



# EU BUDGET FOR THE FUTURE

#EUBudget #EURoad2Sibiu #FutureofEurope



2 May 2018

## REGIONAL DEVELOPMENT AND COHESION

### ... WHY IS THIS A PRIORITY?

Cohesion Policy is the main investment policy of the EU as it is a major driver of job creation, sustainable growth and innovation in Europe's diverse regions. It supports the economic, social and territorial cohesion of our Union. Although Europe's economy is bouncing back, disparities remain between and within the Member States.

Today, Member States and regions need further support to tackle new and persistent challenges, such as harnessing globalisation, addressing industrial change, embracing innovation and digitalisation, managing migration in the long run and fighting climate change.

Managed in close partnership with Member States and regions, cohesion policy funds will continue to drive economic convergence and social cohesion. They will also improve the investment environment in Europe.



### WHAT DOES THIS MEAN IN FINANCIAL TERMS?




#### EUROPEAN REGIONAL DEVELOPMENT AND COHESION FUND

**Budget of €273 billion**

-  investing in research and innovation
-  support small businesses
-  help with the transition towards a low-carbon economy
-  support digital, energy and transport networks
-  fund better health, education and social infrastructure and sustainable urban development

#### EUROPEAN SOCIAL FUND+

**Budget of €101 billion**

-  investing in people
-  ensuring fairer opportunities for all
-  funding skills, youth employment and social inclusion



## WHAT IS NEW IN THE COMMISSION PROPOSALS?

- A **strengthened link with the European Semester**, driving the programming and monitoring of the funds, to support growth-friendly reforms.
- A **simplified framework and less red tape** for the beneficiaries of the funds.
- A **more tailored approach to regional development**.
  - Increased national co-financing rates will improve ownership and incentivise quality spending.
  - The relative per capita income will remain the predominant criterion for allocating funds, while other factors such as unemployment and climate change will also be taken into account.



## HOW ELSE WILL THE FUTURE EU BUDGET MAKE A DIFFERENCE IN THIS AREA?

- A new, enhanced **reform support programme**, with a budget of **€25 billion**, will provide incentives in all Member States for key reforms, to create the right conditions for job creation, growth and investments.
- The new **InvestEU Fund**, with a budget of **€15.2 billion** that could trigger **€650 billion** of additional investment, will streamline existing financial instruments into a single structure and will boost investments in strategic areas such as research and innovation, digital networks and the low-carbon economy across Europe.
- In complementarity with cohesion policy support to social integration, the reinforced **Asylum and Migration Fund**, with an overall budget of **€10.4 billion**, will focus on migrants' short-term needs upon arrival.



## NEXT STEPS

