A new cohesion policy for Slovakia

driven by research, innovation and growth

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#CohesionPolicy
#EUinmyRegion

KEY FEATURES

Multiannual Financial Framework 2021-2027

´A modern budget for a Union that protects, empowers and defends´

- More funding for priority areas
- A new mechanism to protect the EU budget from financial risks linked to the rule of law
- A strong focus on European added value and on performance
- Less red tape for beneficiaries
- A more flexible and agile budget with a clearer and leaner architecture

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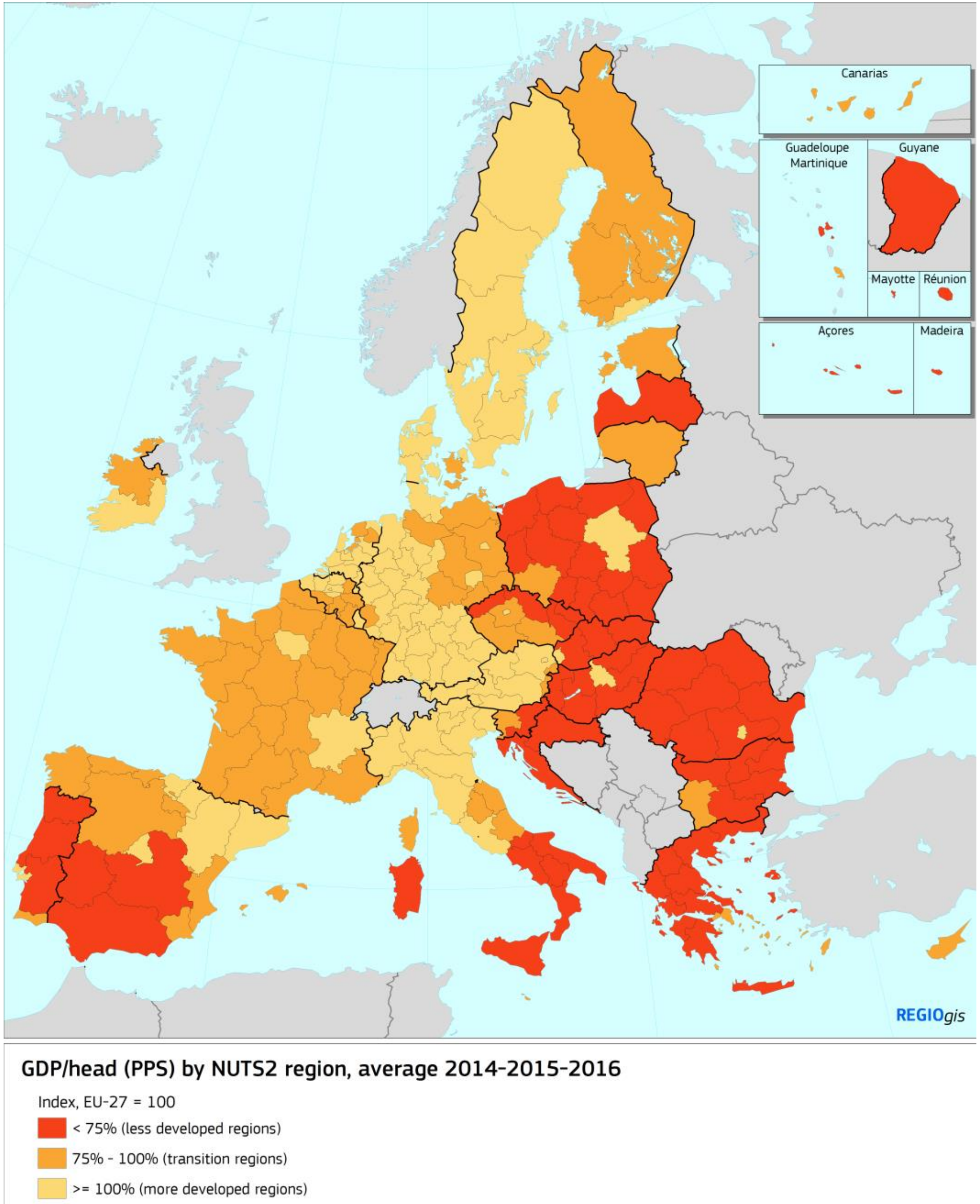
New regional eligibility map 2021-2027



