



**EUROPEAN COMMISSION**

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## **Summary of the Partnership Agreement for United Kingdom**

### **Overall information**

The UK Partnership Agreement covers four European Structural and Investment (ESI) funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The Partnership Agreement focuses on the following priorities:

- using ESI funds to encourage greater levels of private investment in R&D&I;
- improving ICT infrastructure in order to address clear market failures and bring forward planned initiatives to improve local growth at a faster rate and with greater benefit and increase ICT take up by businesses;
- supporting SMEs by addressing barriers to growth such as: access to finance, business advice, supply chain development and sectoral support (including the agriculture, fisheries and aquaculture sectors). Improving access to finance is a key priority, particularly to address the lack of investment funds in many parts of the UK and constitutes one of the CSRs of relevance to the UK;
- increasing the percentage of energy from renewables; support bespoke low carbon solutions, such as smart cities and sustainable mobility solutions; investing in low carbon and environmentally friendly public transport systems; and unlocking the potential of marine energy resources
- helping build the market in Low Carbon environmental technologies, goods and services, for example through supporting innovation, working with supply chains, financial instruments and encouraging a shift in modes of transport; encouraging energy efficiency, including energy efficiency in enterprises and industrial processes;
- contributing to the delivery of climate change policies and priorities for sustainable land use and management through targeted agri-environment-climate actions and through managing flooding and coastal erosion risks;
- delivering improvements in the functioning of the TEN-T network in the less developed regions;
- improving the employability of young people, in particular those not in education, employment or training, contributing to the reduction of long-term unemployment, skills enhancement and the prevention of social exclusion.

### **Chosen expected results**

The Partnership Agreement sets out the main expected results in the above-mentioned areas. These include, *inter alia*, increasing the number of innovative enterprises as a percentage of all businesses in the UK, including through an increase in the number of collaborations between SMEs and academic institutions and interventions planned by the newly created British Business Bank; increase access and use of superfast broadband in line with the EU Digital Agenda; support the move to a low carbon economy; improve sustainable land management in agriculture and forestry; a reduction in the levels of inactivity among the young and long-term unemployed and raising the levels of training and skills.

## **Budget**

In 2014-2020 the UK is allocated approximately € 11.8 billion for Cohesion Policy (ERDF, ESF), including € 206 million for the Youth Employment Initiative and € 866 million for European Territorial Cooperation.

An additional € 5.18 billion will be devoted to development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD). The allocation for the European Maritime and Fisheries Fund (EMFF) amounts to some € 243 million. Details on the allocations are provided in a table below.

Concentration of funds on a limited number of priorities is one of the main principles of the reformed cohesion policy. For the United Kingdom, thematic concentration, meaning the level of ERDF or Cohesion Fund expenditure allocated towards research and innovation (TO1), ICT (TO2), competitiveness of enterprises (TO3) and a low carbon economy (TO4) represents 88.6% of total allocations (excluding TA). The level of ERDF expenditure targeting the low carbon economy (TO 4) accounts for 23.8% of the total allocation.

Thematic concentration is maintained above the minimum requirements.

The share of ESF in the allocation of the structural Funds (ESF and ERDF) amounts to 45.9% or € 4.9 billion and is above the required minimum share of 45.2%.

Significant attention is paid to the territorial dimension of interventions in particular in the area of sustainable urban development. At least 5.4% of the ERDF allocation will be invested in sustainable urban development actions to be implemented in Cities and Core City regions in England. At least 5% of the total EAFRD contribution to the rural development programmes will be reserved for LEADER in the UK. An allocation of EUR 48.5 million from ERDF and EUR 73.9 million from the ESF will be reserved for CLLD support in England.

More than 31.28% of the allocation will contribute to climate change mitigation and adoption measures.

## **Programmes architecture**

- six ERDF operational programmes (West Wales and the Valleys, East Wales, Scotland, Northern Ireland, England, Gibraltar);
- six ESF operational programmes (West Wales and the Valleys, East Wales, Scotland, Northern Ireland, England, Gibraltar);
- four EAFRD-funded Rural Development programmes (England, Scotland, Wales, Northern Ireland);
- one UK- wide EMFF programme.

