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The essentials for not being a dummy during a cocktail party

**THE EU 2020 STRATEGY AND THE 2014-2020
PROGRAMMING PERIOD**

COMPENDIUM OF THE COMMISSION'S TEXTS AND PROPOSALS

NB: This document replaces the past Quarterly Barometer.

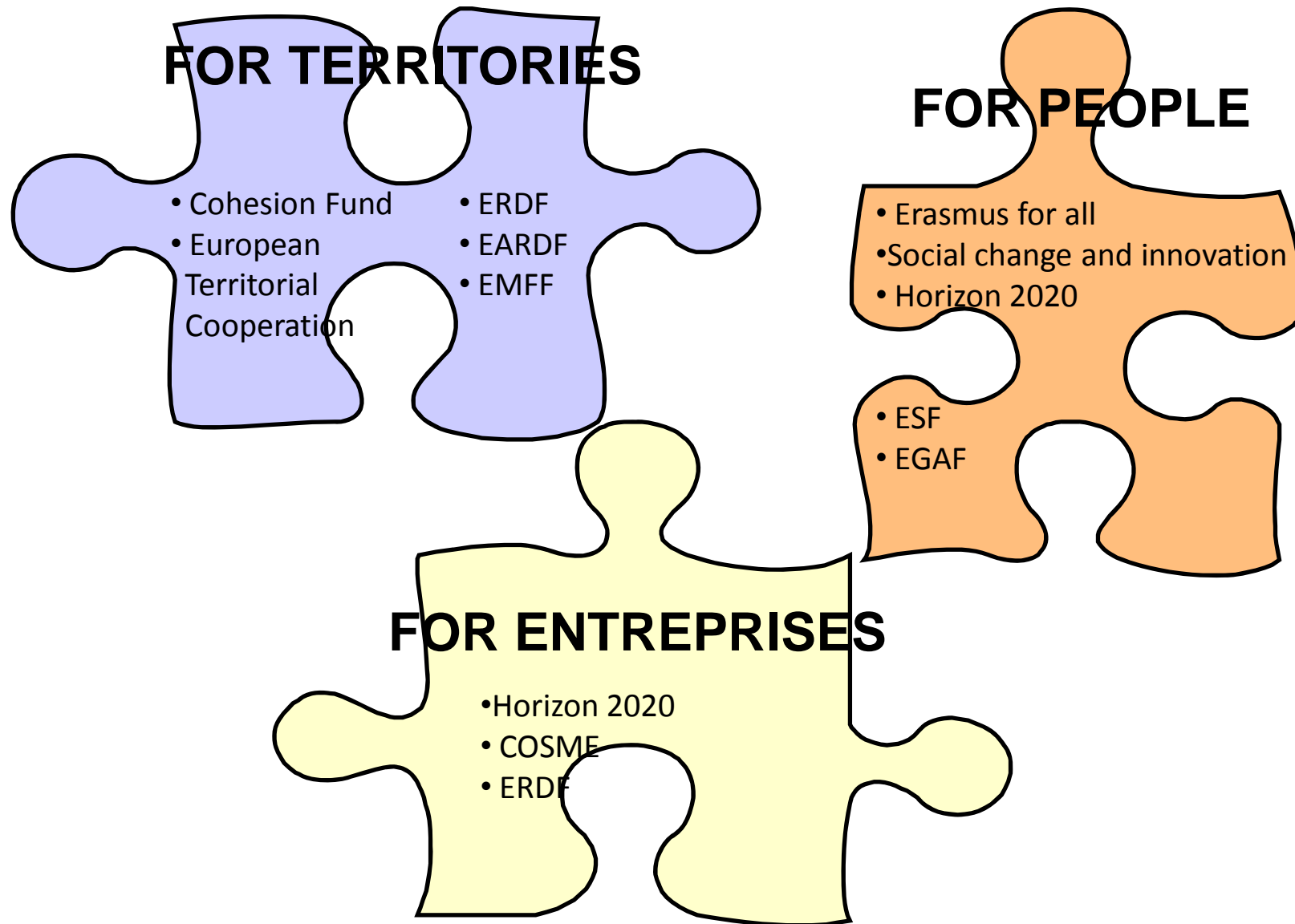
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Table of content

| | |
|--|----|
| Overview | 1 |
| Part 1 Europe 2020 Strategy | |
| Chapter 1 The strategy | 3 |
| Chapter 2 The flagships | 4 |
| Part 2 The financial perspectives | 7 |
| Part 3 The Cohesion Policy | |
| Chapter 1 The architecture of the policy | 11 |
| Chapter 2 Common provisions regulation | 13 |
| Chapter 3 European Regional Development Fund (ERDF) | 16 |
| Chapter 4 Cohesion Fund (CF) | 19 |
| Chapter 5 European Social Fund (ESF) | 20 |
| Chapter 6 European Territorial Cooperation | 22 |
| Chapter 7 European Agricultural Fund for Rural Development (EAFRD) | 23 |
| Chapter 8 European Maritime and Fisheries Fund (EMFF) | 26 |
| Chapter 9 European Globalisation Fund (EGF) | 28 |
| Chapter 10 European Programme for Social Change and Innovation | 30 |
| Part 4 Horizon 2020 | |
| Chapter 1 The architecture of the policy | 33 |
| Chapter 2 Strengthening the participation of SMEs | 36 |
| Chapter 3 Inclusive, innovative and secure societies | 38 |
| Chapter 4 Regional dimensions of Horizon 2020 | 40 |
| Part 5 European programme for the Competitiveness of enterprises and SMEs (COSME) | 41 |
| Part 6 Erasmus for All programme | 45 |
| Annex I Risk finance for R&D+I | |
| Annex II ERDF – Check of the ex-ante conditionalities by the Commission | |
| Annex III European Financial Stability Facility (EFSF) and European Stability Mechanism (ESM) | |

Overview of the EU 2020 Strategy and the 2014-2020 Programming Period

| EU 2020 Strategy Flagships | Regional policies | | Horizon 2020 | COSME | Erasmus for All | Budget 2014-2020 |
|---|---|---|--|--|--|--|
| | Structural Funds | Other funds with regional impact | | | | |
| <ul style="list-style-type: none"> • Innovation Union • Youth on the move • A digital agenda for Europe • Resource efficient Europe • An industrial policy for the globalization era • An agenda for new skills and jobs • European platform against poverty | <ul style="list-style-type: none"> • ERDF: <ul style="list-style-type: none"> - Less developed regions - Transition regions - More developed regions • ESF • Cohesion Fund • European Territorial Cooperation | <ul style="list-style-type: none"> • EAFRD • EMFF • EGAF • Social change and innovation | <ul style="list-style-type: none"> • Focus on: <ul style="list-style-type: none"> ✓ Excellent science: <ul style="list-style-type: none"> - ERC - FET - Marie Curie - World class research infrastructure ✓ Industrial leadership: <ul style="list-style-type: none"> - Enabling technologies - Risk finance - Innovation in SMEs ✓ Societal challenges <ul style="list-style-type: none"> - Health - Food security - Energy - Transport and climate change - Inclusive, innovative and secure societies NB: Sustainable development is an horizontal issue • EIT • JRC • Nuclear energy | <ul style="list-style-type: none"> • EEN • Access to finance <ul style="list-style-type: none"> - EFG (risk capital) - LGF (guarantees) | <ul style="list-style-type: none"> • Learning mobility of individuals • Cooperation for innovation and good practices • Support for policy reform | <ul style="list-style-type: none"> • Smart and inclusive growth: 490 bn € (48 %), of which Cohesion Policy: 376 bn € • Sustainable growth and natural resources: 383 bn € (37 %), of which CAP market expenditure: 282 bn € • Security and citizenship 19 bn € (2 %) • Global Europe: 70 bn € (7 %) • Administration: 63 bn € (6 %) Total: 1025 bn € |



Part 1 Europe 2020 Strategy

Chapter 1 The strategy

DOC COM (2010) 2020 final

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

The Europe 2020 Strategy contains the following **5 headline targets**:

1. **Employment**: 75 % of the 20-64 year-olds to be employed
2. **R&D and innovation**: 3 % of the EU's GDP (public and private combined) to be invested in R&D and innovation
3. **Climate change / energy**:
 - greenhouse gas emissions 20 % (or even 30 %, if the conditions are right) lower than 1990
 - 20 % of energy from renewable
 - 20 % increase in energy efficiency
4. **Education**:
 - reducing school drop-out rates below 10 %
 - at least 40 % of 30-34 year-olds completing third level education
5. **Poverty / social exclusion**: at least 20 million fewer people at risk of poverty and social exclusion.

The Europe 2020 Strategy sets out a vision for Europe's social market economy. That vision had **three pillars**:

- **Smart growth**, based on knowledge and innovation;
- **Sustainable growth**, promoting a more resource efficient, greener and competitive economy;
- **Inclusive growth**, fostering a high employment economy delivering economic, social and territorial cohesion.

As Jose Manuel Barroso highlights in his preface to the Europe 2020 Strategy, *"Europe needs to get back on track. Then it must stay on track. That is the purpose of Europe 2020. It's about more jobs and better lives. It shows how Europe has the capability to deliver smart, sustainable and inclusive growth, to find the path to create new jobs and to offer a sense of direction to our societies"*.

This vision is supported by **7 flagships**:

- Smart Growth:
 - Innovation: **"Innovation Union"**
 - Education: **"Youth on the move"**
 - Digital society: **"A digital agenda for Europe"**
- Sustainable Growth:
 - Climate, energy and mobility: **"Resource efficient Europe"**
 - Competitiveness: **"An industrial policy for the globalisation era"**
- Inclusive Growth:
 - Employment and skills: **"An agenda for new skills and jobs"**
 - Fighting poverty: **"European platform against poverty"**.

Chapter 2 The 7 flagships

Hereafter a table presents for each of the flagships the documents produced by the different DGs of the European Commission explaining how these flagships will be implemented.

| | |
|---|--|
| <p>Innovation "Innovation Union" DOC COM(2010) 546 final: http://ec.europa.eu/research/innovation-union/pdf/innovation-union-communication_en.pdf#view=fit&pagemode=none</p> <p>The Innovation Union plan contains over thirty action points, with the aim to do three things:</p> <ul style="list-style-type: none"> • Make Europe into a world-class science performer; • Remove obstacles to innovation - like expensive patenting, market fragmentation, slow standard-setting and skills shortages - which currently prevent ideas getting quickly to market; • Revolutionise the way public and private sectors work together, notable through Innovation Partnerships between the European institutions, national and regional authorities and business. | <ul style="list-style-type: none"> - Strategic Implementation Plan of the Pilot European Innovation Partnership on Active and Healthy Ageing – Strategic Plan: http://ec.europa.eu/research/innovation-union/pdf/active-healthy-ageing/steering-group/implementation_plan.pdf#view=fit&pagemode=none - Strategic Implementation Plan of the Pilot European Innovation Partnership on Active and Healthy Ageing – Operational Plan: http://ec.europa.eu/research/innovation-union/pdf/active-healthy-ageing/steering-group/operational_plan.pdf#view=fit&pagemode=none - Regional Policy contributing to Smart Growth in Europe 2020: http://ec.europa.eu/regional_policy/information/pdf/brochures/rfec/2011_smart_growth_en.pdf - State of the Innovation Union 2011: http://ec.europa.eu/research/innovation-union/pdf/state-of-the-union/2011/state_of_the_innovation_union_2011_en.pdf#view=fit&pagemode=none - The S3 Platform: http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm - RIS3 Guide: http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/guide/draft_12_12_2011.pdf - An action plan to improve access to finance for SMEs: http://ec.europa.eu/enterprise/policies/finance/files/com-2011-870_en.pdf |
| <p>Digital society "A digital agenda for Europe" DOC COM(2010) 245 final/2: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0245:FIN:EN:PDF</p> <p>The Digital Agenda outlines seven priority areas for action:</p> <ul style="list-style-type: none"> • Creating a Digital Single Market • Improving the framework conditions for interoperability between ICT products and services • Boosting internet trust and security • Guaranteeing the provision of much faster internet access • Encouraging investment in research and development • Enhancing digital literacy, skills and inclusion • Applying ICT to address social challenges such as climate change, rising healthcare costs and the ageing population. | <ul style="list-style-type: none"> - Guide to broadband investment by DG Regio for S3: http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/broadband2011_en.pdf - Digital Agenda for Europe: Annual Progress Report 2011: http://ec.europa.eu/information_society/digital-agenda/documents/dae_annual_report_2011.pdf |