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Allocations by Member State

Member State	2021-27 allocation (billions, 2018 prices)	Change from 2014-2020 period (%)	Aid intensity (EUR/head)	Change from 2014-2020 period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
MT	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14
EU27	331	-9.9	106	-11

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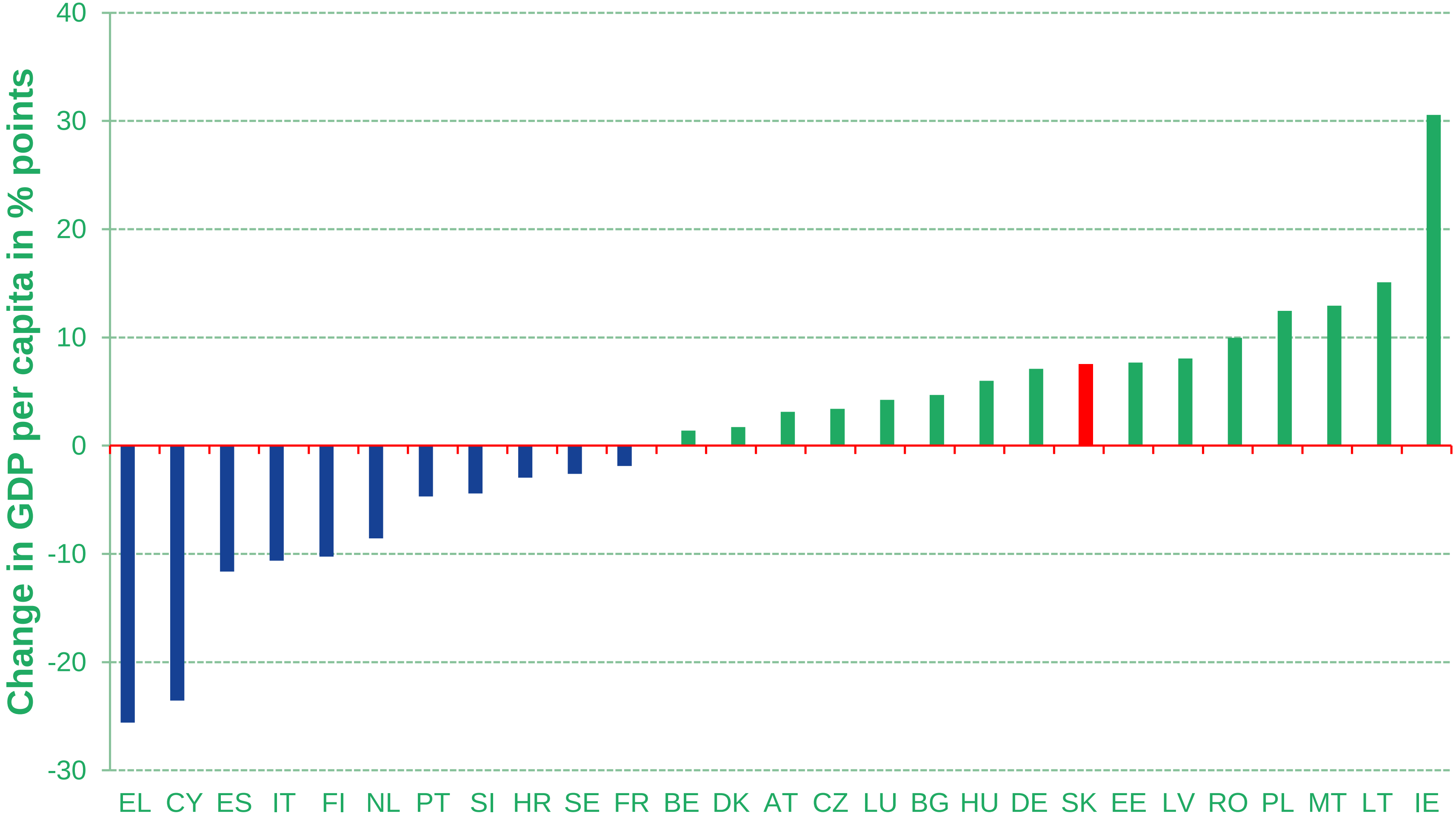
The main driver of changes: change in GDP per capita 2007-2009 vs 2014-2016



