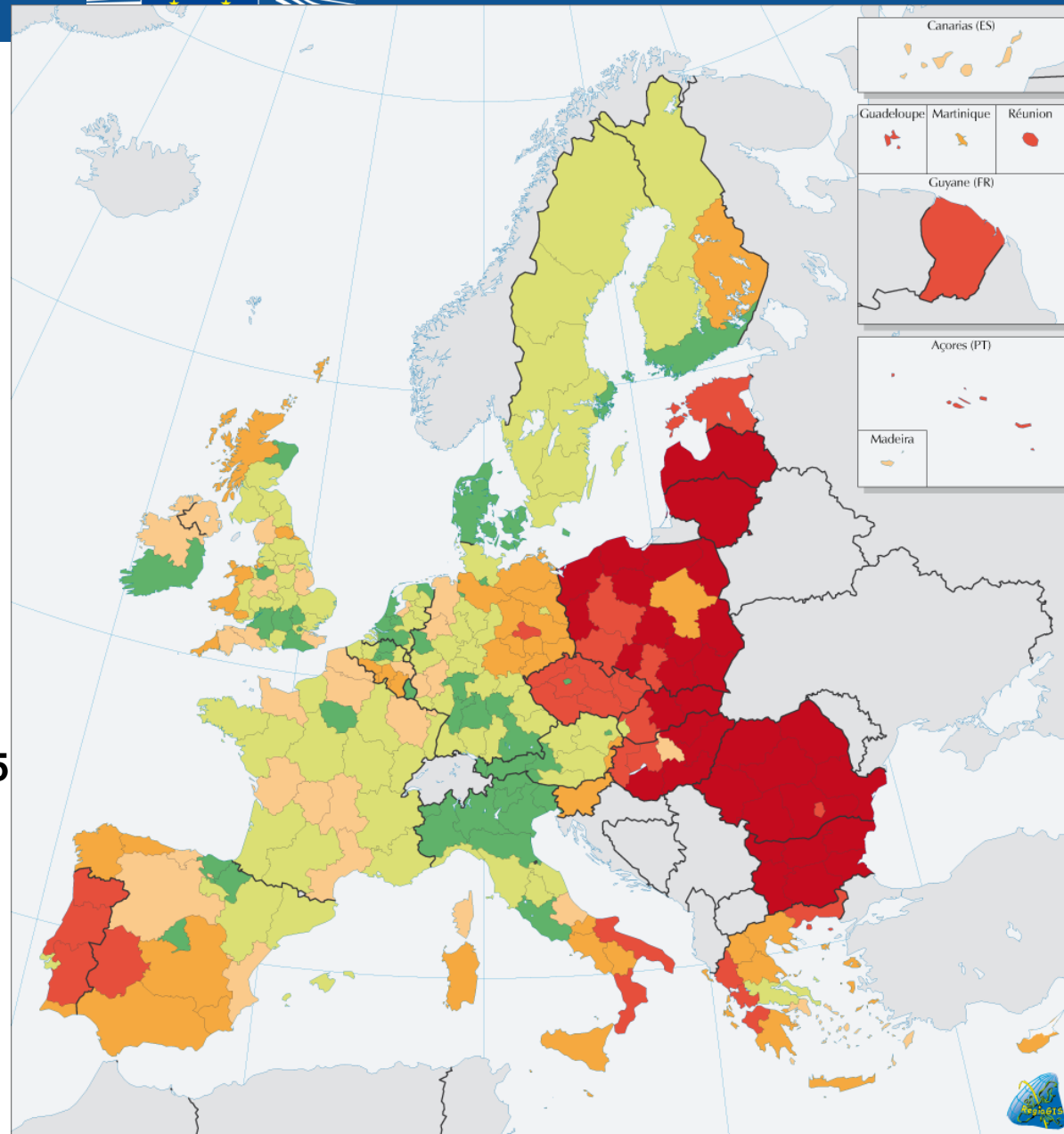
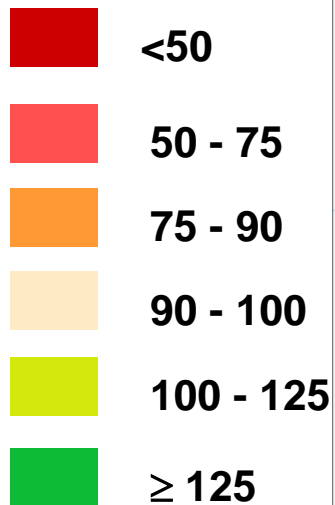
Cohesion Fund (applies to MS with <90% average GNI and covers the new member states as well as Greece and Portugal. Spain is eligible on a transitional basis)

