



European Regional Development Fund Opportunity Events

Overview European Structural and Cohesion Funds

Andrew Luff
Structural Funds Expert Adviser
(Former Head of European Structural Funds
East of England, United Kingdom)

Presentation Structure

Overview – Structural Cohesion Funds 2007-13 (& 2014-20)

1. Funds and Objectives
2. Regulatory Framework
3. Strategic Context
4. National Member State Approaches
5. Operational Programmes
6. Application Process (Selection of Operations)
7. Eligibility and Audit
8. Overview SCF Proposals 2014-20
9. Questions/Discussion

EU Financial Framework 2007-13

Expenditure ceilings by heading – updated 2011

Commitment appropriations	2007	2008	2009	2010	2011	2012	2013	Total 2007- 2013
1. Sustainable Growth	53.979	57.653	61.696	63.555	63.974	66.964	69.957	437.778
1a. Competitiveness for Growth and Employment	8.918	10.386	13.269	14.167	12.987	14.203	15.433	89.363
1b. Cohesion for Growth and Employment	45.061	47.267	48.427	49.388	50.987	52.761	54.524	348.415
2. Preservation and Management of Natural Resources	55.143	59.193	56.333	59.955	60.338	60.810	61.289	413.061
of which: market related expenditure and direct payments	45.759	46.217	46.679	47.146	47.617	48.093	48.574	330.085
3. Citizenship, freedom, security and justice	1.273	1.362	1.518	1.693	1.889	2.105	2.376	12.216
3a. Freedom, Security and Justice	637	747	867	1.025	1.206	1.406	1.661	7.549
3b. Citizenship	636	615	651	668	683	699	715	4.667
4. EU as a global player	6.578	7.002	7.440	7.893	8.430	8.997	9.595	55.935
5. Administration	7.039	7.380	7.525	7.882	8.334	8.670	9.095	55.925
6. Compensations	445	207	210					862
Total commitment appropriations	124.457	132.797	134.722	140.978	142.965	147.546	152.312	975.777
as a percentage of GNI	1,02%	1,08%	1,16%	1,18%	1,16%	1,13%	1,12%	

Budget heading 1b. Regional Policy – Strengthening economic potential across the EU – Structural and Cohesion Funds (SCF).

The Funds



- **ERDF – European Regional Development Fund**
 - Infrastructure less well developed areas
 - Support to economic change and competitiveness
 - Territorial co-operation
- **European Social Fund**
 - Adaptability of workers and enterprises
 - Enhance access to employment & participation
- **Cohesion Fund**
 - Member states GNI <90% EU average
 - Environment & Trans European Transport networks

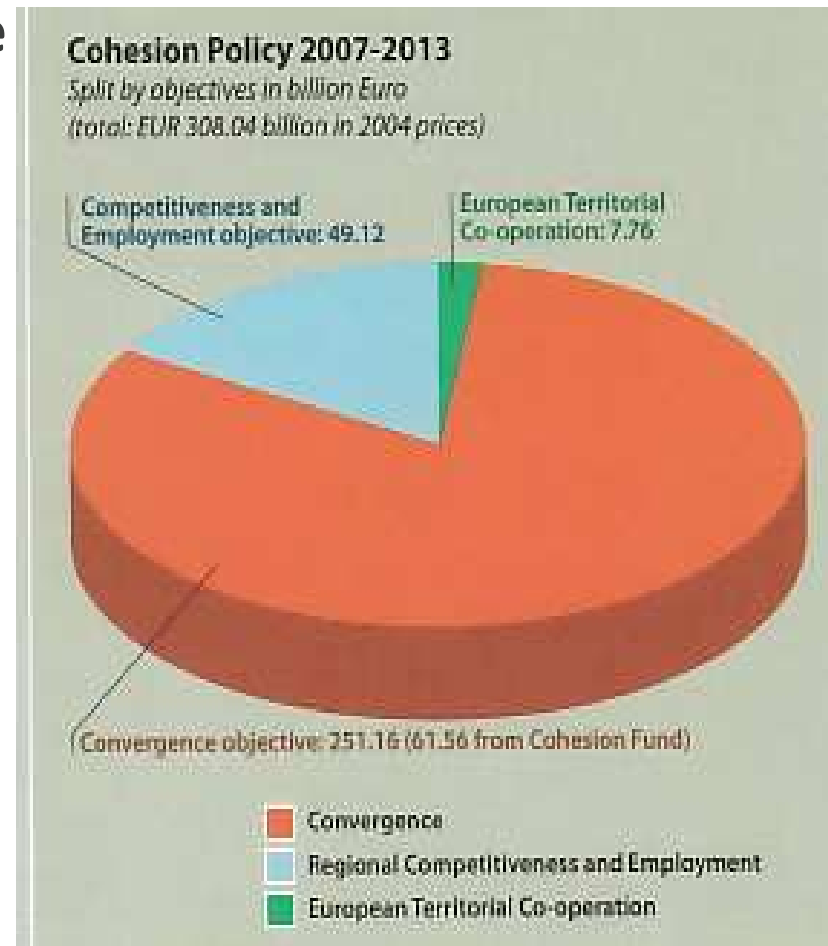
Regional Policy – Structural & Cohesion Fund Objectives