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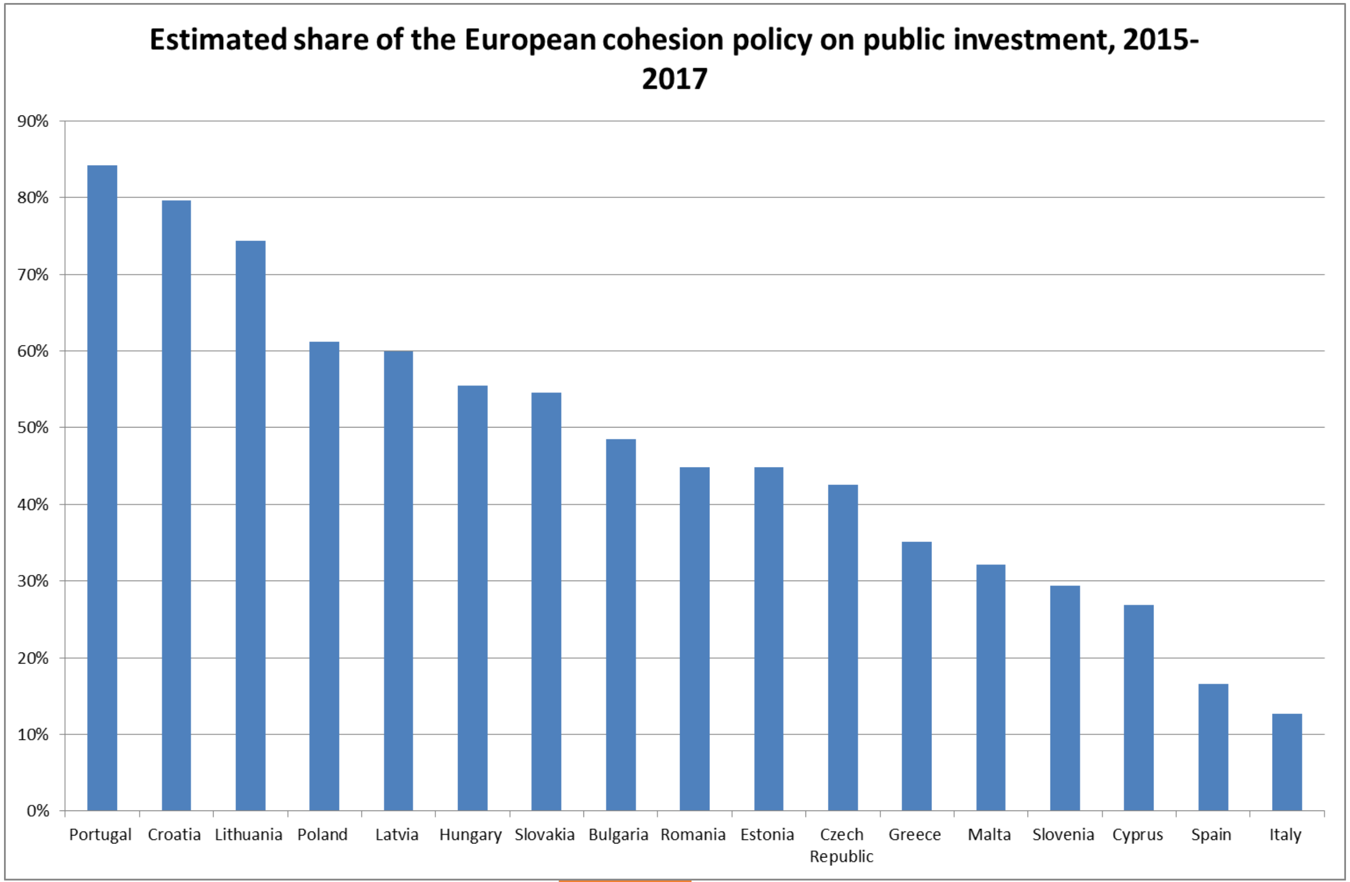
- Cohesion policy contributed to limit the fall in public investment
- It provided funding equivalent to 8.5% of government investment in the EU, 41% for the EU-13 and over 50% for a number of countries