....financing thousands of project across Europe each year



Differences in development in the EU-27

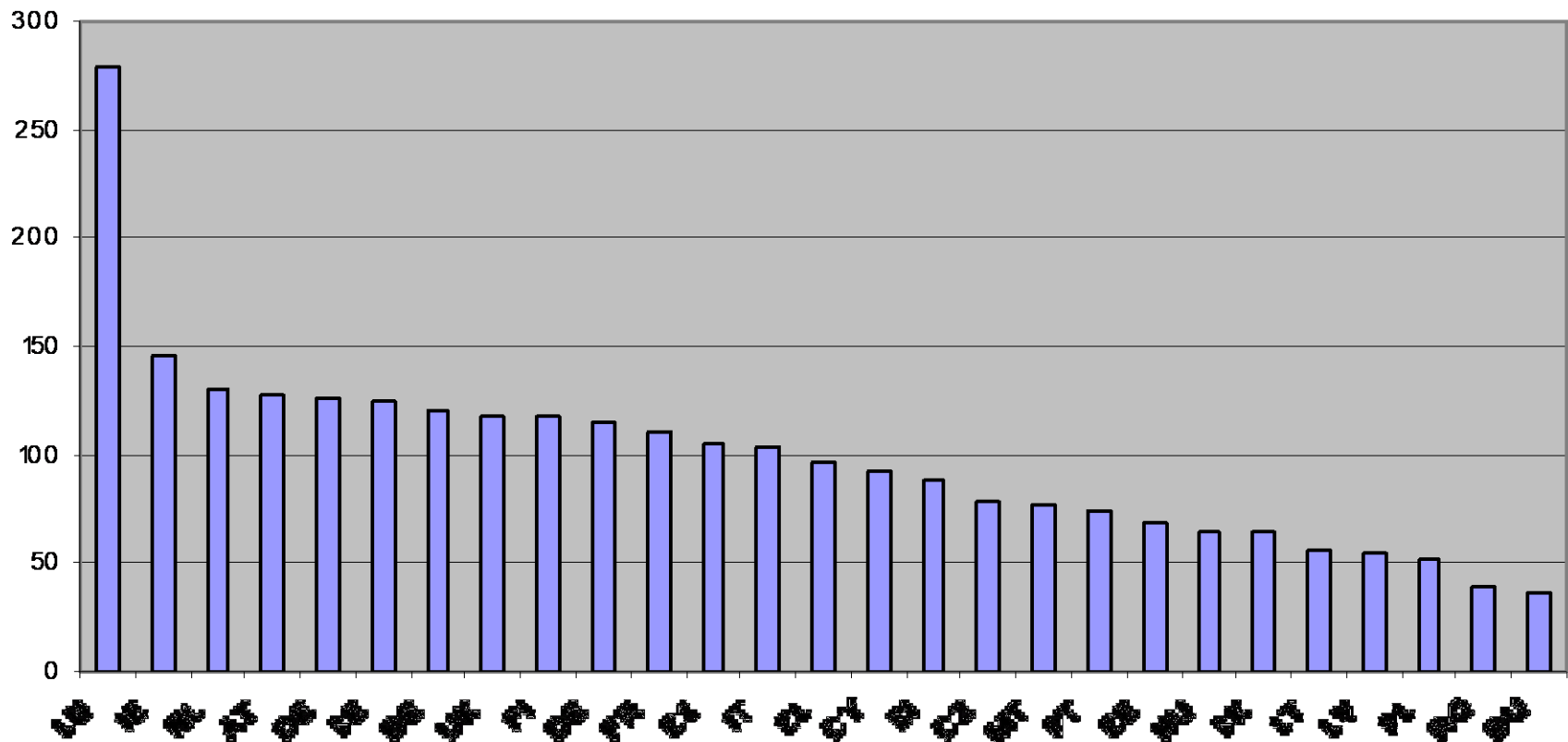
*GDP per head as a % of the
community average*



