

European Regional Development Fund (ERDF) 2014-2020 – proposed Regulation

Citizens' summary

WHAT'S THE ISSUE?

- There are large differences across the EU in terms of development (per-capita GDP), productivity and employment. The EU has the task of reducing these disparities.
- The European Regional Development Fund (ERDF) is the biggest single source of EU funding for this. It aims to redress the main regional imbalances by supporting the development and structural adjustment in regional economies – including the conversion of declining industrial regions and regions lagging behind.
- The ERDF is part of the EU's cohesion policy, which remains an essential element in the [EU's financial framework for 2014-2020](#) proposed by the Commission. The EU will make substantial funding available for it.
- The proposed Regional Development Fund Regulation for 2014-2020 sets out the scope of the Fund, and the investment priorities for regional development programmes.

WHO WILL BENEFIT AND HOW?

- All regions in Europe will receive funding from the ERDF. National and regional authorities establish their own development programmes and select the projects to be financed.

WHY DOES ACTION HAVE TO BE TAKEN BY THE EU?

- Ambitious objectives set at EU level, such as the [Europe 2020 targets](#), can only be achieved if they are also translated into national and regional objectives. ERDF funding helps regions turn these objectives into practical action.

WHAT EXACTLY WILL CHANGE?

- Under the proposal, regions would have to concentrate ERDF support on a limited number of objectives in line with the Europe 2020 strategy.
- The proposed ERDF would channel resources towards energy efficiency and renewables, innovation and support for small and medium-sized businesses (SMEs) – at least 80% of support for more developed regions and at least 50% for less developed regions. Minimum amounts are earmarked for investments in energy efficiency and renewables for all regions.
- Projects in certain fields would not be eligible for ERDF funding, such as those dealing with the manufacturing, processing and marketing of tobacco and tobacco products or the decommissioning of nuclear power stations.
- Specific support from the ERDF would go to cities and urban development. The proposal would ring-fence an amount for integrated sustainable urban development measures and for the setting-up of an urban development platform to promote exchanges between cities.

WHEN IS THE PROPOSAL LIKELY TO COME INTO EFFECT?

- The Commission's proposal will now be discussed with the European Parliament and EU governments. It should enter into force in 2013.

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