| | |
|---|--|
| <p>Education "Youth on the move" DOC COM(2010) 477 final: http://ec.europa.eu/education/yom/com_en.pdf</p> <p>EU countries will work closely together to ensure that:</p> <ul style="list-style-type: none"> • More students have the opportunity to enroll in higher education; • Universities improve the quality of the courses they offer - to make them more attractive for students and more responsive to their needs; • By 2020, all young Europeans have a chance to study or train abroad at some point during their education; • The number of young people dropping out of school is reduced and there are more opportunities to learn later in life; • We tackle youth unemployment and promote more workplaces and entrepreneurial learning experiences; • More possibilities for self-employment; • More young people have the opportunity to work abroad. | <p>- Youth opportunities initiative: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0933:FIN:EN:PDF</p> |
| <p>Climate, energy and mobility "Resource efficient Europe" DOC COM(2011) 21: http://ec.europa.eu/resource-efficient-europe/pdf/resource_efficient_europe_en.pdf</p> <p>Rising demand around the globe is increasing pressure on the environment, and creating greater competition for resources. Key natural resources such as raw materials, metals, energy, biodiversity and water have been used to fuel economic growth as though supplies were inexhaustible. Measures are set out aimed at transforming production and consumption, with incentives for investors to promote green innovation, and a greater role for eco-design, eco-labelling, and greener spending by public bodies.</p> | <p>- Roadmap to a Resource Efficient Europe: http://ec.europa.eu/environment/resource_efficiency/pdf/com2011_571.pdf</p> <p>- Innovation for a sustainable future: The Eco-Innovation Action Plan (EcoAP): http://ec.europa.eu/environment/etap/inaction/pdfs/1_en_act_part1_v5.pdf</p> <p>- Regional Policy contributing to sustainable growth in Europe 2020: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0017:FIN:EN:PDF</p> |
| <p>Competitiveness "An industrial policy for the globalisation era" DOC COM(2010) 614: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/files/communication_on_industrial_policy_en.pdf</p> <p>Six key areas for action:</p> <ol style="list-style-type: none"> 1. Facilitating structural changes in the economy; 2. Enabling innovation in industries; 3. Promoting sustainability and resource efficiency; 4. Improving the business environment; 5. Benefiting from the Single Market; 6. Supporting small and medium-sized enterprises. | <p>- European Competitiveness Report 2011: http://ec.europa.eu/enterprise/newsroom/cf_getdocument.cfm?doc_id=7002</p> <p>- Member States' competitiveness performance and priorities: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/files/member_states_competitiveness_performance_and_policies_en.pdf</p> <p>- Industrial Policy: reinforcing competitiveness: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/files/comm_2011_0642_en.pdf</p> <p>- Small business, big world: A new partnership to help SMEs seize global opportunities: http://ec.europa.eu/enterprise/policies/sme/market-access/files/com_2011_0702_f_en.pdf</p> |

| | |
|--|---|
| <p>Employment and skills "An agenda for new skills and jobs" DOC COM(2010) 682 final: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0682:FIN:EN:PDF</p> <p>The Agenda presents a set of concrete actions that will help:</p> <ul style="list-style-type: none"> • Stepping up reforms to improve the flexibility and security in the labour market ("flexicurity"); • Equipping people with the right skills for the jobs of today and tomorrow; • Improving the quality of jobs and ensuring better working conditions; • Improving the conditions for job creation. | <ul style="list-style-type: none"> - Supporting growth and jobs: An agenda for the modernization of Europe's higher education systems: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0567:FIN:EN:PDF - Connecting universities to regional growth by DG Regio for S3: http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/connecting_universities2011_en.pdf |
| <p>Fighting poverty "European platform against poverty" DOC COM(2010) 758 final: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0758:FIN:EN:PDF</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Improved access to work, social security, essential services (healthcare, housing, etc.) and education; • Better use of EU funds to support social inclusion and combat discrimination; • Social innovation to find smart solutions in post-crisis Europe, especially in terms of more effective and efficient social support; • New partnerships between the public and the private sector. | <ul style="list-style-type: none"> - "This is European Social Innovation" Initiative : http://www.euclidnetwork.eu/pages/en/european-social-innovation.html |

Part 2 The financial perspectives

DOC COM (2010)500/1:

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2011:0500\(01\):FIN:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2011:0500(01):FIN:EN:PDF)

DOC COM (2010)500/2:

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2011:0500\(02\):FIN:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2011:0500(02):FIN:EN:PDF)

The main interesting headings for RDAs are:

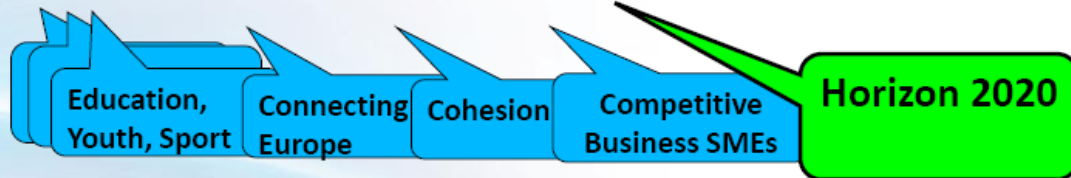
- For the cohesion policy:
 - Convergence regions € 162.6 billion
 - Transition regions € 38.9 billion
 - Competitiveness regions € 53.1 billion
 - Territorial cooperation € 11.7 billion
 - Cohesion Fund € 68.7 billion
 - Connecting Europe € 40.0 billion
 - Extra allocation for outermost and sparsely populated regions € 0.93 billion
 - NB: Social Fund = 25 % of the envelope € 84.0 billion
- For R&D+I € 80.0 billion
- For competitiveness and SMEs € 2.3 billion
- For rural development € 89.9 billion
- For the Common Agricultural Policy € 281.8 billion
- For education and training € 15.2 billion
- For culture € 1.6 billion

NB: The proposed budget dedicated to strengthening Europe's place in the world is broken down as follows:

| | |
|--|------------------|
| Pre-accession instrument (IPA) | € 14,110 million |
| European Neighbourhood Instrument (ENI) | € 18,182 million |
| Development Cooperation Instrument (DCI) | € 23,295 million |
| Partnership Instrument (PI) | € 1,131 million |
| Instrument for Stability (IfS) | € 2,829 million |
| European Instrument for Democracy and Human Rights (EIDHR) | € 1,578 million |
| Instrument for Nuclear Safety Cooperation | € 631 million |
| Instrument for Greenland | € 219 million |
| European Development Fund (EDF, outside EU budget) | € 34,276 million |

The Multiannual Financial Framework 2014-2020: *Commission's proposals of 29 June 2011*

1. Smart & inclusive growth (€491bn)



2. Sustainable growth, natural resources (€383bn)

3. Security and citizenship (€18.5bn)

4. Global Europe (€70bn)

5. Administration (€62.6bn)



The complete approach:

(in billion €)

MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020 (IN COMMITMENTS)

| 2011 prices | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2014-2020 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| HEADING 1 Smart and Inclusive Growth | | | | | | | | | |
| Galileo | 2 | 1.100 | 1.100 | 900 | 900 | 700 | 900 | 1.400 | 7.000 |
| Nuclear safety + decommissioning | 279 | 134 | 134 | 134 | 134 | 55 | 55 | 55 | 700 |
| CSF research and innovation | 9.768 | 10.079 | 10.529 | 10.979 | 11.429 | 11.879 | 12.329 | 12.776 | 80.000 |
| New Competitiveness/SME | 177 | 235 | 270 | 305 | 340 | 375 | 410 | 445 | 2.380 |
| Single Education, Training, Youth and Sport | 1.305 | 1.423 | 1.673 | 1.923 | 2.173 | 2.423 | 2.673 | 2.923 | 15.210 |
| Social development agenda | 119 | 121 | 121 | 121 | 121 | 121 | 121 | 124 | 850 |
| Customs-Fiscalis-Anti Fraud | 107 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 840 |
| Agencies | 258 | 237 | 291 | 290 | 291 | 265 | 326 | 331 | 2.030 |
| Other | 308 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 1.868 |
| Margin | 49 | 513 | 533 | 553 | 573 | 593 | 613 | 633 | 4.009 |
| Energy | 22 | 973 | 1.233 | 1.033 | 1.173 | 1.303 | 1.503 | 1.903 | 9.121 |
| Transport | 1.552 | 2.299 | 2.499 | 2.899 | 3.099 | 3.499 | 3.699 | 3.700 | 21.694 |
| ICT | 3 | 642 | 782 | 1.182 | 1.442 | 1.512 | 1.712 | 1.913 | 9.185 |
| Connecting Europe Facility | 1.577 | 3.914 | 4.514 | 5.114 | 5.714 | 6.314 | 6.914 | 7.516 | 40.000 |
| Regional convergence | 30.692 | 22.032 | 22.459 | 22.836 | 23.227 | 23.631 | 24.012 | 24.393 | 162.590 |
| Transition regions | 1.963 | 5.549 | 5.555 | 5.560 | 5.565 | 5.570 | 5.574 | 5.579 | 38.952 |
| Competitiveness | 6.314 | 7.592 | 7.592 | 7.592 | 7.592 | 7.592 | 7.592 | 7.592 | 53.143 |
| Territorial cooperation | 1.304 | 1.671 | 1.671 | 1.671 | 1.671 | 1.671 | 1.671 | 1.671 | 11.700 |
| Cohesion fund | 11.885 | 9.577 | 9.620 | 9.636 | 9.708 | 9.888 | 10.059 | 10.222 | 68.710 |
| Outermost and sparsely populated regions | 249 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 926 |
| Cohesion policy | 52.406 | 46.554 | 47.029 | 47.428 | 47.895 | 48.484 | 49.041 | 49.589 | 336.020 |
| H1 TOTAL | 66.354 | 64.696 | 66.580 | 68.133 | 69.956 | 71.596 | 73.768 | 76.179 | 490.908 |
| HEADING 2 Sustainable Growth: natural resources | | | | | | | | | |
| Subceiling CAP (direct payments + market expenditures) | 43.515 | 42.244 | 41.623 | 41.029 | 40.420 | 39.618 | 38.831 | 38.060 | 281.825 |
| Rural Development | 13.890 | 13.618 | 13.351 | 13.089 | 12.832 | 12.581 | 12.334 | 12.092 | 89.895 |
| EMFF (incl. market measures) + FPA's + RFMO's | 984 | 945 | 950 | 955 | 955 | 960 | 960 | 960 | 6.685 |
| Environment and climate action (Life+) | 362 | 390 | 415 | 440 | 465 | 490 | 515 | 485 | 3.200 |
| Agencies | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 344 |
| Margin | 230 | 140 | 140 | 140 | 140 | 140 | 140 | 139 | 979 |
| H2 TOTAL | 59.031 | 57.386 | 56.527 | 55.702 | 54.861 | 53.837 | 52.829 | 51.784 | 382.927 |
| HEADING 3 Security and citizenship | | | | | | | | | |
| Migration Management Fund | 487 | 490 | 490 | 490 | 490 | 490 | 490 | 493 | 3.433 |
| Internal Security | 604 | 528 | 548 | 568 | 588 | 608 | 628 | 648 | 4.113 |
| IT systems | 132 | 104 | 104 | 104 | 104 | 104 | 104 | 105 | 729 |
| Justice | 44 | 44 | 50 | 55 | 60 | 65 | 70 | 72 | 416 |
| Rights and Citizenship | 35 | 41 | 45 | 50 | 55 | 60 | 65 | 71 | 387 |
| Civil protection | 20 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 245 |
| Europe for Citizens | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 203 |
| Food safety | 330 | 323 | 317 | 311 | 305 | 299 | 293 | 287 | 2.177 |
| Public Health | 54 | 57 | 57 | 57 | 57 | 57 | 57 | 54 | 396 |
| Consumer protection | 24 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 175 |
| Creative Europe Programme | 181 | 182 | 197 | 212 | 227 | 242 | 257 | 273 | 1.590 |
| Agencies | 387 | 431 | 431 | 431 | 431 | 431 | 431 | 431 | 3.020 |
| Other | 155 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 743 |
| Margin | 57 | 130 | 130 | 130 | 130 | 130 | 130 | 129 | 909 |
| H3 TOTAL | 2.209 | 2.532 | 2.571 | 2.609 | 2.648 | 2.687 | 2.726 | 2.763 | 18.535 |
| HEADING 4 Global Europe | | | | | | | | | |
| Instrument for Pre-Accession (IPA) | 1.888 | 1.789 | 1.789 | 1.789 | 1.789 | 1.789 | 1.789 | 1.789 | 12.520 |
| Eur. neighborhood Instr. (ENI) | 2.268 | 2.100 | 2.213 | 2.226 | 2.265 | 2.340 | 2.439 | 2.514 | 16.097 |
| EIDHR | 169 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 1.400 |
| Stability(IFS) | 357 | 359 | 359 | 359 | 359 | 359 | 359 | 359 | 2.510 |
| Security (CFSP) | 352 | 359 | 359 | 359 | 359 | 359 | 359 | 359 | 2.510 |
| Partnership Instrument (PI) | 70 | 126 | 130 | 135 | 141 | 148 | 156 | 164 | 1.000 |
| Development Coop Instr. (DCI) | 2.553 | 2.560 | 2.682 | 2.808 | 2.938 | 3.069 | 3.202 | 3.338 | 20.597 |
| Humanitarian aid | 841 | 930 | 925 | 920 | 915 | 910 | 905 | 900 | 6.405 |
| Civil Protection (CPFI) + ERC | 5 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 210 |
| EVHAC | 0 | 20 | 22 | 25 | 29 | 33 | 38 | 43 | 210 |
| Instrument for Nuclear Safety Cooperation (INSC) | 76 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 560 |
| Macro-financial assistance | 132 | 85 | 85 | 85 | 85 | 84 | 84 | 85 | 593 |
| Guarantee fund for External actions | 250 | 236 | 231 | 226 | 195 | 157 | 128 | 84 | 1.257 |
| Agencies | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 137 |
| Other | 141 | 134 | 134 | 189 | 134 | 134 | 134 | 134 | 995 |
| Margin | 101 | 374 | 388 | 396 | 422 | 439 | 458 | 523 | 3.000 |
| H4 TOTAL | 9.222 | 9.400 | 9.645 | 9.845 | 9.960 | 10.150 | 10.380 | 10.620 | 70.000 |
| HEADING 5 Administration | | | | | | | | | |
| Pension expenditures and European Schools | 1.522 | 1.575 | 1.640 | 1.687 | 1.752 | 1.785 | 1.839 | 1.886 | 12.165 |
| Administrative expenditure of the institutions | 6.802 | 6.812 | 6.869 | 6.924 | 6.991 | 7.074 | 7.156 | 7.239 | 49.064 |
| Margin | 510 | 155 | 170 | 185 | 200 | 215 | 230 | 247 | 1.400 |
| H5 TOTAL | 8.833 | 8.542 | 8.679 | 8.796 | 8.943 | 9.073 | 9.225 | 9.371 | 62.629 |
| TOTAL | 145.650 | 142.556 | 144.002 | 145.085 | 146.368 | 147.344 | 148.928 | 150.718 | 1.025.000 |
| in % of GNI | 1,12% | 1,08% | 1,07% | 1,06% | 1,06% | 1,05% | 1,04% | 1,03% | 1,05% |