EU 27 Member States GDP per capita in PPS in 2006

Source: Eurostat structural indicators

EU 27= 100



Disparities across the European Union

	Hi	Lo	Ratio
GDP per cap (% EU27 average)	Luxembourg 251%	Bulgaria 33%	7.6*
Population	Germany 82.5 million	Malta 404,000	204

****In US, this difference is only 2.5 and Japan
2***

EU Budget 2007-2013

COMMITMENT APPROPRIATIONS BY HEADING	<i>In billion of EUR, at 2004 prices</i>	<i>In %</i>
1a. Competitiveness for growth and employment (<u>research, innovation, competitiveness</u>)	72.1	8,4%
1b. Cohesion for growth and employment (regional policy)	307.6	35,7%
2. Preservation and management of natural resources (<u>Common Agricultural Policy, rural development, environment</u>)	371.2	43,1%
<i>of which market-related expenditure (CAP)</i>	293.1	34,0%
3. Citizenship, freedom, security and justice (<u>internal policies; public health, asylum, immigration</u>)	10.3	1,2%
4. The EU as a global partner (<u>humanitarian and development aid</u>)	50.0	5,8%
5. Total administrative expenditure	50.3	5,8%
6. Compensations Bulgaria and Romania (after accession expected in 2007)	0.8	0,1%
Total commitments	862.4	100
In % of EU-27 GNI	1.045%	

What does the EU citizen get for this?

The three funds target:

ERDF (€201 billion): regional development, economic decline in industrial or rural areas, competitiveness and co-operation

(ESF) (€76 billion): employment, social inclusion and tackling discrimination

Cohesion Fund (€70 billion): environment and transport

with overarching aim of “boosting growth and employment”

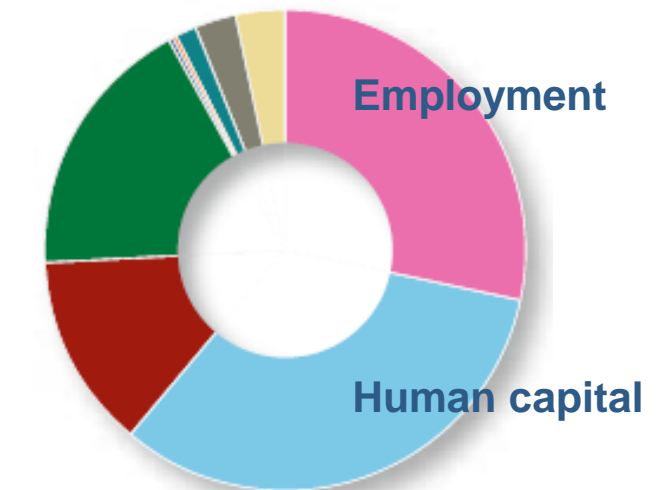
What do we spend the money on?

European Regional Development Fund and Cohesion Fund (€271 billion)



- Information society
- Social infrastructure
- Energy
- Tourism
- Culture
- Institutional capacity

European Social Fund (€76 billion)



- Adaptability of workers and firms
- Social inclusion
- Capacity building
- Technical assistance

Does this fit with other EU priorities?

Boosting growth and employment central to the wider EU agenda – “Lisbon Strategy”

Lisbon is the EU’s blueprint for competitiveness and sustainable growth

Prioritises:

- increasing levels of innovation to help businesses move up the value chain
- Bringing more of Europe’s population into employment

Who gets what?

