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**COMMISSION STAFF WORKING DOCUMENT**

**Elements for a Common Strategic Framework 2014 to 2020**

**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**

**ANNEXES**

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## ANNEX I: THEMATIC OBJECTIVES

### 1. STRENGTHENING RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION

#### 1.1 Key targets and objectives addressed by the CSF Funds

##### Europe 2020 headline target:

*'Improving the conditions for research and development, in particular with the aim of bringing combined public and private investment levels in this sector to 3% of GDP'*

##### State of play:

By 2020 and based on national targets, the EU would still fall short of the 3% target by approximately 0.3 percentage points. The R&D investment rate stood at 2.01% in 2009.<sup>1</sup>

'Europe's competitiveness, our capacity to create millions of new jobs to replace those lost in the crisis and, overall, our future standard of living depends on our ability to drive innovation in products, services, business and social processes and models.'<sup>2</sup> The major focus for the Funds is therefore to address bottlenecks to innovation and increase investment in business research and development through close collaboration between public and private actors.

##### Key actions for the ERDF:

- innovation in enterprises. This includes the dissemination and adoption of new technologies, in particular key enabling technologies, through cooperation with actors in the world of research and education, technology transfer, applied research, technology development and demonstration facilities, in order to help companies develop more innovative products, processes, marketing and services and diversify the national/regional economy through new high-growth activities;
- capacity-building in Member States and regions for R&I excellence and technological change, by investing in innovative solutions and research infrastructures and equipment, in particular those of European interest in the context of Joint Programming Initiatives<sup>3</sup>, the ESFRI ('European Strategy Forum on Research Infrastructures')<sup>4</sup> research infrastructures, the development of the Regional Partner Facilities and within the Strategic Energy Technology Plan<sup>5</sup>. This includes support for national/regional research facilities and technology centres, competence centres and science parks, with a clear focus on enhancing applied research, through reinforced cooperation with industry to

<sup>1</sup> COM(2011) 815 final, AGS 2012 – Annex I.

<sup>2</sup> COM(2010) 546 final, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, 'Europe 2020 Flagship Initiative - Innovation Union'.

<sup>3</sup> Special competence could be build up in key areas for industry and economic development like the metrology sector, as part of the European Metrology Research Programme, which supports capacity building in certain countries/regions through a joint programme between 22 countries and the European Union.

<sup>4</sup> Innovation Union Commitment 5, COM (2010) 546 final, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions 'Europe 2020 Flagship Initiative - Innovation Union'.

<sup>5</sup> COM(2009) 519 final, 'Investing in the Development of Low Carbon Technologies (SET-Plan)'.

leverage private R&I investment;

- capacity-building in Member States and regions for the swift economic exploitation of new ideas stemming from research and innovation (R&I). This includes support for clusters, cooperative partnerships between research, education and innovation actors, business R&I infrastructures, promotion of R&I business advisory services, also in the field of services, creative hubs, cultural and creative industries and social innovation, pilots and demonstration activities, and creating more demand for innovative products through public procurement of innovation.

### **Key actions for the EAFRD:**

Fostering innovation and the knowledge base in rural areas, through:

- cooperation between the agriculture, food and forestry sectors and other actors and the creation of clusters and networks. Cooperation in this context may take the form of pilot projects and the development of new products, practices, processes and technologies, including the introduction of low carbon and green technologies;
- the establishment and use of advisory services, including farm management and farm and forestry advisory services, while also enabling farmers, forest holders and SMEs in rural areas to access advisory services in order to improve economic and environmental performance.

Strengthening the links between agriculture and forestry and research and innovation through:

- setting up operational groups bringing together farmers, researchers, advisors, civil society and businesses involved in the agriculture and food sectors in order to develop and implement innovative projects on topics of common interest. These operational groups will form part of the European Innovation Partnership for agricultural productivity and sustainability.

## **1.2 General implementation principles**

The Flagship Initiative "Innovation Union" has highlighted that the funds should be fully exploited to develop research and innovation capacities across Europe, based on smart specialisation strategies. These can ensure a more effective use of public funds and can stimulate private investment<sup>6</sup>. Such strategies will provide the context for investment in research and innovation and will focus these activities on the specific economic strengths and potentials of regions and Member States, identify niche specialisations, technological diversification and differentiation in products, processes and services, and help avoid duplication and fragmentation of policy effort.

R&I investments are relevant for all types of regions in the EU. However, the focus of investment will reflect the level of development: technologically leading regions will focus on remaining ahead while peripheral regions will seek to catch up and build stairways to excellence. Building up research and innovation capacity<sup>7</sup> and increasing accessibility to

<sup>6</sup> COM(2011) 17 final, Communication from the Commission 'Regional Policy contributing to smart growth in Europe 2020'.

<sup>7</sup> 'Policy implications arising from ex-post evaluations of Cohesion Policy programmes 2000-2006 co-financed by the ERDF (Objective 1 &2)', Synthesis report, March 2010.

knowledge and R&I absorption by focusing on technology transfer or co-inventing applications of generic technology in one or more important domains of the national/regional economy<sup>8</sup> and commercialising research results will be of particular relevance for the less developed and transition regions, to help them participate in the European Research Area and to develop an innovation-friendly environment for business and civil society. The focus of investment for the more developed regions should be on the promoting new, fast growing, technology-based companies and the swift economic and commercial exploitation of R&I results. Thus, regional diversity calls for differentiated policies depending on the type of region, with differing emphasis on the generation, dissemination and adoption of knowledge in the economy but with the common objective of developing efficient innovation systems.

Interregional cooperation should aim to reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions to enhance design and implementation of operational programmes.

EU funding should not displace private funding; instead, use should be made of financial instruments to leverage private finance for research and innovation.<sup>9</sup>

Gender equality should be considered in the definition of the areas for actions for strengthening research and innovation. Considering the gender dimension in funded research and innovation could improve methods and outputs of research products.

### **1.3 Complementarity and coordination**

It is crucial to strengthen synergies and complementarities between Cohesion Policy and Horizon 2020, while establishing a clear division of labour between them. This can help in increasing the value added of R&I European policies, further exploit the European dimension in the European Research Area in particular, and at the same time avoid duplication and fragmentation of effort at national and regional level.

In order to strengthen these synergies in practice, it is essential that the smart specialisation strategies be elaborated<sup>10</sup> by national and/or regional managing authorities for Cohesion Policy funds in close collaboration with the authorities responsible for research and innovation most directly concerned by Horizon 2020 and involving stakeholders such as universities and higher education institutions, local industry and social partners. The Smart Specialisation Platform<sup>11</sup> established by the Commission should be used to support the development of these strategies. These strategies should consider both upstream and downstream actions to and from Horizon 2020 financed by the CSF Funds. As set out above, both sets of options, upstream and downstream, are considered as key actions under the current Community Strategic Framework.

- Horizon 2020 will not support capacity-building and will not take into account geographic specificities in allocating funding. Upstream actions to prepare regional R&I players to participate in Horizon 2020 projects should therefore be developed through

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<sup>8</sup> 'Knowledge for Growth: prospects for science, technology and innovation', EU Commission, November 2009.

<sup>9</sup> COM(2010) 546 final, 'Europe 2020 Flagship Initiative — Innovation Union', COM(2010) 546 final, p. 20.

<sup>10</sup> EU Parliament resolution, 2011/C 161 E/16 "Implementation of the synergies of research and innovation earmarked funds in Regulation (EC) N° 1080/2006 concerning the European Fund of Regional Development and the Seventh Framework Programme for Research and Development".

<sup>11</sup> COM(2010) 546 final, 'Europe 2020 Flagship Initiative - Innovation Union', p. 21.

capacity building under the CSF Funds, in particular through the ERDF. This can involve enhancing R&I infrastructures and equipment of European interest, but also smaller research partnering facilities of regional importance upgrading into research excellence, the modernisation of universities and higher education institutions and research organisations, as well as developing technology auditing, international partner search and information campaigns in firms and technology centres to stimulate and facilitate participation in Horizon 2020.

- Downstream actions should provide the means to exploit and diffuse swiftly R&I results stemming from Horizon 2020 into the market, with particular attention at creating an innovation-friendly business environment for SMEs<sup>12</sup> and regional industry. There is a need to use the CSF Funds to deploy business services, finance incubators, start dedicated networks, and develop projects in universities to support the first-time access of regional SMEs to European programmes such as Horizon 2020;
- The measures proposed by the Commission under the ‘Closing the innovation divide’ part of the societal challenge ‘Inclusive, innovative and secure societies’ under Horizon 2020 will be instrumental in creating synergies with cohesion policy.

Actions under this thematic objective should be coordinated with actions under the thematic objectives related to ICT development, enhancing SME competitiveness and investing in education, skills and lifelong learning. They should also be coordinated with the Marie Skłodowska-Curie Actions and with ESF funding for the development of human resources in R&I under the thematic objectives for employment, education and social inclusion. Member States are encouraged to fully exploit the synergies between investments in R&I and the use of the ESF to fund the modernisation of tertiary education, including the development of post-graduate studies, the improvement of research capacities and skills of students, the training of researchers, and networking activities and partnerships between research and technological centres, higher education institutions and enterprises. Both ESF and ERDF can co-finance partnerships between education, businesses and research.

These actions should be coordinated with transnational partnerships between enterprises and education institutes in the form of Knowledge Alliances and Sector Skills Alliances which can be supported by the 'Erasmus for All'<sup>13</sup> programme. Pilots and demonstration activities and public procurement of innovation should take account of the priorities of the European Innovation Partnerships;<sup>14</sup>

For the EAFRD, in addition to the general principles described above, support should focus on stimulating research responding to the specific needs of farmers and foresters, particularly those operating on a small-scale, and on fostering the take-up of research results and application of innovation in these sectors. The new European Innovation Partnership (EIP) for agricultural productivity and sustainability will be an important approach for better linkages between research and farming practice, especially through the EIP network. The measures proposed under the societal challenge "Food security, sustainable agriculture, marine and maritime research and the bio-economy" under Horizon 2020 should enhance synergies with rural development policy and the EMFF.