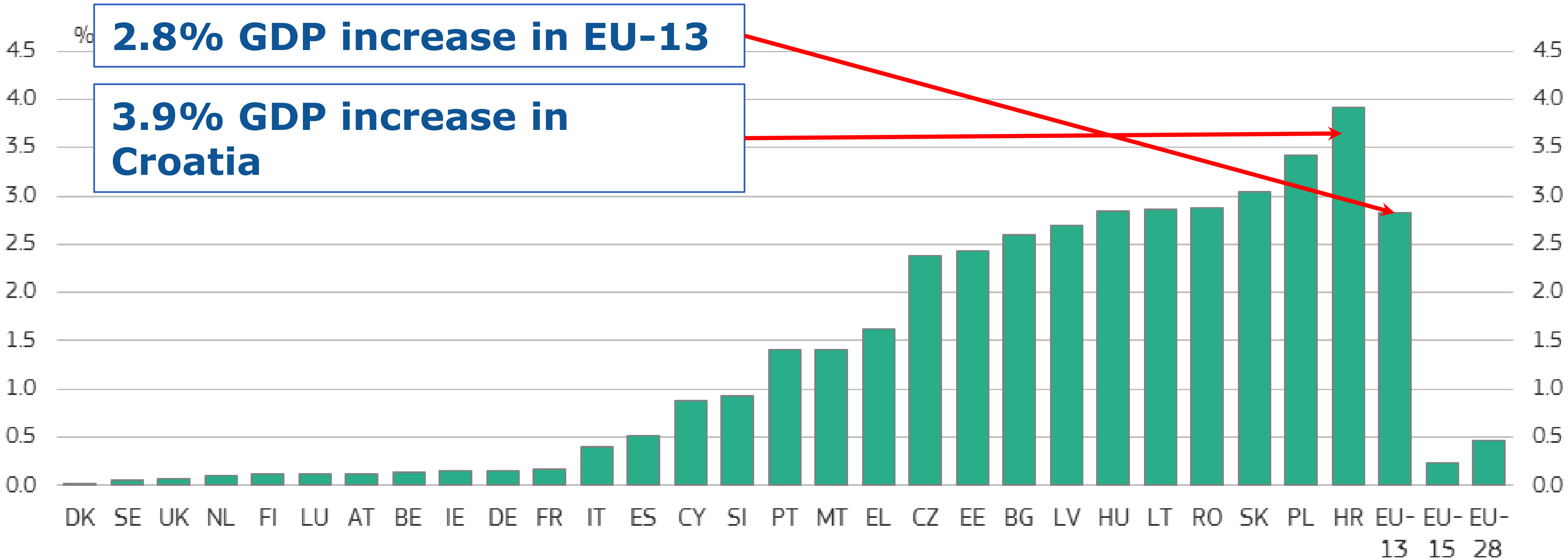


urban Policy

Impact at macroeconomic level:

- High in main beneficiaries
- Positive for all MS

Figure 6.7 Impact of 2014-2020 programmes on Member States' GDP, 2023



Source: QUEST macroeconomic model

Lower EU co-financing ceilings

Ceilings on EU contribution	
70%	Less developed regions Outermost regions Cohesion Fund Interreg
55%	Transition regions
40%	More developed regions

"Quid pro quo": VAT eligibility

No specific rules for revenue generating projects

Key themes

Modern

- Focus on smart, low carbon
- Enabling conditions, link to Semester

Simple & flexible

- 50% shorter regulations
- 50 key simplifications
- Adapts to emerging needs (migration, economy)

For all regions

- Objective method
- 75% for poorest regions
- Present for emerging needs elsewhere

Policy objectives

11 objectives are simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

Horizontal issues: administrative capacity building, cooperation outside the programme area

PO1 Smart Growth specific objectives

In accordance with the policy objectives, the ERDF shall support the specific objectives of "*a smarter Europe by promoting innovative and smart economic transformation*" by:

1. enhancing research and innovation capacities and the uptake of advanced technologies;
2. reaping the benefits of digitisation for citizens, companies and governments;
3. enhancing growth and competitiveness of SMEs;
4. developing skills for smart specialisation, industrial transition and entrepreneurship;

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ERDF ALLOCATION FOR PO 1

- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships

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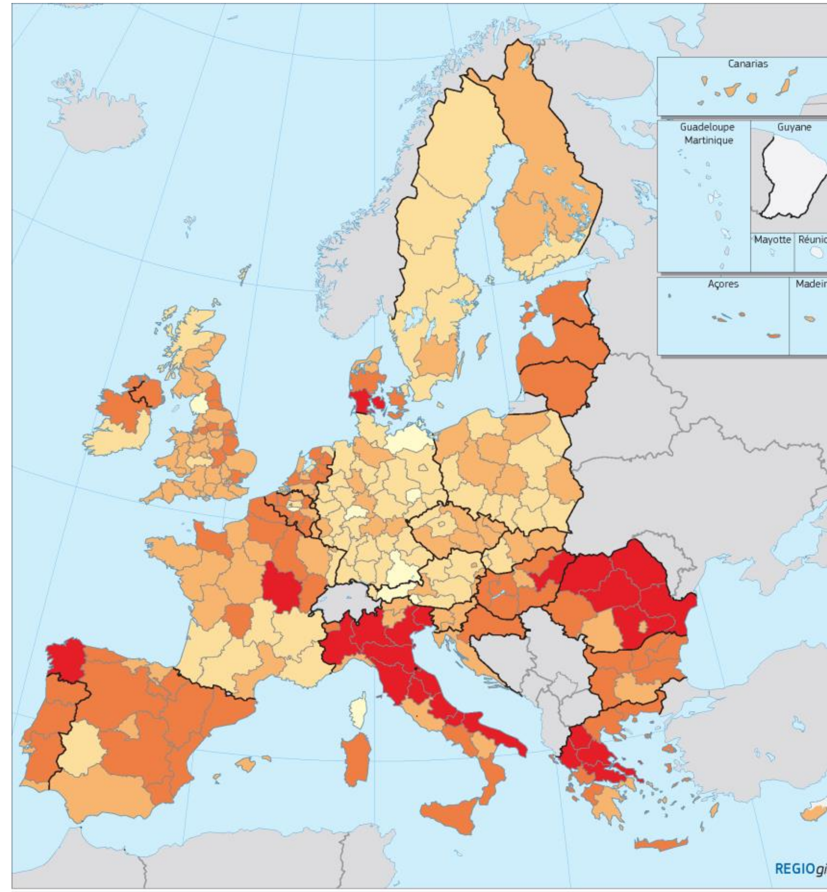
- Positive news SK is not among MS at high risk from globalisation
- SK risks have and will diminish over time with investments in innovation and education



Map 1.5 Risk factors linked to globalisation and technological change

Number of risk factors out of 4 (see footnote)

0
1
2
3
4

A risk factor is defined as a negative value for the first indicator and a value above the EU regions average for the next indicators:
- Employment growth in the industry between 2000 and 2014;
- Share in employment of low-technology manufacturing, 2016;
- Share of people between 25 and 64 with a low educational attainment, 2016;
- Change in manufacturing ULC between 2003 and 2014.