Convergence 81.9% (regions lagging behind the most)

Competitiveness 15.7%





Territorial co-operation 2.4%

Total budget €347bn, which will unlock up to €700bn

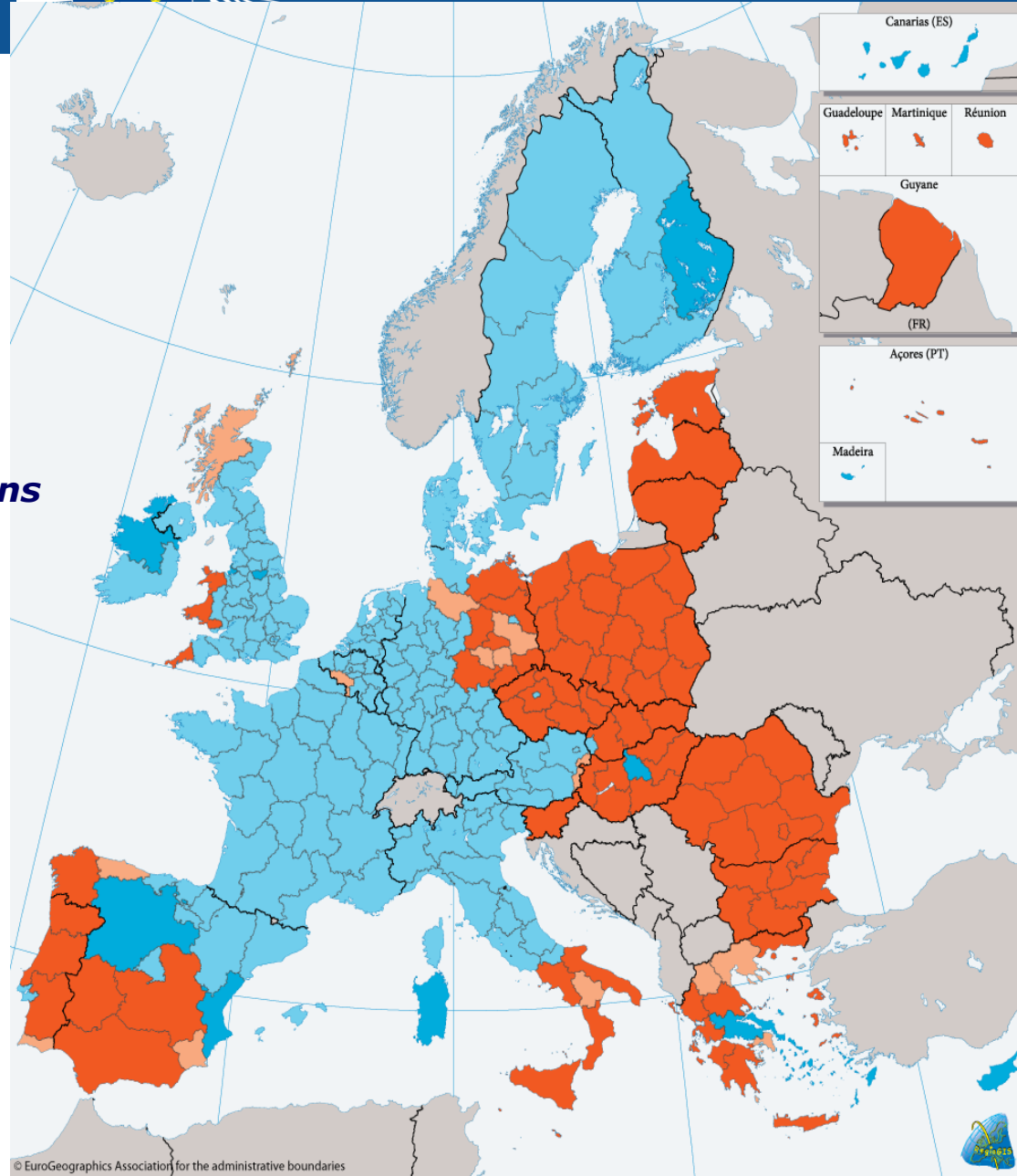
***A method based on what works: Programming, Partnership
and Decentralised Management***



Geographical Eligibility for Structural Funds Support 2007-2013

-  **Convergence objective**
(Regions < 75% in EU 25)
-  **Convergence objective**
statistically affected regions
-  **Objective 'Regional Competitiveness and Employment'**
Phasing-in regions, "naturally" above 75%
-  **Objective 'Regional Competitiveness and Employment'**

Index EU 25 =
100



Who can apply for funds?