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<sup>12</sup> Expert Group on synergies between FP7, the CIP and the Cohesion Policy Funds, “Final Report of the Synergies Expert Group”, EU Commission June 2011.

<sup>13</sup> COM(2011) 788 final, 'The Union programme for Education, Training, Youth and Sport'.

<sup>14</sup> COM(2010) 546 final, ‘Europe 2020 Flagship Initiative - Innovation Union’ p. 22.

## 2. ENHANCING ACCESS TO AND, USE AND QUALITY OF INFORMATION AND COMMUNICATION TECHNOLOGIES

### 2.1 Key targets and objectives addressed by the CSF Funds

As outlined in the Integrated Guidelines, ‘Member States should promote the roll-out and take-up of high-speed internet as an essential means for acceding to knowledge and participating in its creation.’<sup>15</sup> The Digital Agenda for Europe<sup>16</sup> aims to deliver smart, sustainable and inclusive economic growth through the realisation of the digital single market and exploitation of the potential for innovation with fast and ultra-fast internet and interoperable services and applications.<sup>17</sup> Information and communication technologies (ICT) are a powerful driver of economic growth, innovation and productivity that cuts across a large number of domains.

#### Key actions for the ERDF:

- roll-out of open, affordable and future-proof Next Generation Access Infrastructures (NGA) that are accessible to all in under-served areas and in the economic centres of the less developed regions with the aim of creating jobs and contributing to higher productivity levels and a more competitive European economy;
- eGovernment applications with the aim of enhancing innovation, the modernisation of public administrations and access to these services by citizens, including marginalised groups and people with disabilities;
- ICT applications that contribute to meeting future societal challenges and opportunities such as eHealth, ageing population, reducing carbon emissions, resource-efficiency, education, eInclusion, energy efficiency, eGovernment, integrated ICT solutions for 'smart cities', consumer information and empowerment;
- investment in the large-scale uptake of ICT-based innovations within and between regions to address key societal challenges.

#### Key actions for the EAFRD:

Enhancing the accessibility, use and quality of ICT in rural areas accessible to all, through:

- the creation, improvement and expansion of broadband infrastructure, including passive broadband infrastructure;
- ICT applications and services in support of the sustainability and competitiveness of rural areas and of agriculture and food processing;
- e-content relevant to the development of rural tourism;

<sup>15</sup> Integrated Guidelines, Guideline 4.

<sup>16</sup> COM(2010) 245 final/2, ‘A Digital Agenda for Europe’,.

<sup>17</sup> Commitment 48, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, ‘Flagship Initiative: A digital agenda for Europe’.

- promotion of digital competence outside formal education systems among farmers, forestry managers and rural businesses.

## **2.2 General implementation principles**

As a general rule, support through the CSF Funds, in particular through grant instruments, should be targeted on areas not sufficiently served by private investment where the market fails to deliver. Where possible, support should be provided through financial instruments.<sup>18</sup> The possibility to attract private capital for investment and innovative service development through credit enhancement using the ERDF also in synergy with Connecting Europe Facility should be actively explored. The adoption of long-term investment models should be in line with EU guidance on broadband investment<sup>19</sup> and respect of state aid rules should strengthen regional innovation and competitiveness, ensure a high level of competition and create a level playing field for all market players. The resulting infrastructure should enable disaggregation of services at end-user level, and the differentiation of services and end-to-end independence of operators and service suppliers.

ICT-based Key Enabling Technologies are powerful cross cutting drivers for innovation across a large number of economic and social sectors. Investments in developing ICT products, services and applications, and demand-related actions should focus on the use of these technologies to tackle key societal challenges and opportunities such as health and demographic change, energy efficiency, eGovernment as well as the strengthening regional capacity to plan these actions in all regions. Action in this field should aim to empower individuals, strengthen business competitiveness and the efficiency of public administrations including the better use and sharing of data, enhance the attractiveness of regions against other areas of the world and prevent de-location of economic activity and depopulation of less developed areas.

## **2.3 Complementarity and coordination**

To enhance the use of ICT and actively contribute to the development of digital literacy, actions under this thematic objective should be complemented by actions supported by the ESF<sup>20</sup> to promote digital competences in formal education and training systems, to raise awareness and to provide effective ICT training and certification outside formal education systems, including the use of online tools and digital media for re-skilling and continuing professional development. Particular attention will need to be paid to improve the attractiveness of the ICT sector for youngsters between the ages of 15-24 and for women. As the benefits of the digital society should be available to all, support should also aim to integrate and empower members of disadvantaged social groups within the digital society, including e-services and other support measures (such as eSkills and easy access to eLearning, eEducation, eGovernment, eEnvironment, eHealth services) as well as addressing specific eAccessibility challenges.

EAFRD investment in ICT should be used in a way that complements similar investments in rural areas by the ERDF (where ERDF support is available) and related training actions under the ESF.

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<sup>18</sup> Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, 'Flagship Initiative: A digital agenda for Europe'.

<sup>19</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/presenta/broadband2011/broadband2011\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/presenta/broadband2011/broadband2011_en.pdf)

<sup>20</sup> Under the thematic objectives for employment, education and social inclusion.



Coordination should be ensured with the 'Erasmus for All'<sup>21</sup> programme, in particular with strategic cooperation projects that will support the promotion of digital competences and the use of ICT in education and training institutes through transnational activities.

Finally, the CSF Funds should finance actions that complement investments by the Connecting Europe Facility (CEF),<sup>22</sup> which will contribute to financing the infrastructure needed to roll out e-ID, eProcurement, electronic health care records, Europeana, eJustice and customs-related services. The CEF would also serve to ensure interoperability and meet the costs of running infrastructure at European level, linking up Member State infrastructures. Coordination at national level between cohesion, CEF and Horizon 2020 actions will be essential to ensure synergy, complementarity and avoid duplication of efforts.

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<sup>21</sup> COM(2011) 788 final, 'The Union programme for Education, Training, Youth and Sport'.

<sup>22</sup> COM(2011) 665, Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility.

### **3. ENHANCING THE COMPETITIVENESS OF SMEs, THE AGRICULTURAL SECTOR (FOR THE EAFRD) AND THE FISHERIES AND AQUACULTURE SECTOR (FOR THE EMFF)**

#### **3.1 Key targets and objectives addressed by the CSF Funds**

Small and medium-sized enterprises constitute the backbone of the European economy and are key drivers of growth, job creation and cohesion, providing two out of three private-sector jobs and contributing 58% of the total value added created by businesses in the EU. Investment in SMEs therefore has a strong contribution to make to growth, employment and cohesion. SMEs have a clear role to play in managing structural change and transition in a global knowledge-based economy and in creating new employment opportunities. On their own, SMEs lack the power to implement value chains on a large scale and therefore depend on creating links within and outside their region of origin.

EAFRD interventions to enhance the competitiveness of the agricultural sector will help to secure viable food production in the EU and contribute to job creation and maintenance and growth in rural areas. Particular challenges to be addressed are the size of agricultural holdings in some regions which forms an obstacle to competitiveness, the sector's age structure, with only around 6% of farmers under 35, and the need to foster productivity and efficiency to respond to competition from third countries, rising input costs, market volatility, and environmental challenges.

#### **Key actions for the ERDF:<sup>23</sup>**

- investment in entrepreneurship, including the provision of start-up capital, guarantees, loans and mezzanine and seed capital through financial instruments and support for the development of business plans;
- investment in the commercial exploitation of new ideas and research results and the creation of more knowledge-intensive businesses through interventions tailored to the needs of SMEs at their various stages of development and along the innovation value chain;
- business advisory services, in particular in the areas of business start-up, business transfer, access to new markets, business strategy and monitoring, technology transfer and foresight as well as user-oriented and design-driven innovation, raising innovation management capacity and encouraging the development and use of such services through innovation voucher programmes;
- support the development of web-tools to provide targeted information and facilitate regulatory procedures for SMEs, particularly in the area of public procurement, employment law, social security, taxation and standardisation;
- the development of new business models, including new value chains and marketing organisation, in particular to facilitate internationalisation;

<sup>23</sup> COM(2010) 614, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, 'Flagship Initiative: An Integrated Industrial Policy for the Globalisation Era — Putting Competitiveness and Sustainability at Centre Stage'.

- the development of SMEs in emerging areas linked to European and regional challenges such as creative and cultural industries, new forms of tourism, and innovative services reflecting new societal demands or products and services linked to ageing population, care and health, eco-innovations, the low carbon economy and resource efficiency, including coordination with public procurement to speed up the market take-up of innovative solutions to address these challenges.

**Key actions for the EAFRD:**

- the restructuring of farms facing major structural problems, in particular through on-farm investments to improve the performance of an agricultural holding or to support farm viability, economic sustainability, investments related to the processing, marketing and development of agricultural products or investments in infrastructure for the development and adaptation of agriculture;
- generational renewal in the agricultural sector, especially through business start-up aid for young farmers;
- integration of primary producers into the food chain, through support for quality schemes, promotion in local markets, horizontal and vertical cooperation, new marketing and networking opportunities, the development of short supply chains and the setting up of producer groups;
- farm risk management, through a range of tools to assist farmers with the effective management of increasing economic and environmental risks, including animal and plant diseases, and support for investments in preventive and restoration actions.

**Key actions for the EMFF:**

- business development, business skills and entrepreneurship in fisheries and aquaculture in order to enhance their competitiveness, viability and sustainability;
- introduction or development of new or improved products, processes, technologies, and management and organisation systems across all levels of the supply chain in the fisheries and aquaculture sectors in order to increase the added value of fisheries and aquaculture products and to lower production costs;
- improvement of market organisation in the fisheries and aquaculture sectors.