MULTIANNUAL FINANCIAL FRAMEWORK (EU-27)

(EUR million - 2011 prices)

| COMMITMENT APPROPRIATIONS | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total 2014-2020 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| 1. Smart and Inclusive Growth | 64.696 | 66.580 | 68.133 | 69.956 | 71.596 | 73.768 | 76.179 | 490.908 |
| of which: Economic, social and territorial cohesion | 50.468 | 51.543 | 52.542 | 53.609 | 54.798 | 55.955 | 57.105 | 376.020 |
| 2. Sustainable Growth: Natural Resources | 57.386 | 56.527 | 55.702 | 54.861 | 53.837 | 52.829 | 51.784 | 382.927 |
| of which: Market related expenditure and direct payments | 42.244 | 41.623 | 41.029 | 40.420 | 39.618 | 38.831 | 38.060 | 281.825 |
| 3. Security and citizenship | 2.532 | 2.571 | 2.609 | 2.648 | 2.687 | 2.726 | 2.763 | 18.535 |
| 4. Global Europe | 9.400 | 9.645 | 9.845 | 9.960 | 10.150 | 10.380 | 10.620 | 70.000 |
| 5. Administration | 8.542 | 8.679 | 8.796 | 8.943 | 9.073 | 9.225 | 9.371 | 62.629 |
| of which: Administrative expenditure of the institutions | 6.967 | 7.039 | 7.108 | 7.191 | 7.288 | 7.385 | 7.485 | 50.464 |
| TOTAL COMMITMENT APPROPRIATIONS as a percentage of GNI | 142.556 1,08% | 144.002 1,07% | 145.085 1,06% | 146.368 1,06% | 147.344 1,05% | 148.928 1,04% | 150.718 1,03% | 1.025.000 1,05% |
| TOTAL PAYMENT APPROPRIATIONS as a percentage of GNI | 133.851 1,01% | 141.278 1,05% | 135.516 0,99% | 138.396 1,00% | 142.247 1,01% | 142.916 1,00% | 137.994 0,94% | 972.198 1,00% |
| OUTSIDE THE MFF | | | | | | | | |
| Emergency Aid Reserve | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 2.450 |
| European Globalisation Fund | 429 | 429 | 429 | 429 | 429 | 429 | 429 | 3.000 |
| Solidarity Fund | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 7.000 |
| Flexibility instrument | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 3.500 |
| Reserve for crises in the agricultural sector | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 3.500 |
| ITER | 886 | 624 | 299 | 291 | 261 | 232 | 114 | 2.707 |
| GMES | 834 | 834 | 834 | 834 | 834 | 834 | 834 | 5.841 |
| EDF ACP | 3.271 | 4.300 | 4.348 | 4.407 | 4.475 | 4.554 | 4.644 | 29.998 |
| EDF OCT | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 321 |
| Global Climate and Biodiversity Fund | p.m. | p.m. | p.m. | p.m. | p.m. | p.m. | p.m. | p.m. |
| TOTAL OUTSIDE THE MFF | 7.815 | 8.583 | 8.306 | 8.357 | 8.395 | 8.445 | 8.416 | 58.316 |
| TOTAL MFF + OUTSIDE MFF as a percentage of GNI | 150.371 1,13% | 152.585 1,13% | 153.391 1,12% | 154.725 1,12% | 155.739 1,11% | 157.372 1,10% | 159.134 1,09% | 1.083.316 1,11% |

Part 3 The Cohesion Policy

Chapter 1 The architecture of the policy

- DOC COM(2011) 615: Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0615:FIN:EN:PDF>
- DOC COM(2011) 614: Specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0614:FIN:EN:PDF>
- DOC COM(2011) 612: Cohesion Fund
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0612:FIN:EN:PDF>
- DOC COM(2011) 607: European Social Fund
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0607:FIN:EN:PDF>
- DOC COM(2011) 611: specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0611:FIN:EN:PDF>
- DOC COM(2011) 608: European Globalisation Adjustment Fund (2014 - 2020)
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0608:FIN:EN:PDF>
- DOC COM(2011) 609: Programme for Social Change and Innovation
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0609:FIN:EN:PDF>

Even if they aren't formally of the Cohesion Policy package, it is worth to include the actions of rural development of the CAP and those in favour of territorial development of the fisheries area of the EMFF:

- DOC COM(2011) 627: support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0627:FIN:EN:PDF>
- DOC COM(2011) 804: European Maritime and Fisheries Fund
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0804:FIN:EN:PDF>

The architecture of the Cohesion Policy, i.e. ERDF, ESF and Cohesion Fund is the following:

| 2014-2020 | | |
|----------------------------------|---|---------------|
| Goals | Category of regions | Funds |
| Investment in Growth and Jobs | Less developed regions < 75 % of the average GDP of EU27 | ERDF ESF |
| | Transition regions between 75 and 90 % of the average GDP of EU27 | Cohesion Fund |
| | More developed regions > 90 % of the average GDP of EU27 | ERDF ESF |
| European Territorial Cooperation | | ERDF |

The aims of the different instruments are:

- ERDF: strengthening economic social and territorial cohesion by focusing on:
 - Research and development, and innovation;
 - Improving access to and quality of information and communication technologies;

- Climate change and moves towards a low-carbon economy;
 - Business support to SMEs;
 - Services of general economic interest;
 - Telecommunication, energy and transport infrastructures;
 - Enhancing institutional capacity and effective public administration;
 - Health, education and social infrastructures;
 - Sustainable urban development.
- ESF: investing in people through:
 - 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.
 - Cohesion Fund: supporting less developed Member States (GNI/ inhabitant less than 90 % of EU average) to invest in TEN-T transport networks and the environment.
 - Territorial cooperation: providing a framework for exchange of experience between national, regional and local actors. Three types of geographical areas of cooperation are foreseen:
 - Cross-border cooperation;
 - Transnational cooperation;
 - Interregional cooperation.

In a nutshell, the new architecture is promoted as follows:

More coherent use of available EU funds



- Comprehensive investment strategy: aligned with Europe 2020 objectives
- Coherence with National Reform Programmes
- Coordination: cohesion policy, rural development, maritime + fisheries funds
- Objectives and indicators to measure progress towards Europe 2020 targets
- Effectiveness: ex-ante conditionality, performance framework
- Efficiency: reduction of administrative burden for beneficiaries, alignment of eligibility rules of different EU instruments

Chapter 2 Common provisions regulation

DOC COM(2011) 615: Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0615:FIN:EN:PDF>

The main articles of the draft regulation are:

- a) Thematic priorities (article 9):
 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 small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);
 4. supporting the shift towards a low-carbon economy in all sectors;
 5. promoting climate change adaptation, risk prevention and management;
 6. protecting the environment and promoting resource efficiency;
 7. promoting sustainable transport and removing bottlenecks in key network infrastructures;
 8. promoting employment and supporting labour mobility;
 9. promoting social inclusion and combating poverty;
 10. investing in education, skills and lifelong learning;
 11. enhancing institutional capacity and an efficient public administration.
- b) Forms of grants (article 57):

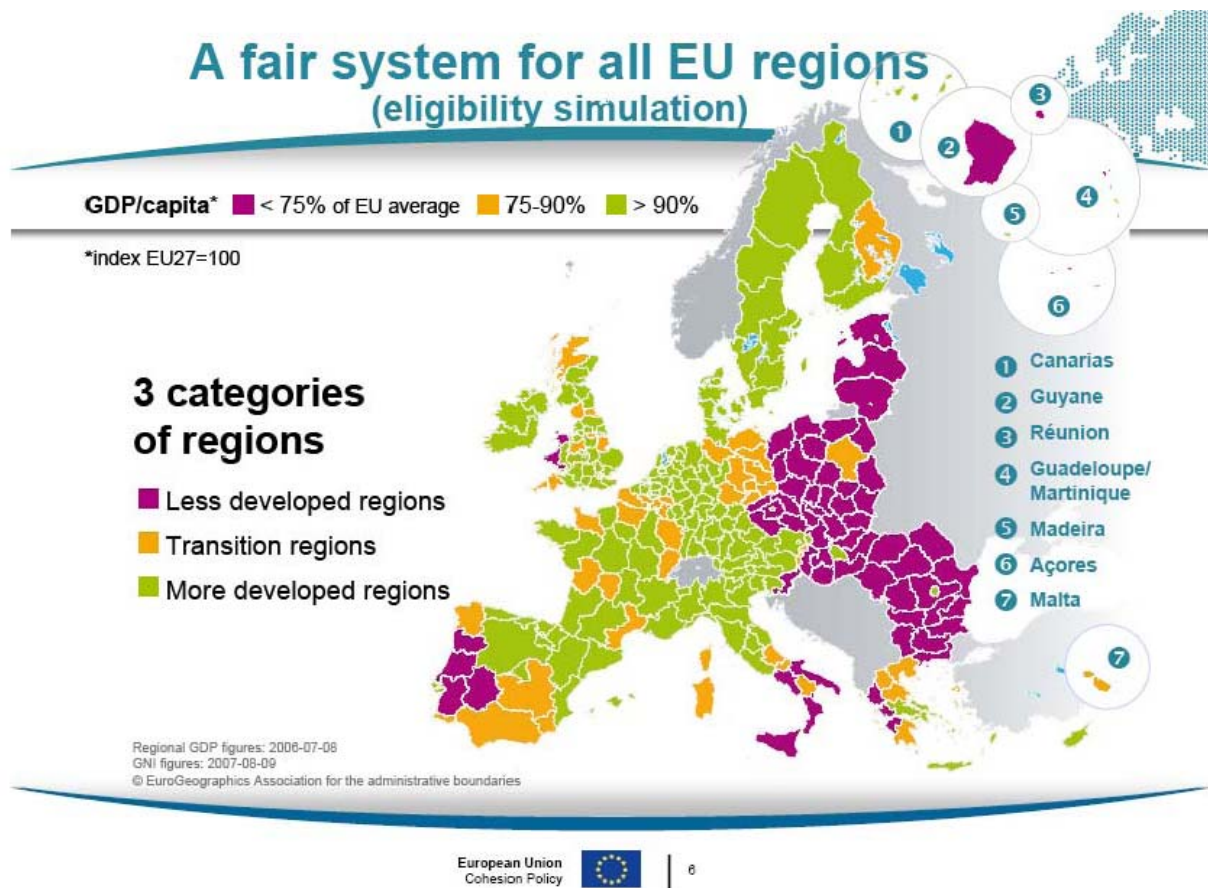
Grants may take any of the following forms:

 1. reimbursement of eligible costs actually incurred and paid, together with,
 2. where applicable, in-kind contributions and depreciation;
 3. standard scales of unit costs;
 4. lump sums not exceeding EUR 100 000 of public contribution;
 5. flat-rate financing, determined by the application of a percentage to one or several defined categories of costs.
- c) The three types of eligible regions at NUTS2 level (article 82):

Resources for the Investment for growth and jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

 1. less developed regions, whose GDP per capita is less than 75 % of the average GDP of the EU-27;
 2. transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU27;
 3. more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27.

The three categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period 2006 to 2008, relates to the average GDP of the EU-27 for the same reference period. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period 2007 to 2009, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period. The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 as calculated under the first subparagraph shall receive support from the Cohesion Fund on a transitional and specific basis.



d) Resources for investment for growth and jobs and for European territorial cooperation (article 84): Resources for the Investment for growth and jobs goal shall amount to 96,52 % of the global resources (i.e., a total of EUR 324 320 492 844) and shall be allocated as follows:

1. 50,13 % (i.e., a total of EUR 162 589 839 384) for less developed regions;
2. 12,01 % (i.e., a total of EUR 38 951 564 661) for transition regions;
3. 16,39 % (i.e., a total of EUR 53 142 922 017) for more developed regions;
4. 21,19 % (i.e., a total of EUR 68 710 486 782) for Member States
5. supported by the Cohesion Fund;
6. 0,29 % (i.e., a total of EUR 925 680 000) as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

e) Co-financing rates (article 110):

1. The Commission decision adopting an operational programme shall fix the cofinancing rate and the maximum amount of support from Funds for each priority axis.
2. For each priority axis, the Commission decision shall set out whether the cofinancing rate for the priority axis will be applied to:
 - total eligible expenditure, including public and private expenditure; or
 - public eligible expenditure.

- 3 The co-financing rate at the level of each priority axis of operational programmes under the Investment for growth and jobs goal shall be no higher than:
 - 85 % for the Cohesion Fund;
 - 85 % for the less developed regions of Member States whose average GDP per capita for the period 2007 to 2009 was below 85 % of the EU-27 average during the same period and for the outermost regions;
 - 80% for the less developed regions of Member States other than those referred to in point (b) eligible for the transitional regime of the Cohesion Fund on 1 January 2014;
 - 75% for the less developed regions of Member States other than those referred to in points (b) and (c), and for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;
 - 60 % for the transition regions other than those referred to in point (d);
 - 50 % for the more developed regions other than those referred to in point (d). The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 75%.
4. The co-financing rate of the additional allocation in accordance with Article 84(1)(e) shall be no higher than 50%. The same co-financing rate shall apply to the additional allocation under Article 4(2) of Regulation (EU) No [...] /2012 [ETC Regulation].
5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by ten percentage points, where the whole of a priority axis is delivered through financial instruments, or through community-led local development.
6. The contribution from the Funds for each priority axis shall not be less than 20 % of the eligible public expenditure.
7. A separate priority axis with a co-financing rate of up to 100% may be established within an operational programme to support operations implemented through financial instruments set up at Union level and managed directly or indirectly by the Commission. Where a separate priority is established for this purpose, the support under this axis may not be implemented by any other means.