Huge range of potential recipients:

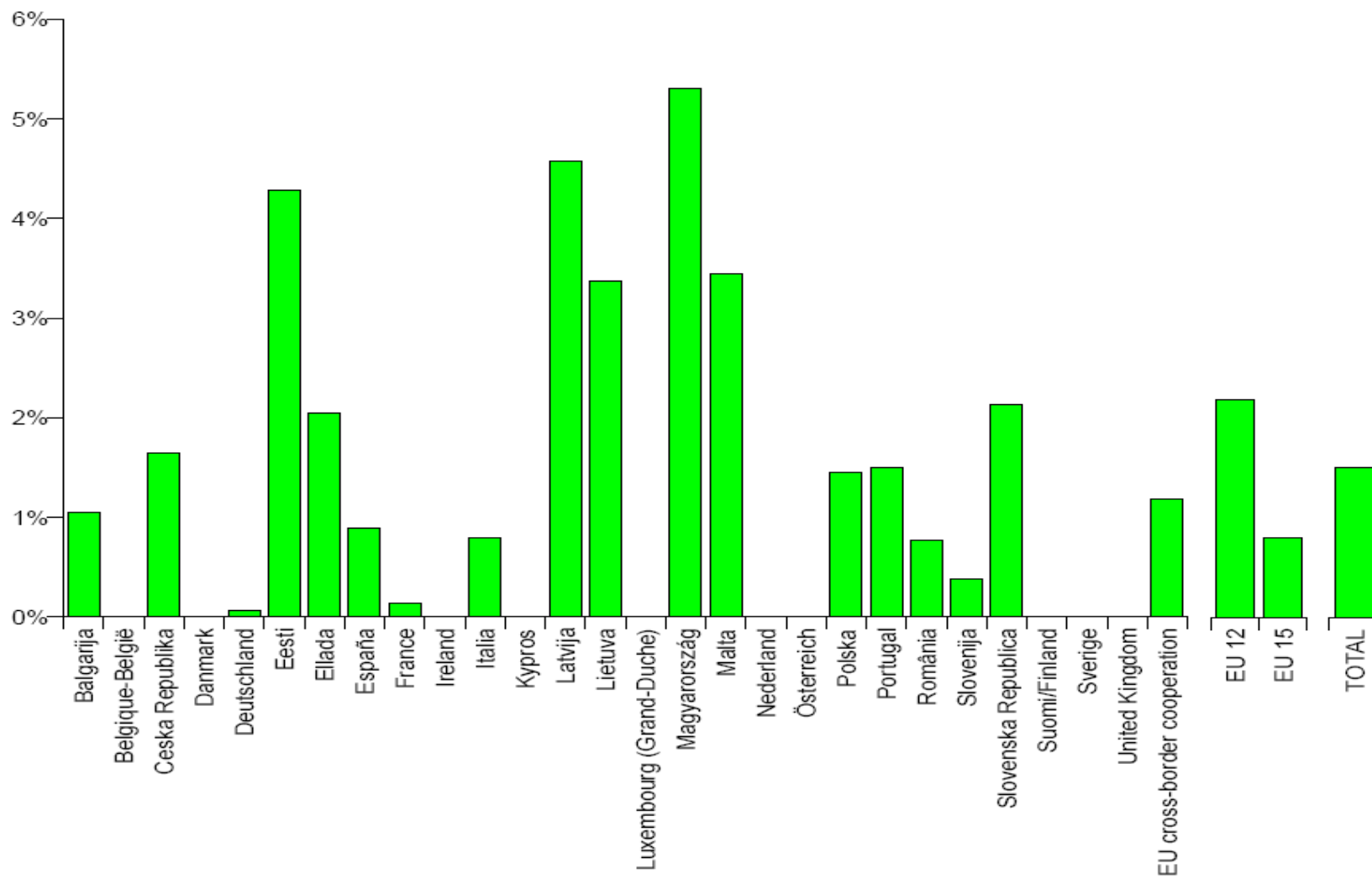
- **Businesses including SMEs**
- **Public bodies**
- **Associations**
- **Voluntary groups**