### **3.2 General implementation principles**

EU support for SMEs from the ERDF, EAFRD and EMFF needs to be more targeted, focusing on enhancing the competitiveness and growth performance of SMEs in line with the Small Business Act and its Review<sup>24</sup>. Intervention should cover the whole range of SME policy instruments. Member States should make a decisive shift from grant-based to financial instruments such as the provision of start-up capital, guarantees, loans, mezzanine and seed capital in supporting SMEs. This should include provision through the EAFRD of financial instruments providing access to capital for productive investments in the agricultural, forestry and food-processing sectors, as well as for SMEs located in rural areas. Support should be

<sup>24</sup> COM(2008) 394 final and COM(2011) 78 final

provided in the context of ongoing initiatives to analyse and reduce the administrative and regulatory burden for SMEs, with a particular focus on micro businesses.

### **3.3 Complementarity and coordination**

Actions under this thematic objective should be implemented taking into account that Europe has too few entrepreneurs and disproportionately even fewer women than men entrepreneurs. Particular attention should be paid to tackling the factors discouraging women from becoming entrepreneurs. Actions under this thematic objective should be reinforced by actions financed by the ESF<sup>25</sup> to boost the competitiveness of SMEs. These actions should focus on developing the capacity of SMEs to anticipate and manage change through identification of employment and skills trends, on providing support for the organisational development, information and counselling of SMEs, on introducing innovative forms of work organisation and/or flexible working time arrangements and on promoting enterprise investment in training. Actions under this thematic objective should also complement actions financed by the ESF to support entrepreneurship, self-employment and business creation (under the employment thematic objective) and actions supporting social enterprises which can be provided by the ESF and ERDF (under the social inclusion thematic objective).

Actions under this thematic objective should complement actions financed under the EU Programme for the Competitiveness of Enterprises and SMEs,<sup>26</sup> which will focus on financial instruments and support for the internationalisation of enterprises by: 1) improving access to finance for SMEs in the form of equity and debt; 2) establishing a loan facility to provide SMEs with direct or other risk-sharing arrangements with financial intermediaries in order to cover loans; 3) improving access to markets inside the EU and globally; and 4) promoting entrepreneurship: activities will include developing entrepreneurial skills and attitudes, especially among new entrepreneurs, young people, women and vulnerable groups such as people with disabilities.

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<sup>25</sup> Under the thematic objectives for employment, education and social inclusion.

<sup>26</sup> COM(2011) 834 final.

## 4. SUPPORTING THE SHIFT TOWARDS A LOW-CARBON ECONOMY IN ALL SECTORS

### 4.1 Key targets and objectives addressed by the CSF Funds

#### Europe 2020 headline target:

*'Reducing greenhouse gas emissions by 20% compared to 1990 levels, or by 30% if the conditions are right;*

*increasing the share of renewables in final energy consumption to 20%; and*

*moving towards a 20% increase in energy efficiency*

#### **State of play<sup>27</sup> :**

Concerning the 20/20/20 targets, recent emission reduction projections<sup>28</sup> suggest that the EU as a whole would meet its 20% greenhouse gas emission reduction target, while for a number of Member States, additional policies will be necessary to achieve their binding national targets. As far as energy efficiency is concerned, work is ongoing on the overall analysis of Member States' national targets. A report should be ready in early 2012. However, the 20% renewable energy target based on the legally binding national targets should be met by 2020 if Member States fully implement their renewable action plans. At EU level, the share increased from 10.3% in 2008 to 11.6%<sup>29</sup> in 2009.

Beyond the targets for 2020, the Communication 'A Roadmap for moving to a competitive low carbon economy in 2050'<sup>30</sup> sets out a pathway for reducing greenhouse gas emissions by 80-95% by 2050 compared with 1990 levels, a target agreed by the European Council of 29-30 October 2009.

The ERDF, Cohesion Fund and EAFRD can contribute to accelerating the implementation of EU legislation on renewable energy and energy efficiency, in particular the Energy Performance of Buildings Directive,<sup>31</sup> the Energy Services Directive,<sup>32</sup> the Renewable Energy Directive<sup>33</sup> and the Strategic Energy Technology Plan<sup>34</sup>.

#### **Key actions for the ERDF:**

- investment in the wider use of Energy Performance Contracting in the public buildings and housing sectors.

<sup>27</sup> COM(2011)815 final, AGS 2012 – Annex I. –.

<sup>28</sup> COM(2011) 1151 of 7.10.2011.

<sup>29</sup> Provisional data.

<sup>30</sup> COM(2011) 112 final.

<sup>31</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings.

<sup>32</sup> Directive 2006/32 of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC.

<sup>33</sup> Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

<sup>34</sup> COM (2009) 519 final, 'Investing in the Development of Low Carbon Technologies (SET-Plan)'.

**Key actions for the ERDF and the Cohesion Fund:**

- energy efficiency and renewable heating and cooling in public buildings, in particular the demonstration of zero-emission and positive-energy buildings, as well as deep renovation of existing buildings to beyond cost-optimal levels;
- energy efficiency measures and renewable energy use in SMEs (including information campaigns);
- innovative renewable energy technologies, in particular technologies mentioned in the Strategic Energy Technology Plan<sup>35</sup> and in the Energy Roadmap 2050, along with second- and third-generation biofuels;
- supporting marine-based renewable energy production, including tidal and wave energy;
- integrated low-carbon strategies and sustainable energy action plans for urban areas, including public lighting systems and smart grids.

**Key actions for the EAFRD:**

- increased efficiency in energy use in agriculture and food processing through investments in more energy-efficient buildings and facilities, together with advice on energy-efficiency;
- facilitating the supply and use of renewable sources of energy, and of by-products, wastes, residues and other non-food raw material to promote the bio-economy through: investments in the on-farm production and use of renewable energy; pilot projects for improving by-product use; investments in new forestry technologies for the processing of biomass; and investments in renewable energy infrastructures in rural areas;
- reducing nitrous oxide and methane emissions from agriculture through: support for lower use of nitrogen fertilisers; improved livestock management practices (for the treatment of animal wastes); and support for more climate-friendly crop rotation;
- enhancing carbon sequestration and emission reduction in agriculture and forestry through: agro-forestry systems; forest planting and maintenance; climate-friendly management of new and existing forests; establishing or maintaining healthy grassland; and maintaining peatlands.

**Key actions for the EMFF:**

- support deployment of low carbon technologies and solutions and increase energy efficiency of fisheries and aquaculture activities, including fishing vessels, ports, aquaculture farms and processing of fisheries and aquaculture products.

## 4.2 General implementation principles

The CSF Funds should effectively contribute to achieving the climate and energy targets for 2020, in particular the annual binding greenhouse gas emission targets for Member States in

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<sup>35</sup> COM(2009) 519 final, 'Investing in the Development of Low Carbon Technologies (SET-Plan)'.

the period 2013–2020 under the Effort Sharing Decision.<sup>36</sup> However, support should focus not only on the targets for 2020, but also on the long-term decarbonisation target for 2050. In particular, investments should avoid lock-in, provide incentives for technologies of the future, and aim to minimise the cost of emission reductions over the 40-year period until 2050.

The bulk of climate-related investment should be made by the private sector. Member States and regions should ensure that public funding complements private investment, leveraging it, and not crowding it out. In the energy efficiency sector, the option of creating value for energy savings through market mechanisms (energy saving obligations, energy service companies, etc.) should be considered before public funding.

Financial instruments should be supported in instances where the potential for private revenue or cost savings is large, including revolving funds and guarantee schemes. In the case of physical investment, grants should be used primarily to address market failures or to support innovative technologies and investments going beyond cost-efficient energy efficiency performance, thus making sure that energy savings and greenhouse-gas emission reductions are above those attainable with business as usual.

### **4.3 Complementarity and coordination**

It is important to ensure coordination with already existing climate-related instruments, including both funding and non-funding instruments. Support from the CSF Funds should not duplicate support from revenue obtained from auctioning allowances under the European Emission Trading Scheme and should complement support schemes for renewable energy. Support should therefore focus on areas where current incentives are insufficient. Financing from the CSF Funds should be coordinated with support from the NER300 Programme, which uses revenue from auctioning allowances under the European Emissions Trading Scheme to finance demonstration projects for innovative renewable energy technologies.<sup>37</sup> Complementarity and coordination with LIFE, in particular with integrated projects in the areas of climate change mitigation should be pursued in order to enhance European added value and national and regional development benefits.

Synergies should be enhanced between actions under this thematic objective with actions enhancing the competitiveness of SMEs by supporting new businesses and activities in low-carbon and climate-resilient sectors, strengthening research, technological development and innovation in energy efficiency and renewable energy, and promoting employment and labour mobility. The ESF should contribute towards the shift towards a low carbon economy through support for the early detection of labour and skill needs and shortages, the reform of education and training systems, the adaptation of skills and qualifications, the up-skilling of the labour force to improve its employability, and enhancing the creation of new jobs in sustainable low carbon industry and energy sectors.

The EAFRD should support the potential for agriculture to contribute to emission cuts, in particular by reducing nitrous oxide emissions from agricultural soils (linked to fertiliser use) and from manure and should contribute to increasing carbon in soil by protecting and

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<sup>36</sup> Decision No 406/2009/EC.

<sup>37</sup> Commission Decision of 3 November 2010 laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO<sub>2</sub> as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council (2010/670/EU).

enhancing soil organic matter. EAFRD support in this area could create important synergies with activities under the thematic objective ‘protecting the environment and promoting resource efficiency’, by reducing the excessive use of fertilisers and pesticides, which can seriously endanger terrestrial and aquatic ecosystems.

Area-based forms of support from EAFRD should in particular contribute to the provision of environmental-friendly farming and forestry practices, especially in areas at risk of agricultural intensification or land abandonment.

The EMFF should support diversification of fisheries activities into other sectors of maritime economy and growth of maritime economy, including mitigation of climate change. In preparing their programmes, it is important to take into account specific needs with regards to climate change mitigation and adaptation.