Objective 1 – (81.6%) Convergence

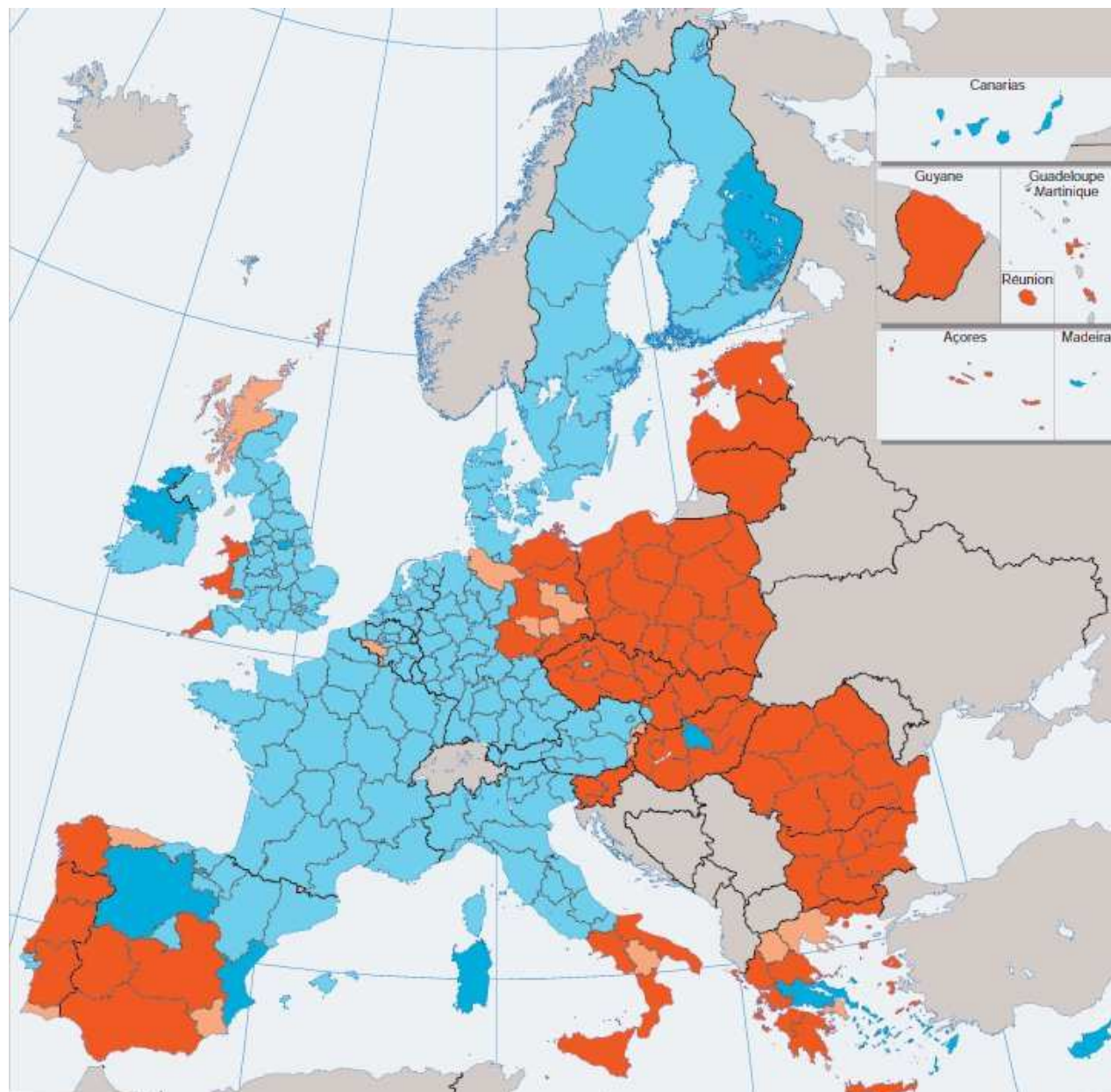
Objective 2 – (15.9%) Regional Competitiveness and Employment

