A renewed EU strategy adapted to the key challenges faced by the Outermost Regions

General Directorate of European Funds
Secretary of State of Budget and Expenditure
Ministry of Finance. Spain

APRIL 2018
MFF 2014-2020: EXPENDITURE BREAKDOWN

- Size: 1% of GNI UE 28 (EUR 2011).

- 1a Competitiveness for growth and jobs: 13%
- 1b Economic, social and territorial cohesion: 34%
- 2 Sustainable growth: natural resources: 39%
- 3 Security and citizenship: 2%
- 4 Global Europe: 6%
- 5 Administration: 6%
Main financial inputs:

**BREXIT:**
- Withdrawal of UK (net contributor)

**NEW PRIORITIES:**
- Reinforcement of some current policies.
- New priorities: defence, security and asylum-migrations.

Financial mechanisms:

- Cuts in actual policies.
- Increase in the contributions of the Member States (additional resources needed).
## MAIN MFF HEADINGS FOR SPAIN

<table>
<thead>
<tr>
<th>HEADING</th>
<th>MFF 14-20</th>
<th>SPAIN</th>
<th>% ES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Smart and Inclusive Growth</strong></td>
<td>439.137</td>
<td>39.263</td>
<td>8.9%</td>
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<tr>
<td>Research and innovation</td>
<td>53.964</td>
<td>5.080</td>
<td>9.4%</td>
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<tr>
<td>Competitiveness of SMEs (COSME)</td>
<td>2.433</td>
<td>131</td>
<td>5.4%</td>
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<tr>
<td>Erasmus for all</td>
<td>10.686</td>
<td>1.023</td>
<td>9.6%</td>
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<tr>
<td>CEF</td>
<td>6.684</td>
<td>534</td>
<td>8.0%</td>
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<tr>
<td><strong>Economic, Social y Territorial Cohesion</strong></td>
<td>348.373</td>
<td>31.363</td>
<td>9.0%</td>
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<tr>
<td>Youth Employment Initiative (YEI)</td>
<td>4.411</td>
<td>1.362</td>
<td>30.8%</td>
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<tr>
<td><strong>2. Sustainable growth. Natural resources</strong></td>
<td>372.505</td>
<td>44.469</td>
<td>11.9%</td>
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<td>Common Agricultural Policy</td>
<td>269.489</td>
<td>34.634</td>
<td>12.9%</td>
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<td>Rural development (EARDF)</td>
<td>94.149</td>
<td>8.297</td>
<td>8.8%</td>
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<td>Common Fisheries Policy (FEMP) (LIFE+)</td>
<td>6.595</td>
<td>1.210</td>
<td>18.4%</td>
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<tr>
<td><strong>SECURITY AND CITIZENSHIP</strong></td>
<td>11.998</td>
<td>918</td>
<td>7.7%</td>
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<tr>
<td>HEADING</td>
<td>EC proposal</td>
<td>Spanish proposal</td>
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| 1a      | 30% Increase | Spain proposes increases in:  
• R&D (H2020),  
• CEF (mainly transports and energy),  
• Erasmus. |
| 1b      | Reduction to compensate effects of BREXIT.  
(20%-80% proportion CP-CAP) | Supports Berlin allocation criteria and Cohesion Policy for all regions.  
Supports Youth Employment Initiative.  
Distribution key of ESF based on target groups.  
Definition of maximum in the total amount of Cohesion funding by MMSS. |
| 2       | Reduction in 1-4 proportion with Cohesion | Against the introduction of national co-financing.  
Supports LIFE+ program (environment). |
Cohesion Policy constitutes a unique achievement of the EU.

- Represents the values of **solidarity** and economic, social and territorial cohesion.
- Contributes undoubtedly to the **structural development** of the territories.
- Is the main investment instrument of the EU.
- And is one of the most visible EU policy actions – and therefore closest to the citizens.
Spain agrees to pay special attention to these regions as set in the Communication from the EC: 

**A stronger and renewed strategic partnership with the EU's outermost regions.**

- **European policies with a strong territorial impact**, such as Cohesion Policy, are key for outermost regions.
- After five generations of European programs, a strong development process has begun, with a clearly visible progress in these regions. However, the **ORs maintain structural constraints that still slow down their economic, social and territorial cohesion**.
- In this sense, the accelerated scenario of **globalization contributes to increasing the economic and social inequalities of the ORs**, particularly exposed and vulnerable.
Article 349 of the TFEU provides for measures for the ORs that have not been fully implemented to date. Therefore, all consequences should be extracted by applying the following measures:

- **Maintain the current allocation criteria for the additional allocation** from which the ORs benefit; aid intensity based on eur per capita.
- **Continue to increase the flexibility of the regulatory framework of the ESIF** (co financing rate, thematic concentration, decommitment rules, etc.).
- **Increase the specific allocation** reflecting the permanent structural constraints of the ORs.
- **Ensure greater coherence of Cohesion Policy funds with respect to the ORs** so that **investments in local access infrastructures** - airports, ports and roads, as well as internal and external connections – can be eligible for the ERDF regardless of the regional category of region.
- **Establish a new financial envelope that compensates for the extra costs related to employability and mobility, especially of young people.**
- **Regarding the European Fund for Strategic Investments (EFSI)**, its **eligibility criteria should be adapted** so that the specificities of the Ors are considered.