Chapter 3 The European Regional Development Fund

DOC COM(2011) 614: Specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0614:FIN:EN:PDF>

The most important articles of this draft regulation are:

Art. 3 Scope of support from ERDF

1. The ERDF shall support:

- a) productive investment, which contributes to creating and safeguarding
- b) sustainable jobs, through direct aid to investment in small and medium-sized enterprises (SMEs);
- c) investments in infrastructure providing basic services to citizens in the areas of energy, environment, transport, and information and communication technologies (ICT);
- d) investments in social, health and educational infrastructure;
- e) development of endogenous potential by supporting regional and local development and research and innovation. These measures shall include:
 - i. fixed investment in equipment and small-scale infrastructure;
 - ii. support for and services to enterprises, in particular SMEs;
 - iii. support to public research and innovation bodies and investment in technology and applied research in enterprises;
 - iv. networking, cooperation and exchange of experience between regions, towns, and relevant social, economic and environmental actors;
 - v. technical assistance.

In more developed regions, the ERDF shall not support investments in infrastructure providing basic services to citizens in the areas of environment, transport, and ICT.

2. The ERDF shall not support:

- a) the decommissioning of nuclear power stations;
- b) the reduction of greenhouse gas emissions in installations falling under Directive 2003/87/EC;
- c) the manufacturing, processing and marketing of tobacco and tobacco products;
- d) undertakings in difficulties as defined under Union State aid rules.

Art. 4 Thematic concentration

The thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR] and corresponding investment priorities set out in Article 5 of this Regulation to which the ERDF may contribute shall be concentrated as follows:

- a) in more developed regions and transition regions:
 - i. at least 80% of the total ERDF resources at national level shall be allocated to the thematic objectives set out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR] ; and
 - ii. at least 20% of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR] ;
- b) in less developed regions:
 - i. at least 50% of the total ERDF resources at national level shall be allocated to the thematic objectives set in out in point 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR] .
 - ii. at least 6% of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].

By derogation from point (a) (i), in those regions whose GDP per capita for the 2007-13 period was less than 75% of the average GDP of the EU-25 for the reference period but which are eligible under the category of transition or more developed regions as defined in Article 82(2)(b) and (c) of Regulation (EU) No [] /2012 [CPR] in the 2014-2020 period, at least 60% of the total ERDF resources at national level

shall be allocated to each of the thematic objectives set out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].

Art. 5 Investment priorities

The ERDF shall support the following investment priorities within the thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR]:

1. strengthening research, technological development and innovation:
 - a) enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest;
 - b) promoting business R&I investment, product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation;
 - c) supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies;
2. enhancing access to and use and quality of ICT:
 - a) extending broadband deployment and the roll-out of high-speed networks;
 - b) developing ICT products and services, e-commerce and enhancing demand for ICT;
 - c) strengthening ICT applications for e-government, e-learning, e-inclusion and ehealth;
3. enhancing the competitiveness of SMEs:
 - a) promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms;
 - b) developing new business models for SMEs, in particular for internationalisation;
4. supporting the shift towards a low-carbon economy in all sectors:
 - a) promoting the production and distribution of renewable energy sources;
 - b) promoting energy efficiency and renewable energy use in SMEs;
 - c) supporting energy efficiency and renewable energy use in public infrastructures and in the housing sector;
 - d) developing smart distribution systems at low voltage levels;
 - e) promoting low-carbon strategies for urban areas;
5. promoting climate change adaptation, risk prevention and management:
 - a) supporting dedicated investment for adaptation to climate change;
 - b) promoting investment to address specific risks, ensuring disaster resilience and
 - c) developing disaster management systems;
6. protecting the environment and promoting resource efficiency:
 - a) addressing the significant needs for investment in the waste sector to meet the requirements of the environmental acquis;
 - b) addressing the significant needs for investment in the water sector to meet the requirements of the environmental acquis;
 - c) protecting, promoting and developing cultural heritage;
 - d) protecting biodiversity, soil protection and promoting ecosystem services including NATURA 2015 and green infrastructures;
 - e) action to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution;

7. promoting sustainable transport and removing bottlenecks in key network infrastructures:
 - a) supporting a multimodal Single European Transport Area by investing in the Trans-European Transport Network (TEN-T) network;
 - b) enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure;
 - c) developing environment-friendly and low-carbon transport systems and promoting sustainable urban mobility;
 - d) developing comprehensive, high quality and interoperable railway system;
8. promoting employment and supporting labour mobility:
 - a) development of business incubators and investment support for selfemployment and business creation;
 - b) local development initiatives and aid for structures providing neighbourhood services to create new jobs, where such actions are outside the scope of Regulation (EU) No [...]/2012 [ESF];
 - c) investing in infrastructure for public employment services;
9. promoting social inclusion and combating poverty:
 - a) investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, and transition from institutional to community-based services;
 - b) support for physical and economic regeneration of deprived urban and rural communities;
 - c) support for social enterprises;
10. investing in education, skills and lifelong learning by developing education and training infrastructure;
11. enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.

Art. 7 Sustainable urban development

1. The ERDF shall support, within operational programmes, sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas.
2. Each Member State shall establish in its Partnership Contract a list of cities where integrated actions for sustainable urban development are to be implemented and an indicative annual allocation for these actions at national level. At least 5% of the ERDF resources allocated at national level shall be allocated to integrated actions for sustainable urban development delegated to cities for management through Integrated Territorial Investments referred to in Article 99 of Regulation (EU) No [...]/2012 [CPR].

Chapter 4 The Cohesion Fund

DOC COM(2011) 612: Cohesion Fund

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0612:FIN:EN:PDF>

The main articles of the draft regulation are:

Art. 2 Scope of support from the Cohesion Fund

1. The Cohesion Fund shall, while ensuring an appropriate balance and according to the investment and infrastructure needs specific to each Member State, support:
 - a) investments in the environment, including areas related to sustainable development and energy which present environmental benefits;
 - b) trans-European networks in the area of transport infrastructure, in compliance with the guidelines adopted by Decision No 661/2010/EU;
 - c) technical assistance.
2. The Cohesion Fund shall not support:
 - a) the decommissioning of nuclear power stations;
 - b) the reduction of greenhouse gas emissions in installations falling under Directive 2003/87/EC;
 - c) housing.

Art. 3 Investment priorities

In accordance with Article 16 of Regulation (EU) No [...]/2012 [CPR], the Cohesion Fund shall support the following investment priorities within the thematic objectives set out in Article 9 of Regulation (EU) No [...]/2012 [CPR]:

- (a) supporting the shift towards a low-carbon economy in all sectors by:
 - i. promoting the production and distribution of renewable energy sources;
 - ii. promoting energy efficiency and renewable energy use in small and medium-sized enterprises;
 - iii. supporting energy efficiency and renewable energy use in public infrastructures;
 - iv. developing smart distribution systems at low voltage levels ;
 - v. promoting low-carbon strategies for urban areas;
- (b) promoting climate change adaptation, risk prevention and management by:
 - i. supporting dedicated investment for adaptation to climate change;
 - ii. promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems;
- (c) protecting the environment and promoting resource efficiency by:
 - i. addressing the significant needs for investment in the waste sector to meet the requirements of the Union's environmental acquis;
 - ii. addressing the significant needs for investment in the water sector to meet the requirements of the Union's environmental acquis;
 - iii. protecting and restoring biodiversity, including through green infrastructures;
 - iv. improving the urban environment, including regeneration of brownfield sites and reduction of air pollution.
- (d) promoting sustainable transport and removing bottlenecks in key network infrastructures, by:
 - i. supporting a multi-modal Single European Transport Area by investing in the Trans-European Transport Network;
 - ii. developing environment-friendly and low-carbon transport systems including promoting sustainable urban mobility;
 - iii. developing comprehensive, high quality and interoperable railway systems;
- (e) enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the Cohesion Fund.

Chapter 5 The European Social Fund

DOC COM(2011) 607: European Social Fund

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0607:FIN:EN:PDF>

The most important articles of this draft regulation are:

Art. 3 Scope of support

1. Under the thematic objectives listed below, and in accordance with Article 9 of Regulation (EU) No [...], the ESF shall support the following investment priorities:
 - (a) Promoting employment and supporting labour mobility through:
 - i. Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility;
 - ii. Sustainable integration of young people not in employment, education or training into the labour market;
 - iii. Self-employment, entrepreneurship and business creation;
 - iv. Equality between men and women and reconciliation between work and private life;
 - v. Adaptation of workers, enterprises and entrepreneurs to change;
 - vi. Active and healthy ageing;
 - vii. Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility;
 - (b) Investing in education, skills and life-long learning through:
 - i. Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education;
 - ii. Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels;
 - iii. Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems;
 - (c) Promoting social inclusion and combating poverty through:
 - i. Active inclusion;
 - ii. Integration of marginalised communities such as the Roma;
 - iii. Combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
 - iv. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest;
 - v. Promoting the social economy and social enterprises;
 - vi. Community-led local development strategies;
 - (d) Enhancing institutional capacity and efficient public administration through:
 - i. Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance; This investment priority is only applicable throughout the territory of the Member States which have at least one NUTS level 2 region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support.
 - ii. Capacity building for stakeholders delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level.
2. Through the investment priorities listed in paragraph 1, the ESF shall also contribute to the other thematic objectives listed in Article 9 of Regulation (EU) No [...], primarily by:
 - a) Supporting the shift towards a low-carbon, climate-resilient, resource-efficient and environmentally sustainable economy, through reform of education and training systems, adaptation of skills and qualifications, up-skilling of the labour force, and the creation of new jobs in sectors related to the environment and energy;
 - b) Enhancing the accessibility, use and quality of information and communication technologies, through the development of digital literacy, investment in e-inclusion, e-skills and related

entrepreneurial skills; strengthening research, technological development and innovation, through the development of post-graduate studies, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises;

- c) Enhancing the competitiveness of small and medium-sized enterprises, through promoting the adaptability of enterprises and workers and increased investment in human capital.

Art. 9 Social innovation

1. The ESF shall promote social innovation within all areas falling under the scope of the ESF, as defined in Article 3 of this Regulation, in particular with the aim of testing and scaling up innovative solutions to address social needs.
2. Member States shall identify themes for social innovation, corresponding to their specific needs in their operational programmes.
3. The Commission shall facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating good practices and methodologies.

Chapter 6 European Territorial Cooperation

DOC COM(2011) 611: Specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0611:FIN:EN:PDF>

The main articles of the draft regulation are:

Art. 2 Components of the European Territorial Cooperation goal

Under the European territorial cooperation goal, the ERDF shall support:

1. cross-border cooperation between adjacent regions to promote integrated regional development between neighbouring land and maritime border regions from two or more Member States or between neighbouring border regions from at least one Member State and one third country on external borders of the Union other than those covered by programmes under the external financial instruments of the Union;
2. transnational cooperation over larger transnational territories, involving national, regional and local authorities and also covering maritime cross-border cooperation in cases not covered by cross-border cooperation, with a view to achieving a higher degree of territorial integration of those territories, thus contributing to territorial cohesion across the Union;
3. interregional cooperation to reinforce the effectiveness of cohesion policy by promoting:
 - a) exchange of experience on thematic objectives among partners throughout the Union on the identification and dissemination of good practice with a view to its transfer to operational programmes under the Investment for growth and jobs goal;
 - b) exchange of experience concerning the identification, transfer and dissemination of good practice on sustainable urban and rural development;
 - c) exchange of experience concerning the identification, transfer and dissemination of good practice and innovative approaches in relation to actions concerning territorial cooperation and to the use of EGTCs;
 - d) analysis of development trends in relation to the aims of territorial cohesion and harmonious development of the European territory through studies, data collection and other measures.

Art. 4 Resources for European Territorial Cooperation

1. Resources for the European territorial cooperation goal shall amount to 3,48 % of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 and set out in Article 83(1) of Regulation (EU) No[...]/2012 [CPR] (i.e., a total of EUR 11 700 000 004) and shall be allocated as follows:
 - a) 73,24 % (i.e., a total of EUR 8 569 000 003) for cross-border cooperation;
 - b) 20,78 % (i.e., a total of EUR 2 431 000 001) for transnational cooperation;
 - c) 5,98 % (i.e., a total of EUR 700 000 000) for interregional cooperation.
2. Cooperation programmes involving the outermost regions shall receive not less than 150% of the ERDF support they received in the 2007-2013 period. In addition, EUR 50 000 000 from the allocation for interregional cooperation shall be set aside for outermost regions' cooperation. Concerning thematic concentration, Article 5 (b) applies to this additional allocation.

Art. 5 Thematic concentration

The thematic objectives referred to in Article 9 of Regulation (EU) No [...]/2012 [the CPR] shall be concentrated as follows:

- a) up to 4 thematic objectives shall be selected for each cross-border cooperation programme;
- b) up to 4 thematic objectives shall be selected for each transnational cooperation programme;
- c) all thematic objectives may be selected for interregional cooperation programmes pursuant to Article 2(3)(a).