## **5. PROMOTING CLIMATE CHANGE ADAPTATION AND RISK PREVENTION AND MANAGEMENT**

### **5.1 Key targets and objectives addressed by the CSF Funds**

The White Paper 'Adapting to climate change: Towards a European framework for action'<sup>38</sup> sets out the EU framework for adaptation to climate change, including objectives and actions. The Communications 'A Community approach on the prevention of natural and man-made disasters'<sup>39</sup> and 'Towards a stronger European disaster response: the role of civil protection and humanitarian assistance'<sup>40</sup> set out the key elements of the EU approach on risk prevention and management.

#### **Key actions for the ERDF and Cohesion Fund:**

- development of strategies and action plans for adaptation to climate change and risk prevention and management plans at national, regional and local level and for building up a knowledge base and data observation capacities, and mechanisms for the exchange of information;
- increased investment in adaptation to climate change and risk prevention and management, including: avoiding damage and increasing resilience to the built environment and other infrastructure; protecting human health; decreasing future pressure on water resources; investing in flood and coastal defences; and decreasing the vulnerability of ecosystems in order to increase ecosystem resilience and enable ecosystem-based adaptation;
- development of tools (detection, early warning and alert systems, risk mapping and assessment); and increased investment disaster management systems, to facilitate disaster resilience and risk prevention and management for natural risks, including weather-related risks (such as storms, extreme temperature events, forest fires, droughts, floods) and geophysical risks (such as avalanches, landslides, earthquakes, volcanoes), and to support societal responses to industrial risks (early warning systems, risk mapping).

#### **Key actions for the EAFRD:**

- sustainable water management, including water efficiency (with regard to ecosystems), through the creation of on-farm water storage zones; support for water-efficient cropping patterns; and the establishment and management of forest protection belts against erosion;
- improved soil management through support for practices to prevent soil degradation and depletion of soil carbon stock, such as low tillage, winter green cover, and the establishment of agro-forestry systems and new forests;
- ensuring a high potential for adaptation to climate change and diseases and maintaining

<sup>38</sup> COM(2009) 147 final, White Paper 'Adapting to climate change: Towards a European framework for action'.

<sup>39</sup> COM(2009) 82.

<sup>40</sup> COM(2010) 600.

genetic diversity, especially by supporting local crop varieties and livestock breeds.

## **5.2 General implementation principles**

Cooperation across regions and Member States should be pursued in adaptation and risk prevention and management activities to deal with cross-border spillover effects, in particular in relation to flood protection, protection of forests against fires and pests, and coastal protection.

The CSF Funds should be used to invest in ecosystem-based risk prevention and management and adaptation measures, including the integration of climate change adaptation and risk prevention within coastal and maritime planning and management systems. Synergies with climate change mitigation, environmental protection and resource efficiency should be exploited where possible.

Synergies should be pursued with activities under other thematic objectives, including innovation and technological development for adaptation to climate change, support for businesses in taking up adaptation measures and technology, and actions to reduce water pollution from agriculture, such as reducing the excessive use of fertilisers and pesticides.

## **5.3 Complementarity and coordination**

Synergies and complementarities between CSF Funds should be sought particularly in types of interventions that could be funded by different funds. Complementarity and coordination with LIFE, in particular with integrated projects in the areas of climate change mitigation should be ensured at national and regional level. The ESF can complement activities in this area through targeted education, training and up-skilling of the labour force with regard to risk prevention, risk management and adaptation to climate change. The EAFRD can complement activities in this area by integrating climate change adaptation in farm advisory services, knowledge transfer and information actions.

## 6. PROTECTING THE ENVIRONMENT AND PROMOTING RESOURCE EFFICIENCY

### 6.1 Key targets and objectives addressed by the CSF Funds

The flagship initiative ‘Resource Efficient Europe’<sup>41</sup> aims to create a framework for policies to support the shift towards a resource-efficient and low-carbon economy. The Integrated Guidelines refer to the need for Member States to decouple economic growth from resource use, turning environmental challenges into growth opportunities and making efficient use of their natural resources. Specific targets in relation to the environment are set out in the EU environmental *acquis* and at EU level.

The Water Framework Directive,<sup>42</sup> along with the rest of the EU water *acquis*,<sup>43</sup> aims to protect water resources and the aquatic environment and obliges Member States to implement measures to ensure the sound condition (ecological, chemical and quantitative) of water bodies. The Waste Framework Directive<sup>44</sup> sets out obligations and targets for Member States with respect to waste prevention and treatment. The EU’s Biodiversity Strategy<sup>45</sup> sets the goal of halting the loss of biodiversity and the degradation of ecosystem services by 2020, and restoring them as far as is feasible. The Birds<sup>46</sup> and Habitats<sup>47</sup> Directives together form the cornerstone of the EU’s nature protection policy and set out obligations for Member States. The Soil Thematic Strategy<sup>48</sup> and the proposed Soil Framework Directive is aimed at the protection and sustainable use of soil resources.<sup>49</sup> The Air Quality Framework Directive aims to improve ambient air quality and provide cleaner air.<sup>50</sup> Finally, the Marine Directive,<sup>51</sup> whose objectives are to be achieved with contributions from the CSF Funds, is intended to deliver the environmental pillar of the EU’s maritime policy.

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<sup>41</sup> COM(2011) 21, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, ‘A resource-efficient Europe — Flagship initiative under the Europe 2020 Strategy’.

<sup>42</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

<sup>43</sup> The Urban Waste Water Treatment Directive (Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment), the Floods Directive (Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks) or the Nitrates Directive.

<sup>44</sup> Directive 2006/12/EC of 5 April 2006 on waste.

<sup>45</sup> COM(2010) 244 final, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions, ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’.

<sup>46</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds.

<sup>47</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

<sup>48</sup> COM(2006) 231.

<sup>49</sup> Proposal for a Directive of the European Parliament and of the Council establishing a framework for the protection of soil, COM(2006) 232 final, 22 September 2006.

<sup>50</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008.

<sup>51</sup> Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy, OJ L 164, 25.6.2008.

**Key actions for the ERDF and the Cohesion Fund:**

- investment in efficient water supply, waste-water treatment and water reuse, including new investment in the reduction of leakage and the implementation of River Basin Management Plans;
- investment in waste management in line with the waste management hierarchy, in particular re-use, recycling and, for non-recyclable materials, recovery;
- investment in green infrastructure, including in Natura 2000 sites and other territories to promote the protection and restoration of biodiversity and ecosystem services, climate change mitigation and adaptation, protection against floods and fires, coastal protection, soil protection and other risk prevention measures, decrease the fragmentation of natural areas, increase water availability, and restore heavily modified sites and habitats;
- investment in actions to reduce transport related air pollution, in particular retrofit or replacement programmes for bus fleets, incentive schemes for cleaner transport, improved public transport infrastructure and promotion of alternative forms of transport.

**Key actions for the ERDF:**

- investment in the diversification of local economies by protecting and enhancing cultural heritage and landscapes (both in rural and urban contexts);
- support for sustainable integrated urban development, including through sustainable urban drainage, soil decontamination measures, rehabilitation of contaminated sites, and rehabilitation of cultural infrastructure.

**Key actions for the EAFRD:**

- restoring, preserving and enhancing biodiversity, including in NATURA 2000 areas and farming systems with a high nature value, and the state of European landscapes, by promoting: environmentally sound farming systems, including organic farming; establishing and/or maintaining wildlife zones in farm and/or forest areas; granting compensation to farmers and/or forest holders for economic disadvantages faced in NATURA 2000 areas and designated wildlife corridors; and payments to farmers who undertake to pursue farming in mountain areas and other areas facing significant natural constraints; reward collective action to deliver environmental public goods;
- increasing efficiency in the use of water by agriculture, through investments in more efficient irrigation, advice on water efficiency and preserving the buffer and filter functions of soils;
- improvement of water and soil quality, and contribute to protecting soil from erosion, compaction, salinisation, landslides, and loss of organic matter.

**Key actions for the EMFF:**

- investment in the transition to environmentally sustainable fisheries in line with the CFP objectives of exploiting fish stocks at Maximum Sustainable Yield (MSY) level and eliminating discards;
- investment in eco-innovation, such as more selective fishing gear and other innovations

- reducing the impact of fisheries and aquaculture on the environment;
- investment in aquaculture with a high level of environmental protection and provision of environmental services;
- financing tools aiming at better compliance with CFP rules, improved fisheries control and improved supply and coverage of scientific data related to the CFP;
- supporting the fisheries and aquaculture sector in responding to increased consumer awareness, expectations and interest in products from sustainable sources that are produced in environmentally friendly ways.

## 6.2 General implementation principles

In the water sector, investment should be within the context of River Basin Management Plans.<sup>52</sup> The ERDF and Cohesion Fund should be used to finance measures necessary to implement these plans, in particular investments in green infrastructure to enhance ecosystem services, such as floodplain restoration, re-naturalising rivers and river banks, and maintaining and improving natural coastal barriers. As regards the EAFRD, support should especially target the reduction of water abstraction for irrigation purposes, in particular in areas where unsustainable levels of irrigation still persist and inefficiencies in existing irrigation systems lead to significant losses and waste of irrigation water.

Investments need to be consistent with the water hierarchy, with a focus on demand management options, while alternative supply options should be considered only when the potential for water savings and efficiency has been exhausted.<sup>53</sup>

Public intervention in the waste management sector should complement efforts by the private sector, in particular producer responsibility. Actions should support innovative approaches that promote a closed-loop economy (industrial symbiosis, cradle to cradle, eco-design initiatives, etc.) and need to be consistent with the waste hierarchy.

In relation to biodiversity, although public funding is expected to be the main source, private investment should also be encouraged for revenue-generating projects, for some green infrastructure elements, with potential support through financial instruments. The EAFRD is expected to play a crucial role in delivering the aims of the EU's Biodiversity Strategy by providing environmental public goods through agriculture and forestry. The EAFRD will also play an important role in ensuring the ecological integrity and scenic value of European landscapes, which are largely dependent on agricultural and forest management practices.