*All projects considered if meet selection criteria of
managing authority of relevant programme*

Compulsory publication of beneficiary lists

Health

Objective	Community Amount (€)	Health infrastructure amount (€)	Health infrastructure
Convergence	281,316,597,521	4,828,554,914	1.7%
Regional Competitiveness and Employment	55,173,775,952	263,681,778	0.5%
European Territorial Cooperation	7,831,459,588	93,126,341	1.2%
TOTAL	344,321,833,061	5,185,363,033	1.5%



Results of EU Cohesion Policy

(figures from 2000-2006 period)



8400 km of rail built or improved



5100 km of road built or improved



Access to clean drinking water for 20 million more people



Training for 10 million people each year



Over 1 million jobs created



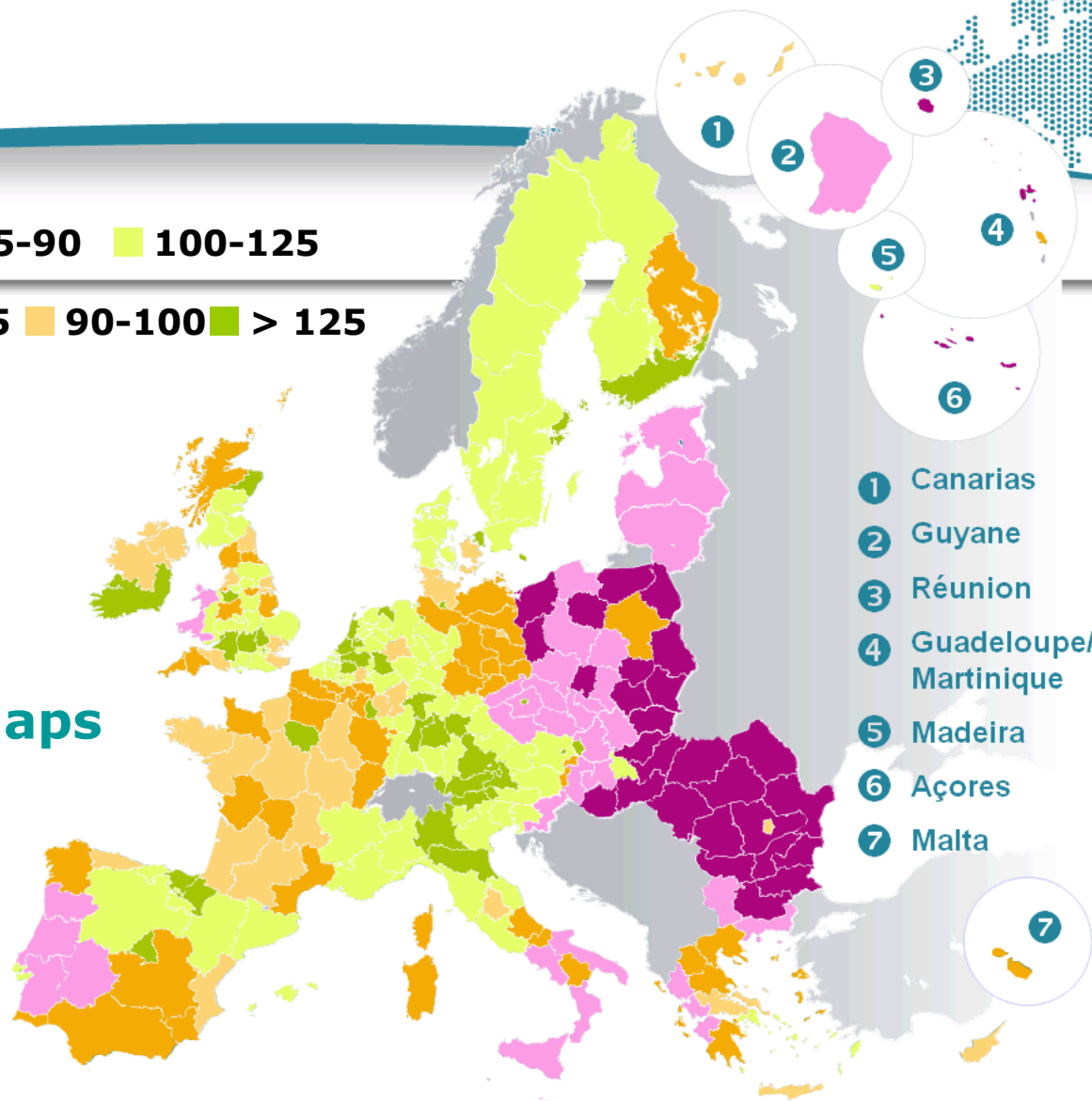
GDP/capita up 5 % in newer Member States