Objective 3 - (2.5%) European Territorial Co-operation

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		



Convergence & Competitiveness

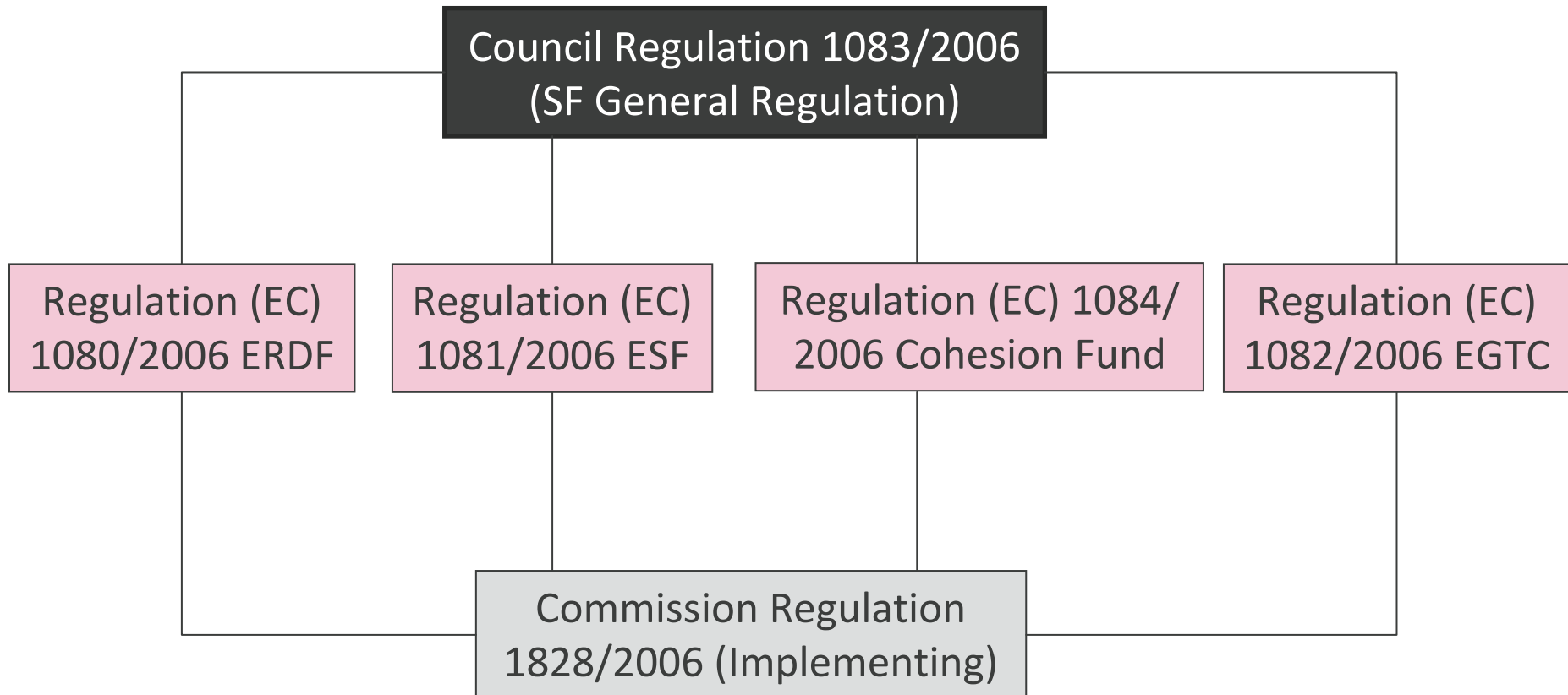


Map showing convergence and competitiveness allocations by Objective (1 & 2)



List of regions and SCF coverage
http://ec.europa.eu/regional_policy/how/coverage/index_en.cfm#3

SCF Regulatory Framework



Strategic Framework East Midlands ERDF Competitiveness Programme



Lisbon and Gothenburg

Community Strategic Guidelines (CSG) :

1. Knowledge economy
2. Entrepreneurship
3. Research
4. University-enterprise cooperation and innovation
5. Access to transport and telecommunications, energy and health
6. Environment and risk prevention
7. Adaptability of workers and enterprises
8. Labour market participation
9. Social inclusion and sustainable communities

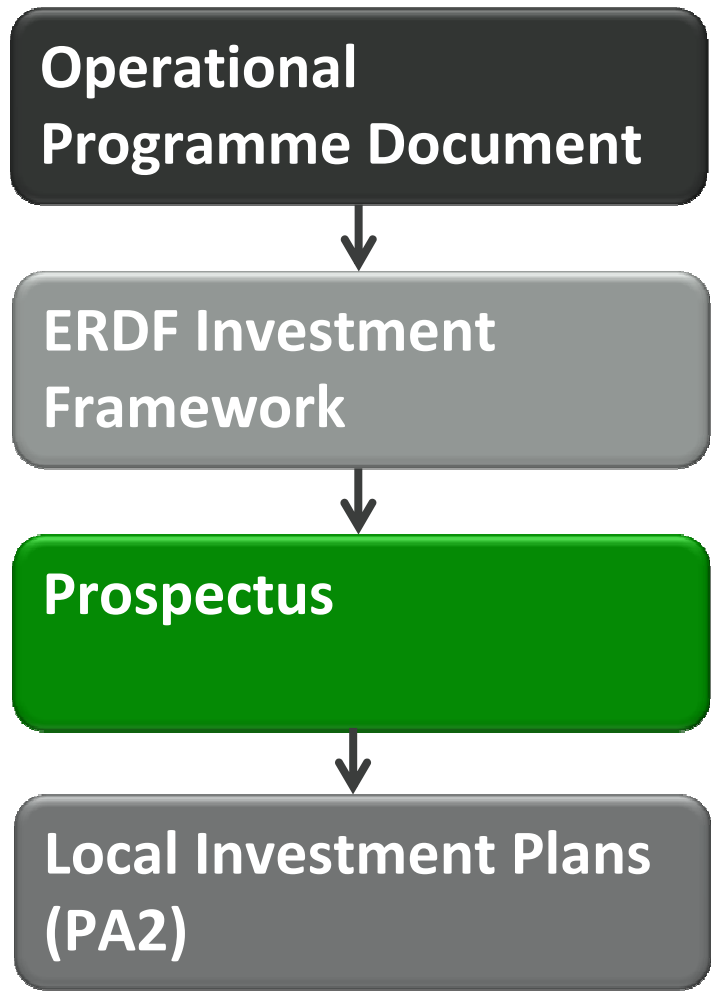
UK National Strategic Reference Framework (NSRF) (England)

1. Promote innovation and knowledge transfer
2. Stimulate enterprise
3. Ensure sustainable development, production and consumption
4. Build sustainable communities

East Midlands Operational Programme (EMOP)

