



Future EU Funding

Seminar

Belfast, 23 March 2018

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How EU Funding Works

EU Overview

- 28/**27** Member States
- 508/**445** million citizens
- Total annual income/output of €14.5 (**12.1**) trillion
- EU annual budget of €140/**130** billion (1% of GDP)
- EU budget is 2% of combined national budgets
- EU budget funded by: national contributions (+70 %) , share of VAT receipts (12%), and customs duties (13%)



How EU Funding Works

The Current Financial Process

- Seven year financial framework 2014-2020 sets annual spending limits - €960 billion over 7 years
- Sets spending priorities (Europe 2020)
- Sets national shares for spending and receipts



How EU Funding Works

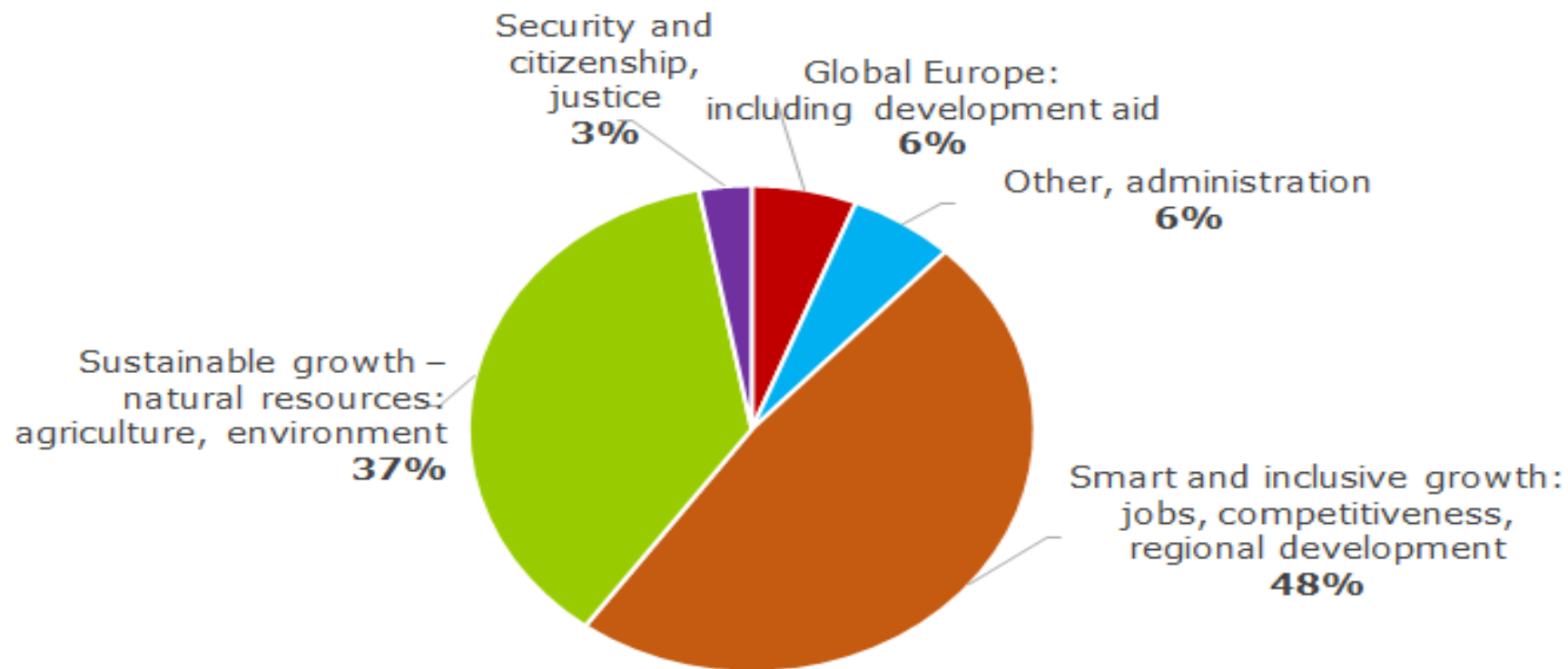
Current Funding Programmes – the sequence

- EU multiannual framework
- EU Budget – 52 headings (and 450 sub-headings) in the EU Budget
- EU Regulations for each main heading set priorities
- Annual (or bi-annual, or multi-annual) work programmes
- Operational Programmes
- Calls for proposals - published on a regular basis



How EU Funding Works

Where the money goes (2017)