Chapter 7 EAFRD – Rural Development

DOC COM(2011) 627: Support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0627:FIN:EN:PDF>

The most important articles of the draft regulation are:

Art. 5 Union priorities for rural development

The achievement of the objectives of rural development, which contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, shall be pursued through the following six Union priorities for rural development, which translate the relevant Thematic Objectives of the CSF:

1. fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:
 - a) fostering innovation and the knowledge base in rural areas;
 - b) strengthening the links between agriculture and forestry and research and innovation;
 - c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.
2. enhancing competitiveness of all types of agriculture and enhancing farm viability, with a focus on the following areas:
 - a) facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification;
 - b) facilitating generational renewal in the agricultural sector.
3. promoting food chain organisation and risk management in agriculture, with a focus on the following areas:
 - a) better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations;
 - b) supporting farm risk management:
4. restoring, preserving and enhancing ecosystems dependent on agriculture and forestry, with a focus on the following areas:
 - a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;
 - b) improving water management;
 - c) improving soil management.
5. promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:
 - a) increasing efficiency in water use by agriculture;
 - b) increasing efficiency in energy use in agriculture and food processing;
 - c) facilitating the supply and use of renewable sources of energy, of byproducts, wastes, residues and other non food raw material for purposes of the bio-economy;
 - d) reducing nitrous oxide and methane emissions from agriculture;
 - e) fostering carbon sequestration in agriculture and forestry;
6. promoting social inclusion poverty reduction and economic development in rural areas, with a focus on the following areas:
 - a) facilitating diversification, creation of new small enterprises and job creation;
 - b) fostering local development in rural areas;

- c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

All of the priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

Art. 8 Thematic sub-programmes

1. Member States may include within their rural development programmes thematic subprogrammes, contributing to the Union priorities for rural development, aimed to address specific needs identified, in particular in relation to:
 - a) young farmers;
 - b) small farms as referred to in the third subparagraph of Article 20(2);
 - c) mountain areas as referred to in Article 33(2);
 - d) short supply chains.

An indicative list of measures and types of operations of particular relevance to each thematic sub-programme is set out in Annex III.

2. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area.
3. The support rates laid down in Annex I may be increased by 10 percentage points for operations supported in the framework of thematic sub-programmes concerning small farms and short supply chains. In the case of young farmers and mountain areas, the maximum support rates may be increased in accordance with Annex I. However, the maximum combined support rate shall not exceed 90%.

Art. 20 Farm and business development

1. Support under this measure shall cover:
 - a) business start-up aid for:
 - i. young farmers;
 - ii. non-agricultural activities in rural areas;
 - iii. the development of small farms;
 - b) investments in non-agricultural activities;
 - c) annual payments for farmers participating in the small farmers scheme established by Title V of Regulation (EU) No DP/2012 (hereafter "the small farmers scheme") who permanently transfer their holding to another farmer.

Art. 21 Basic services and village renewal in rural areas

1. Support under this measure shall cover in particular:
 - a) the drawing up and updating of plans for the development of municipalities in rural areas and their basic services and of protection and management plans relating to NATURA 2000 sites and other areas of high nature value;
 - b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy;
 - c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;
 - d) investments in the setting-up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;
 - e) investments by public bodies in recreational infrastructure, tourist information and signposting of touristic sites;

- f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages and rural landscapes, including related socioeconomic aspects;
 - g) investments targeting the relocation of activities and conversion of buildings or other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.
2. Support under this measure shall only concern small-scale infrastructure, as defined by each Member State in the programme. However, rural development programmes may provide for specific derogations from this rule for investments in broadband and renewable energy. In this case, clear criteria ensuring complementarity with support under other Union instruments shall be provided.

Art. 33 Designation of areas facing natural and other specific constraints

1. Member States shall designate areas eligible for payments under the following categories:
- a) mountain areas;
 - b) areas, other than mountain areas, facing significant natural constraints; and
 - c) other areas affected by specific constraints.

Chapter 8 EMFF – Fisheries

DOC COM(2011) 804: the European Maritime and Fisheries Fund

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0804:FIN:EN:PDF>

The most important articles of this draft regulation are:

Article 5 Objectives

The EMFF shall contribute to the following objectives:

- a) promoting sustainable and competitive fisheries and aquaculture;
- b) fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to cohesion policy and to the Common Fisheries Policy;
- c) promoting a balanced and inclusive territorial development of fisheries areas;
- d) fostering the implementation of the CFP.

Article 6 Union priorities

The achievement of the objectives of the EMFF shall contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth. It shall be pursued through the following six Union priorities, which translate the relevant Thematic Objectives of the Common Strategic Framework (hereinafter CSF):

- (1) Increasing employment and territorial cohesion through the following objectives:
 - a) promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal and inland communities depending on fishing and aquaculture;
 - b) diversification of fisheries activities into other sectors of maritime economy and growth of maritime economy, including mitigation of climate change.
- (2) Fostering innovative, competitive and knowledge based fisheries through the focus on the following areas:
 - a) support to strengthening technological development, innovation and knowledge transfer;
 - b) enhancement of the competitiveness and viability of fisheries, in particular of small scale coastal fleet, and improvement of safety or working conditions;
 - c) development of new professional skills and lifelong learning;
 - d) improved market organisation for fishery products.
- (3) Fostering innovative, competitive and knowledge based aquaculture through the focus on the following areas:
 - a) support to strengthening technological development, innovation and knowledge transfer;
 - b) enhancement of the competitiveness and viability of aquaculture enterprises, SMEs in particular;
 - c) development of new professional skills and lifelong learning;
 - d) improved market organisation for aquaculture products.
- (4) Promoting a sustainable and resource efficient fisheries through the focus on the following areas:
 - a) reduction of the impact of fisheries on the marine environment;
 - b) protection and restoration of marine biodiversity and ecosystems including the services they provide.
- (5) Promoting a sustainable and resource efficient aquaculture through the focus on the following areas:
 - a) enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture;

- b) promotion of aquaculture with high level of environmental protection and of animal health and welfare and of public health and safety.
- (6) Fostering the implementation of the CFP through:
- a) the supply of scientific knowledge and collection of data;
 - b) the support to control and enforcement, enhancing institutional capacity and an efficient public administration.

Article 60 Fisheries areas

1. A fisheries area eligible for support shall be:
 - a) limited in size and, as a general rule, shall be smaller than NUTS level 3 of the common classification of territorial units for statistics within the meaning of Regulation (EC) No 1059/2003 of 26 May 2003 of the European Parliament and of the Council of 23 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)33; and
 - b) functionally coherent in geographical, economic and social terms, taking specific account of the fisheries and aquaculture sectors and offer sufficient critical mass in terms of human, financial and economic resources to support a viable local development strategy.
2. In the operational programme Member States shall lay down the procedure for selecting the areas including the criteria applied.

Article 62 Fisheries local action groups

1. For the purposes of the EMFF the local action groups referred to in Article 28(1)(b) of [Regulation (EU) No [...] laying down Common Provisions] shall be designated as Fisheries Local Action Groups (hereinafter "FLAGs")
2. The FLAGs shall:
 - a) broadly reflect the main focus of their strategy and the socio-economic composition of the area through a balanced representation of the main stakeholders, including private sector, public sector and civil society;
 - b) ensure a significant representation of fisheries and aquaculture sectors.

Article 64 Preparatory support

1. Preparatory support shall cover capacity building, training and networking with a view to preparing and implementing a local development strategy.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the definition of eligible costs of the activities under paragraph 1.

Article 65 Implementation of local development strategies

Support for the implementation of local development strategies may be granted for the following objectives:

- a) adding value, creating jobs, and promoting innovation at all stages of the fisheries and aquaculture supply chain;
- b) supporting diversification and job creation in fisheries areas, in particular in other maritime sectors;
- c) enhancing and capitalising on the environmental assets of the fisheries areas including operations to mitigate climate change;
- d) promoting social well being and cultural heritage in fisheries areas including maritime cultural heritage;
- e) strengthening the role of fisheries communities in local development and the governance of local fisheries resources and maritime activities.

Chapter 9 European Globalisation Adjustment Fund

DOC COM(2011) 608: The European Globalisation Adjustment Fund (2014 - 2020)
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0608:FIN:EN:PDF>

The most important articles of this draft regulation are:

Art. 2 Scope

This Regulation shall apply to applications by the Member States for financial contributions to be provided to:

- a) workers made redundant as a result of major structural changes in world trade patterns due to globalisation, demonstrated, in particular, by a substantial increase in imports into the Union, a rapid decline of the Union market share in a given sector or a delocalisation of activities to non-member countries, where these redundancies have a significant adverse impact on the local, regional or national economy;
- b) workers made redundant as a result of a serious disruption of the local, regional or national economy caused by an unexpected crisis, provided that a direct and demonstrable link can be established between the redundancies and that crisis;
- c) workers changing or adjusting their previous agricultural activities during a period starting upon initialling of the trade agreement by the Union containing trade liberalisation measures for the relevant agricultural sector and ending three years after the full implementation of these measures and provided that these trade measures lead to a substantial increase in Union imports of an agricultural product or products accompanied by a significant decrease in prices of such products at the Union or, where relevant, the national or regional level.

Art. 4 Intervention criteria

1. A financial contribution from the EGF shall be provided where any of the conditions set out in points (a), (b) and (c) of Article 2 occur and result in:
 - a) at least 500 workers being made redundant over a period of four months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers;
 - b) at least 500 workers being made redundant over a period of nine months, particularly in small or medium-sized enterprises, operating in one economic sector defined at NACE Revision 2 division level and located in one region or two contiguous regions defined at NUTS II level, or in more than two contiguous regions defined at NUTS II level provided that more than 500 workers are made redundant in two of the regions combined.
2. In small labour markets or in exceptional circumstances, where duly substantiated by the applicant Member State, an application for a financial contribution under this Article may be considered admissible even if the criteria laid down in points (a) or (b) of paragraph 1 are not entirely met, when redundancies have a serious impact on employment and the local economy. The Member State shall specify which of the intervention criteria set out in points (a) and (b) of paragraph 1 is not entirely met.
3. As regards farmers, when, after a trade agreement is initialled and on the basis of the information, data and analyses available to it, the Commission considers that the conditions for support in accordance with Article 2(c) are likely to be met for a significant number of farmers, it shall adopt delegated acts in accordance with Article 24 designating the eligible sectors or products, defining the affected geographical areas where appropriate, setting a maximum amount for potential support at Union level, setting reference periods and eligibility conditions for farmers and eligibility dates for expenditure as well as establishing the deadline by which applications must be submitted and, if necessary, the content of these applications in accordance with Article 8(2).
4. Where owner-managers of micro, small and medium-sized enterprises and selfemployed workers change or, in the case of farmers, adjust their previous activities, such situations shall be considered as redundancies for the purposes of this Regulation.

Art. 7 Eligible actions

1. A financial contribution may be made for active labour market measures that form part of a coordinated package of personalised services, designed to facilitate the reintegration of the targeted redundant workers into employment or self-employment or, in the case of farmers, to change or adjust their previous activities. The coordinated package of personalised services may include in particular:
 - a) job-search assistance, occupational guidance, advisory services, mentoring, outplacement assistance, entrepreneurship promotion, aid for self-employment and business start-up or for changing or adjusting activity (including investments in physical assets), co-operation activities, tailor-made training and re-training, including information and communication technology skills and
 - b) certification of acquired experience;
 - c) special time-limited measures, such as job-search allowances, employers' recruitment incentives, mobility allowances, subsistence or training allowances (including allowances for carers or farm relief services), all of which limited to the duration of the documented active job search or life-long learning or training activities;
 - d) measures to stimulate in particular disadvantaged or older workers to remain in or return to the labour market.

The costs of the measures under (b) may not exceed 50 % of the total costs of the coordinated package of personalised services listed in this paragraph. The cost of investments in physical assets for self-employment and business start-up or for changing or adjusting activity may not exceed EUR 35 000.

2. The following measures shall not be eligible for a financial contribution from the EGF:
 - a) special time-limited measures as listed in paragraph 1 (b) which are not conditional upon the active participation of the targeted workers in job-search or training activities;
 - b) actions which are the responsibility of enterprises by virtue of national law or collective agreements.
3. At the initiative of the applicant Member State, a financial contribution may be made for the preparatory, management, information and publicity, control and reporting activities.

Chapter 10 European Programme for Social Change and Innovation

DOC COM(2011) 609: European Union Programme for Social Change and Innovation
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0609:FIN:EN:PDF>

The most important articles of this draft regulation are:

Art. 3 Structure of the Programme

1. The Programme shall be made up of the following three complementarity axes:
 - a) The Progress axis, which shall support the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions and shall promote evidence-based policy-making and innovation, in partnership with the social partners, civil society organisations and other interested parties;
 - b) The EURES axis, which shall support activities carried out by the EURES network, i.e. the specialist services designated by the EEA Member States and the Swiss Confederation, together with other interested parties, to develop information exchanges and dissemination and other forms of cooperation to promote workers' geographical mobility;
 - c) The Microfinance and Social Entrepreneurship axis, which shall facilitate access to finance for entrepreneurs, especially those furthest from the labour market, and social enterprises.
2. The common provisions laid down in Articles 1 to 14 shall apply to all three axes set out in points (a), (b) and (c) of paragraph 1, to each of which specific provisions shall also apply.

Art. 5 Budget

1. The financial appropriations for implementing the Programme over the period from 1 January 2014 to 31 December 2020 shall amount to EUR 958.19 million.
2. The following indicative percentages shall be allocated to the axes set out in Article 3 (1) as follows:
 - a) 60% to the Progress axis, of which at least 17% shall be allocated to promoting social experimentation as a method for testing and evaluating innovative solutions with a view to scaling them up;
 - b) 15% to the EURES axis;
 - c) 20% to the Microfinance and Social Entrepreneurship axis.

The remaining 5% shall be apportioned among the axes on an annual basis in line with policy priorities.

