

18th EUROPEAN WEEK of REGIONS and CITIES

05>09 OCTOBER 2020

12>16 OCTOBER 2020

19>22 OCTOBER 2020

13 +

#EURegionsWeek

RESTART
EUROPE
Together



Support to the Digital Innovation Hubs through cohesion policy in a short and medium term perspective

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Basics on Cohesion Policy

► **Based on EU Treaty Article 176:** aiming at 'economic, social and territorial cohesion', 'reducing disparities' and 'structural adjustment of lagging regions and the conversion of declining industrial regions'

► **2014-2020: €450 billion in 5 ESI Funds (ERDF (incl. "INTERREG" and urban innovative actions), ESF, Cohesion Fund, EAFRD, EMFF)**
+ over €180 billion national co-financing

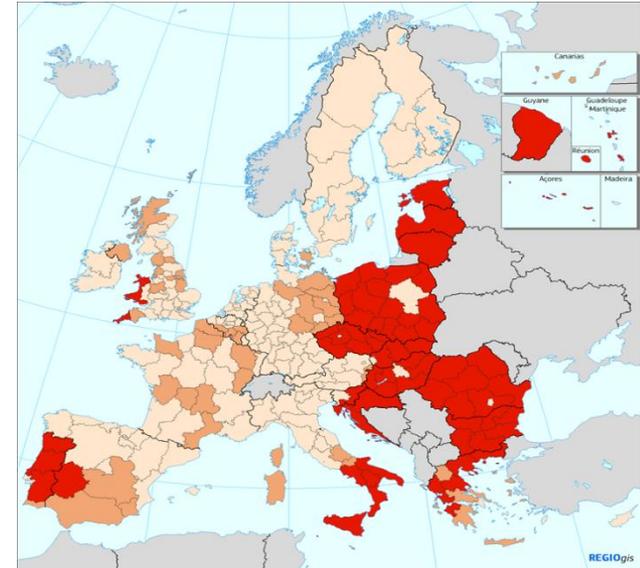
► **Shared Management**

28 Partnership Agreements + over 450 national or regional operational programmes, project selection at national / regional levels

► Focus on **regional relevance and durability of investments**

► **Tailored to regions' / MS needs, potentials and context**

with different co-funding rates, specific objectives, targets, delivery modes



Geographic pre-allocation of funds

Around 80% of Cohesion Policy funding goes to the less developed regions and countries.

See Cohesion Policy Data:

<https://cohesiondata.ec.europa.eu/>

Smart Specialisation Strategies: Policy framework for ERDF R&I investments

Integrated into Cohesion Policy (2014-2020) as ex-ante conditionality:

- EUR 40 billion from ERDF to finance R&I projects (EUR 65 billion including co-financing)
- Over 180 smart specialisation strategies supported by the S3-Platform

Place-based approach: identification of strategic areas for intervention

- based on the analysis of the strengths and potential of the economy
- with wide stakeholder involvement (Entrepreneurial Discovery Process – EDP)

Digitalisation as a horizontal priority, and digital technologies as thematic priorities are present in many smart specialisation strategies

Cohesion Policy Objectives 2021-2027

Total allocation: EUR 373 billion

ERDF: EUR 217 billion

 **A smarter Europe** (innovative & smart economic transformation) ←

 **A greener, low-carbon Europe** (including energy transition, the circular economy, climate adaptation and risk management)