1. Regional Economic Strategy
2. Integrated Regional Strategy
3. Regional Spatial Strategy
4. Local Investment Plans

East Midlands Operational Programme Structure



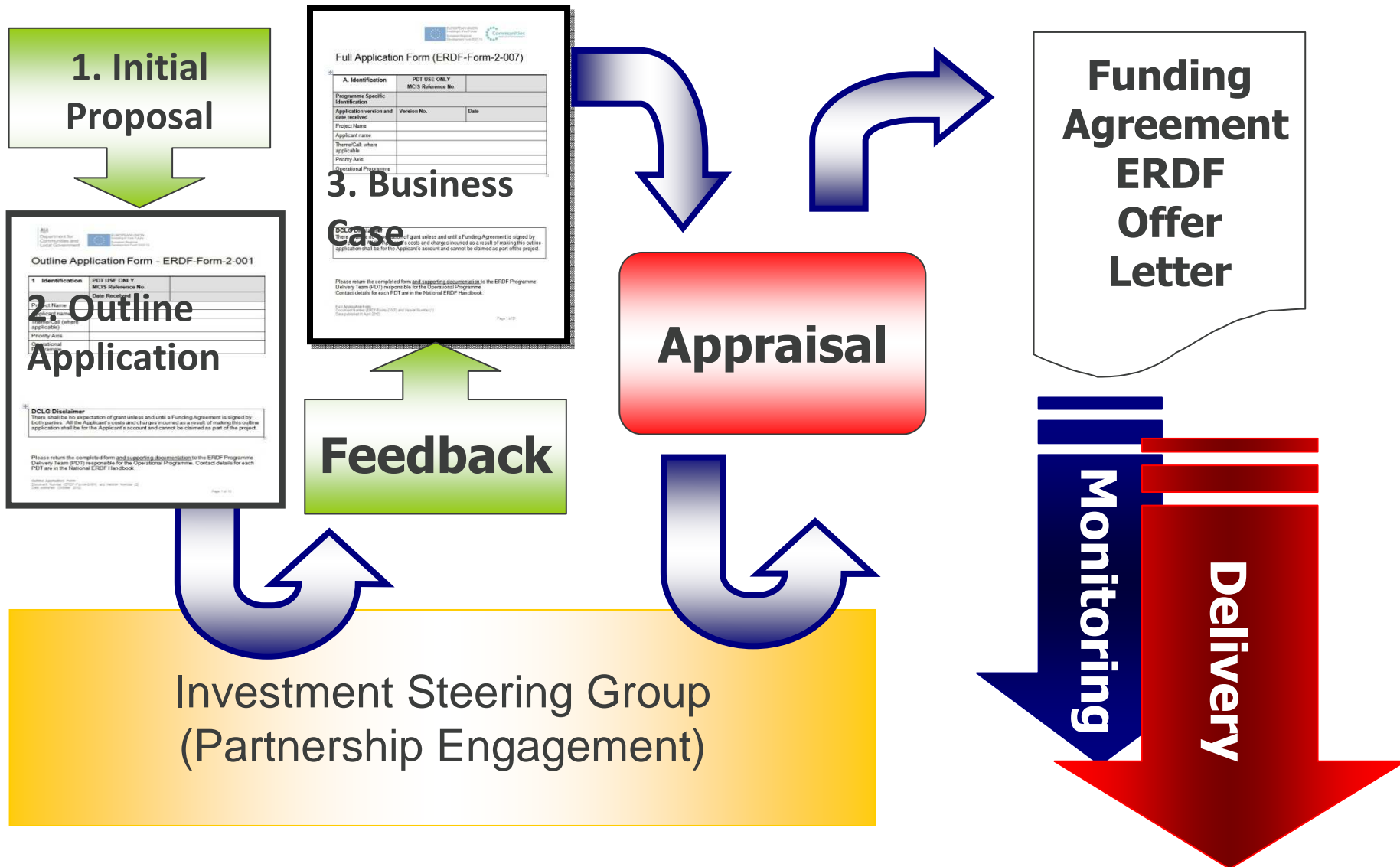
Programme Strategy – Includes social economic context, links to strategies/plans, Programme aims and objectives (approved by the Commission)

Details of Programme Activity strands and related targets

Issued for each bidding round (call for projects). Sets out scope of call and identifies priorities.

Sets out priorities for investment in the identified PA2 areas to ensure that interventions meet local needs

ERDF Project Application and Approval Process



Eligibility and Compliance

- Fit the programme strategy objectives – and help deliver other strategies
- Be located or deliver benefits in the Programme Area
- Be delivered by the end of 2015 (may be earlier)
- Comply with Community and National eligibility rules
- Be delivered on a not-for-profit basis...
- ...to benefit multiple SMEs/end beneficiaries...
- ...within the OP area
- Match (co-finance) maximum % ERDF funding.
- Produce attributable outputs results and impacts
- Demonstrate market failure
- Comply with EU State Aid regs



Eligibility and Compliance

ERDF and State Aid

- Structural Funds are considered state resources – can be considered aid
- Some EU Programmes (e.g. FP7, CIP and EIF) are not considered state resources
- Usual state aid tests apply:
 - State resources
 - Distorting competition
 - Favouring certain undertakings
 - Affecting trade between Member States
- Potential aid at several levels
 - Beneficiary
 - Partners
 - End beneficiary

Can use General Block Exemption Regulation (GBER), notify scheme or operate under de minimis level - €200k over 3 years



EU Cohesion Policy Proposal 2014-2020 – Key Points



Draft regulations published October 2011

Key points:

