

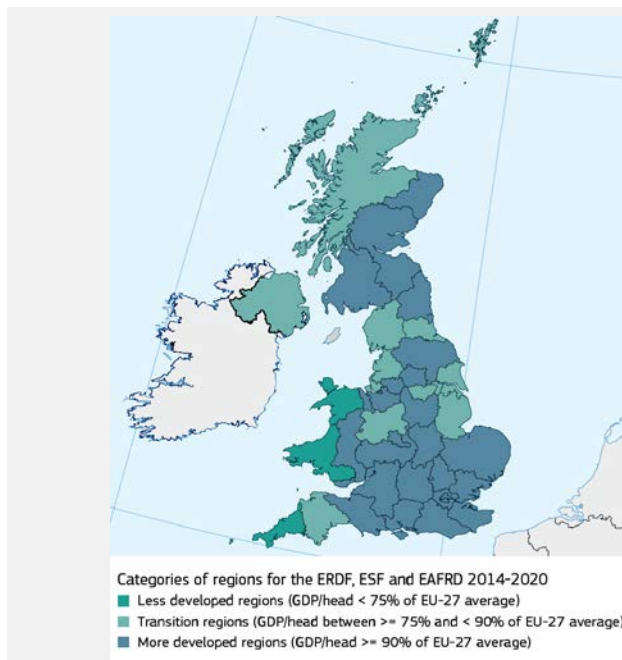


## EUROPEAN STRUCTURAL AND INVESTMENT FUNDS<sup>1</sup>



### UNITED KINGDOM

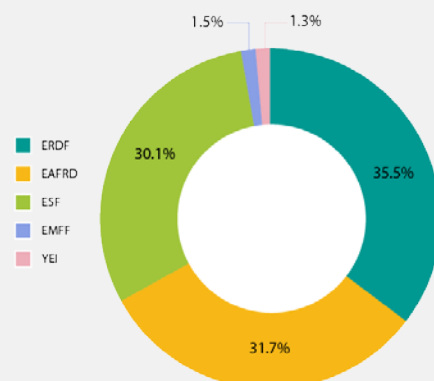
With a budget of **EUR 454 billion** for 2014-2020, the **European Structural and Investment Funds** (ESI Funds) are the European Union's main investment policy tool. The ESI Funds combine five Funds: **European Regional Development Fund** (ERDF); **European Social Fund** (ESF); **Cohesion Fund** (CF); **European Agricultural Fund for Rural Development** (EAFRD); and the **European Maritime and Fisheries Fund** (EMFF). The United Kingdom, together with 19 other Member States, will additionally benefit from the **Youth Employment Initiative** (YEI).



Through 17 national and regional programmes, the United Kingdom has been allocated **EUR 16.42 billion** from ESI Funds over the period 2014-2020. With a national contribution of **EUR 10.87 billion**, the United Kingdom has a total budget of **EUR 27.29 billion** to be invested in various areas, from **SME support**, sustainable employment, the **low-carbon economy**, sustainable land management in agriculture and forestry, **energy efficiency**, **active inclusion** and **education and training**.

### ESI FUNDS BUDGET FOR THE UNITED KINGDOM (2014-2020)<sup>2</sup>

- **EUR 5.83 billion** through the **ERDF**
- **EUR 5.2 billion** through the **EAFRD**
- **EUR 4.94 billion** through the **ESF**
- **EUR 243 million** through the **EMFF**
- **EUR 206 million** through the **YEI**



<sup>1</sup> Data included in this factsheet have been extracted from the ESIF Open Data platform which is accessible online at <https://cohesiondata.ec.europa.eu/>. Data on target achievements are based on officially agreed common indicators or, for the ESF, programme specific indicators (reference date for data: November 2015).

<sup>2</sup> Only those Member States with a gross national income (GNI) per inhabitant of less than 90 % of the EU average benefit from the Cohesion Fund. As such, the United Kingdom is not eligible to benefit from the CF.

