

The EU's main investment policy

Regional Policy is the EU's main investment policy

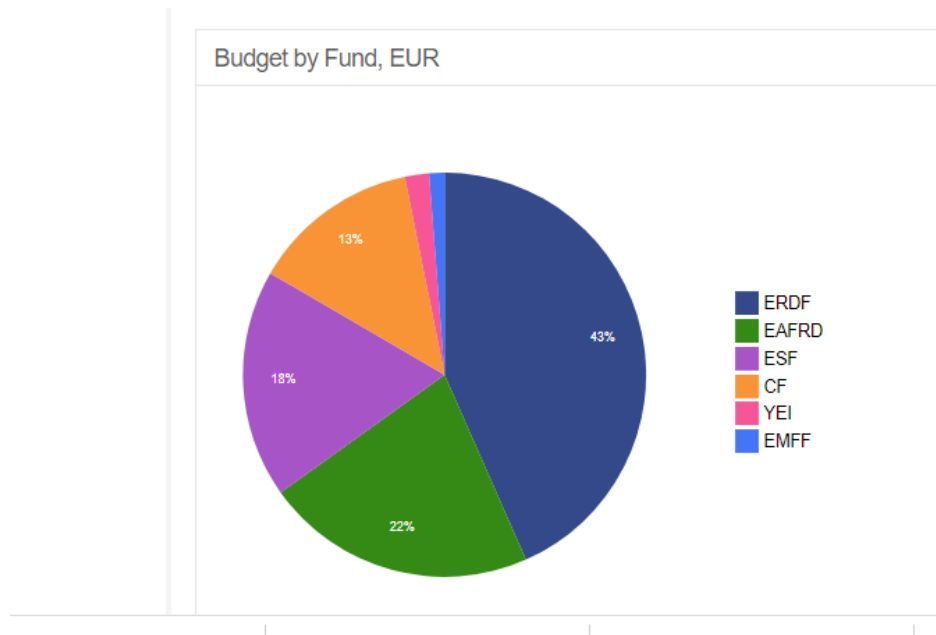
Regional Policy targets all regions and cities in the European Union in order to support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life.

In order to reach these goals and address the diverse development needs in all EU regions, € 355.1 billion – almost a third of the total EU budget – has been set aside for Cohesion Policy for 2014-2020.

How funding is delivered

Regional Policy is delivered through two main funds: the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

Together with the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), they make up the European Structural and Investment (ESI) Funds.



Regional Policy and the Commission's political priorities

Regional Policy has a strong impact in many fields. Its investments help to deliver many EU policy objectives and complements EU policies such as those dealing with education, employment, energy, the environment, the single market, research and innovation.

The European Structural and Investment Funds are directly contributing to the Investment Plan and the Commission's priorities.

Regional Policy provides the necessary investment framework to meet the goals of the Europe 2020 Strategy for smart, sustainable and inclusive growth in the European Union.

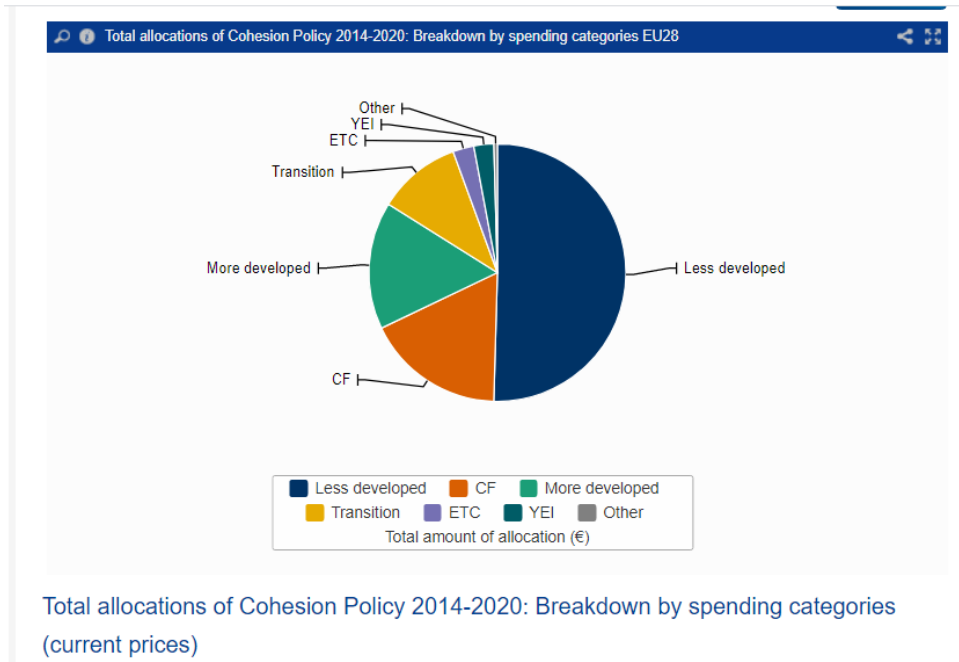
The five targets for the EU in 2020 are:

- Employment: 75% of the 20-64 year-olds to be employed
- Research & Development: 3% of the EU's GDP to be invested in R&D
- Climate change and energy sustainability:
- Greenhouse gas emissions 20% (or even 30%, if the conditions are right)
- 20% of energy from renewables
- 20 % increase of energy efficiency
- Education:
- Reducing the rates of early school leavers below 10%
- At least 20 million fewer people in or at risk of poverty and social exclusion
- Fighting poverty and social exclusion: At least 20 million fewer people in or at risk of poverty and social exclusion

Each Member State has adopted its own national targets in these areas.

Regional Policy underpins European solidarity

The bulk of Cohesion Policy funding is concentrated on less developed European countries and regions in order to help them to catch up and to reduce the economic, social and territorial disparities that still exist in the EU.



Regional Policy cushioned Europe's regions and cities from the worst effects of the crisis

By supporting public investment and deploying EU investments flexibly, for example through the reprogramming of funds or by raising the co-financing rate in countries like Cyprus, Greece, Hungary, Ireland, Portugal and Romania, regional policy mitigated the impact of the financial crisis which started in 2008. Also at a time of sustained fiscal consolidation EU Regional Policy has become of critical importance. Without Cohesion Policy, much needed public investment in the less developed Member States would have collapsed by an additional 45% during the crisis.

Working Paper: The impact of the economic and financial crisis on the reform of Cohesion Policy 2008-2013

Overall financial impact

Cohesion Policy is a catalyst for further public and private funding, not only because it obliges Member States to co-finance from the national budget, but since it also creates investor confidence.

Taking into account national contributions and other private investment, the impact of Cohesion Policy for 2014-2020 is expected to be about € 450 billion.