Multi-Annual Financial Framework
Horizon 2020 &
Connecting Europe Facility

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European Commission - DG INFSO

- Smart and Inclusive Growth - 47.89%
  - Economic, Social and Territorial Cohesion - 36.68%
    - Cohesion policy - 32.78%
    - Connecting Europe Facility - 3.90%
    - CSF research and innovation - 7.80%
  - Others - 3.40%
- Sustainable Growth: Natural Resources - 37.36%
  - CAP (direct payments + market expenditure) - 27.50%
  - Rural development - 8.77%
  - Others - 1.09%
- Security and citizenship - 1.81%
- Global Europe - 6.83%
- Administration - 6.11%
Significant re-distribution in key policy areas

- Research and innovation: +46.0%
- Education and culture: +68%
- Infrastructure funding: +287%
- Security and citizenship: +62.0%
- Global Europe: +23.2%

<table>
<thead>
<tr>
<th>Year</th>
<th>Research and innovation</th>
<th>Education and culture</th>
<th>Infrastructure funding</th>
<th>Security and citizenship</th>
<th>Global Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2013</td>
<td>54.9</td>
<td>9.1</td>
<td>12.9</td>
<td>11.5</td>
<td>56.8</td>
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<tr>
<td>2014-2020</td>
<td>80.0</td>
<td>15.2</td>
<td>50.0</td>
<td>18.5</td>
<td>70.0</td>
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Multiannual Financial Perspectives 2014-2020

Budget lines covering ICT

- Horizon 2020
- Common Strategic Framework for Cohesion policy
- Connecting Europe Facility (CEF)
Horizon 2020 in the MFF Proposal

- **MFF proposal** adopted on 29 June 2011
- Proposed amount for **Horizon 2020 : EUR 80 billion** in constant 2011 prices (>EUR 90 billion in current prices)
- **46% increase** compared to current period (2007-13)
- Share of research and innovation in EU Budget increases to **8.5%** in 2020
Horizon 2020 – Objectives and structure

Europe 2020 priorities

Shared objectives and principles

Tackling Societal Challenges
- Health, demographic change and wellbeing
- Food security and the bio-based economy
- Secure, clean and efficient energy
- Smart, green and integrated transport
- Supply of raw materials
- Resource efficiency and climate action
- Inclusive, innovative and secure societies

Creating Industrial Leadership and Competitive Frameworks
- Leadership in enabling and industrial technologies
  - ICT
  - Nanotech., Materials, Manuf. and Processing
  - Biotechnology
  - Space
- Access to risk finance
- Innovation in SMEs

Excellence in the Science Base
- Frontier research (ERC)
- Future and Emerging Technologies (FET)
- Skills and career development (Marie Curie)
- Research infrastructures

Common rules, toolkit of funding schemes

Simplified access

International cooperation

European Research Area

Dissemination & knowledge transfer
Objectives of Cohesion Policy post 2013

- Legislative proposals adopted by Commission on 6 October 2011

- **Deliver the Europe 2020 strategy objectives** of smart, sustainable and inclusive growth

- Focus on **results**

- **Maximise the impact** of EU funding
Reinforcing Effectiveness and Performance

- **Ex-ante conditionality**: ensuring conditions for effective investment are in place

- **Performance framework** for all programmes: clear and measurable milestones and targets with results-orientated indicators

- **Macro-economic conditionality**: support aligned with economic governance

- **Concentration of resources** to maximise impact
“Smart Specialisation is a dynamic strategic process where regions and Member States identify their long-term competitive advantages based on local strengths and define those actions that can lead them to maintain and/or create their competitive position” (Innovation Union Competitiveness)
SMART SPECIALISATION STRATEGIES

- National or regional research and innovation **strategy for smart specialisation** needs to be in place as a pre-condition for post 2013 support.

- Means **all regions will need to engage in strategic exercise** as part of future programming so that resources are focussed on a region’s greatest assets and opportunities.