- Aligned with EU 2020 / Thematic concentration
- Common strategic framework (includes EAFRD & EMFF)
- Partnership contracts (replaces NSRF)
- Common rules for all programmes
- Incentives and conditionalities
- 3 Categories of regions (less developed, transition, more developed);
- Promoting use of financial instruments – investment oriented policy;
- Multi-fund programmes
- Streamlined delivery system – focus on results

Multi-Annual Financial Framework (MFF)



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MULTIANNUAL FINANCIAL FRAMEWORK (EU-28)

(EUR million - 2011 prices)

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and Inclusive Growth	60.283	61.725	62.771	64.238	65.528	67.214	69.004	450.763
1a: Competitiveness for growth and jobs	15.605	16.321	16.726	17.693	18.490	19.700	21.079	125.614
1b: Economic, social and territorial cohesion	44.678	45.404	46.045	46.545	47.038	47.514	47.925	325.149
2. Sustainable Growth: Natural Resources	55.883	55.060	54.261	53.448	52.466	51.503	50.558	373.179
of which: Market related expenditure and direct payments	41.585	40.989	40.421	39.837	39.079	38.335	37.605	277.851
3. Security and citizenship	2.053	2.075	2.154	2.232	2.312	2.391	2.469	15.686
4. Global Europe	7.854	8.083	8.281	8.375	8.553	8.764	8.794	58.704
5. Administration	8.218	8.385	8.589	8.807	9.007	9.206	9.417	61.629
of which: Administrative expenditure of the institutions	6.649	6.791	6.955	7.110	7.278	7.425	7.590	49.798
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS as a percentage of GNI	134.318 1,03%	135.328 1,02%	136.056 1,00%	137.100 1,00%	137.866 0,99%	139.078 0,98%	140.242 0,98%	959.988 1,00%
TOTAL PAYMENT APPROPRIATIONS as a percentage of GNI	128.030 0,98%	131.095 0,98%	131.046 0,97%	126.777 0,92%	129.778 0,93%	130.893 0,93%	130.781 0,91%	908.400 0,95%
OUTSIDE THE MFF	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
Emergency Aid Reserve	280	280	280	280	280	280	280	1.960
European Globalisation Fund	150	150	150	150	150	150	150	1.050
Solidarity Fund	500	500	500	500	500	500	500	3.500
Flexibility instrument	471	471	471	471	471	471	471	3.300
EDF	2.952	3.868	3.911	3.963	4.024	4.094	4.174	26.984
TOTAL OUTSIDE THE MFF as a percentage of GNI	4.353 0,03%	5.269 0,04%	5.312 0,04%	5.364 0,04%	5.425 0,04%	5.495 0,04%	5.575 0,04%	36.794 0,04%
TOTAL MFF + OUTSIDE MFF as a percentage of GNI	138.671 1,06%	140.597 1,06%	141.368 1,04%	142.464 1,04%	143.291 1,03%	144.573 1,02%	145.817 1,02%	996.782 1,04%

EU 2020 Thematic Objectives



SMART

- strengthening **research, technological development and innovation**;
- enhancing access to, and use and quality of, **information & communication technologies**;
- enhancing the **competitiveness of SMEs**, the agricultural sector (EAFRD) and the fisheries / aquaculture sector (EMFF);

SUSTAINABLE

- supporting the shift towards a **low-carbon economy** in all sectors;
- promoting **climate change adaptation**, risk prevention and management;
- protecting the **environment** and promoting **resource efficiency**;
- promoting **sustainable transport** and removing bottlenecks in key network infrastructures;

INCLUSIVE

- promoting **employment** and supporting **labour mobility**;
- promoting **social inclusion** and combating poverty;
- investing in **education, skills and lifelong learning**;
- enhancing institutional capacity and an **efficient public administration**

Funds covered by the Common Strategic Framework (CSF) (1)



European Regional Development Fund (ERDF)

- Research and Innovation/ SME Competitiveness
- Low Carbon Economy (Energy Efficiency & Renewable Energy)
- Sustainable urban development (5% minimum)
- Territorial co-operation

European Social Fund (ESF)

- Promoting employment and supporting labour mobility
- Investing in education, skills and life-long learning
- Promoting social inclusion and combating poverty – min. 20% of ESF

Cohesion Fund (CF)

- Member states GNI <90% EU average
- Environment & Trans European Transport networks

Funds covered by the Common Strategic Framework (CSF) (2)