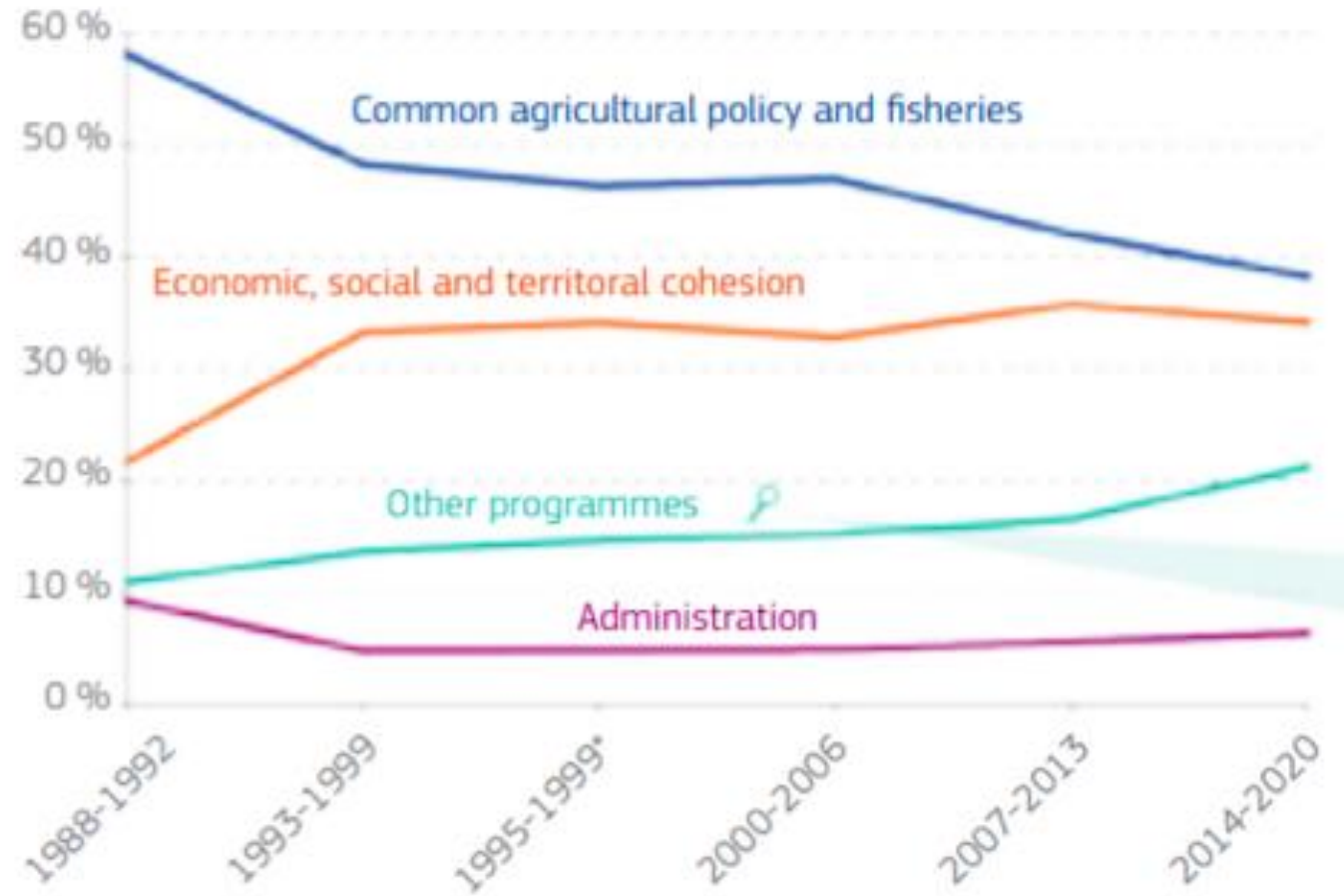




Where the money goes

1988-2018

Evolution of main policy areas in the EU budget





How EU Funding Works

Current EU Funding – N Ireland (2014-2020)

| Programme | EU Funds |
|--------------------------------|----------|
| ERDF | €308m |
| ESF | €205m |
| Peace IV | €229m* |
| Interreg | €240m* |
| Cap | €2,299 |
| Rural Dev | €228 |
| Fisheries (EFF) | €18.1 |
| Others (Horizon, Erasmus, etc) | ?* |