Financing from the CSF Funds for Natura 2000 sites should be consistent with measures and financial sources for these measures as set out in Prioritised Action Frameworks developed by Member States in accordance with Article 8 of the Habitats Directive. EAFRD funding should particularly target collective approaches to the provision of environmental public goods, green infrastructure, farming systems with a high nature value, and sustainable farming practices in protected sites helping to preserve, enhance and restore biodiversity and related ecosystem services. The EAFRD should also support production techniques that enhance the buffer and filter functions of soils, thus also improving water quality. EAFRD funding should also aim to

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<sup>52</sup> Article 13 of Directive 2000/60/EC.

<sup>53</sup> COM(2007) 414 final, 'Addressing the challenge of water scarcity and droughts in the European Union'.

promote management practices that improve the organic matter content of soils, thereby enhancing soil biodiversity.

The remediation of contaminated sites can be publicly funded only if the polluter liable for the contamination is unknown or cannot be made to bear the costs. The focus of remediation should be on high-risk sites and on sites, including brownfields, that pose a barrier to economic development, as the potential liability for remediation of such sites and the potential health risks pose unacceptable financial risks to investors.

Green public procurement should be employed to the widest extent possible when selecting projects and organising calls for tender in the Member States.

### **6.3 Complementarity and coordination**

Synergies should be sought in undertaking complementary and targeted actions under the EAFRD in areas subject to greening measures with direct payments under the Common Agricultural Policy's first pillar. The ESF can complement activities under this thematic objective via the reform of education and training systems, up-skilling of the labour force and the creation of new jobs in sectors related to the environment. The EMFF will support the transition to Maximum Sustainable Yield (MSY) and facilitate the gradual introduction of a discard ban. Efforts should be made to improve data collection and strengthen control (to ensure better compliance). Synergies should also be sought with the Integrated Maritime Policy, in support of priorities such as marine knowledge, maritime spatial planning, integrated coastal zone management, integrated maritime surveillance, the protection of the marine environment and of biodiversity, and the adaptation to the adverse effects of climate change on coastal areas.

Actions financed under this thematic objective should ensure complementarity and coordination with LIFE, in particular with Integrated Projects in the areas of nature, water, waste, air, climate change mitigation and climate change adaptation. This coordination between different Funds and the LIFE Programme should be achieved in particular by promoting the funding of activities through the CSF Funds that complement Integrated Projects under the LIFE Programme as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme. In these cases, the relevant sectoral plans, programmes or strategies (the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan), as referred to in the LIFE Regulation, will serve as the coordination framework for support from the different Funds.

Finally, the CSF Funds should coordinate closely with 'Creative Europe',<sup>54</sup> which supports the European cultural and creative sectors, in particular by promoting their transnational operations and better access cross-border issues. Cohesion policy resources can be used to maximise the contribution of culture as a tool for local and regional development, urban regeneration, rural development and employability. Examples of potential investments in culture could include investments in research, innovation, SME competitiveness and entrepreneurship in cultural and creative industries under the corresponding thematic objectives.

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<sup>54</sup> COM(2011) 786/2, 'Creative Europe — A new framework programme for the cultural and creative sectors (2014-2020)'.

## **7. PROMOTING SUSTAINABLE TRANSPORT AND REMOVING BOTTLENECKS IN KEY NETWORK INFRASTRUCTURES**

### **7.1 Key targets and objectives addressed by the CSF Funds**

The White Paper on Transport<sup>55</sup> sets out a vision for a competitive and resource-efficient transport system, highlighting that a reduction in greenhouse gases of at least 60% by 2050 compared with 1990 is required from the transport sector. For the CSF Funds, this means focusing on sustainable forms of transport and investing in areas with the greatest European added value, the Trans-European Networks.<sup>56</sup>

#### **Key actions for the ERDF and Cohesion Fund:**

- core TEN-T infrastructure covering road, rail and sea transport, as well as multimodal and interoperable modes bringing high net benefits to society;
- core TEN-T railway infrastructure, secondary connectivity, upgrading of dense railway networks, the European Rail Traffic Management System (ERTMS) and other investments to improve interoperability, and capacity-building for planning, implementing and managing projects, and for risk and disaster management;
- innovative road pricing, user charging systems and traffic management, and in fuelling and charging infrastructure for new carbon-free vehicles for urban transport;
- integrated, sustainable and accessible urban mobility concepts in cities, city-regions and metropolitan areas, leading to reduced GHG emissions, in particular through sustainable urban transport plans<sup>57</sup>, including facilitating use of public transport, cycling and walking;
- the removal of bottlenecks in inland waterways while minimising substantial modifications to riverbeds, and supporting investments to render fleets more environmentally friendly as well as investment in River Information Systems.

### **7.2 General implementation principles**

Investments by the ERDF and Cohesion Fund in transport infrastructure should be fully in line with the TEN-T Guidelines, which define the EU's transport priorities, including addressing the climate change challenge, the future development of an integrated TEN-T network and the multimodal corridor concept.<sup>58</sup>

<sup>55</sup> COM(2011) 144 final, 'White Paper: Roadmap to a Single European Transport Area — Towards a competitive and resource efficient transport system'.

<sup>56</sup> COM(2011) 650/2, Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network.

<sup>57</sup> DG ENV Technical Report - 2007/018; 25.09.2007.

<sup>58</sup> COM(2011) 650, Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European Transport Network , 19.10.2011.

In accordance with the UN Convention on the Rights of Persons with Disabilities<sup>59</sup>, investments in transport infrastructure shall aim at ensuring accessibility for persons with disabilities and those with reduced mobility.

In order to maximise the European added value of transport investments, support from the CSF Funds must be based on a number of principles:

- It is important to support better interoperable integration between transport modes. Therefore, care should be taken to ensure the consistency of individual investments with comprehensive national transport plans, which should provide for the development of an integrated transport infrastructure up to 2020 and beyond. The plans should be based on real and projected transport demand and identify missing links and bottlenecks;
- The identified investments should be prioritised according to their contribution to mobility, sustainability, reduced greenhouse gas emissions, and the Single European Transport Area. This requires assessing the greenhouse gas emissions of investments, and should result in greater use of inherently more resource-efficient modes and investment in improved traffic management and information systems (the European Rail Traffic Management System (ERTMS), River Information Services (RIS), Intelligent Transport Systems for Road Traffic (ITS), SESAR, SafeSeaNet) and in advanced logistic and market measures;
- Investments should focus on building new infrastructure and enhancing the capacity of existing infrastructure through substantial upgrading, and not on the maintenance of existing infrastructure, as investment in maintaining existing infrastructure should be financially viable and not require EU support;
- Investments should integrate transport pricing and user charging systems in order to help move towards full application of the polluter and user pays principles in all transport modes. Measures to avoid or, when this is not possible, to mitigate or compensate for negative impacts of transport infrastructure on the environment should be supported by the CSF funds;
- Support through financial instruments will be crucial in order to attract more private funding for the deployment of strategic TEN-T transport infrastructure projects;
- Investments should consider the vulnerability of infrastructure with regard to natural and man-made risks and climate change;
- When defining investments in public transport the needs of women and men should be taken into account as women use public transport to a greater extent than men. In urban areas women tend to be more frequent users of social infrastructures and may be more exposed to insecurity and crime in urban areas.

Investments should take place within an integrated, multimodal network planning approach in order to increase network efficiency and interoperability. Investment in regional connectivity to the comprehensive and core TEN-T network should ensure that urban and rural areas benefit from the opportunities created by major networks.

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<sup>59</sup> Council Decision of 26 November 2009 concerning the conclusion, by the European Community, of the United Nations Convention on the Rights of Persons with Disabilities, OJ, L 23, 27.01.2010, p. 35 .



With regard to maritime transport, ports should be developed as efficient entry and exit points through full integration with land infrastructure. Priority should be given to projects concerning port access and hinterland connections. The development of inland waterways should reinforce their contribution to sustainable European freight transport networks.

Attention should be given to the integrated promotion, across the different CSF Funds, of efficient logistic chains (including fisheries and the maritime and agro-forestry industries) and new and renewable energy sources (including biomass and sea energy).

The development of cross-border infrastructure operations should be closely coordinated, where relevant, with the appropriate macro-regional and sea-basin approaches. In this context, the implementation of Maritime Spatial Planning can provide a framework for arbitrating between competing uses and activities and managing the impact on the marine environment.

### **7.3 Complementarity and coordination**

Actions financed under this thematic objective should ensure complementarity with the Connecting Europe Facility (CEF) in order to maximise European added value as well as national and regional development benefits. The Cohesion Fund and the ERDF, under shared management, will complement the CEF, which is a directly managed fund with competitive project selection. The CEF will concentrate on projects with a high EU added value in particular for cross-border infrastructure, while the Cohesion Fund will concentrate on high EU added-value projects to remove bottlenecks in transport networks by supporting TEN-T infrastructure, for both the core and the comprehensive network. In addition, actions financed under this thematic objective should develop close synergies with activities funded under the "Smart, Green and Integrated transport" Challenge of Horizon 2020.

## 8. PROMOTING EMPLOYMENT AND SUPPORTING LABOUR MOBILITY

### 8.1 Key targets and objectives addressed by the CSF Funds

#### Europe 2020 headline target:

*‘Aiming to raise to 75% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers and the better integration of legal migrants’*

#### **State of play<sup>60</sup>:**

If all Member States achieved their national target, the EU as a whole would still fall short of the 75 % target by 1.0-1.3 percentage points by 2020. In the course of 2011 there has been no substantial progress. With the recovery stalling and only marginal overall employment growth during the first half of 2011, the EU-27 employment rate for 2011 is likely to be only slightly above the 2010 level of 68.6% and to remain well below its pre-crisis high of 70.3%. The challenge remains to bring an additional 17.6 million people into employment between now and 2020.

Under this thematic objective, Member States should focus on contributing to the achievement of their national employment targets by using the CSF Funds and, in particular, the ESF to support the policies set out in Guideline 7 of the Europe 2020 Integrated Guidelines (Employment Guideline 7). EAFRD support should focus on job creation in rural regions, which generally have a lower than average employment rate.

