

# Thematic Objectives for EU Funds 2014-2020

**Huckfield** main comments for Social Enterprises and Third Sector Organisations throughout this note are highlighted in this colour. The Thematic Objectives below set out basic themes for the Commission's 2014-2020 Programmes. [Please click on highlighted blue links to access documents.](#)

## A) BACKGROUND

The European Commission proposes for the EU Budget 2014-2020 will bring together the Structural Funds (ERDF, ESF, Cohesion Fund), the European Agricultural Fund for Rural Development (EAFRD) and the European Marine and Fisheries Fund (EMFF) under one Common Strategic Framework (CSF).

This paper mainly covers the European Regional Development Fund and European Social Fund.

Most regions will receive some EU funds during 2014-2020. An innovation is the proposed new 'Transition' category for regions where GDP is 75%-90% of the EU27 average. In Scotland, the Highlands and Islands Region will probably be in this category. The rest of Scotland will probably be a 'More Developed Region', defined as having a GDP above 90% of the EU27 average.

Please see the separate paper [Local Management of EU Funds 2014-2020](#). The EU Commission has provided for local management and involvement in actions using local delivery vehicles (Joint Actions Plans, Integrated Territorial Investments and Community Lead Local Development).

Social Enterprises, Development Trusts, Local Community Organisations and all Third Sector Organisations, including Housing Associations, should press for local control and involvement in strategies for delivery of the Common Strategic Framework. They should identify local needs and how they may be delivered through these local infrastructures - for which the Commission proposes additional funds for local management.

## B) EU COMMISSION THEMATIC OBJECTIVES

The Commission's main Thematic Objectives are set out at Article 9 on page 35 of the draft overarching [Common Strategic Framework COM\(2011\) 615 final/2 on March 14 2012](#):

"Each CSF Fund shall support the following thematic objectives in accordance with its mission in order to contribute to the Union strategy for smart, sustainable and inclusive growth:

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, information and communication technologies;
- (3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);
- (4) supporting the shift towards a low-carbon economy in all sectors;
- (5) promoting climate change adaptation, risk prevention and management;
- (6) protecting the environment and promoting resource efficiency;
- (7) promoting sustainable transport and removing bottlenecks in key network infrastructures;
- (8) promoting employment and supporting labour mobility;
- (9) promoting social inclusion and combating poverty;
- (10) investing in education, skills and lifelong learning;
- (11) enhancing institutional capacity and an efficient public administration.

## C) DETAILS OF THEMATIC OBJECTIVES AND INVESTMENT PRIORITIES

The Commission's description of Thematic Objectives at Article 9 on page 35 of the draft overarching [Common Strategic Framework COM\(2011\) 615 final/2 on March 14 2012](#) continues:

"Thematic objectives shall be translated into priorities specific to each CSF Fund and set out in the Fund-specific rules". *Thematic Objectives (8) to (11) above are primarily for ESF.*

### THEMATIC CONCENTRATION

These Thematic Objectives above will be concentrated. On page 11 under **Article 4 Thematic Concentration** in the [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#) there are provisions for a significant focus of ERDF resources. About the Thematic Objectives and Investment Priorities are set out in detail below, Article 4 says: :

#### a) In Less Developed Regions

- 44% of ERDF to focus on Research and Innovation and Competitiveness of SMEs
- 6% of ERDF to focus on Energy Efficiency and Renewable Energy

#### b) In Transition and More Developed Regions

- 60% ERDF to focus on Research and Innovation and Competitiveness of SMEs
- 20% ERDF to focus on Energy Efficiency and Renewable Energy

*This means that access to ERDF will be highly focused. Social Enterprise, Development Trusts and Local Community Organisations should also look to those ESF Investment Priorities, listed below, which may also support these Thematic Priorities. Please see ['European Social Fund 2014-2020'](#)*

The following details about Thematic Objectives and Investment Priorities are taken from the [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#). Page numbers below refer to this document:

### 1) STRENGTHENING RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION (page 11)

Detailed Investment Priorities in the [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#) may not initially appear inviting for Social Enterprises and Third Sector Organisations:

- a) "enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest
- b) promoting business R&I investment, product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation
- c) supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies"

*Social Enterprises, Development Trusts and Local Community Organisations may benefit from references in a) to capacity building, in b) to product and service development and social innovation.*

Though ERDF can contribute to all 11 Thematic Objectives above, Objectives (1) to (7) above mainly focus on ERDF, the [draft ESF Regulation ESF COM \(2011\) 607 final/2 of Wednesday 14 March 2012](#) on page 12 under 'Article 3, Scope for Support' shows that some might also be supported by ESF:

- c) "Strengthening research, technological development and innovation, through the development of post-graduate studies, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises"

A combination of ERDF and ESF might therefore enable projects which focus on improving skills alongside investments in research, technology development and innovation.