Art. 6 Types of actions

The following types of actions may be financed under the Programme:

1. Analytical activities:
 - a) Gathering of data and statistics, as well as development of common methodologies, classifications, indicators and benchmarks;
 - b) Surveys, studies, analyses and reports, including through the funding of networks of experts;
 - c) Evaluations and impact assessments;
 - d) Monitoring and assessment of the transposition and application of Union law;
 - e) Preparation and implementation of social experimentation as a method for testing and evaluating innovative solutions with a view to scaling them up;
 - f) Dissemination of the results of these analytical activities.
2. Mutual learning, awareness and dissemination activities:

- a) Exchanges and dissemination of good practice, innovative approaches and experience, peer reviews, benchmarking and mutual learning at European level;
 - b) Council Presidency events, conferences and seminars;
 - c) Training of legal and policy practitioners, and EURES advisers;
 - d) Drafting and publication of guides, reports and educational material;
 - e) Information and communication activities;
 - f) Development and maintenance of information systems in order to exchange and disseminate information on Union policy and legislation as well as labour market information.
3. Support for main actors in regard to:
- a) The operating costs of key Union-level networks whose activities relate and contribute to the objectives of the Progress axis;
 - b) Capacity-building of national administrations and specialist services responsible for promoting geographical mobility designated by the Member States and microcredit providers,
 - c) Organisation of working groups of national officials to monitor the implementation of Union law;
 - d) Networking and cooperation among specialist bodies, national, regional and local authorities, and employment services at European level;
 - e) Funding of European-level observatories;
 - f) Exchange of personnel between national administrations.
4. Actions to promote mobility of individuals in the Union, in particular the development of a multilingual digital platform for the clearance of job vacancies and applications, and targeted mobility schemes to fill vacancies where labour market shortcomings have been identified and/or to help specific groups of workers such as young people.
5. Support to microfinance and social enterprises in particular through the financial instruments provided for under Title VIII of Part one of Regulation XXX/2012 [New Financial Regulation] on the financial rules applicable to the annual budget of the Union, and grants.

Art. 22 Specific objectives of the micro-finance and social entrepreneurship axis

In addition to the general objectives set out in Article 4, the specific objectives of the Microfinance and Social Entrepreneurship axis shall be to:

1. Increase access to, and the availability of, microfinance for (a) persons who have lost or are at risk of losing their jobs, or who have difficulty in entering or re-entering the labour market, persons at risk of social exclusion and vulnerable persons who are in a disadvantaged position with regard to access to the conventional credit market and who wish to start up or develop their own microenterprises; micro-enterprises, especially those which employ persons as referred to in point (a);
2. Build up the institutional capacity of microcredit providers;
3. Support the development of social enterprises, in particular by facilitating access to finance.

Part 4 Horizon 2020

Chapter 1 The architecture of the policy

The architecture of the Horizon 2020 programme is the following:

- Direct support to research projects;
- Support to the Knowledge and Innovation Communities (KICs) managed by the EIT (European Institute of Innovation and Technology);
- Funding of the activities of the Joint Research Centre;
- Support the nuclear energy research and innovation activities by the Euratom Treaty.

The community support framework for Research and Innovation:

- DOC COM(2011) 808: Horizon 2020 - The Framework Programme for Research and Innovation
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0808:FIN:EN:PDF>
- DOC COM(2011) 809: establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0809:FIN:EN:PDF>
- DOC COM(2011) 811: Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0811:FIN:EN:PDF>

The direct support to research projects will be implemented under the following 3 priorities:

1) Excellent Science: This will raise the level of excellence in Europe's science base and ensure a steady stream of world-class research to secure Europe's long-term competitiveness. It will support the best ideas, develop talent within Europe, provide researchers with access to priority research infrastructure, and make Europe an attractive location for the world's best researchers.

This will:

- support the most talented and creative individuals and their teams to carry out frontier research of the highest quality by building on the success of the European Research Council;
- fund collaborative research to open up new and promising fields of research and innovation through support for Future and Emerging Technologies (FET);
- provide researchers with excellent training and career development opportunities through the Marie Skłodowska-Curie actions¹⁵ ('Marie Curie actions');
- ensure Europe has world-class research infrastructures (including e-infrastructures) accessible to all researchers in Europe and beyond.

2) Industrial Leadership: This will aim at making Europe a more attractive location to invest in research and innovation (including eco-innovation), by promoting activities where businesses set the agenda. It will provide major investment in key industrial technologies, maximise the growth potential of European companies by providing them with adequate levels of finance and help innovative SMEs to grow into world-leading companies.

This will:

- build leadership in enabling and industrial technologies, with dedicated support for ICT, nanotechnologies, advanced materials, biotechnology, advanced manufacturing and processing, and space, while also providing
- support for cross-cutting actions to capture the accumulated benefits from combining several Key Enabling Technologies;
- facilitate access to risk finance;
- provide Union wide support for innovation in SMEs.

3) Societal Challenges. This reflects the policy priorities of the Europe 2020 strategy and addresses major concerns shared by citizens in Europe and elsewhere. A challenge-based approach will bring together resources and knowledge across different fields, technologies and disciplines, including social sciences and the humanities. This will cover activities from research to market with a new focus

on innovation-related activities, such as piloting, demonstration, test-beds, and support for public procurement and market uptake. It will include establishing links with the activities of the European Innovation Partnerships.

Funding will be focused on the following challenges:

- Health, demographic change and wellbeing;
- Food security, sustainable agriculture, marine and maritime research and the bio-economy;
- Secure, clean and efficient energy;
- Smart, green and integrated transport;
- Climate action, resource efficiency and raw materials;
- Inclusive, innovative and secure societies.

Sustainable development will be an overarching objective of Horizon 2020. The dedicated funding for climate action and resource efficiency will be complemented through the other specific objectives of Horizon 2020 with the result that at least 60 % of the total Horizon 2020 budget will be related to sustainable development, the vast majority of this expenditure contributing to mutually reinforcing climate and environmental objectives. It is expected that around 35% of the Horizon 2020 budget will be climate related expenditure.

Amongst the new ways of monitoring European funding for R&D+I, it's worth looking at the European Innovation Partnership which will mobilize stakeholders – European, national, regional, public and private – behing well-defined goals in areas which combine tackling societal challenges with potential for Europe to become a world leader. The Partnerships will step up R&D, coordinate investment, speed up standards and mobilize demand. The Commission will provide “seed corn” funds to attract stakeholder funding. A Pilot Partnership on active and healthy ageing will be launched by early 2022, aiming to extend by two years by 2020 the proportion of our lives in which we enjoy good health. More partnerships will follow on areas such as energy, “smart” cities and mobility, water efficiency, non-energy raw materials and sustainable productive agriculture.

The indicative breakdown for the Horizon 2020 draft budget is as follows (in EUR million):

Priority 1 Excellent science

Why:

- World class science is the foundation of tomorrow’s technologies, jobs and wellbeing
- Europe needs to develop, attract and retain research talent
- Researchers need access to the best infrastructures

| | |
|---|--------|
| European Research Council <i>Frontier research by the best individual teams</i> | 13 268 |
| Future and Emerging Technologies <i>Collaborative research to open new fields of innovation</i> | 3 100 |
| Marie Curie actions* <i>Opportunities for training and career development</i> | 5 752 |
| Research infrastructures (including e-infrastructure) <i>Ensuring access to world-class facilities</i> | 2 478 |

Priority 2 Industrial leadership

Why:

- Europe needs more innovative SMEs to create growth and jobs
- Strategic investments in key technologies (e.g. advanced manufacturing, micro-electronics) underpin innovation across existing and emerging sectors
- Europe needs to attract more private investment in research and innovation

| | |
|---|--------|
| Leadership in enabling and industrial technologies (<i>ICT, nanotechnologies, materials, biotechnology, manufacturing, space</i>) | 13 781 |
| Access to risk finance <i>Leveraging private finance and venture capital for research and innovation</i> | 3 538 |
| Innovation in SMEs <i>Fostering all forms of innovation in all types of SMEs</i> | 619 |

Priority 3 Societal challenges

Why:

- EU policy objectives (climate, environment, energy, transport etc) cannot be achieved without innovation
- Breakthrough solutions come from multi-disciplinary collaborations, including social sciences & humanities
- Promising solutions need to be tested, demonstrated and scaled up

| | |
|---|-------|
| Health, demographic change and wellbeing | 8 033 |
| Food security, sustainable agriculture, marine and maritime research & the bioeconomy | 4 152 |
| Secure, clean and efficient energy* | 5 782 |
| Smart, green and integrated transport | 6 802 |
| Climate action, resource efficiency and raw materials | 3 160 |
| Inclusive, innovative and secure societies | 3 819 |

*Additional €1 050m for nuclear safety and security from the Euratom Treaty activities (2014-18). Does not include ITER.

Source: DG Research, presentation made by Dimitri Corpakis on Horizon 2020, Brussels 07/02/2012

Chapter 2 Strengthening the participation of SMEs

2.1 Introduction

The Innovation Union flagship initiative includes a commitment to ensure strong participation by SMEs in Horizon 2020. SMEs have significant innovation potential and they have the agility to bring revolutionary technological breakthroughs and service innovation to the market. Strengthening the approach to SMEs, including enhancing the participation of microenterprises, is vital if Horizon 2020 is to help the fast-growing companies of today to become the multinationals of tomorrow.

Horizon 2020 takes an integrated approach to SMEs. Through this approach, it is expected that around 15% of the total combined budget for all societal challenges and the enabling and industrial technologies will go to SMEs. A number of novelties under Horizon 2020 will encourage the participation of SMEs. Simplification will be of particular benefit to SMEs, as they often lack the resources to cope with high administrative burdens. This will include setting up a single entry point for SMEs wishing to participate in Horizon 2020. Equally, the strengthened emphasis on innovation activities will increase SME participation as these activities are of direct relevance to them.

These horizontal measures will be supplemented with SME-specific actions, consolidating support that was previously dispersed over several programmes into a streamlined set of instruments.

First, a new SME instrument, building on the SBIR model, the principles of which are described in 'Innovation in SMEs', will be used consistently across all societal challenges as well as for the enabling and industrial technologies. The instrument will allow SMEs to put forward their most innovative ideas for addressing Union-level challenges. The instrument will meet the needs of all SMEs providing innovative solutions to specific challenges, irrespective of whether these are high-tech and research-driven or social and service-driven innovations, through the following features:

- Only SMEs will be allowed to apply for funding. They can bring with them other partners but one of the major novelties of this instrument is that it allows for single participant projects;
- Support will be provided in different phases. A feasibility phase will allow an assessment of project potential. A main grant will allow the SME to undertake the project, maintain ownership of IPR and outsource tasks where needed. Follow-up support will be provided indirectly through services such as help in accessing venture capital, innovation support or public procurement.

Second, a dedicated activity for research-intensive SMEs is included in 'Innovation in SMEs'. This will support the next stage in the Eurostars scheme implemented in partnership with Member States. It will be accompanied by measures to build SME innovation capacity, such as networking and brokering, and also allow SMEs to 'spin in' technology by connecting to researchers and innovators across Europe.

Third, 'Access to risk finance' will have a strong SME focus, as called for by the European Council. For the Debt facility, the SME focus will be strengthened by working with financial intermediaries at national and regional levels. The Equity facility will focus on early-stage investments, while having the possibility to make expansion and growth-stage investments in conjunction with the equity facility under the Programme for the Competitiveness of Enterprises and SMEs.

The Equity facility and the SME-related component of the Debt facility will be implemented as part of two EU Financial Instruments that provide equity and debt to support SMEs' R&I and growth, in conjunction with the equity and debt facilities under the Programme for the Competitiveness of Enterprises and SMEs.

2.2 Mainstreaming SME support

SMEs will be supported across Horizon 2020. For this purpose a dedicated SME instrument is targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise. It will be provided for all types of innovation, including non-technological and service innovations. The objective is to help filling the gap in funding for early stage high risk research and

innovation, stimulate break-through innovations and increase private-sector commercialisation of research results.

All of the societal challenges and the enabling and industrial technologies shall apply the dedicated SME instrument and allocate an amount to it. Only SMEs will be allowed to apply for funding and support. They can form collaborations according to their needs, including for subcontracting research and development work.

Projects must be of clear interest and potential benefit to SMEs and have a distinct European dimension.

The SME instrument will cover all fields of science, technology and innovation in a bottom-up approach within a given societal challenge or enabling technology so as to leave sufficient room for all kinds of promising ideas, notably cross-sector and inter-disciplinary projects, to be funded. The SME instrument will provide simplified and staged support. Its three phases will cover the whole innovation cycle. Transition from one phase to the next will be seamless provided the SME project has proven to be worth further funding during a previous phase.

At the same time each phase will be open to all SMEs:

- Phase 1: Concept and feasibility assessment: SMEs will receive funding to explore the scientific or technical feasibility and the commercial potential of a new idea (proof of concept) in order to develop an innovation project. A positive outcome of this assessment will allow for funding under the following phase(s).
- Phase 2: R&D, demonstration, market replication: Research and development will be supported with a particular focus on demonstration activities (testing, prototype, scale-up studies, design, piloting innovative processes, products and services, performance verification etc.) and market replication.
- Phase 3: Commercialisation: This phase will not provide direct funding other than support activities, but aims to facilitate access to private capital and innovation enabling environments. Links to the financial instruments (see Part II, section 2 'Access to Risk Finance of this Annex) are foreseen, for example by giving SMEs that have successfully completed phases 1 and/or 2 priority within a ring-fenced volume of financial resources. SMEs will also benefit from support measures like networking, training, coaching and advice. In addition this part may connect to measures promoting pre-commercial procurement and procurement of innovative solutions.

Uniform promotion, implementation and monitoring of the SME instrument across Horizon 2020 will ensure easy access for SMEs. Relying on existing SME support networks a mentoring scheme for the beneficiary SMEs shall be established to accelerate impact from the support provided. A dedicated body of stakeholders and experts in SME research and innovation will be set up with view to promoting and accompanying the specific SME measures of Horizon 2020.

2.3 Access to risk finance

Horizon 2020 will set up two facilities (the 'Equity facility' and the 'Debt facility'), composed of various windows. The Equity facility and the SME window of the Debt facility will be implemented as part of two EU Financial Instruments that provide equity and debt to support SMEs' R&I and growth.

The Equity facility and the Debt facility may, where appropriate, allow pooling of financial resources with Member States willing to contribute part of the Structural Funds allocated to them, in accordance with Article 31(1)(a) of the Structural Funds Council Regulation. Instead of providing loans, guarantees or equity, etc, directly to final beneficiaries, the Commission will delegate financial institutions to provide support via, in particular, risksharing, guarantee schemes and equity and quasi-equity investments.