#### **Key actions for the ESF:**

Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility:

- active and preventive labour market measures at an early stage and open to all, including for the identification of individual needs, personalised services and guidance, targeted and tailored training, validation of acquired competences and skills, and outplacement;
- anticipation and counselling on long-term employment opportunities created by structural shifts in the labour market, such as the shift to a low-carbon and resource-efficient economy and the care and health sectors;
- providing information on job opportunities on the European labour markets and on living and working conditions.

Sustainable integration of young people not in employment, education or training (NEET) into the labour market:

- introduction of a ‘youth guarantee’ by establishing schemes to offer further education, (re)training or activation measures to every young person not in employment or in

<sup>60</sup> AGS 2012 – Annex I – COM(2011)815 final.

education or training , within 4 months of leaving school. There should be a particular focus on apprenticeship-type vocational training and internships for graduates to acquire first work experience;

- self-employment and entrepreneurship for young people in all sectors, with particular emphasis on emerging sectors in a low-carbon economy and the care and health sectors;

Self-employment, entrepreneurship and business creation:

- support in particular for unemployed, disadvantaged and inactive people, to start and develop businesses in all sectors, including care and health, work integration, green jobs and community development. Such support comprises skills development, including ICT, entrepreneurial and management skills, mentoring and coaching and the provision of inclusive business development and financial services for business starters.

Equality between men and women and reconciliation between work and private life:

- tackling gender stereotypes in education and training systems;
- awareness raising and mobilisation of economic and social partners to address gender segregation in the labour market and the gender pensions and pay gap;
- developing work-life balance policies, including through support for reintegration into the labour market of persons who have not been working due to caring duties;
- innovative ways of work organisation, including teleworking and flexible working arrangements allowing people to combine informal care duties with work;
- access to affordable care services, such as child care, out of school care or care for dependent persons, including the elderly, through investment in sustainable care services.

Adaptation of workers, enterprises and entrepreneurs to change:

- developing specific employment, training and support services, including coaching and outplacement, in the context of company and sector restructuring;
- designing and implementing innovative, more productive and greener ways of work organisation, including health and safety at work.

Active and healthy ageing:

- innovative and elderly-friendly forms of work organisation, including accessible working environments and flexible measures;
- prolonging healthier working lives through the development and implementation of measures to promote healthy lifestyles and tackle health risk factors such as physical inactivity, smoking, harmful patterns of alcohol consumption;
- promoting employability and the participation of older workers in lifelong learning schemes to facilitate active ageing.

Modernisation and strengthening of labour market institutions, including actions to enhance

transnational labour mobility:

- improving activation and matching labour market demand and supply offered by public employment services, by providing integrated support tailored to the needs of jobseekers while extending service provision to job changers and supporting the inactive back to work;
- collaborating in offering services to employers and establishing partnerships with education institutes and other employment services to organise flexible, preventive and efficient service delivery;
- anticipating long-term employment opportunities created by structural shifts in the labour market and developing services in the fields of lifelong guidance and lifelong learning to foster career transitions;
- targeted investment in the skills and capacity of staff;
- activities by European Employment Services (EURES) in the areas of recruitment, matching and placement, together with the related information, advice and guidance services at national and cross-border level.

**Key actions for the ERDF:**

- development of business incubators and investment support for self-employment and business creation, in particular in areas offering new sources of growth, such as the green economy, sustainable tourism (including the silver economy) and health and social services;
- support infrastructure investments for the modernisation of public employment services

**Key actions for the EAFRD:**

- facilitating diversification from the agricultural sector, creating new small enterprises and supporting other forms of job creation in rural areas, particularly through business start-up aid for non-agricultural micro and small enterprises in rural areas and investments in non-agricultural activities in rural areas.

**Key actions for the EMFF:**

- support for job creation in fisheries communities through adding value to fisheries activities and products;
- support for diversification in fisheries communities through the creation of alternative jobs in the local economy, in particular in other maritime sectors.

## **8.2 General implementation principles**

Actions supported by the ESF under this thematic objective should aim for sustainable integration within employment while facilitating occupational and geographical mobility, and taking due account of the ongoing structural changes such as the shift to a low carbon economy and the increasing importance of the care and health sectors. New evidence based services and tools should be developed with a view to modernising employment services as actors for brokering workforce transition in particular towards greener skills and job profiles.

Successful actions will benefit from the creation of networks with employers and education institutes at the appropriate territorial levels and the development of local employment initiatives. Implementing youth guarantees requires strong cooperation with social partners, employment services, other labour market stakeholders, and education and training bodies. In particular, cooperation with employers providing workplace learning places for young people is key. For both the ESF and EAFRD, the focus should be on sustaining job creation, particularly for micro and small enterprises. Where appropriate, these efforts could be supported by the use of financial instruments, possibly also in combination with the EU-level financial instruments. Gender-equality specific actions should not be understood only as actions specifically targeting women, but should be considered in a wider perspective, for instance as actions that target also men, key economic and social actors, decision makers and the general public.

### **8.3 Complementarity and coordination**

Support for self-employment provided by the ESF will in particular target unemployed, disadvantaged and inactive people and focus on skills development, whilst the ERDF will provide investment support. Modernisation of public employment services supported by the ESF often also requires infrastructure investments which can be supported by the ERDF.

Actions supported by the EMFF under this thematic objective will primarily be implemented through community-led local development and will also contribute to promoting social inclusion in fisheries communities.

Actions supported by the ESF should be coherent with Member States' strategies on inclusive start-up support, which works across departmental responsibilities, links suitable business development and financial services, is based on effective ways to reach out to disadvantaged groups and areas, and facilitates learning of stakeholders through ongoing monitoring and evaluating of results.

Investments in support of other thematic objectives, notably R&I, SME support and supporting the shift to a low-carbon economy, should focus on creating sustainable jobs. Synergies should be sought with the Programme for Social Change and Innovation<sup>61</sup> supporting geographical mobility as well as facilitating access to microfinance for entrepreneurs, in particular for those furthest away from the labour market, and micro-enterprises. Coordination should be ensured with Erasmus for All programme, in particular with mobility and cooperation projects dealing with education and training.

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<sup>61</sup> COM(2011) 609 final.

## 9. PROMOTING SOCIAL INCLUSION AND COMBATING POVERTY

### 9.1 Key targets and objectives addressed by the CSF Funds

#### Europe 2020 headline target:

*'Promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion'*

#### **State of play<sup>62</sup>:**

The EU target will not be reached based on current national targets. According to a first preliminary estimation of the cumulative ambition around 12 million people would be lifted out of poverty and social exclusion by 2020. If spillover effects of strategies focusing on combating child poverty or reducing long-term unemployment are taken into account, this number can be increased by 25%. However, this would still fall short by at least 5 million or 25% of the EU headline target.

#### **Key actions for the ESF:**

##### Active inclusion:

- integrated pathways combining various forms of employability measures such as individualised support, counselling, guidance, access to general and vocational education and training, as well as access to services, notably health and social services, child care, and internet services;
- modernisation of social protection systems, including the design and implementation of reforms to improve the cost-effectiveness and adequacy of social and unemployment benefits, minimum income schemes and pensions, healthcare and social services, whilst minimizing disincentives to work and traps effects;

##### Integration of marginalised communities such as the Roma:

- integrated pathways to the labour market, including individualised support, counselling, guidance and access to general and vocational education and training;
- access to services, in particular social care, social assistance services and healthcare (including preventive healthcare, health education and patient safety);
- elimination of segregation in education, promoting early-childhood education, fighting early school-leaving and ensuring successful transitions from school to employment;
- measures to overcome prejudices and discrimination against Roma.

<sup>62</sup> COM(2011)815 final, AGS 2012 – Annex I.

Combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation:

- awareness-raising and engagement with local communities and enterprises to fight discrimination and promote intercultural activities;
- specific actions targeting people at risk of discrimination and people with disabilities and chronic disease with a view to increasing their labour market participation, enhancing their social inclusion, and reducing inequalities in terms of educational attainment and health status;

Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest:

- enhanced access to affordable, sustainable and high-quality healthcare with a view to reducing health inequalities, supporting health prevention and promoting e-health, including through targeted actions focused on particularly vulnerable groups;
- enhanced access to affordable, sustainable and high-quality social services such as employment and training services, services for the homeless, out of school care, childcare and long-term care services;
- targeted early-childhood education and care services, including integrated approaches combining childcare, education, health and parental support, with a particular focus on the prevention of children's placement in institutional care;
- access to e-services to promote e-inclusion;
- support for the transition from institutional care to community-based care services for children without parental care, people with disabilities, the elderly, and people with mental disorders, with a focus on integration between health and social services.

Promoting the social economy and social enterprises:

- capacity-building and support structures for the promotion of social enterprises, in particular through social entrepreneurship education and training, networking, the development of national or regional strategies in partnership with key stakeholders, and the provision of business development services and easier access to finance;
- mobilisation of funds to support initiatives in the social economy and social entrepreneurship.

Community-led local development strategies:

- support the preparation, the running and the animation of local strategies;
- support the activities designed and implemented under the local strategy in areas falling within the scope of ESF in the fields of employment, education, social inclusion and institutional capacity building.

**Key actions for the ERDF:**

- investment in health and social infrastructure to improve access to health and social

services and reduce health inequalities, with special attention to marginalised groups such as the Roma and those at risk of poverty;

- infrastructure investments that contribute to the modernisation, structural transformation and sustainability of health systems, leading to measurable improvements in health outcomes, including e-health measures;
- targeted infrastructure investments to support the shift from institutional to community-based care, which enhances access to independent living in the community with high-quality services;
- support infrastructure investments in childcare, elderly care and long-term care.
- support for the physical and economic regeneration of deprived urban and rural communities including the Roma, which reduces the spatial concentration of poverty, including the promotion of integrated plans where social housing is accompanied notably by interventions in education, health including sport facilities for local residents and employment;
- support for the development of social enterprises through developing new business models and innovative solutions to address societal challenges;
- support specific investments targeted to remove and prevent accessibility barriers;
- fostering community-led local development strategies through support for the capacity-building of the local action groups and the preparation, the running and animation of local strategies, and through support for the activities designed and implemented under the local strategy in areas falling within the scope of the ERDF in the fields of social inclusion and physical and economic regeneration.