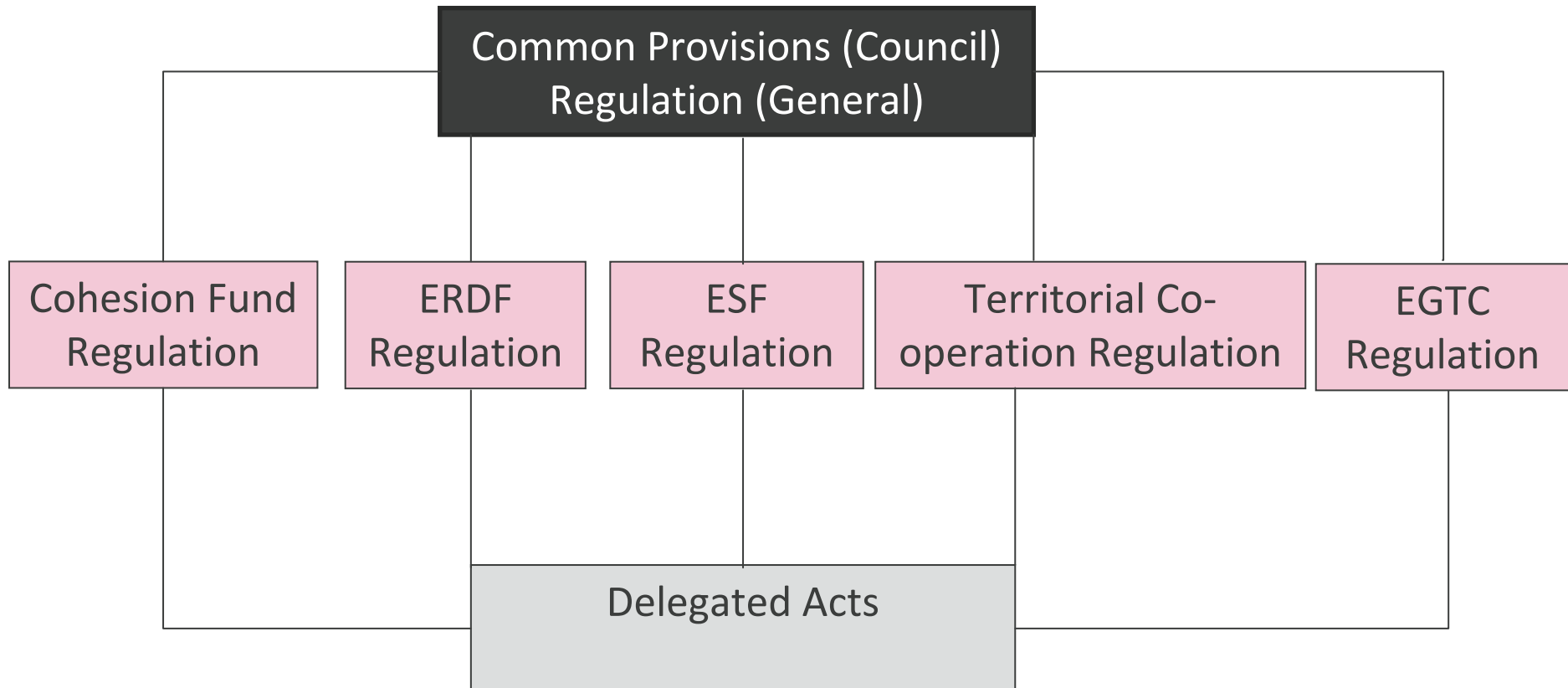
European Agricultural Fund for Rural Development (EAFRD)

- the competitiveness of agriculture and forestry;
- the environment and the countryside;
- the quality of life and the management of economic activity in rural areas

European Maritime and Fisheries Fund (EMFF)

- Smart, Green Fisheries
- Smart, Green Aquaculture
- Sustainable Development of Fisheries Areas
- Integrated Maritime Policy (IMP) e.g. Coastal Zone Management (ICZM).

Proposed CSF Regulatory Framework 2014-20



Not included in diagram EAFRD/EMFF regulations

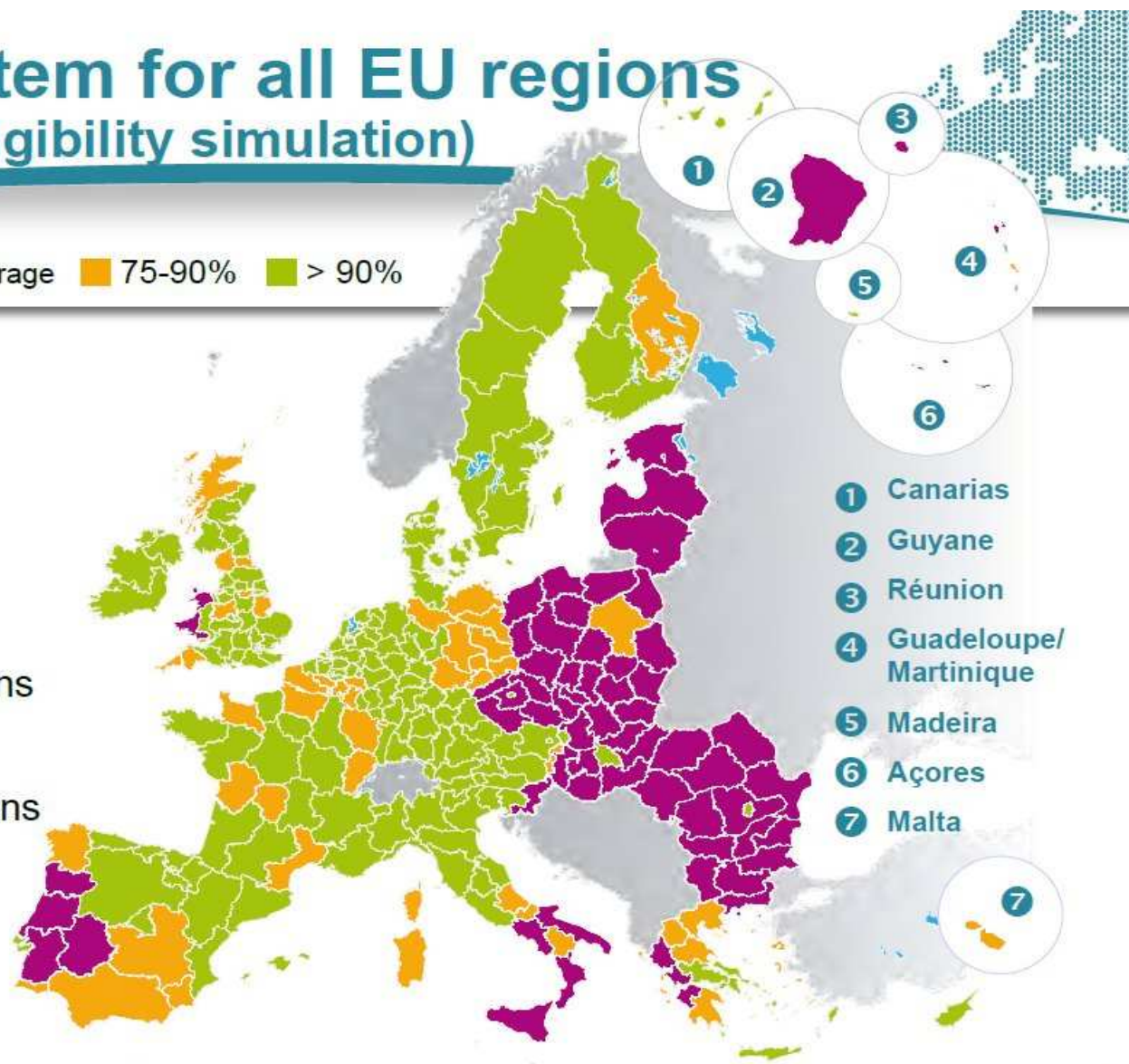
A fair system for all EU regions (eligibility simulation)