Chapter 3 Inclusive, innovative and secure societies

The shrinking Union share of global knowledge production emphasizes the need to maximize the socio-economic impacts and efficiency of research and innovation policies and to increase substantially transnational policy synergies and coherence. Innovation will be addressed in a wide sense, including large scale policy, user- and market-driven innovation.

These activities will support the achievement and functioning of the European Research Area and in particular the Flagship initiatives of the Europe 2020 strategy in favour of the 'Innovation Union' and the 'Digital Agenda for Europe'.

The following specific objectives will be pursued:

Strengthening the evidence base and support for the Innovation Union and European Research Area

In order to assess and prioritise investments and strengthen the Innovation Union and the European Research Area, the analysis of research and innovation policies, systems and actors in Europe and third countries as well as the development of indicators, data and information infrastructures will be supported. Forward-looking activities and pilot initiatives, economic analysis, policy monitoring, mutual learning, coordination tools and activities and the development of methodologies for impact assessment and evaluations will also be needed, exploiting direct feedback from research stakeholders, enterprises, public authorities and citizens.

To ensure a single market for research and innovation, measures to incentivise ERA compatible behaviour will be implemented. Activities underpinning policies related to the quality of research training, mobility and career development of researchers will be supported, including initiatives to provide for mobility services, open recruitment, researchers' rights and links with global researcher communities. These activities will be implemented seeking synergies and close coordination with the Marie Curie Actions under 'Excellent science'.

Institutions presenting innovative concepts for the rapid implementation of ERA principles, including the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, will be supported. As regard coordination of policies, a facility for policy advice will be set up to make expert policy advice available to national authorities when defining their National Reform Programmes and research and innovation strategies.

To implement the Innovation Union initiative, there is also a need to support (private and public) market-driven innovation in view of enhancing the innovation capacity of firms and fostering European competitiveness. This will require improving the overall framework conditions for innovation as well as tackling the specific barriers preventing the growth of innovative firms. Powerful innovation support mechanisms (for e.g. improved cluster management, public-private partnerships and network cooperation), highly specialized innovation support services (on e.g. IPR management/exploitation, innovation management, networks of procurers) and reviews of public policies in relation to innovation will be supported. Issues specific to SMEs will be supported under the specific objective 'Innovation in SMEs'.

Exploring new forms of innovation, including social innovation and creativity

Social innovation generates new goods, services, processes and models that meet societal needs and create new social relationships. It is important to understand how social innovation and creativity may lead to change in existing structures and policies and how they can be encouraged and scaled-up. Grassroots on-line and distributed platforms networking citizens and allowing them to collaborate and co-create solutions based on an extended awareness of the social, political and environmental context can be a powerful tool to support the objectives of Europe 2020. Support will also be given to networking and experimentation of the use of ICT for improving learning processes, as well as to networks of social innovators and social entrepreneurs.

It will be essential to promote innovation in order to foster efficient, open and citizen-centric public services (eGovernment). This will require multidisciplinary research on new technologies and large-scale innovation related in particular to digital privacy, interoperability, personalised electronic identification, open data, dynamic user interfaces, citizen-centric public service configuration and integration and innovation driven by users, including in social sciences and the humanities. Such actions will also address social network dynamics and crowd-sourcing and smart-sourcing for co-production of solutions addressing social problems, based on open data sets. They will help to manage complex decision-making, in particular the handling and analysis of huge quantities of data for collaborative policy modelling, simulation of decision-making, visualisation techniques, process modelling and participatory systems as well as to analyse changing relationships between citizens and the public sector.

Ensuring societal engagement in research and innovation

Enabling all societal actors to interact in the innovation cycle increases the quality, relevance, acceptability and sustainability of innovation outcomes by integrating society's interests and values. This requires developing specific skills, knowledge and capacities at individual and organisational as well as at national and transnational levels. A scientifically literate, responsible and creative society will be nurtured through the promotion of and research on appropriate science education methods. Gender equality will be promoted in particular by supporting changes in the organisation of research institutions and in the content and design of research activities. In order to improve knowledge circulation within the scientific community and the wider public, the accessibility and use of the results of publicly funded research will be further developed. An Ethics Framework for research and innovation, based on the fundamental ethical principles including those reflected in the Charter of Fundamental Rights and all the relevant Union laws and Conventions will be promoted in coordination with relevant international organisations.

Chapter 4 Regional dimension of Horizon 2020: Closing the research and innovation divide in Europe

There are significant regional disparities across Europe in research and innovation performance which need to be addressed. Measures will aim at unlocking excellence and innovation and will be distinct, complementary and synergistic with policies and actions of the Cohesion policy Funds.

They include:

- Linking in a competition emerging institutions, centres of excellence and innovative regions in less developed Member States to international leading counterparts elsewhere in Europe. This will involve teaming of excellent research institutions and less developed regions, twinning of staff exchanges, expert advice and assistance and the development of joint strategies for the establishment of centres of excellence that may be supported by the Cohesion policy funds in less developed regions. Building links with innovative clusters and recognising excellence in less developed regions, including through peer reviews and awarding labels of excellence to those institutions that meet international standards, will be considered.
- Establishing 'ERA Chairs' to attract outstanding academics to institutions with a clear potential for research excellence, in order to help these institutions fully unlock this potential and hereby create a level playing field for research and innovation in the European Research Area. This will include institutional support for creating a competitive research environment and the framework conditions necessary for attracting, retaining and developing top research talent within these institutions.
- Supporting access to international networks for excellent researchers and innovators who lack sufficient involvement in European and international networks. This will include support provided through COST and National Contact Points.
- Supporting the development and monitoring of smart specialisation strategies. A policy support facility will be developed and policy learning at regional level will be facilitated through international evaluation by peers and best practice sharing.

R&D excellence & Cohesion Policy: two policies with complementary objectives

| EU R&D Policy – future Horizon 2020 | EU Cohesion Policy |
|--|--|
| Differences | |
| Based on individual R&D Projects often of a pre-competitive nature aiming at improving leading edge basic research | Based on multiannual Programmes aiming at increased economic competitiveness through close to the market competitive R&D and innovation efforts |
| Awarded directly to final beneficiaries (firms, public and private R&D centres and Universities) | Awarded through shared management to national and regional public intermediaries |
| Competitive calls addressed to international groupings through peer review based on excellence criteria | Non competitive attribution addressed to regional players based on strategic planning negotiation |
| Complementarities | |
| Horizon 2020 will focus on tackling major societal challenge, maximising the competitiveness impact of research and innovation and raising and spreading levels of excellence in the research base | Cohesion policy will focus on galvanising smart specialisation that will act as a capacity building instrument, based on learning mechanisms and the creation of critical skills in regions and Member States. |

Source: Presentations made by DG Research (Dimitri Corpakis) and DG Regio (Luisa Sanches), Brussels, 7/2/2012

Part 5 COSME – The Programme for the Competitiveness of Enterprises and SMEs (2014-2020)

DOC COM(2011) 834: Establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0834:FIN:EN:PDF>

The architecture of the draft programme is based on the following 3 actions:

- Promoting entrepreneurship;
- Improving access to finance for SMEs;
- Improving access to markets.

The focus of the actions has been described by the regulation as follows:

Actions to promote entrepreneurship:

1. The Commission shall contribute to promoting entrepreneurship by improving framework conditions affecting the development of entrepreneurship. The Commission shall support a business environment favourable to enterprise development and growth.
2. Particular attention shall be paid to young entrepreneurs, new and potential entrepreneurs and female entrepreneurs, as well as specific target groups.
3. The Commission may support Member States' measures to build-up entrepreneurial education, skills and attitudes, in particular among potential and new entrepreneurs.

Actions to improve access to finance for SMEs:

1. The Commission shall support actions which aim to improve access to finance for SMEs in their start-up and growth phases, being complementary to the Member States' use of financial instruments for SMEs at national and regional level. In order to ensure complementarity, these actions will be closely coordinated with those undertaken in the framework of cohesion policy and at national level. Such actions shall aim to stimulate the supply of both equity and debt finance.
2. The Commission shall develop measures, subject to market demand, to improve cross-border and multi-country financing, thereby assisting SMEs to internationalise their activities in compliance with Union law.

Actions to improve access to markets:

1. In order to continue improving the competitiveness and access to markets of Union enterprises, the Commission shall maintain its support for the Enterprise Europe Network.
2. The Commission may support actions to improve SMEs access to the Single Market including information provision and awareness-raising.
3. Specific measures shall aim to facilitate SMEs access to markets outside the Union, and to strengthening existing support services in those markets. SMEs may receive support through the Programme as regards standards and intellectual property rights in priority third countries.
4. Actions under the Programme may aim to foster international industrial cooperation, including industrial and regulatory dialogues with third countries. Specific measures may aim to reduce differences between the Union and other countries in regulatory frameworks for industrial products, on industrial policy and the improvement of the business environment.

The financial envelope for implementing the Programme shall be EUR 2.522 billion, of which approximately EUR 1.4 billion shall be allocated to financial instruments.

The financial instruments to be promoted by COSME:

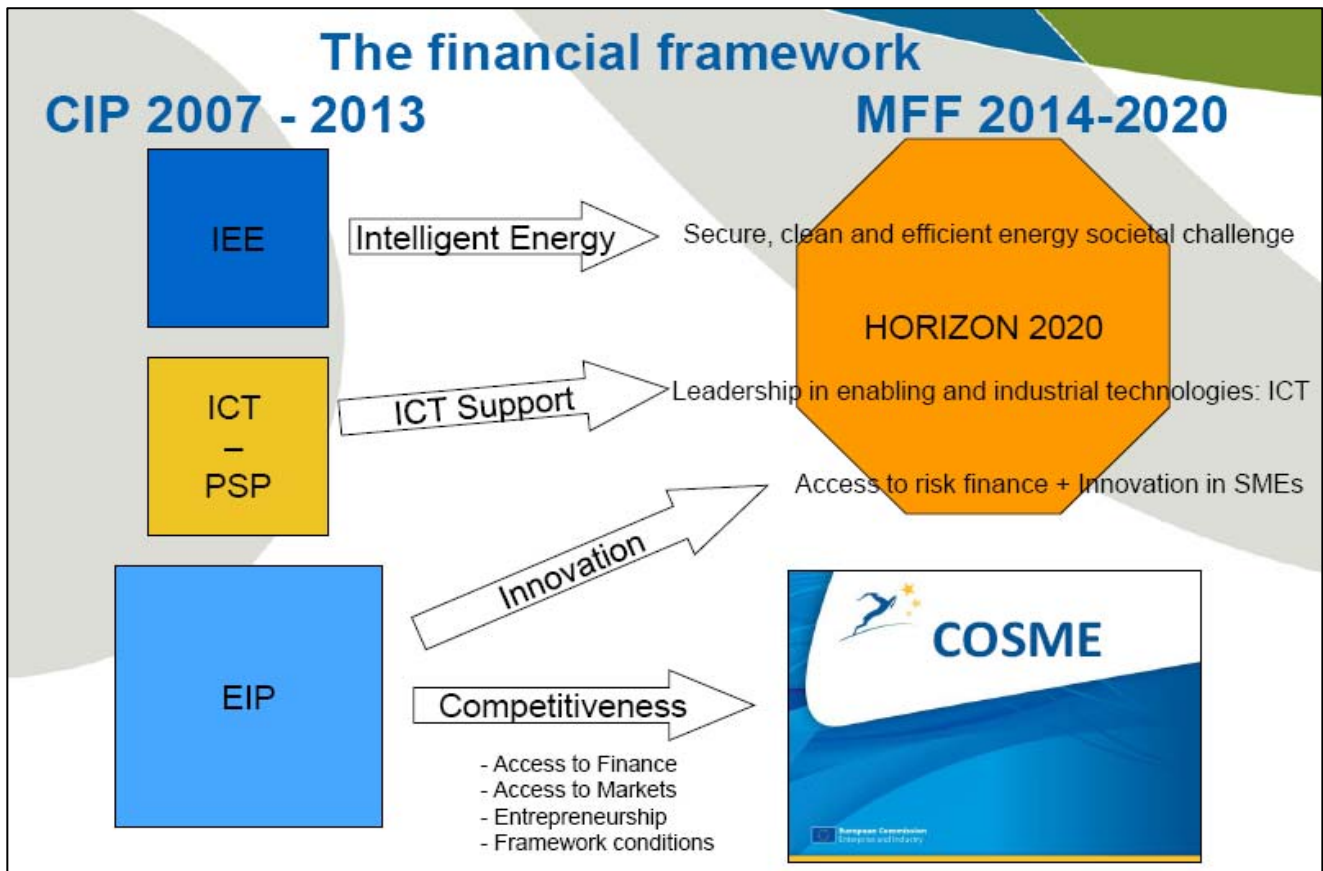
a) The Equity Facility for Growth (EFG):

1. The EFG shall focus on funds that provide venture capital and mezzanine finance, such as subordinated and participating loans, to expansion and growth-stage enterprises, in particular those operating across borders, while having the possibility to make investments in early stage enterprises in conjunction with the equity facility for RDI under Horizon 2020.. In latter case, the investment from EFG shall not exceed 20 % of the total EU investment except in cases of multi-stage funds, where funding from EFG and the equity facility for RDI will be provided on a pro rata basis, based on the funds' investment policy. The EFG shall avoid buy-out or replacement capital intended for the dismantling of an acquired enterprise. The Commission may decide to amend the 20 % threshold in light of changing market conditions.
2. Support shall be in the form of one of the following investments:
 - a. Directly by the European Investment Fund (EIF) or other entities entrusted with the implementation on behalf of the Commission;
 - b. By funds-of-funds or investment vehicles investing across borders established by the EIF or other entities entrusted with the implementation on behalf of the Commission together with private investors and/or national public financial institutions.

b) The Loan Guarantee Facility (LGF):

1. The LGF shall be operated by the EIF or other entities entrusted with the implementation on behalf of the Commission. The facility shall provide:
 - Counter-guarantees and other risk sharing arrangements for guarantee schemes;
 - Direct guarantees and other risk sharing arrangements for any other financial intermediaries meeting the eligibility criteria.
2. The LGF shall consist of the following actions:
 - Debt financing via loans, including subordinated and participating loans, or leasing, shall reduce the particular difficulties that SMEs face in accessing finance either due to their perceived high risk or their lack of sufficient available collateral;
 - Securitisation of SME debt finance portfolios shall mobilize additional debt financing for SMEs under appropriate risk-sharing arrangements with the targeted institutions. Support for those transactions shall be conditional upon an undertaking by the originating institutions to use a significant part of the resulting liquidity or the mobilized capital for new SME lending in a reasonable period of time. The amount of this new debt financing shall be calculated in relation to the amount of the guaranteed portfolio risk and shall be negotiated, together with the period of time, individually with each originating institution.
3. The LGF shall, except for loans in the securitized portfolio, cover loans up to € 150.000 and with a minimum maturity of 12 months. The LGF shall be designed in such way that it will be possible to report on the innovative SMEs supported, both in terms of number and volume of loans.