**Key actions for the EAFRD:**

- fostering local development in rural areas by promoting community-led local development (LEADER local development strategies) and through investments in all types of small-scale infrastructure in rural areas and investments in setting up, improving or expanding local basic services for the rural population, particularly in remote rural areas, together with other actions to improve the quality of life in and attractiveness of rural settlements ('village renewal').

## **9.2 General implementation principles**

Active inclusion policies should take into account the need for better coordination between education, social protection systems and labour market policies to ensure transition to the labour market for the most disadvantaged in line with the Commission Recommendation on the active inclusion of people excluded from the labour market<sup>63</sup>. Income support through the ESF should be funded only as a complementary measure, as part of an integrated pathway approach to the labour market, and should be limited in time to the duration of activation measures. Public employment schemes could be supported only as a transitional measure with the primary aim of equipping people with the necessary skills, competences and qualifications

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<sup>63</sup> Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market (2008/867/EC).



to reintegrate within the labour market. CSF Funds may not be used for actions contributing to any form of segregation and discrimination.

Member States are invited to make use of poverty maps when designing and implementing integrated strategies to support the most disadvantaged areas and groups such as the Roma.

### **9.3 Complementarity and coordination**

The integrated use of CSF Funds is particularly important in addressing the territorial dimension of poverty. The integration of marginalised communities requires coherent and multi-dimensional approaches supported from the various CSF Funds, complementing national resources and implemented coherently with reforms of social protection systems. This multi-dimensional integrated approach combining actions from various CSF Funds is particularly relevant for the Roma community, whose effective integration requires investments in employment, education, healthcare, housing and social integration. In deprived urban areas, the physical and economic regeneration activities supported by the ERDF should go hand in hand with ESF actions aimed at promoting the social inclusion of marginalised groups. In rural areas, EAFRD support may also be used to promote social inclusion, particularly through community-led local development ('LEADER'), which will continue to be a compulsory element of rural development programmes.

It is also essential to exploit the synergies between the CSF Funds in order to reduce inequalities in terms of access to services. To increase the effectiveness of ESF actions aimed at enhancing access to affordable, sustainable and high-quality services, the ERDF and EAFRD should be used in a complementary way to invest in social and health infrastructure in less developed regions and in rural areas.

Coordination should be ensured with the Programme for Social Change and Innovation increasing access to microfinance for to social entrepreneurs and with the Erasmus for All programme, in particular with cooperation projects related to school education, vocational education and training and adult learning.

The objective of the Asylum and Migration Fund<sup>64</sup> is to strengthen asylum systems, reinforce the international protection of refugees, enhance solidarity and responsibility-sharing between Member States, encourage the development of proactive immigration strategies, promote more targeted integration strategies at local and regional level, promote fair and effective return strategies, support the development of partnerships and cooperation with third countries, and support the European Migration Network.<sup>65</sup> Coherence between the CSF Funds and the Asylum and Migration Fund needs to be established, in particular through complementary support from the ESF for the integration of third-country nationals within the labour market. In view of increasing the effectiveness of the measures proposed, the CSF funds may be implemented also via financial instruments, possibly in combination with the EU-level financial instruments, where applicable.

#### **Social innovation**

Innovative approaches are needed to better respond to societal challenges arising from population ageing, disability, poverty, unemployment, inequalities, new work patterns and life

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<sup>64</sup> COM(2011) 751 final, Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund.

<sup>65</sup> Council Decision of 14 May 2008 establishing a European Migration Network (2008/381/EC).

styles, and citizens' expectations regarding social and territorial cohesion, green growth, urban regeneration, education and care in an effective, fair and sustainable manner. Social innovation involves the development and implementation of new ideas (products, services and models) to meet social needs and aspirations, as well as to create new social relationships or collaborations between organisations. It can contribute to both social inclusion, as well as other thematic objectives<sup>66</sup> linked to innovation, employment, the Digital Agenda and institutional capacity.

Support to social innovation within the CSF Funds will make a difference in building innovative solutions in fields as diverse as distance learning, microfinance initiatives for specific target groups, care, urban farming, and waste reduction.

Such actions should engage individuals, groups and associations, the non-profit sector, the market and the public sector. Innovative solutions require improved interactions between actors, creative and risk-taking.

Social entrepreneurship is a great source of social innovation. In its Social Business Initiative,<sup>67</sup> the Commission called "on the Member States and local and regional authorities to support and encourage development of social enterprises within their sphere of competence."

Even if innovations of a technological and social nature are different, many social innovations can use the potential of internet-based social networks to empower individuals. Therefore, ensuring on-line connectivity and supporting the acquisition of relevant digital skills is a key empowering factor behind social innovation.

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<sup>66</sup> According to the proposal for the ESF Regulation [COM(2011) 607 final] the ESF shall promote social innovation in all areas falling within its scope whilst Member States identify the themes for social innovation corresponding to their needs.

<sup>67</sup> COM(2011) 682 final.

## 10. INVESTING IN EDUCATION, SKILLS AND LIFELONG LEARNING

### 10.1 Key targets and objectives addressed by the CSF Funds

#### Europe 2020 headline target:

*'Improving education levels, in particular by aiming to reduce school drop-out rates to less than 10% and by increasing the share of 30-34 year-olds having completed tertiary or equivalent education to at least 40%'*

#### **State of play<sup>68</sup>:**

The global EU target of early school leaving will not be reached on the basis of current national commitments. The national targets suggest that a rate of 10.5% early school leavers would be achieved by 2020, thus missing the common European target of 10%. Early school leaving still averaged 14.1% across the EU in 2010 compared to 14.4% in 2009. However, the figure hides considerable differences between and within countries.

On tertiary education attainment (among 30-34 year olds), the cumulative effect of achieving the existing national targets set by Member States would on its own only lead to an attainment level of around 37% in 2020. However, the EU tertiary attainment rate has increased from 32.3% in 2009 to 33.6% in 2010 and current trends suggest that the headline target of 40% could in fact be met for the 30-34 year old age group.

EAFRD support will also address the relatively low levels of skills in the agricultural sector which pose an obstacle to competitiveness.

#### **Key actions for the ESF:**

Reducing early school-leaving and promoting equal access to good-quality early-childhood, primary and secondary education:

- targeted support for implementing evidence-based, comprehensive and consistent policies to reduce early school leaving encompassing prevention, early intervention and compensation such as second-chance schools, and fostering participation in non-segregated public education facilities;
- capacity building of teachers, trainers, school leaders and staff, introduction of quality assurance and monitoring systems, development of educational content, including the use of ICT, the development of creative skills and combating gender stereotypes in education and training;
- addressing obstacles in access faced by children from disadvantaged families, in particular during the very first years of early-childhood (0-3);
- support learning schemes which aim to assist children and young people with learning disabilities in order to allow their integration in the mainstream educational system;

<sup>68</sup> COM(2011)815 final, AGS 2012 – Annex I.

- support the transition from specialised schools for disabled persons to mainstream schools.

Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels:

- targeted support for individual students, especially from under-represented and vulnerable groups to participate in tertiary education and opening up higher education to non-traditional learners, and support for adult learners;
- investment in the development of new teaching methods and the development and deployment of innovative technologies, including open educational resources, for delivering high-quality educational content, including training and capacity-building for teachers and researchers;
- support for enhancing the relevance of higher education programmes to labour market needs, including through fostering problem-solving, creativity and the development of entrepreneurial skills;
- developing and reinforcing partnerships between higher education, business and research sector.

Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems:

- implementing life-long learning strategies for the workforce, in cooperation with the social partners, including training and skills development and upgrading the transversal competences of the workforce, such as languages, digital competence and entrepreneurship;
- adapting vocational education and training (VET) systems to labour market demands, by developing work-based learning in VET, including apprenticeship schemes, and encouraging companies to take on more trainees;
- promoting quality assurance systems in vocational education and training in line with the recommendation on European Quality Assurance Reference Framework;
- flexible pathways between sectors of education and training and between education and work, in particular through learning and career guidance, traineeship schemes, systems for the validation and recognition of acquired competences, national qualification frameworks and related credit systems such as the European Credit system for Vocational Education and Training (ECVET) and the European Credit Transfer System (ECTS);
- support for a mobility period abroad for graduates and people on the labour market, including those from disadvantaged groups to acquire new skills and competences;
- improving initial and continuing training for teaching and other staff involved in education and training services;
- promoting the attractiveness and excellence of vocational education and training, including campaigns and skills competitions, and supporting young people in

compulsory education to get acquainted with vocational trades and career possibilities;

- promoting partnerships/networks between social partners, enterprises, education and training institutions/providers in order to improve the transfer of information on labour market needs, introduce experience-based learning methods, encourage experimentation and adapt curricula;
- support for upgrading the basic skills and key competences of the adult population, including migrants, and creating new opportunities to capitalise on the knowledge and skills of older adults;
- support the development of adult learning systems responding to high quality standards.

**Key actions for the ERDF:**

- support for investments in education and training infrastructure particularly with a view to reducing territorial disparities and fostering non-segregated education and increasing the responsiveness of education and training systems to evolving patterns of skills needs and demands and complementing ESF measures.

**Key actions for the EAFRD:**

Fostering lifelong learning and vocational training in the agricultural and forestry sectors, in particular by:

- support for vocational training and skills acquisition, in such areas as farm management, sustainable agricultural practices, quality improvements and the use of new technologies specific to agriculture and forestry;
- support for demonstration activities to transfer knowledge between farmers about new practices in the sector, as well as for information and short-term exchanges and visits within the EU to promote the exchange of good farm and forestry management practices; and fostering lifelong learning and vocational training in rural areas in general (other than courses or training normally provided in secondary or higher education), such as training on business management or other skills necessary to diversify out of the agricultural sector.

