

Next Generation EU

- Cohesion policy and smart specialisation



Peter Berkowitz
Directorate General for Regional and Urban Policy
European Commission

The road to recovery – different needs and different response

Gradual return to a “new normal”

Adjust response to the needs present on different timelines

➤ *Short term*

- **“Crisis response”**: provide immediate and short-term support to strengthen crisis response capacities and to workers and enterprises to “weather the storm”

➤ *Medium term (next 2-3 years)*

- **“Crisis repair”**: prepare the ground for recovery, bridge the gap between first response and recovery, focus still on restoring labour markets and support to workers and enterprises but investment preparing the foundations of recovery shall also begin

➤ *Longer term*

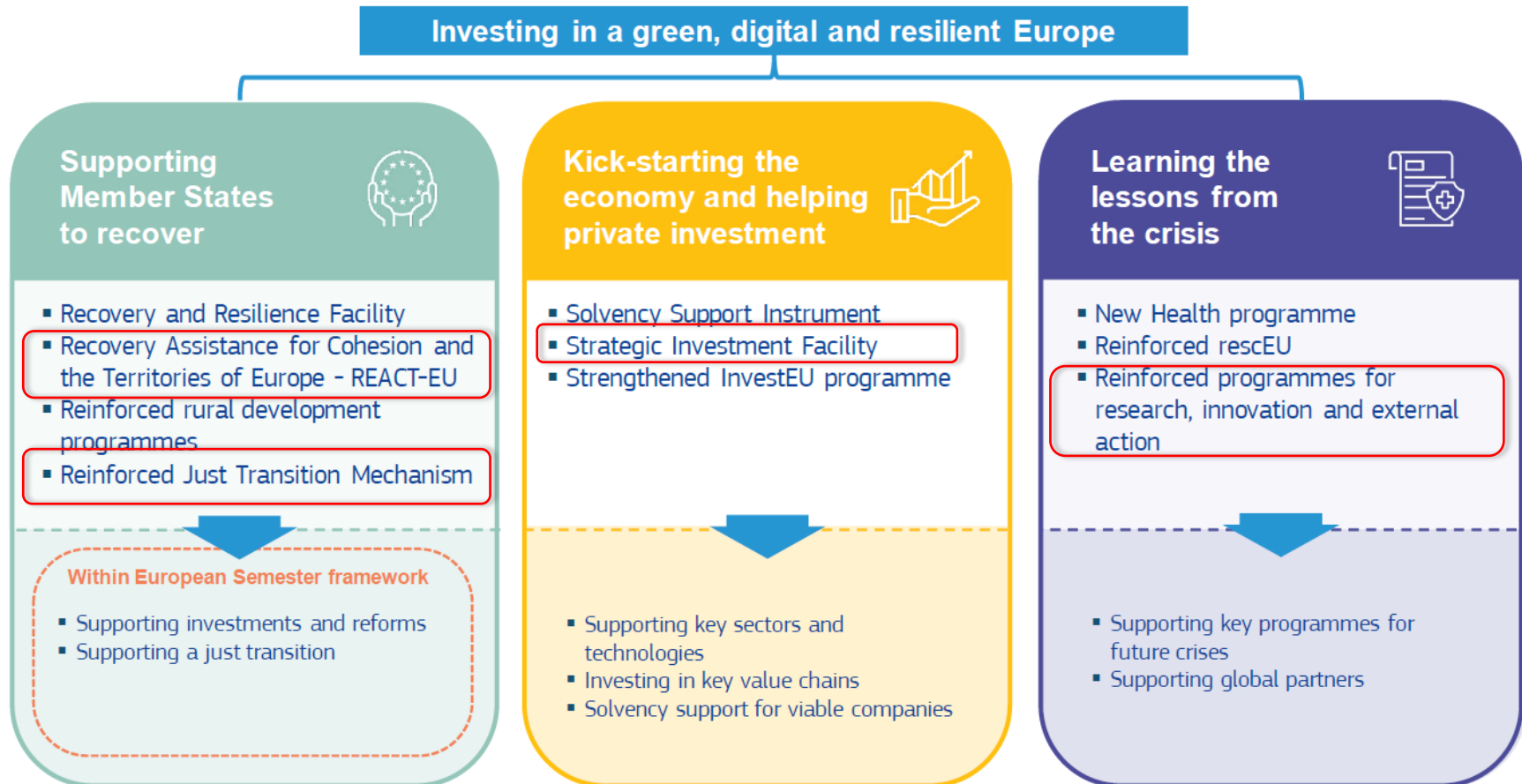
- **“Recovery”**: support the long-term recovery and the resilience of the economy and society focussing on the green and digital transitions

Corona Response Investment Initiative

Using everything we have to fight the coronavirus and its economic fall out:

- Available unused cohesion policy funds: bring expenditure forward and redirect to the fight against the coronavirus
- Liquidity is what matters now for saving lives and for sustaining viable companies
- Adapting the rules to ensure high and relevant impact
- Flexible application of the rules
- Administrative support to Member States