 **A more connected Europe** (mobility and ICT connectivity)

 **A more social Europe** (the European Pillar of Social Rights)

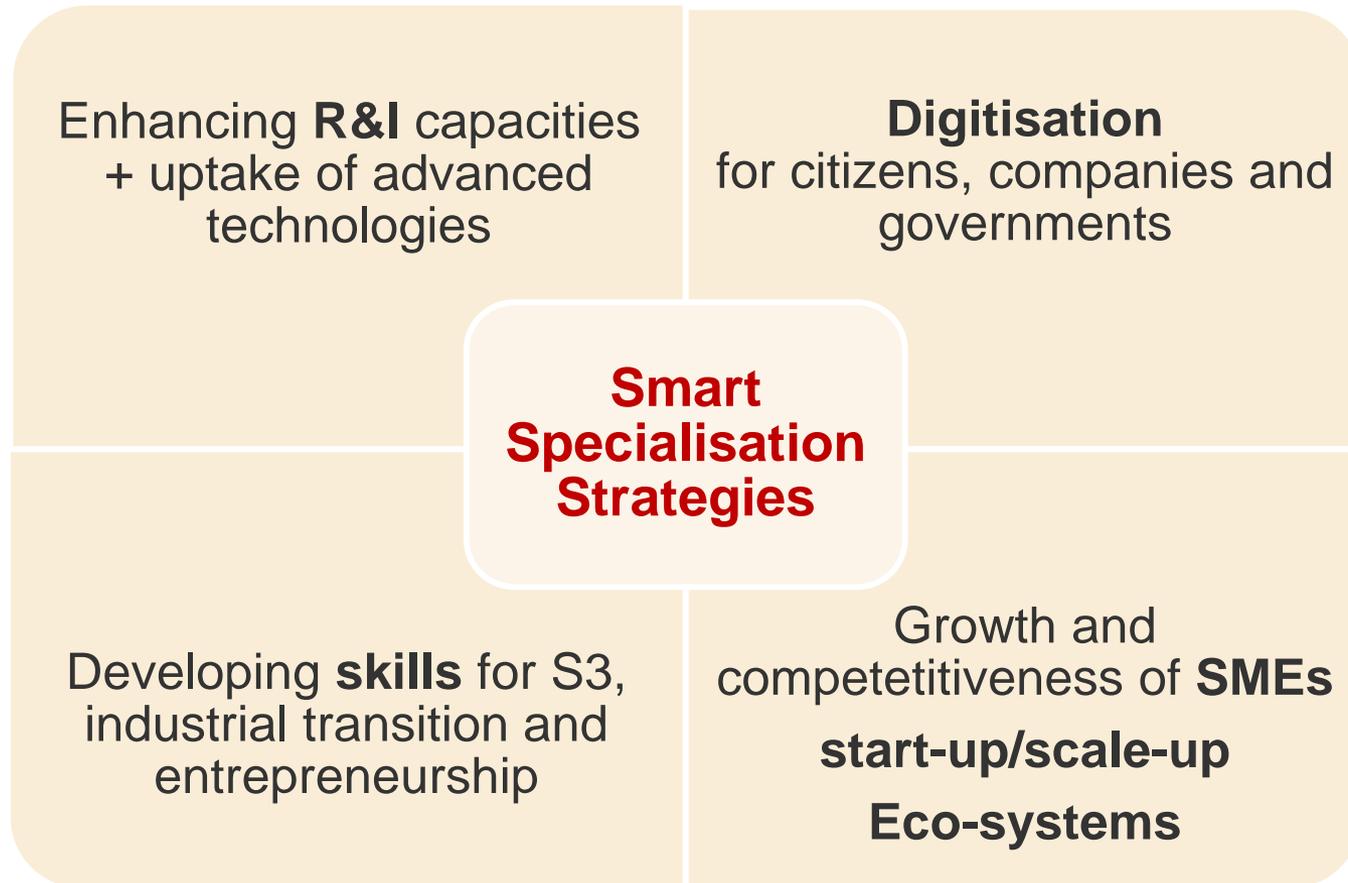
 **A Europe closer to citizens** (sustainable development of urban, rural and coastal areas and local initiatives)

- **Develop solutions**
- **Tech transfer**
- **Industrial capacities**

Deploy solutions
in public &
private
sector

Policy Objective 1 A smarter Europe

4 specific objectives, 1 enabling condition



All specific objectives are potentially relevant for DIHs !



Scope of support from the future ERDF

The ERDF shall support (proposed Art. 4 ERDF Regulation):

- investments in infrastructure;
- investments in access to services;
- productive investments in SMEs;
- equipment, software and intangible assets;
- information, communication, studies, networking, cooperation, exchange of experience and activities involving clusters;
- technical assistance

In addition, the ERDF shall also support:

- productive investments in enterprises other than SMEs when they involve cooperation with SMEs in research and innovation capacities and the uptake of advanced technologies;
- training, life-long learning and education activities for the development of skills for S3, industrial transition and entrepreneurship

Support to DIHs from the future ERDF

DIHs could be:

ERDF beneficiary buying equipment, infrastructure, software and intangible assets, for construction & up-grading, cluster participation, etc.

ERDF intermediary

for providing SMEs with research and innovation services, including diffusion of advanced digital technologies, for delivering digitalisation services to SMEs and public sector, for training, etc.

Not possible:

Covering operating costs

(except in the EU outermost regions)

Support to DIHs and smart specialisation

The ERDF can support the services provided by the DIHs in MS/regions provided that **investments are consistent with the smart specialisation strategies.**

Investments under specific objectives 1 (Enhancing R&I capacities + uptake of advanced technologies) **and 4** (Developing skills for S3, industrial transition and entrepreneurship) **should focus on the regional/national S3 priority areas** identified and developed in the entrepreneurial discovery process (EDP).

Addressing the liquidity issue: Coronavirus Response Investment Initiative (CRII)

ERDF can support (with eligibility of operations from 01/02/2020):

- Working capital in SMEs: financing can cover labour costs, material and operational inputs, inventories and overheads, rents and utilities.
- Investments in products and services to ensure compliance with public health protocols, including cleaning, protective equipment, adaption of public spaces or health capacities.

In line with the principle of shared management, it is up to the Member States to identify crisis priorities.

They can redirect non-utilised 2014-2020 cohesion policy funds, with maximum flexibility, to provide immediate liquidity to SMEs active in the culture
sector.

Bridging the gap between the emergency crisis response and the long-term recovery: REACT EU

EUR 47,5 billion to be added to the existing cohesion policy programmes (2014-2020)

Will support the most affected regions in the remaining 3 years of the current programming period

Will focus on

- *short-term employment schemes,*
- *liquidity support to SMEs*
- *support to green and digital transition*

Partnership principle:

- *involve the relevant partners and regional authorities in the programming*

Thank you!