The Commission's "[Investing in Europe's Future: Fifth Report on Economic, Social and Territorial Cohesion](#)" of November 2010 on page 15 said:

"This can be achieved by focusing the role of Cohesion Policy on spreading and applying examples of innovative practice across the EU at regional level ('smart specialisation') and on supporting investment in basic infrastructure, institutions and human resources in less developed regions so that they can participate fully in the knowledge economy."

The EU Commission's "[Investing in Europe's Future, Fifth Report on Economic, Social and Territorial Cohesion](#)" in November 2010 showed on page 31 that only Inner London and North Eastern Scotland, featured in the top ten regions with the highest rate of population aged 30-34 with tertiary education in 2008.

All this may paves the way for partnerships between Social Enterprises, Third Sector Organisations, Higher Education and Research Organisations. There will also be scope for further Social Innovation under the Horizon 2020 Programme which replaces the Seventh Framework Research Programme.

## 2) ENHANCING ACCESS TO AND USE AND QUALITY OF ICT (page 12)

- a) "extending broadband deployment and the roll-out of high-speed networks
- b) developing ICT products and services, e-commerce and enhancing demand for ICT
- c) strengthening ICT applications for e-government, e-learning, e-inclusion and e-health"

The [draft ESF Regulation ESF COM \(2011\) 607 final/2 of Wednesday 14 March 2012](#) on page 13 under ESF support for other Thematic Objectives also refers to:

- b) "Enhancing the accessibility, use and quality of information and communication technologies, through the development of digital literacy, investment in e-inclusion, e-skills and related entrepreneurial skill"

A combination of Investment Priorities from [draft ESF Regulation COM\(2011\) 607 final /2 of Wednesday 14 March 2012](#) and [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#) might be used to promote access through Social Enterprise and Third Sector Organisations.

Using ESF to promote digital inclusion could complement these actions funded under ERDF. A combination of ERDF and ESF could be used to overcome lack of access to broadband, especially in rural areas, stimulating demand so that more remote communities can gain skills.

**3) ENHANCING THE COMPETITIVENESS OF SMES ( page 12)**

- a) "promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms
- b) developing new business models for SMEs, in particular for internationalisation"

The [draft ESF Regulation ESF COM \(2011\) 607 final/2 of Wednesday 14 March 2012](#) on page 13 under ESF support for other Thematic Objectives also refers to:

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

On page 14, **Article 7: Sustainable Urban Development**, the [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#) says:

"At least 5% of the ERDF resources allocated at national level shall be allocated to integrated actions for sustainable urban development delegated to cities for management through Integrated Territorial Investments referred to in Article 99 of (the Common Strategic Framework Regulation).

On page 99, **under Article 99 Integrated Territorial Investment** in the [draft Common Strategic Framework Regulation COM\(2011\) 615 final/2](#)

- 1) "The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI."

With only 20% of "non focused ERDF" remaining under **Article 4 Thematic Concentration** above, this leave only 15% for the remaining Thematic Objectives.

Page 4 of the separate paper on **Local Management of EU Funds 2014-2020** in the EU Commission's [Staff Working Document SWD\(2012\) 61 final of Tuesday 14 March 2012](#), that these local issues should be decided at the beginning of the EU Funds process, as part of the Partnership Agreement between the EU and each Member State.

**4) SUPPORTING THE SHIFT TO A LOW-CARBON ECONOMY IN ALL SECTORS (page 12)**

- a) promoting the production and distribution of renewable energy sources
- b) promoting energy efficiency and renewable energy use in SMEs
- c) supporting energy efficiency and renewable energy use in public infrastructures and in the housing sector
- d) developing smart distribution systems at low voltage levels
- e) promoting low-carbon strategies for urban areas

This offers possible use of ERDF for energy-based retrofitting and ESF for green skills and green jobs - an opportunity for Housing Associations and other Social Enterprises to work together.