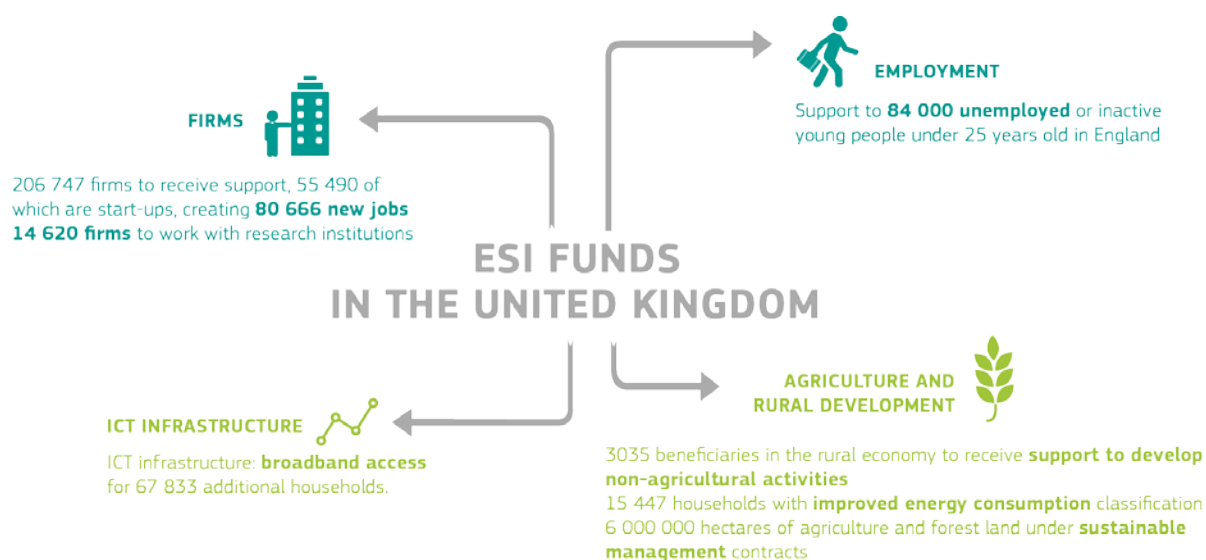
## MAIN PRIORITIES

### ESI FUNDS IN THE UNITED KINGDOM WILL:

- Attract higher levels of private **R&I investment**.
- Invest in **ICT infrastructure**, increasing ICT take-up by businesses.
- Support **SMEs** by addressing barriers to growth, e.g. access to finance, business advice, supply chain development and sectoral support (including in agriculture, fisheries and aquaculture).
- Help build the market in **low-carbon environmental technologies, goods** and **services** (e.g. by supporting innovation, working with supply chains, financial instruments (FIs) and encouraging a shift to more sustainable modes of transport).
- Encourage **energy efficiency**.
- Contribute to the delivery of **climate change policies** and **priorities** for **sustainable land-use and management** through targeted agricultural and environmental actions and managing flooding and coastal erosion risks
- Deliver improvements in the functioning of the **TEN-T network** in less-developed regions.
- Promote **sustainable** and **quality employment**, support labour mobility, promote social inclusion, and combat poverty and discrimination.
- Invest in **education, training** and **vocational training** for skills and lifelong learning.

### TARGETS

All funds are designed to support the United Kingdom's **socio-economic development**. The expected results (**targets**) give an overall view of where the United Kingdom should be on key parameters by 2020.



## HOW WILL THE UNITED KINGDOM ACHIEVE THE EXPECTED RESULTS?

The United Kingdom will work towards the efficient spending of the EU Funds, based on a multidimensional approach.

### FULFILLING PRECONDITIONS FOR THE EFFECTIVE AND EFFICIENT USE OF ESI FUNDS

To ensure that ESI Funds are used efficiently and focus on results, the Commission has set some preconditions when allocating ESI Funds to the Member States.

The main purpose of these conditions, also called 'ex-ante conditionalities', is to help all Member States and their regions to tackle issues that past experience has shown to be particularly relevant to the efficient implementation of the Funds. These principles could be linked, for example, to the implementation of EU legislation, the financing of strategic EU projects, or administrative evaluation and institutional capacity.

These *ex-ante* conditionalities cover most investment areas: improvements to regional research and innovation (R&I) strategies as well as strategic plans linked to environment protection, energy resources, transport, health services, active labour market policies, lifelong learning, and vocational and educational training.

## ENCOURAGING THE USE OF FINANCIAL INSTRUMENTS AND TERRITORIAL TOOLS

The ESI Funds will be used to improve SME access to finance by increasing the supply of funding where there is market failure and putting in place support services. Concrete proposals for the prospective use of financial instruments have not yet been firmed up as the *ex-ante* assessments are still ongoing; however, indications so far are that the UK will increase its allocation to financial instruments by around 50 % compared to 2007-2013, to over EUR 1 billion. The majority will be used for SME support, innovation and energy. Furthermore, there is scope in the programmes to explore the use of financial instruments to deliver broadband and environmental infrastructure.

The programmes will ensure an uptake of territorial instruments. Three ERDF programmes involve the implementation of sustainable urban development strategies and one is using the integrated territorial investment approach. The Funds will invest in local development, with more than 50 % of the rural population helped by local development strategies implemented by 50 local action groups across the country. Local partnerships in rural, urban and intermediate areas and linkages between rural and urban areas will be enhanced by combining the ERDF and the ESF and focusing exclusively on community-led local development.

## SIMPLIFICATION FOR BENEFICIARIES

Managing authorities are developing arrangements, including greater use of lump sums and simplified cost options, to ensure an effective reduction of the administrative burden for beneficiaries and administrators.

