EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

GERMANY
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).

Through 48 national and regional programmes, Germany has been allocated EUR 27.87 billion from ESI Funds for the period 2014-2020. With a minimum national contribution of EUR 16.7 billion, Germany has a total budget of EUR 44.58 billion to be invested in various areas, from SME competitiveness to social inclusion, research and innovation as well as energy efficiency and the environment.

ESI FUNDS BUDGET FOR GERMANY (2014-2020)

- EUR 10.77 billion through the ERDF
- EUR 9.38 billion through the EAFRD
- EUR 7.5 billion through the ESF
- EUR 220 million through the EMFF

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1 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).

2 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, Germany is not eligible to benefit from the CF.
**MAIN PRIORITIES**

**ESI FUNDS IN GERMANY WILL:**

- Improve the competitiveness and innovation of SMEs, including in the agriculture, aquaculture and fisheries sectors.
- Help to improve the innovative capacity and competitiveness of the economy and strengthen the links between research, innovation and industrial policy.
- Help people to reskill and upskill and to enter the labour market, more specifically long-term unemployed people, members of disadvantaged groups, and migrants.
- Equip young people with competences to enter further training or work, and reduce early school leaving.
- Address energy and climate change objectives and contribute to reducing greenhouse gas emissions.
- Contribute to making fisheries and aquaculture more sustainable and improving marine ecosystems and aquatic biodiversity.
- Support restoration, conservation and the strengthening of biodiversity, and agricultural and forestry systems with a high conservation value.
- Improve flood protection measures.

**TARGETS**

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

- **ENVIRONMENT AND ENERGY**
  - 104 MW increase in renewable energy capacity
  - A 233 million KWh/year decrease in annual primary energy consumption in public buildings
  - Estimated annual fall in greenhouse gas emissions of 412 000 tonnes of CO2
  - 130 032 hectares of agricultural land supporting biodiversity and/or landscapes

- **AGRICULTURE**
  - 13 300 farm holdings supported for investments in agricultural physical assets
  - 84 000 farm holders to receive supported advice or training
  - 2 018 403 hectares (17%) of total agricultural land supporting biodiversity and/or landscapes
  - 130 000 hectares of forest area under management contracts supporting biodiversity
  - Over 1.1 million hectares of organic farming supported

- **TOURISM**
  - 3.1 million visits/year additional visits to supported sites (cultural, natural heritage and attractions)

- **FIRMS**
  - Over 55 000 enterprises supported
  - 3300 start-ups supported
  - 42 000 direct jobs created

- **SOCIAL INCLUSION**
  - 108 000 long-term unemployed people activated and trained.
  - 314 000 people, especially disadvantaged groups, in lifelong learning measures

- **RESEARCH AND INNOVATION**
  - 3000 researchers supported
  - 2000 firms cooperating with research institutions

- **DIGITAL ECONOMY**
  - 17% of rural population to benefit from new or improved ICT services or infrastructures
HOW WILL GERMANY ACHIEVE THE EXPECTED RESULTS?
Germany 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, socio-economic inclusion, health services, education and training.

Germany has fulfilled all the conditions for ESI Funds to deliver the expected results effectively. To make the best use of the ESI Funds, regional smart specialisation strategies support investments in innovation.

ENCOURAGING THE USE OF FINANCIAL INSTRUMENTS AND TERRITORIAL TOOLS
Part of the funding (EUR 1.2 billion), aimed in particular at innovation and competitiveness, SMEs, energy efficiency, self-employment, entrepreneurship and business creation, will be delivered via financial instruments. The volume of loans, venture or equity capital is expected to increase by 18 % in comparison with the 2007-2013 period (despite a reduced overall allocation), which means, for example, a doubling of ERDF in relative terms.

To facilitate the integrated urban approach, 8.2 % of the ERDF allocation will be spent on integrated measures for sustainable urban development. Integrated territorial investments are being made in Baden-Württemberg and Schleswig Holstein. Local partnerships will be enhanced with community-led local development (multi-fund approach).

SIMPLIFICATION FOR BENEFICIARIES
Managing authorities for the ESI Funds are making arrangements to reduce the administrative burden for beneficiaries and authorities. These include consolidating certain functions (e.g. reducing the number of intermediate bodies), increasing the use of lump sums, streamlining processes (e.g. electronic fund management, or ‘e-cohesion’), ensuring the consistency of measures within and between programmes, and increasing the visibility of EU added value (e.g. common presentation for all funds).

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

NEIGHBOURHOOD MANAGEMENT BERLIN
The introduction of Neighbourhood Councils in deprived districts of Berlin has strengthened the participation of local residents in decision-making on the selection and financing of projects to improve their living conditions. To counteract the negative outcomes of social segregation and social issues found in certain areas of Berlin, following the reunification of the city, the project intervention strategy was launched in 1999 by the city authorities and, for more than a decade, it has proven to be a valuable tool in the development of the ‘socially integrative city’ of Berlin.

Total budget: EUR 223 500 000
EU budget contribution to the project from ERDF: EUR 83 500 000
More information: http://europa.eu/ixC79qn
IDA INTEGRATION PROGRAMME

The IDA – Integration durch Austausch (Integration through Exchange) – programme was launched in Germany in 2008 to reach out to disadvantaged young people who are far from the labour market, often because they lack a school-leaving qualification, have no training or suffer from health issues. To achieve this goal, over 114 project networks, existing in local welfare agencies, employment agencies, training and educational institutions, charities, professional associations, businesses and societies have come together to work with partner organisations from across Europe.

Total budget: EUR 154 500 000
EU budget contribution to the project from ESF: EUR 127 500 000
More information: http://europa.eu/jn39jN

GLASS ORGANIC DAIRY: TRANSPARENCY FROM FARMER TO FRIDGE

In early 2010, the first nationwide glass dairy was opened in Münchehofe. It processes organic milk from the surrounding organic farmers and gives visitors an insight into the manufacturing and production processes of the regional dairy products. The project contributed significantly to promoting sustainable, regional food production and consumption, and increasing production capacity and employment (from 23 to 45 jobs). There are numerous visitors at the glass dairy, too – in particular, its built facilities (i.e. garden and playground) make it suitable for hosting school groups.

Total budget: EUR 10 973 075
EU budget contribution to the project from EAFRD: EUR 2 057 440
More information: http://europa.eu/I8mB6jg

WEBSITE EXPERIENCE IN SCHLESWIG-HOLSTEIN

The ‘Experience fish in Schleswig-Holstein’ website provides a vast array of information on the fisheries sector in this northern German region, ranging from tourism and practical advice to background on the profession and fisheries ecology. The website, which was made possible through EMFF support, also features fisheries ports, museums and information centres. Hands-on information is provided for prospective anglers, as well as guidance on where to buy fresh fish – be it from fishmongers or straight from the vessel. A selection of specialised fish restaurants and local recipes offer inspiration for savouring freshly caught (or bought) fish.

More information: http://www.fischerleben-schleswig-holstein.de/

FIND OUT MORE ABOUT ESI FUNDS IN GERMANY

- ESI Funds: http://ec.europa.eu/esif
- The EU Representation in Germany: http://ec.europa.eu/deutschland/index_de.htm
- EU project examples: http://ec.europa.eu/budget/euprojects/search-projects/list_de
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