From CIP to COSME and Horizon 2020



Source: Presentation by Alberto Licciardello, DG Enterprise and Industry, Brussels 07/02/2012

Part 6 Erasmus for All

DOC COM(2011) 787: ERASMUS FOR ALL: The EU Programme for Education, Training, Youth and Sport

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0787:FIN:EN:PDF>

The proposed architecture of the draft programme is based on three types of actions:

- **Learning mobility of individuals:** Mobility will represent a significant share of the increased overall budget. This increase, together with a focus on the quality of mobility as well as a concentration of priorities and efforts, should increase the critical mass and impact beyond the individuals and institutions involved.
- **Cooperation for innovation and good practices:** There will be a stronger focus on strengthening innovative partnerships between educational institutions and business. For higher education, the emphasis will be on capacity building, concentrating on neighbourhood countries as well as strategic partnerships with developed and emerging economies.
- **Support for policy reform:** Policy reform will be targeted at: strengthening the tools and impact of the open methods of coordination in education, training and youth; implementing the Europe 2020 strategy and promoting the policy dialogue with third countries and international organisations.

The two first above actions can be summarized as follows:

Erasmus for All support for mobility will focus on four key activities:

- **Staff mobility**, in particular for teachers, trainers, school leaders and youth workers.
- **Mobility for higher education students** (including joint/double degrees) and vocational education and training students.
- **Erasmus Master for master degree mobility** of higher education students, through a new loan guarantee mechanism.
- **Youth mobility**, including volunteering and youth exchanges.

Erasmus Master

Masters degrees are essential for raising qualification levels in higher education and for helping students acquire the advanced skills of knowledge-intensive jobs. While the Bologna reforms have created more opportunities, there is far too little degree mobility taking place in the EU. This is partly because national student support schemes, where they exist, tend to be limited in scope and the support they provide cannot be taken to another Member State. Moreover, students usually do not have sufficient collateral against which to secure a loan, making the risk premium prohibitive — particularly when the borrower proposes to study abroad. The problem is particularly acute for students wishing to complete a full Masters degree programme in another Member State where tuition fees are likely to be high. In order to address this, Erasmus for All will establish a student loan guarantee scheme which will offer the possibility for Master level students doing a full degree programme in another EU or EEA country to access loans at favourable conditions.

Cooperation for innovation and good practices

Transnational cooperation projects are essential to encourage transparency, openness and excellence, and to facilitate exchange of good practices between institutions. In order to contribute to the governance and implementation of Europe 2020 and open method of coordination activities, the Programme will provide strengthened support to cooperation projects aimed at developing, transferring and implementing innovative education, training and youth practices. Finally, the new programme will boost international cooperation and capacity building in third countries.

Erasmus for All support for cooperation will focus on four key activities:

- Strategic partnerships between education establishments/youth organisations and/or other relevant actors.
- Large-scale partnerships between education and training establishments and business, in the form of Knowledge Alliances for higher education and Sector Skills Alliances.
- IT support platforms, including e-Twinning.
- Capacity building in third countries, with a strong focus on neighbourhood countries.

Budget

The table below shows the relative importance given to the different components of the “Erasmus for All” programme.

| Erasmus for All | Average year 2014-2020 | Concentration (in mio €) |
|--|--|---|
| Erasmus Higher Education (including tertiary VET) | 1100 – 1150 | Students, staff, joint programmes, masters, strategic partnerships, knowledge alliances |
| Erasmus Higher Education – International dimension (heading 4 “Funding”) | 259 | Students, staff, capacity building in particular in neighbourhood countries |
| Erasmus Training (VET and adult training) | 500 – 540 of which around 110 for adult learning | Students, staff, strategic partnerships, sector skills alliances, IT platforms |
| Erasmus Schools | 250 – 275 | Staff, strategic partnerships, IT platforms |
| Erasmus Youth Participation | 190 – 210 | Young people, staff strategic partnerships, IT platforms |
| Opening grants (NAs) | 63 | |
| Policy support | 92 | |
| Jean Monnet | 45 | |
| Sport | 34 | |

Annex I Risk finance for R&D+I

The difference between COSME and Horizon 2020

2 programmes working together in synergy with specific focus:

- ❖ **COSME**: equity and debt facilities open to SMEs only (EU definition)
- ❖ **H2020**: equity and debt facilities open to R&I-based SMEs, other R&I-based enterprises (midsized and larger firms) and bodies of all sizes and forms of ownership conducting R&I

Budget

- ❖ **H2020 (Industrial Leadership) – “Access to risk finance”**
 - € 3768.45 million (net of admin costs) in current prices
 - no breakdown proposed between equity and debt
 - ❖ **COSME – “Actions to improve SME access to finance”**
 - € 1436.32 million (net of admin costs) in current prices
 - Equity Facility for Growth: € 690 million
 - Loan Guarantee Facility: € 746.32 million
- Budget for H2020 Access to Risk Finance (demand-driven) may be topped-up by contributions coming from other parts of H2020, other programmes in the EU budget, “third” parties (including EUREKA), etc...
- Budget transfers between items (including between debt and equity) will be possible in order to match changing levels of need and market demand

Continuity and development

Competiveness & Innovation Programme (CIP)

✓ **SMEG** SME Guarantee Facility => **Loan Guarantee Facility**

✓ **GIF** High-Growth & Innovative SMEs Facility => **Equity Facilities**

Seventh Framework Programme (FP7)

✓ **RSFF** Risk-Sharing Finance Facility => **Loans & Guarantees Service** over € 7.4 billion in EIB loans to 75 companies so far (signed projects)

✓ **RSI** (start early 2012) => **SMEs & Small Midcaps Guarantee Facility**

Horizon 2020 and COSME financial instruments

— **Horizon 2020**

- **Loans and Guarantee Service for R&I (“RSFF II”)**
- **SMEs & Small Midcaps Guarantee Facility for R&I (“RSI II”)**
- **Equity Facility for R&I**

— **COSME**

- **Loan Guarantee Facility**
- **SME loan securitization**
- **Equity Facility for Growth**

Horizon 2020 and COSME will jointly support two EU financial instruments

- **Equity instrument for R&I and growth**
 - Equity Facility for R&I (H2020)
 - Equity Facility for Growth (COSME)

- **Debt instrument for SMEs (R&I and growth)**
 - Loan Guarantee Facility (COSME)
 - SMEs & Small Midcaps Guarantee Facility for R&I (H2020)

Joint support for the Equity instrument for R&I and growth

Investments in funds and funds-of-funds

- ❖ **Equity Facility for R&I (H2020)**
 - focus: early stage *(but also covering growth stage)*
 - final beneficiaries: innovative SMEs and small midcaps
growth investments up to 20% of total EU investment

- ❖ **Equity Facility for Growth (COSME)**
 - focus: growth stage *(but also covering early stage)*
 - final beneficiaries: growth-oriented SMEs
early-stage investments up to 20% of total EU investment

Seamless support for multi-stage funds (pro rata contribution)

Joint support for the Debt instrument for R&I and growth

Improving access by SMEs to debt financing

- ❖ **SMEs & Small Midcaps Guarantee Facility (H2020)**
guarantees for loans over € 150 000 for R&I activities
- ❖ **Loan Guarantee Facility (COSME)**
guarantees for loans to SMEs up to € 150 000;

**€ 150 000 threshold modifiable in the light of changing economic conditions*

Overview: Debt instrument for R&I and growth

Expanding the scope and scale of the RSFF

Debt financing of R&I undertaken by larger firms, research bodies, etc

Loans & Guarantees Service for R&I

demand-driven window (RSFF successor)

[+ support for SME Instrument (phase III) in H2020]

Joint support for improving debt financing for SMEs

**Loan Guarantee Facility
(COSME)**

loans up to € 150 000

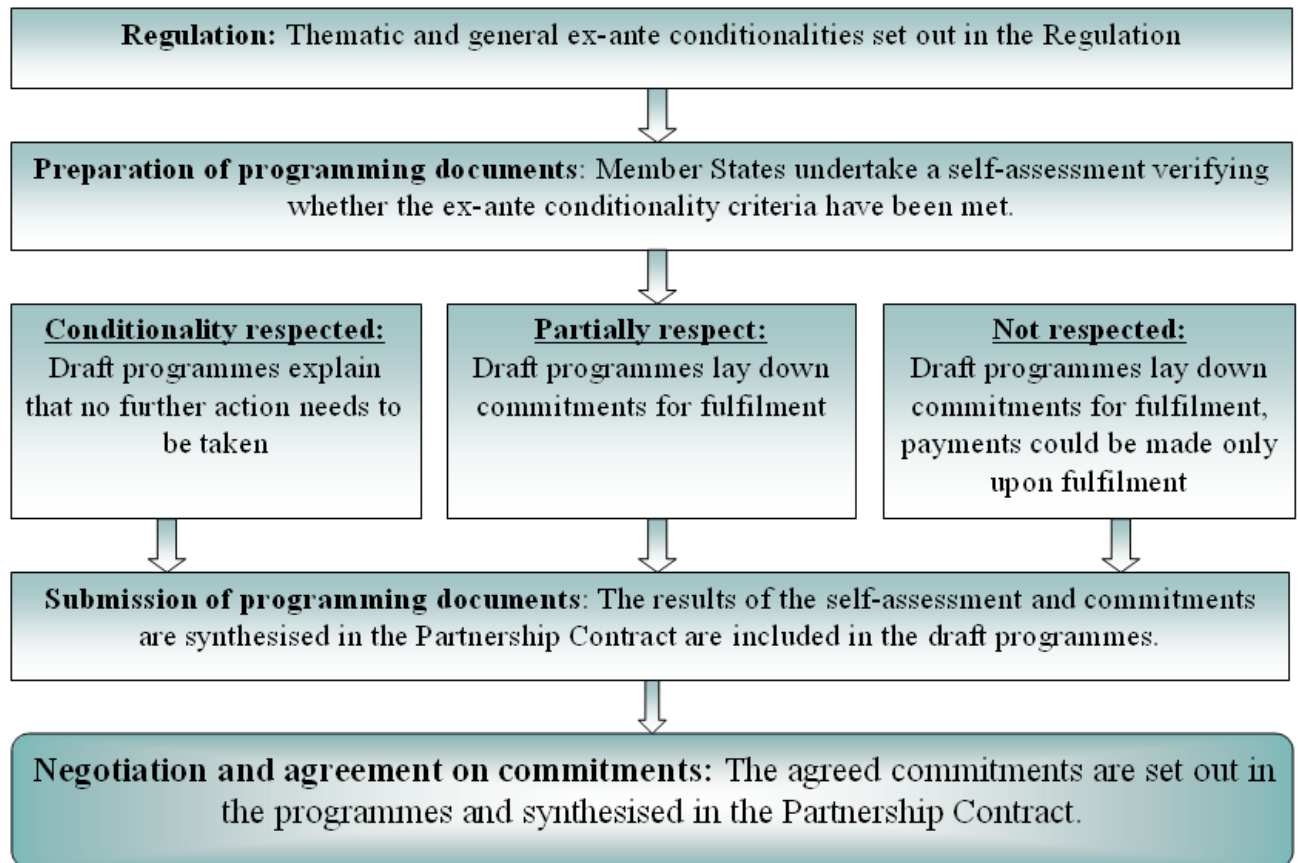
**SMEs & Small Midcaps
R&I Guarantee Facility
(H2020)**

loans over € 150 000

**SME loan securitisation
(unlimited)**

Source: Jean-David Malo, DG Research – Presentation made at EIF meeting in Luxembourg, 25/01/2012

Annex II ERDF – Check of the ex-ante conditionalities by the Commission



Source: DG Regio – Presentation made in Brussels, 14/12/2011

Annex III European Financial Stability Facility (EFSF) and European Stability Mechanism (ESM)

The EFSF's mandate is to safeguard financial stability in Europe by providing financial assistance to euro area Member States.

EFSF is authorised to use the following instruments linked to appropriate conditionality:

- Provide loans to countries in financial difficulties
- Intervene in the debt primary and secondary markets. Intervention in the secondary market will be only on the basis of an ECB analysis recognising the existence of exceptional financial market circumstances and risks to financial stability
- Act on the basis of a precautionary programme
- Finance recapitalisations of financial institutions through loans to governments

To fulfill its mission, EFSF issues bonds or other debt instruments on the capital markets.

The European Stability Mechanism (ESM) will substitute the EFSF after the ratification of the Treaty signed on 11/07/2011 by the Member States of the eurozone.