Source: Eurostat, DG REGIO calculations

0 500 km

© EuroGeographics Association for the administrative boundaries

Regional and urban Policy

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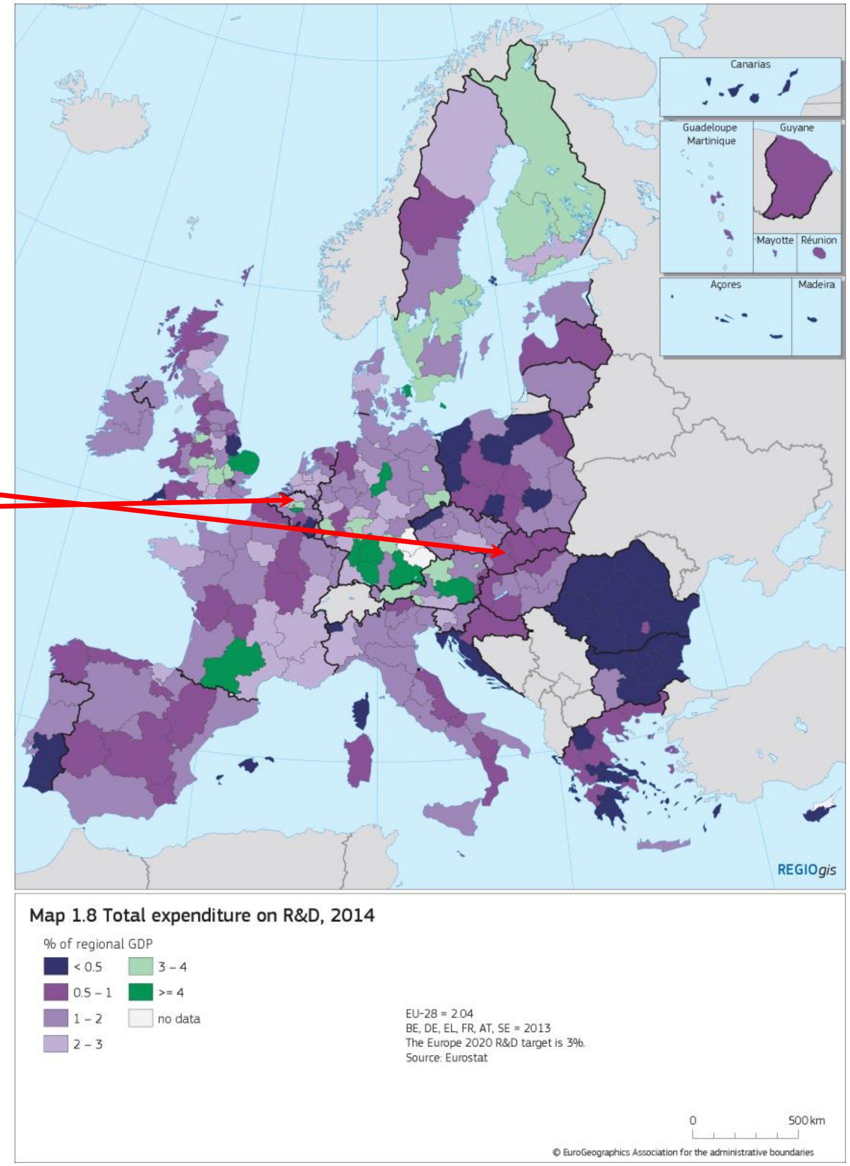
- SK still low profile on R&D and innovation