**5) PROMOTING CLIMATE CHANGE ADAPTATION, RISK PREVENTION AND MANAGEMENT (page 12):**

Page numbers refer to [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#).

- a) supporting dedicated investment for adaptation to climate change
- b) promoting investment to address specific risks, ensuring disaster resilience and developing disaster management system

Climate Challenge Fund and similar funds in Scotland have contributed to communities' environmental and other assets as a basis for developing more Social Enterprises and Third Sector Organisations.

**6) PROTECTING THE ENVIRONMENT AND PROMOTING RESOURCE EFFICIENCY (page 12):**

- a) addressing the significant needs for investment in the waste sector to meet the requirements of the environmental acquis (a collective term which covers more than 300 EU Directives and Regulations)
- b) addressing the significant needs for investment in the water sector to meet the requirements of the environmental acquis
- c) protecting, promoting and developing cultural heritage
- d) protecting biodiversity, soil protection and promoting ecosystem services including NATURA 2000 (the centrepiece of EU nature & biodiversity policy) and green infrastructures
- e) action to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution

This is an important Thematic Objective for Social Enterprise and Third Sector Organisations. It covers biodiversity, recycling, waste and tourism, including heritage tourism - sectors in which many of these organisations operate. This can be used alongside ESF for training and skills.

**7) PROMOTING SUSTAINABLE TRANSPORT AND REMOVING BOTTLENECKS IN KEY NETWORK INFRASTRUCTURES (page 13):**

- a) supporting a multimodal Single European Transport Area by investing in the Trans-European Transport Network (TEN-T) network
- b) enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure
- c) developing environment-friendly and low-carbon transport systems and promoting sustainable urban mobility
- d) developing comprehensive, high quality and interoperable railway system

This is an important Thematic Objective for Social Enterprise and Third Sector Organisations, including Community Transport Organisations. Huckfield notes that Social Entrepreneurs' Network Scotland, Development Trusts Association Scotland, Scottish Community Alliance and Community Transport Association Scotland are all in the same building - offering interesting possibilities.

These remaining Thematic Objectives are highlighted on page 11 of the [draft ESF Regulation ESF COM \(2011\) 607 final/2 of Wednesday 14 March 2012](#). In these following Thematic Objectives, ESF will play a major funding role. These following Thematic Objectives 8) to 11) therefore also feature in [European Social Fund 2014-2014](#).

**8) PROMOTING EMPLOYMENT AND SUPPORTING LABOUR MOBILITY (page 13):**

Page numbers refer to [draft ERDF Regulation COM\(2011\) 614 final of Thursday 06 October 2011](#).

- a) development of business incubators and investment support for self employment and business creation
- b) local development initiatives and aid for structures providing neighbourhood services to create new jobs, where such actions are outside the scope of the ESF Regulation)
- c) investing in infrastructure for public employment services

This could include:

- further education, training, retraining and apprenticeships for More Choices, More Chances, encouraging employment and social entrepreneurship in young people, especially low carbon and green economy
- active and preventative measures including identification of needs, personalised services, tailored training and work placements.
- Skills development including social entrepreneurship and social enterprise

**9) PROMOTING SOCIAL INCLUSION AND COMBATING POVERTY (page 13)**

- a) investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, and transition from institutional to community-based services
- b) support for physical and economic regeneration of deprived urban and rural communities
- c) support for social enterprises

**10) INVESTING IN EDUCATION, SKILLS AND LIFELONG LEARNING BY DEVELOPING EDUCATION AND TRAINING INFRASTRUCTURE (page 13):**

This could include:

- reducing early school leaving
- promoting equal access to good quality education and enhancing access to lifelong learning
- upgrading skills and competencies and increasing the relevance of education and training to the labour market.
- encouraging graduates to remain locally

**11) ENHANCING INSTITUTIONAL CAPACITY AND AN EFFICIENT PUBLIC ADMINISTRATION BY STRENGTHENING OF INSTITUTIONAL CAPACITY AND THE EFFICIENCY OF PUBLIC ADMINISTRATIONS AND PUBLIC SERVICES RELATED TO IMPLEMENTATION OF THE ERDF, AND IN SUPPORT OF ACTIONS IN INSTITUTIONAL CAPACITY AND IN THE EFFICIENCY OF PUBLIC ADMINISTRATION SUPPORTED BY THE ESF (page 14)**