The role of Cohesion Policy in the Recovery Plan



Source: European Commission

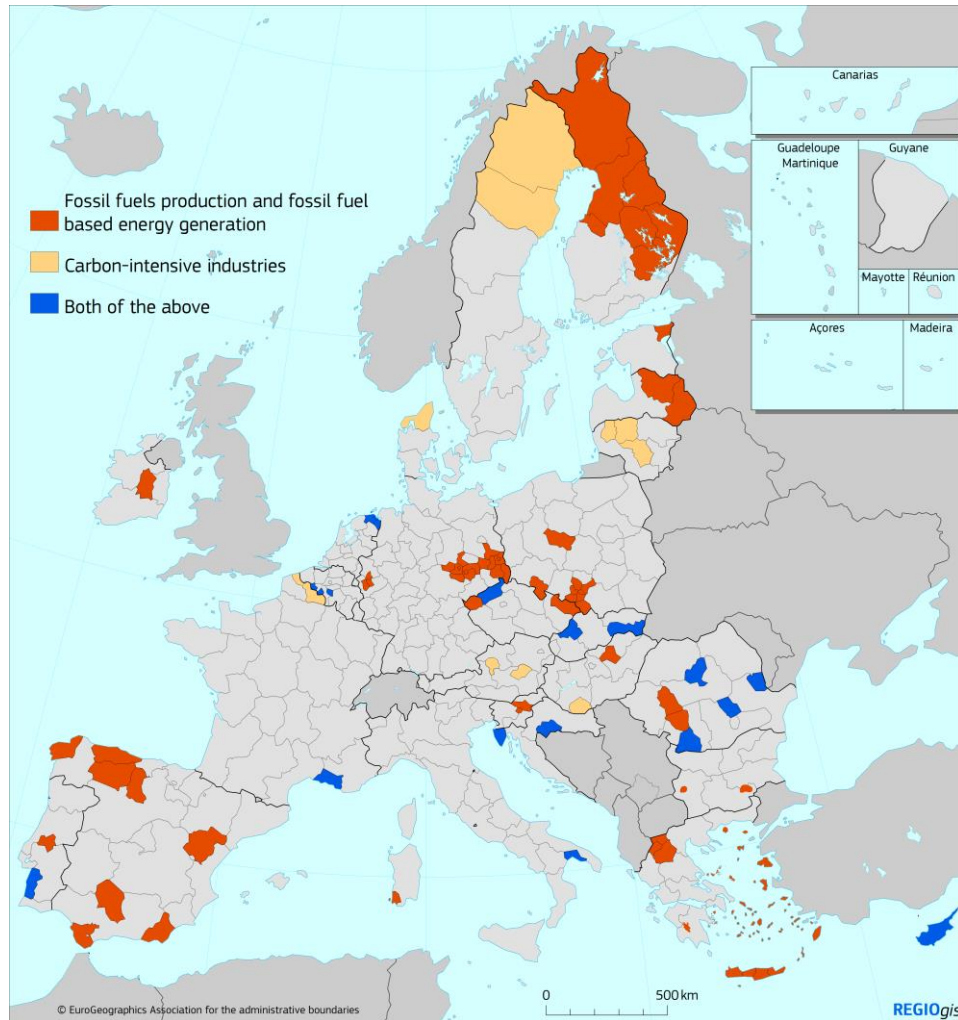
REACT-EU

Add €55 billion to the ongoing 2014-2020 cohesion policy programmes (2020-2022).

	Continue to support the reinforcement of crisis response capacities in health care .
	Make a concrete difference in lives and jobs of people affected by the crisis, as the crisis repair measures will contribute to supporting job creation and maintenance, including through short-time work schemes and support for the self-employed, and providing urgent and much needed support directly to SMEs.
	Enhance support to infrastructure providing basic services to citizens .
	Make Member State economies more resilient and sustainable in the crisis repair stage, by opening up for green, digital and growth-enhancing investments, bridging the gap between the current and next long-term EU budget.
	Top up the amounts that are available in the 2014-2020 and 2021-2027 EU funding periods.

The Just Transition Fund

Increased resources totaling EUR 40 bn



More focused than mainstream programmes

- Economic diversification and reconversion
- Re-skilling and job seeking assistance
- Support to climate transition and environmental sustainability

Notable exclusions

- Production, processing, distribution, storage or combustion of fossil fuels (including gas)
- Transport (infrastructure)

Limited additional investment eligible

- Productive investments in large enterprises: if needed to offset job losses
- Investments reducing GHG emissions from ETS activities: if needed to preserve jobs

All operations must contribute to the implementation of the territorial just transition plans

Cohesion Policy 2021-2027

More than EUR 100bn for the European Green Deal Around EUR 80bn for innovation and smart economic transformation

What's new (compared to the 2018 proposal)?



Reinforced focus on economic competitiveness through research and innovation, digital transition, the European Green Deal agenda and the promotion of the European Pillar of Social Rights;



Higher flexibility and reactivity: additional flexibility for Member States to transfer resources among EU Funds, at any point in time of the funding period;



Making sure that Cohesion policy is better equipped to respond to unexpected circumstances;



Further flexibility to enable phasing of projects, to give EU Member States more time to complete operations that aren't finished under the 2014-2020 programmes;



Reinforcing the preparedness of the health systems and better exploiting the potential of culture and tourism;



Reinforcing support to workers and to measures addressing youth employment and child poverty.

Conclusions

Future Perspectives

- Smart specialisation will remain key organizing principle post 2020 – ongoing process, broader innovation, better governance
- Need to adapt to post-crisis recovery
- Stronger focus on societal challenges
- Stronger focus on technology adoption across private and public sectors
- Role of component 5 in strategic value chains
- Role of cohesion policy in deployment of new solutions – reinforced synergies with Horizon Europe and Erasmus