## SUCCESS STORIES: EXAMPLES OF PROJECTS USING 2007-2013 ESI FUNDS

### CONNECTING REMOTE AREAS TO SUPERFAST BROADBAND

The Superfast Cornwall project is one of the largest single European investments in broadband infrastructure to date, with a budget of over EUR 167 million (of which ERDF contributed over EUR 65 million). It enables people to work even from the most remote areas, reduces their need to travel, and improves their access to services. It ensures that high-growth businesses, including start-ups have access to superfast broadband services, with fibre connectivity of up to 100 Mbps on offer. By March 2015, 95 % of homes and businesses in Cornwall had access to fast, fibre-based broadband, giving the county the second-best coverage in the world, after Japan. As a result, take-up steadily increased and reached over 70 000 connected premises in June 2015 of which 12 104 were businesses. More than 4500 new jobs have been created and a further 2500 safeguarded, resulting in an economic benefit of EUR 240.7 million to date. By June 2016, a year after the completion of the first-stage roll-out, the impact is expected to increase to over EUR 323.5 million.

Total budget: **EUR 93 110 000**

**EU budget contribution** to the project from **ERDF: EUR 65 551 300**

More information: <http://europa.eu/Wv47tX>

### EMPOWERING A CROSS-BORDER WORKFORCE

SUCCES has developed a cross-border programme of employment support and skills development, reaching out to people who need it most. The project focuses on the '2 Seas' area, including parts of the UK, France and Belgium seriously affected by socio-economic difficulties. Notable achievements include publication of the '10 steps to work' guide and encouraging over 2500 people to access a wide range of support through neighbourhood delivery centres. Contact has already been made with more than 34 000 people. In total, more than 13 000 unemployed benefited from the various training sessions proposed by SUCCES and thus improved their 'soft skills' and their mobility to access the job market.

Total budget: **EUR 2 699 182**

**EU budget contribution** to the project from **ERDF: EUR 1 349 590**

More information: <http://europa.eu/mm63ng>

### SPARKING INTEREST IN SCIENCE AND ENGINEERING

According to an OECD study across 64 countries, only one in five boys and less than one in 20 girls think about a career in science, technology, engineering or maths. Considering future labour market needs, how can Europe inspire its young people – especially girls – to think about careers in such important areas? A project based in Wales, UK, sought to enthuse young people about science and engineering by offering them practical, exciting, hands-on work-place experiences.

Total budget: **£ 2 800 000**

**EU budget contribution** to the project from **ESF: £ 2 100 000**

More information: <http://ec.europa.eu/esf>

## GETTING YOUNG PEOPLE INTO COMMERCIAL SEA FISHING: CORNWALL & ISLES OF SCILLY

Training courses in Newlyn, Cornwall (UK) show how FLAGs can support skills acquisition and restore the sector's attraction to young professionals. Subsequently, 19 young unemployed people have found work in fishing and fishing-related sectors in Cornwall and the Isles of Scilly.

Total budget: **EUR 169 400**

**EU budget contribution** to the project from **EFF: EUR 113 825**

(During the 2007-2013 period, the EMFF was known as European Fisheries Fund or EFF)

More information: <https://webgate.ec.europa.eu/fpfis/cms/farnet>

## YOUNG FARMER ENTERPRISE COMPETITION

A 'Farm Enterprise' competition from Wales in the UK is a good example of an EAFRD-funded project that both identifies and raises awareness about agri-business innovations. The competition specifically explored knowledge development and transfer in sheep farming for young farmers. Actions involved setting each team the same challenge. Contestants were tasked to agree and apply a livestock husbandry strategy for rearing 50 lambs on 2.5 hectares of upland fields. Winning teams won their prize for their achievements in sound cropping decisions that the judges considered were well informed by attention to detail.

Total budget: **EUR 18 500**

**EU Budget contribution** to the project from **EAFRD: EUR 10 175**

More information: <http://europa.eu/!MM47QW>

## FIND OUT MORE ABOUT ESI FUNDS IN THE UNITED KINGDOM

- **ESI Funds:** <http://ec.europa.eu/esif>
- **ESI Funds Open Data Platform:** <https://cohesiondata.ec.europa.eu/countries/UK>
- **ERDF:** [http://ec.europa.eu/regional\\_policy/en/atlas/united-kingdom/](http://ec.europa.eu/regional_policy/en/atlas/united-kingdom/)
- **ESF:** <http://ec.europa.eu/esf/main.jsp?catId=381&langId=en>
- **YEI:** <http://ec.europa.eu/social/BlobServlet?docId=13473&langId=en>
- **EAFRD:** [http://ec.europa.eu/agriculture/cap-funding/index\\_en.htm](http://ec.europa.eu/agriculture/cap-funding/index_en.htm)
- **EMFF:** [http://ec.europa.eu/fisheries/cfp/emff/country-files/index\\_en.htm](http://ec.europa.eu/fisheries/cfp/emff/country-files/index_en.htm)
- **The EU Representation in the United Kingdom:** <http://ec.europa.eu/unitedkingdom/>
- **EU project examples:** [http://ec.europa.eu/budget/euprojects/search-projects/list\\_en](http://ec.europa.eu/budget/euprojects/search-projects/list_en)
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