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
GNI figures: 2007-08-09
© EuroGeographics Association for the administrative boundaries

European Union
Cohesion Policy



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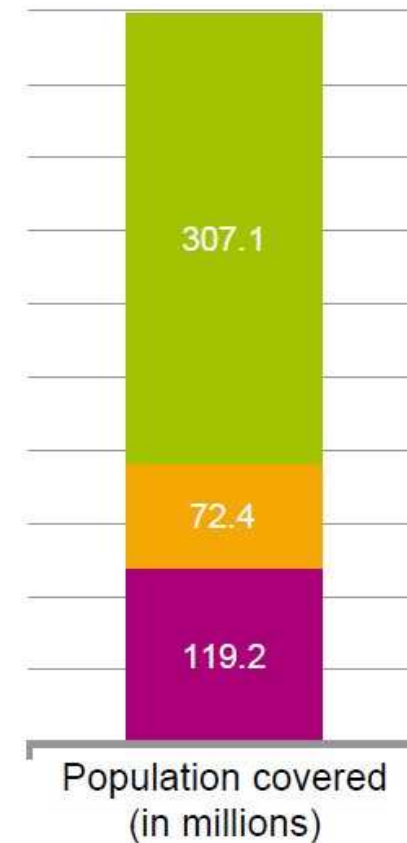
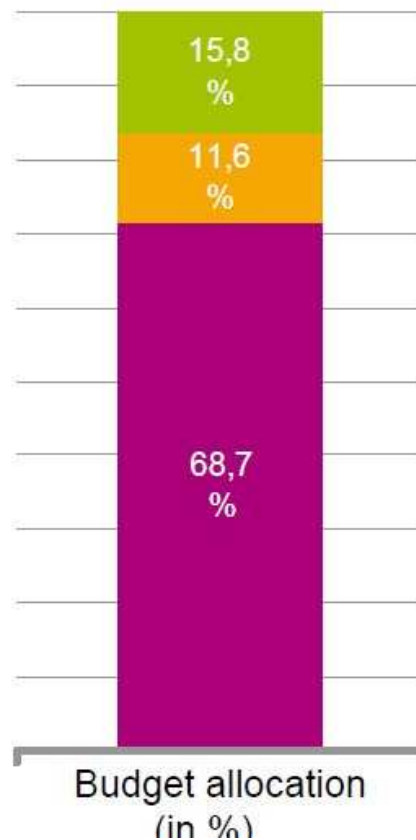
From EU Cohesion Policy – Proposals from the European Commission version 09/11 (6th October 2011)

EU Cohesion Policy Proposal 2014-2020 – Allocation of Funds

■ Less developed regions
 ■ Transition regions
 ■ More developed regions

Cohesion Fund	68.7
Less developed regions	162.6
Transition regions	38.9
More developed regions	53.1
European Territorial Cooperation	11.7
Outermost regions and sparsely populated areas	0.9
Total	336.0

Note: Figures will be changed following MFF agreement.