GDP/capita* ■ < 50 ■ 75-90 ■ 100-125

***index EU27=100** ■ 50-75 ■ 90-100 ■ > 125

**Average
2006 – 2007 –
2008**

► **Closing these gaps
remains a key
objective**



Regional GDP figures: 2006-07-08

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Proposed EU budget 2014-2020

*"Ambitious but realistic" proposals issued by the
Commission
in June 2011 for the Multiannual Financial
Framework (MFF) 2014-2020*



Reinforcing effectiveness and performance

Focus on results

Common & programme-specific indicators, reporting, monitoring & evaluation

Performance framework for all programmes

Clear and measurable milestones and targets

Performance reserve

5 % of national allocations (by Member State, fund and category of region)

Ex-ante conditionality

Ensuring conditions for effective investment are in place

Macro-economic conditionality

Alignment with new economic governance

A menu of thematic objectives

Research & innovation

Information and communication technologies (ICT)

Competitiveness of Small and Medium-sized Enterprises (SMEs)

Shift towards a low-carbon economy

Climate change adaptation & risk prevention and management

Environmental protection & resource efficiency

Sustainable transport & removing bottlenecks in key network infrastructures

Employment & supporting labour mobility

Social inclusion & combating poverty

Education, skills & lifelong learning

Institutional capacity building & efficient public administrations

European Social Fund (ESF)

Fully in line with the Europe 2020 strategy

Promoting employment & supporting labour mobility

Investing in education, skills & life-long learning

Promoting social inclusion & combating poverty

Enhancing institutional capacity & efficient public administration

Reinforced social dimension

20 % of ESF allocations for social inclusion

Greater emphasis on fighting youth unemployment

Mainstreaming & specific support for gender equality & non-discrimination

Cohesion Fund

Supports Member States with GNI/capita < 90 % of EU27 average

Investing in environment

Climate change adaptation and risk prevention

Water and waste sectors

Biodiversity including through green infrastructures

Urban environment

Low carbon economy

Investing in transport

Trans-European Transport Networks (TEN-T)