| No. | Title | Estimated funds for Ireland 2014-2020 (€million) |
|-----|-----------------------------------|---|
| 1 | Horizon | 1,250 |
| 2 | Erasmus | 140 |
| 3 | Easi | 8.5 |
| 4 | ESF | 582 |
| 5 | ERDF | 409 |
| 6 | Interreg (north-south/east-west) | 450** |
| 7 | Transnational cooperation | 79 |
| 8 | Peace | 229** |
| 9 | Rural Development (Leader) | 250 |
| 10 | Asylum Migration and Integration | 25.5 |
| 11 | Rights and Citizenship | 4.5 |
| 12 | Europe for Citizens | 1.8 |
| 13 | Health for Growth | 5 |
| 14 | Consumer Programme | 0.7 |
| 15 | Instrument for Pre-Accession | Na |
| 16 | European Neighbourhood Instrument | Na |
| 17 | Life+ | 35 |
| 18 | COSME | 20 |
| 19 | Creative Europe | 15 |

Total: €3.5 billion

EU Funding Ireland €3.3 billion (2014 – 2020):

- Most of the funding is absorbed by State agencies, private companies, research institutions.
- Funding for farmers is not included and amounts to over € 9 billion (2014-2020).
- Ireland's contribution to EU budget: €12 billion (2014-2020)



How EU Funding Works

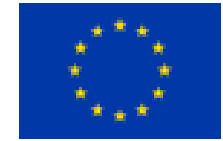
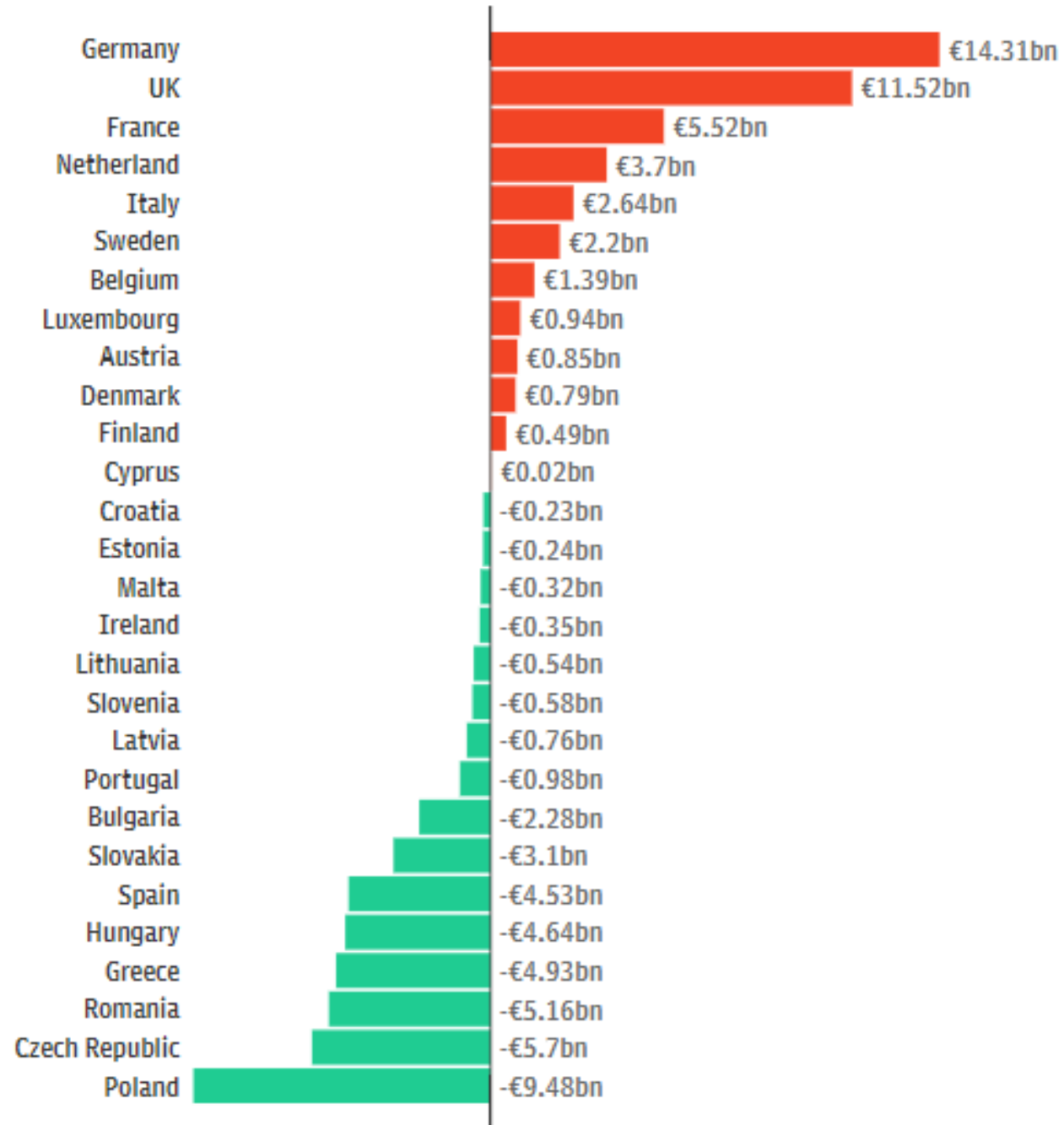
Policy Priorities - Europe 2020