## **10.2 General implementation principles**

Actions in this field should reflect the objectives contained in the Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training. Investments should support equal access to quality education at all educational levels, and should support the modernisation processes. In line with the lifelong learning principles, action should cover all sectors, taking into account also learning in informal and non-formal contexts. Reforms should aim to ensure the acquisition of the key competencies, notably in terms of employability. Reforms should also aim to improve the match between skills supply and labour market demand and fostering creativity, problem-solving and entrepreneurial skills as well as supporting the transition to a low-carbon and resource-efficient economy. Successful investments require developing knowledge partnerships between higher education, the vocational education and training (VET) sector, research, business, and the public and non-profit sectors. Emphasis should be on strengthening the links between education and the world of work.

### **10.3 Complementary and coordination**

Whilst the ESF will be the main Fund for making direct investments in this area, other Funds will contribute. The ERDF should support infrastructure investments in education and training which are part of the strategies for education and training at regional, national and EU level as well as those necessary for the successful implementation of ESF projects in this policy field. Whilst the ESF supports training in all sectors of the economy, the EAFRD and the EMFF will focus on the agricultural and fisheries sectors. Developing human capital of disadvantaged groups will contribute to achieving the social inclusion and the employment objective of the CSF Funds. The EAFRD can complement ESF interventions by supporting training and life-long learning in the agricultural and forestry sector or by filling gaps in the provision of training in rural areas, including investments in small-scale educational and training infrastructures. This is likely to be particularly valuable in remote rural areas.

Coordination should be ensured with Erasmus for All programme that will focus its support on transnational learning mobility of students, youth and staff; on strategic partnerships between organisations and institutions across Europe and on actions supporting policy development and implementation. The coordination between the instruments should be achieved, in particular, by promoting complementarity of funding for mobility and the funding of activities that mainstream best practices and innovative projects identified at EU level under the Erasmus for All Programme. The National Agencies, established under this programme, can contribute in achieving this coordination.

The key targets and objectives may be addressed also via financial instruments, possibly in combination with the EU-level financial instruments, if appropriate.

## **11. ENHANCING INSTITUTIONAL CAPACITY AND ENSURING AN EFFICIENT PUBLIC ADMINISTRATION**

### **11.1 Key targets and objectives addressed by the CSF Funds**

Strengthening institutional and administrative capacity at all levels and in all fields and promoting good governance principles is important in order to underpin structural adjustments. Reducing regulatory and administrative burdens and promoting high standards of transparency, integrity and accountability in public administration also helps to increase productivity and strengthen competitiveness. In this respect, the priority should be on reducing the administrative burden on citizens and business and increasing the transparency, integrity and quality of public administration as well as its efficiency in delivering public services in all sectors (including though up-skilling in the fields of policy development, organisational innovations, e-governance and public procurement of innovative solutions).

#### **Key actions for the ESF:**

Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance:

- reforms to ensure better legislation, synergies between policies and effective management of public policies, and transparency, integrity and accountability in public administration and spending of public funds;
- development and implementation of human resources strategies and policies.

Capacity-building for stakeholders delivering employment, education, health and social policies, and sectoral and territorial pacts to mobilise for reform at national, regional and local level:

- enhancing the capacity of stakeholders, such as social partners and non-governmental organisations, to help them delivering more effectively their contribution in employment, education and social policies;
- the development of sectoral and territorial pacts in the employment, social inclusion, health and education domains at all territorial levels.

#### **Key actions for the ERDF:**

- strengthening institutional capacity and the efficiency of public administrations and public services related to the implementation of ERDF and in support of actions in institutional capacity and in the efficient public administration supported by the ESF, including where necessary the provision of equipment and infrastructure to support the modernisation of public services in areas such as employment, education, health, social policies and customs.

### **11.2 General implementation principles**

Actions under this thematic objective should focus on enhancing the efficiency of public administrations as part of public administration and public sector reform. This requires an integrated approach addressing institutional bottlenecks in the administration as a whole,

rather than focusing on individual sectors and projects and/or funding-absorption rates. The actions should address strategic planning capacity, information collection and evaluation-related activities, including results-based management approaches, human resources, capacity to implement EU legislation, and the capacity to implement reforms and public investment programmes and to reduce administrative burdens. Actions should focus on bottlenecks, as well as building up capacity to address new tasks, including tasks associated with integrating climate change mitigation and adaptation across programmes. In addition, the capacity of bodies involved in the delivery of CSF Fund programmes may be strengthened through the ‘technical assistance’ available from all CSF Funds.



## **ANNEX II: PRIORITIES FOR COOPERATION**

### **Cross-border, transnational and interregional cooperation under the ERDF**

*Cross-border and transnational* areas that share major geographical features (lakes, rivers, sea basins or mountain ranges) should support the joint management and promotion of their natural resources, protect biodiversity and ecosystem services, develop integrated cross border natural risk management, address pollution of these areas and implement joint climate change adaptation and risk prevention and management measures, in particular in relation to flood protection and coastal defence.

To achieve critical mass, cooperation can be particularly effective in the field of research and innovation and ICT, by supporting innovative clusters, centres of competence and business incubators and smart connections between the business sector and the research and higher education centres. The development of joint smart specialisation approaches, regional partner facilities and platforms for co-investment should also be promoted. Supporting partnerships among educational institutions and exchanges of students and teachers also contribute to achieving critical mass.

The economies of scale that can be achieved by cross-border and transnational cooperation are relevant to investment related to the shared use of common public services, particularly in the field of waste and water treatment, health infrastructure, education facilities and equipment, accessibility, social infrastructure, ICT, research and innovation infrastructure, green infrastructure, disaster management systems and emergency services. Promoting soft cooperation in these areas (health insurance, developing joint educational and training schemes, harmonising schedules and ticketing, or introducing new public transport connections, risk assessment procedures) can further enhance savings and quality of life.

In the area of cross-border network infrastructure, transnational cooperation programmes could focus on providing support for the coherent planning of transport infrastructure (including TEN-T) and the development of environmentally friendly and interoperable transport modes in larger geographical areas. Cross-border cooperation, in particular among less developed regions, could focus on missing cross-border links that act as bottlenecks to transport flows. The development of electricity networks to enable a larger take-up of electricity produced with renewable sources could be enhanced by both transnational and cross-border cooperation in investing in specific sections of infrastructure networks.

A specific issue for cross-border cooperation is strengthening cross-border labour market services to foster the mobility of workers across borders. This can be achieved by promoting cross-border job-search platforms or advice centres as well as cooperation among trade unions, employment offices and other players on the labour market. Supporting the development of simple and rapid procedures for the mutual recognition of qualifications and agreements on tax, social and health insurance and other job-related issues is crucial.

*Interregional* cooperation should aim to reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions and cities to enhance design and implementation of operational programmes under the Investment for Growth and Jobs goal. It should, in particular, foster cooperation between innovative research-intensive clusters and exchanges and research institutions building on the experience of "Regions of Knowledge" and "Research Potential in Convergence and Outermost Regions" under the Seventh

Framework Programme for Research.

Improving governance is also an important aspect of transnational and cross-border programmes, in particular those addressing cross-border crime and security, including the financing of capacity-building in customs systems. Actions should complement actions financed by the Internal Security Fund,<sup>69</sup> including improving police cooperation, the exchange of and access to information, crime prevention, and the fight against cross-border crime as well as serious and organised crime in general, and good governance and fight against corruption.

The EU must take advantage of the specific and geostrategic situation of its outermost regions in their respective geographical areas (Atlantic, Caribbean and Indian Ocean) and fully integrate them within its policies. Thus, territorial cooperation involving the outermost regions should be improved, reinforced and encouraged.

### **Contribution of mainstream programmes to macro-regional strategies and sea-basin strategies**

The objective of macro-regional strategies is to organise cooperation between countries or territories by mobilising local and regional actors to align policies and funding and to identify common issues, solutions and actions. Similarly, sea-basin strategies are key contributors to the successful implementation of the Integrated Maritime Policy.<sup>70</sup>

Effective macro-regional and sea-basin strategies require the successful mobilisation of EU funding. Programmes co-financed by all the CSF Funds should therefore prioritise operations deriving from the strategies, organise specific calls, or give priority to these operations in the selection process. Transnational programmes can provide the necessary framework to support the range of policies and funds needed to implement macro-regional and sea-basin strategies.

Key actions from the different thematic objectives which could be financed by the CSF Funds in the context of macro-regional strategies should include the creation of European transport corridors, including supporting modernisation of customs; the prevention, preparedness and response to natural disasters, water management at river basin level, green infrastructure, integrated maritime cooperation across borders and sectors, R&I and ICT networks and management of shared marine resources in the sea basin and protection of marine biodiversity.

### **Transnational cooperation under the ESF**

The ESF supports transnational cooperation between partners at national and/or regional level from at least two Member States in order to enhance the effectiveness of policies supported by the ESF through mutual learning. Transnational cooperation may involve various stakeholders such as public law bodies, intermediate bodies, social partners, non-governmental organisations. Transnational cooperation can cover any areas falling within the scope of ESF, nevertheless, the greatest added value of mutual learning is in areas identified in the Council Recommendations. Member States can opt to cooperate in a flexible manner and in this case, they may select the themes for transnational activities and establish the

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<sup>69</sup> COM(2011) 753 final, Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management .

<sup>70</sup> Council Conclusions, 16 November 2010.

appropriate implementation mechanisms which best suit their needs. In addition, the Commission will facilitate transnational activities through mutual learning and coordinated or joint action in a limited number of themes endorsed by the ESF Committee. To this end, the Commission shall operate an EU-level platform with a view to facilitate the exchange of experience, capacity building and networking, as well as dissemination of the relevant outcomes. It will also develop a coordinated implementation framework, including common eligibility criteria, types and timing of actions, as well as common methodological approaches for monitoring and evaluation, with a view to enhance the potential of transnational cooperation and maximise the effectiveness of the relevant interventions.