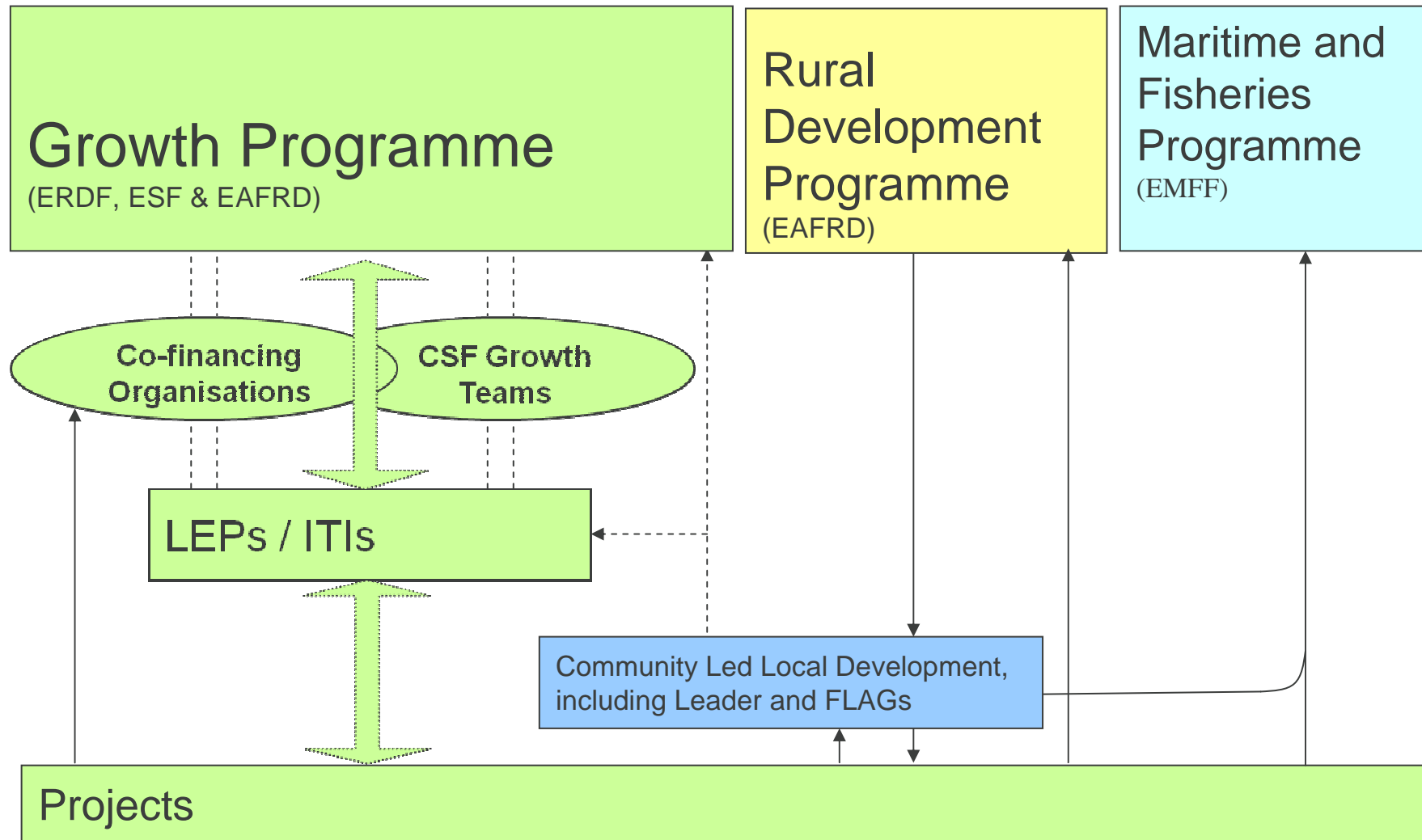
From EU Cohesion Policy – Proposals from the European Commission version 09/11 (6th October 2011)

PROPOSED ENGLAND GROWTH PROGRAMME (BIS)



- An “EU Growth Programme” to be financed by ERDF and ESF with a contribution from EAFRD (**possibly up to €8bn**)
- A single “EU Growth Programme Board” incorporating a joint Programme Managing Committee for ESF and ERDF
- **LEPs to be the fundamental building blocks** receiving a 7 year notional allocation subject to periodic performance reviews
- **LEPs to identify their preferred EU investment prospectus** as part of their wider growth strategy, for agreement by the Growth Board. LEPs will not take on project delivery accountabilities, however but retain a strategic oversight role in cooperation with local partners.
- Government departmental teams to work as “CSF Area Growth Teams” to support LEPs in their strategic role. All final funding decisions to be dependant upon due diligence by fund Managing Authorities.
- National co-financing initiatives to take account of local needs
- ‘ITIs’ (Integrated Territorial Investments) may be an option in a limited number of places - where this arrangement will deliver better value, higher impact results.

ENGLAND PROPOSED DELIVERY ARRANGEMENTS 2014-2020



GROWTH PROGRAMME THEMES (England)

Top priorities

- Research, technological development and innovation – esp. commercialisation
- Raising SME competitiveness – especially regarding exports
- Shift to low-carbon economy – especially energy efficiency & renewable technologies
- Employment & skills (inc. social inclusion)

Other objectives

- Climate change adaptation, risk prevention & management
- Environmental protection & resource efficiency
- Sustainable transport and removing network bottlenecks
- Access to & use of ICT

ENGLAND GROWTH PROGRAMME: A SIMPLER SYSTEM?



- ✓ Greater alignment of eligibility rules for projects across the country
- ✓ Improved and harmonised guidance to applicants
- ✓ Managing authorities to 'hide the wiring' where projects draw on more than one fund
- ✓ Economies of scale

GUIDANCE TO DELIVERY PARTNERS & LEPs (From HMG)



Timing - Letter has gone out to LEPs

Guidance to LEPs being drafted. Key questions:

- How do LEP strategic plans map onto EU funding priorities?
- What are the top priority transformational investments needed to drive jobs and growth which can be EU funded?
- **What local 'reach' is needed : who to involve and how?**
- Who else beyond the LEP do you need to work with to strengthen your strategic advantages?
- What wider funding packages need to be put in place

Questions/Discussion



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Contact Details

Andrew Luff
European Structural Funds Expert
East of England
United Kingdom

E: andy.luff@europeanfunding.org.uk

w: www.europeanfunding.org.uk

Address: 90 Histon Road, Cottenham,
Cambridge, UK, CB24 8UD

T : 0044 1954 787373