- Employment - 75% of the 20-64 year-olds to be employed (71%)
- Research and Development - 3% of the EU's GDP to be invested in R&D (2%)
- Climate change and energy sustainability
 - greenhouse gas emissions 20% (18%) lower than 1990, 20% (16.7%) of energy from renewables, 20% increase in energy efficiency
- Education
 - reducing the rates of early school leaving below 10% (10.7%)
 - at least 40% of 30-34-year-olds completed third level education (39%)
- Fighting poverty and social exclusion
 - at least 20 million fewer people in or at risk of poverty and social exclusion (2 million)

EU Budget 2013

Who gives?
Who gets?

◆ Spends more ◆ Receives more





How EU Funding Works

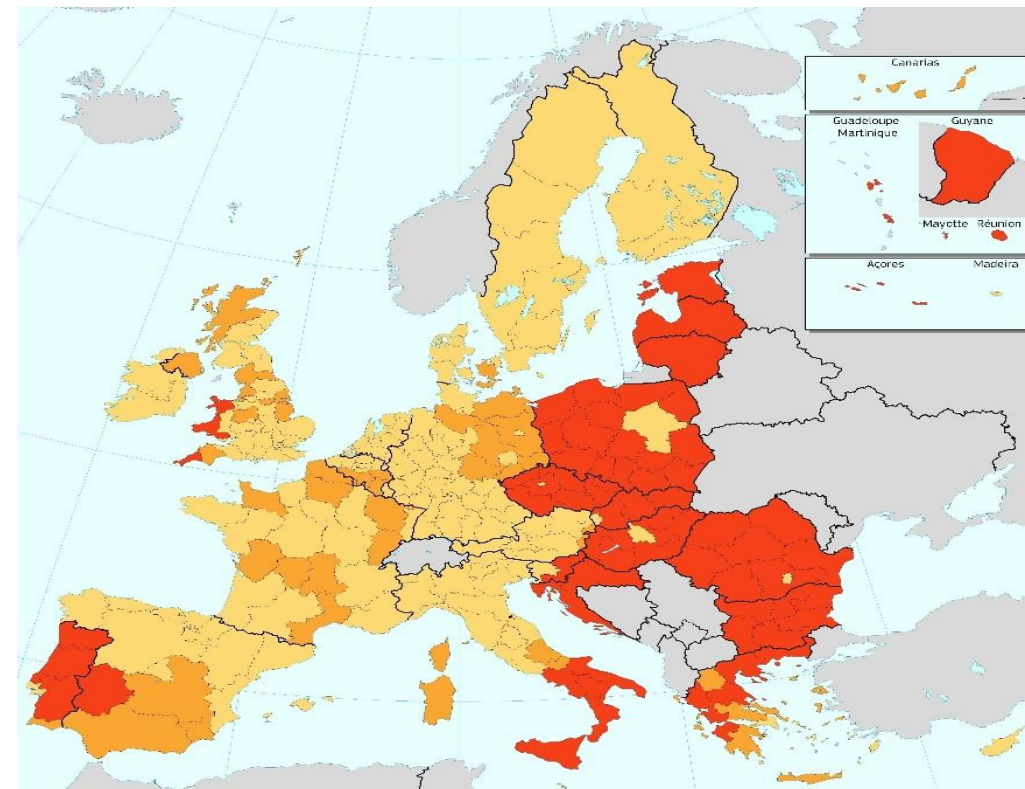
Future Priorities - EU Leaders Options, Feb 2018

| | Option 1 | Option 2 | Option 3 |
|--------------------------------|-----------------------|---------------------------|---------------------------|
| Border controls* | €8b | €25b | €150b |
| Defence* | €3.5b | €7b | €10b |
| Agriculture | No change (€400b) | -€60b | -€120b |
| Erasmus* | No change (€14.7b) | €30b (10% of students) | €90b (30% of students) |
| Cohesion | No change (€370) | -€95b | -€124 |
| Withholding funds! (Poland) | | | |
| More flexibility! | | | |