**Table 1: Allocation: breakdown by thematic objective and by fund (except territorial cooperation).**

Thematic objective	ERDF	ESF	Cohesion Fund	EAFRD	EMFF	Total
	Euro					
1. Strengthening research, technological development and innovation	1 393 606 945	0	0	188 071 753	0	<b>1 581 678 698</b>
2. Enhancing access to, and use and quality of, ICT	241 812 709	0	0	25 065 356	0	<b>266 878 698</b>
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	2 013 197 088	0	0	305 165 227	85 385 760	<b>2 403 748 075</b>
4. Supporting the shift towards a low-carbon economy in all sectors	1 339 506 458	0	0	86 414 829	1 343 004	<b>1 427 264 291</b>
5. Promoting climate change adaptation, risk prevention and management	82 063 821	0	0	282 205 494	0	<b>364 269 315</b>
6. Preserving and protecting the environment and promoting resource efficiency	155 927 647	0	0	3 843 958 141	139 023 347	<b>4 138 909 135</b>
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	161 631 371	0	0	2 239 345	0	<b>163 870 716</b>
8. Promoting sustainable and quality employment and supporting labour mobility	167 080 903	1 632 883 039	0	180 945 913	9 119 326	<b>1 990 029 181</b>
9. Promoting social inclusion, combating poverty and any discrimination	75 406 726	1 094 145 089	0	122 953 756	0	<b>1 292 505 571</b>
10. Investing in education, training and vocational training for skills and lifelong learning	0	2 051 463 064	0	75 869 117	0	0
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	0	0	0	0	0	<b>0</b>
Technical assistance	195 350 619	164 102 501	0	67 170 685	8 268 000	434 891 805
<b>Total</b>	<b>5 825 584 287</b>	<b>4 942 593 693</b>	<b>0</b>	<b>5 180 059 616</b>	<b>243 139 437</b>	<b>16 191 377 033</b>

The allocation to Youth Employment Initiative accounts for €206 million, split between England and Scotland.

**Table 2: Allocation to programmes**

<b>Operational programme</b>	<b>Thematic objectives covered</b>	<b>ESI Fund</b>	<b>Allocation (EUR)</b>
European Fisheries Fund-UK	TO 3,4,6 and 8	EMFF	243,139,437
ESI Funds Growth Programme for England (ERDF OP)	TO 1,2,3,4,5,6,7 and 9	ERDF	3,628,260,303
ESI Funds Growth Programme for England (ESF OP)	TO 8,9 and 10	ESF	3,308,907,036
Rural Development Programme for England	TO 1,2,3,4,5,6,8 and 10,	EAFRD	3,460,217,049
Scotland ERDF	TO1,2,3,4 and 6	ERDF	476,788,331
Scotland ESF	TO 8,9 and 10	ESF	417,839,673
Scottish Rural Development Programme	TO 1,2,3,6, and 9	EAFRD	841,458,131
West Wales & Valleys ERDF	TO 1,2,3,4 and 7	ERDF	1,203,510,449
East Wales ERDF	TO 1,2,3 and 4	ERDF	203,312,254
West Wales & Valleys ESF	TO 8,9 and 10	ESF	802,340,298
East Wales ESF	TO 8,9 and 10	ESF	203,312,254
Wales EAFRD	TO 1,2,3,4,5,6,7,8,9 and 10	EAFRD	650,969,355
NI 2014-2020 ERDF Investment for Growth and Jobs Programme	TO 1,3 and 4	ERDF	308,029,636
NI 2014-2020 ESF Investment for Growth and Jobs Programme	TO 8 and 9	ESF	205,353,090
NI Rural Development Programme (RDP) 2014-2020	TO 1,3,4,6 and 9	EAFRD	227,415,081
Gibraltar ERDF Programme	TO 3 and 4	ERDF	5,683,314
Gibraltar ESF Programme	TO 8 and 10	ESF	4,841,342