Low-carbon transport systems and urban transport

Simplification

Common rules - funds covered by Common Strategic Framework

Cohesion Policy, rural development and maritime & fisheries policy

Option of multi-fund programmes

ERDF, ESF and Cohesion Fund

Streamlined delivery system

Harmonised rules on eligibility and durability

Greater use of simplified costs

Linking payments with results

e-Cohesion: "one stop shop" for beneficiaries

Proportional approach to control

An investment-oriented policy

Promoting the use of innovative financing instruments

Extending scope to all areas of investment

Clearer regulatory framework

10 % bonus for innovative financing instruments & community-led development

A range of options offering flexibility to programme managers

Maximum co-financing rates

75-85 % in less developed and outermost regions

60 % in transition regions

50 % in more developed regions

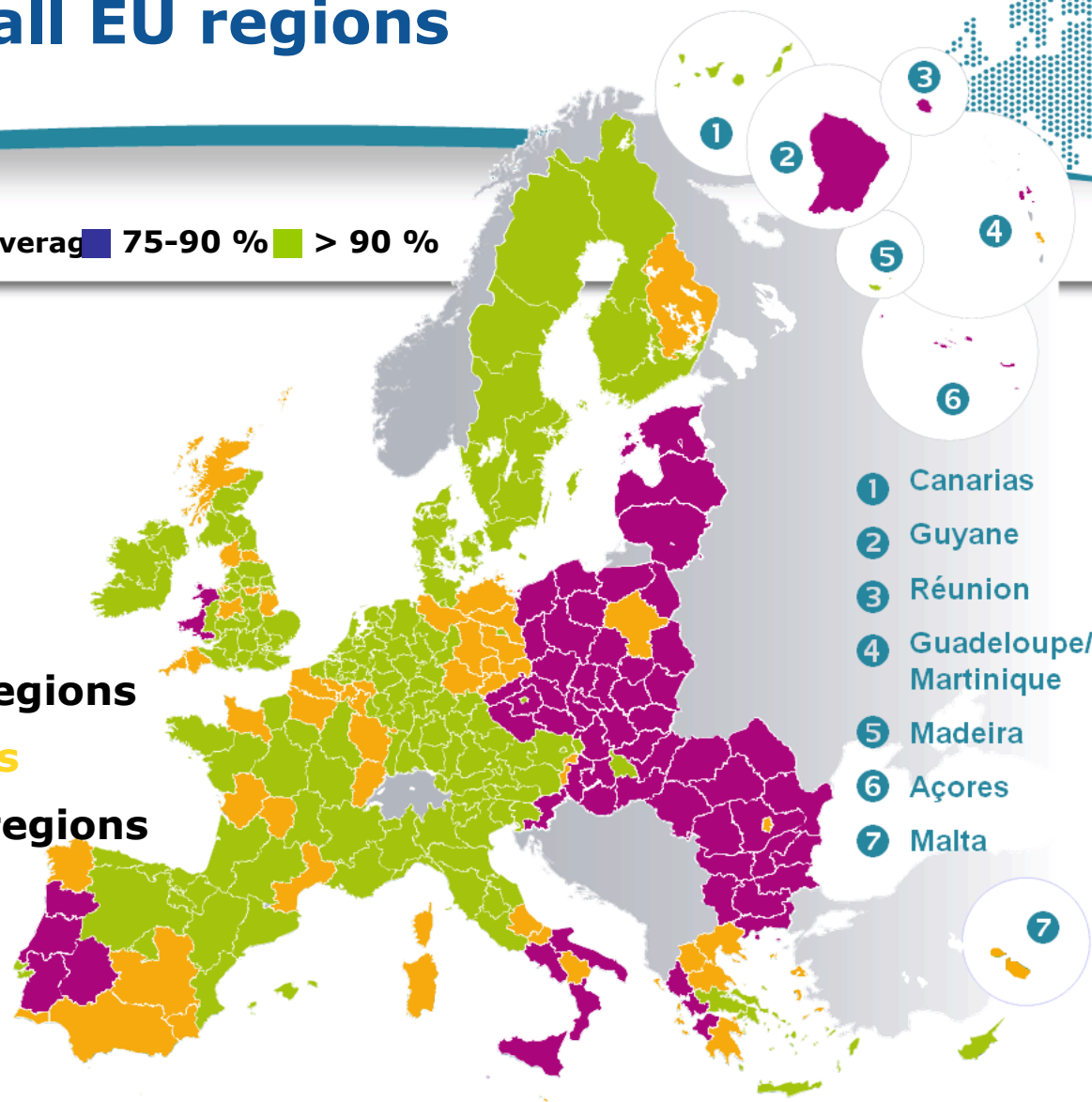
A fair system for all EU regions (eligibility simulation)

GDP/capita* ■ < 75 % of EU average ■ 75-90 % ■ > 90 %

*index EU27=100

3 categories of regions

- Less developed regions
- Transition regions
- More developed regions



Regional GDP figures: 2006-07-08
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European
Commission

Timeline

**5th Report
on Economic,
Social and
Territorial
Cohesion &
public
consultation**

**Proposals
for Cohesion
Policy
2014-2020**

**Agreement
on MFF and
adoption of
new legislative
package**

**March
2010**

**Nov.
2010**

**June
2011**

**Oct.
2011**

**March
2012**

2012 – 2013

2014

**Adoption of
Europe 2020
Strategy**

**Proposal by the
Commission for
a Multiannual
Financial
Framework
(MFF)**

**Common
Strategic
Framework**

**Entry into
force and
adoption of
programmes**