- **ICT and the Digital Agenda being key enablers for innovation and growth**
COMPONENTS OF A SUCCESSFUL STRATEGY

- **Aim to build successful integrated regional innovation systems:**
  - innovation support services
  - stimulation of entrepreneurship
  - access to finance for SME’s
  - upgrading education, skills and training

- **Developed in partnership with main regional innovation actors,** with
Innovation Strategies for Smart Specialisation: RIS$^3$

An economic transformation agenda based on 4Cs:

- **(Tough) Choices:** select few priorities on the basis of international specialisation and integration on international value chains
- **Competitive (Constructed) Advantage:** mobilise talent by matching RTD + i and business needs & capacities
- **Critical Mass:** provide arenas for related variety/cross-sectoral links which drive specialised technological diversification
- **Collaborative Leadership:** efficient innovation systems as a collective endeavour based on public-private partnership (quadruple helix)
The Platform was officially launched in June 2011, will be operational in 2012. Will be managed by Joint Research Centre (IPTS Seville) in close cooperation with DG Regional Policy. Commission will publish a Guide before the end of 2011.
PHILOSOPHY of PLATFORM

- Will act as a **facilitator** in bringing together the relevant policy support activities in research, regional, enterprise, innovation information society and education policies.

- Aims at **creating the strategic intelligence** in each region to produce a smart specialisation strategy.
Categories of Regions

- **Less developed regions**: those with GDP per capita below 75% of EU average.
- **Transition regions**: new category comprising those with GDP per capita between 75% and 90% of EU average.
- **More developed regions**, with GDP per capita above 90% of average.
- Degree of thematic concentration depends on development level.
The MFF 2014-20 as announced – Cohesion Policy

All figures in constant 2011 prices

<table>
<thead>
<tr>
<th>Total proposed budget 2014-2020</th>
<th>€376 bn</th>
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<tbody>
<tr>
<td>Of which</td>
<td></td>
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<tr>
<td>• Convergence regions</td>
<td>€162.6 bn</td>
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<tr>
<td>• Transition regions</td>
<td>€39 bn</td>
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<tr>
<td>• Competitiveness regions</td>
<td>€53.1 bn</td>
</tr>
<tr>
<td>• Territorial cooperation</td>
<td>€11.7 bn</td>
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<tr>
<td>• Cohesion fund</td>
<td>€68.7 bn</td>
</tr>
<tr>
<td>• Extra allocation for outermost and sparsely populated regions</td>
<td>€926 million</td>
</tr>
<tr>
<td>• Connecting Europe Facility for transport, energy and ICT</td>
<td>€40 bn plus €10 bn ring fenced inside the Cohesion Fund</td>
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Connecting Europe Facility (1)

- Infrastructure spending declining
  - ...whereas investment in infrastructure stimulates growth

- To promote the completion of EU single market
  - "transport core network" (EUR 21,7B + 10B from cohesion)
  - "energy priority corridors" (9,1B)
  - and key digital infrastructure (9,2B)

- Total budget: EUR 50 billion
Investment challenge

€ 180 to € 270 billion of investment required to bring fast broadband to all households by 2020
Connecting Europe Facility (2)

- Common legislative basis
  - Unified view, flexibility
  - CEF Regulation proposal COM(2011) 665
  - ...completed by guidelines per area

- Combine market-based instruments and EU direct support
  - Role of EIB, Project Bonds
Telecom / Digital Infrastructures
(from Guidelines, COM(2011) 657/3)

- **Broadband networks**
  - Deployment of passive and active physical infrastructure, associated facilities and services
  - Driven by Digital Agenda objectives for 30/100 Mb/s
  - Up to 270B investment required by 2020!
    - Financial instruments

- **Digital Service infrastructures**
  - Core service platforms + generic services
  - Remove bottlenecks for single market, economies of scale
Thank you!