2014-2020: € 352 billion invested in infrastructure, business, environment and training of workers for the benefit of poorer regions and citizens

- Regional fund
- Social fund
- Cohesion fund

- Less-developed regions: GDP per capita under 75 % of the EU average
- Transition regions: GDP per capita between 75 % and 90 % of the EU average
- More-developed regions: GDP per capita over 90 % of the EU average



Future Cohesion Funding



WHAT LEVEL OF AMBITION FOR AN EFFICIENT COHESION POLICY?



CURRENT SITUATION

Support from the European Structural and Investment Funds is currently available to all EU Member States.]



SCENARIOS

1 Maintain the **current** level of support for all Member States and all regions to maintain a strong focus on investment across all regions in areas like innovation, climate action, industrial transformation, and on skills and education.

Total expenditure over seven years: **€370 billion**², almost 35% of the EU budget.



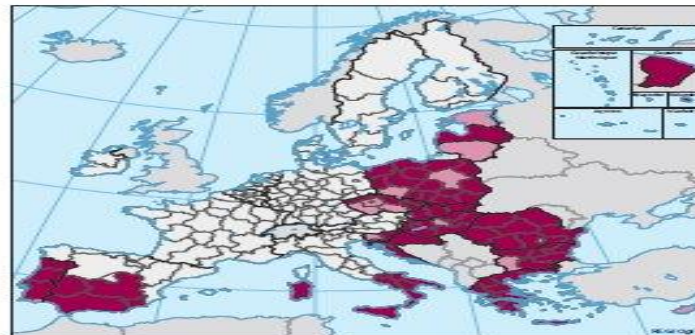
SCENARIO 1: SUPPORT FOR ALL EUROPEAN REGIONS CONTINUES

Categories of regions

- LESS DEVELOPED: GDP/head < 75% of EU-27 average
- TRANSITION: GDP/head \geq 75% and < 100% of EU-27 average
- MORE DEVELOPED: GDP/head \geq 100% of EU-27 average

2 End the support of European Regional Development Fund and the European Social Fund for **more developed regions**. In this scenario, support for regions in Austria, Belgium, Denmark, Finland, mainland France, Germany, Ireland, the Netherlands, Sweden and many regions in Italy and Spain would be discontinued

Total reduction: ca **€95 billion**, 8.7% of the EU budget.



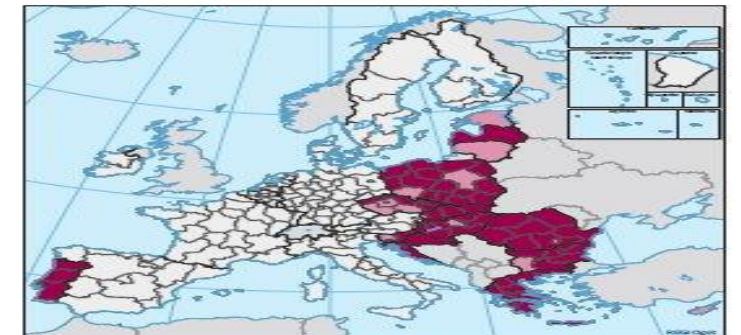
SCENARIO 2: SUPPORT FOR LESS DEVELOPED REGIONS AND COHESION COUNTRIES

Potentially eligible regions

- REGIONAL SUPPORT
- COHESION FUND SUPPORT
- OTHER REGIONS

3 Limit the support even further to **cohesion countries**. In this Scenario the investment for less developed regions in countries like France, Italy and Spain would also need to be discontinued.

Total reduction: ca **€124 billion**, around 11% of the EU budget.



SCENARIO 3: SUPPORT FOR COHESION COUNTRIES ONLY

Potentially eligible regions

- REGIONAL SUPPORT
- COHESION FUND SUPPORT
- OTHER REGIONS

² Around €12 billion of that amount are preallocated to the United Kingdom, corresponding to approximately 3% of the cohesion envelope over the period.

How EU Funding Works

The Future – It's Political



Macron/Merkel
(and May)

!!!