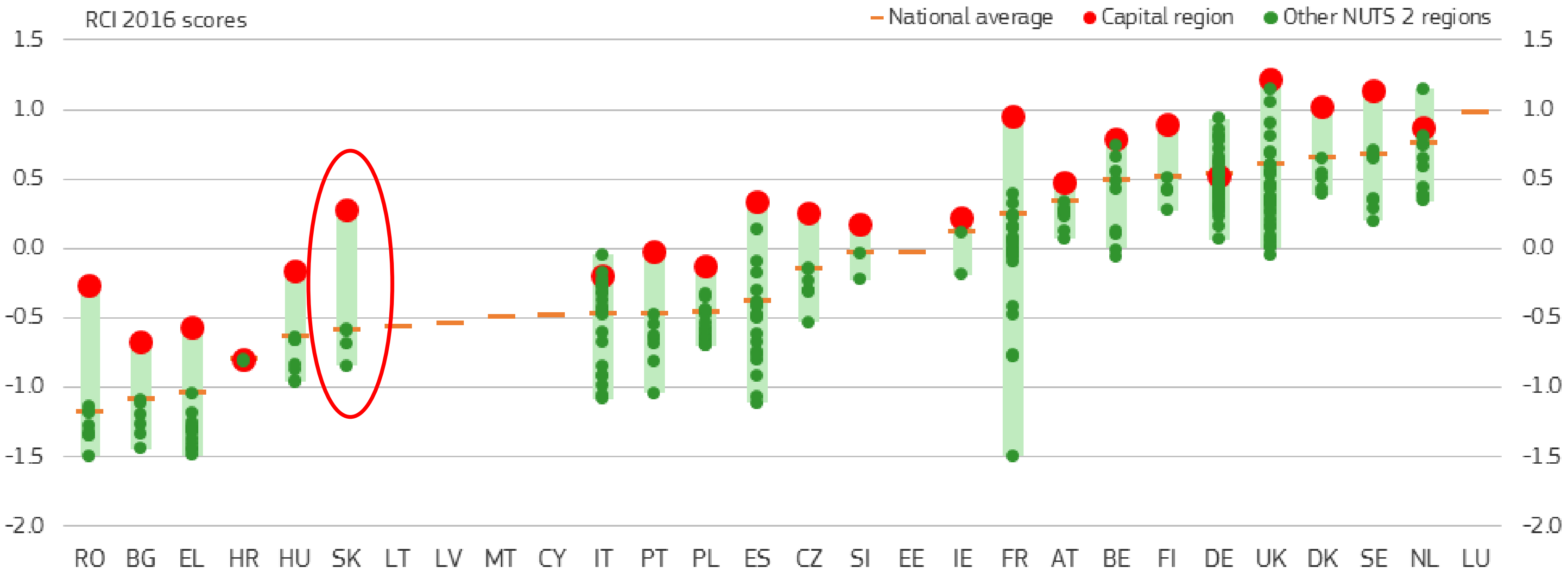
- SK: 0.76%
- Brabant Wallon: 11.4%



Map 1.8 Total expenditure on R&D, 2014

National average of regional competitiveness in SK – room for improvement

Figure 1.22 Regional competitiveness index, 2016



Source: Annoni et al. (2017)

Country specific recommendations for 2018-2019

Increase levels of public and private investment in R&I	• DE, EE, ES, IE, IT, NL
Improve cooperation between business and research institutions	• ES, IE, LT, PL
Improve governance and coordination of R&I system	• FR, LT, SK
Stimulate business innovation including for SMEs	• SK, CZ
Stimulate knowledge transfer	• FR

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Key condition for Investments in R&I: Smart specialisation

<table>
<tr><th>Policy objective</th><th>Specific objective</th><th>Name of enabling condition</th></tr>
<tr><td>1. A smarter Europe by promoting innovative and smart economic transformation</td><td>ERDF:
All specific objectives under this policy objective (i.e. research and innovation, digitisation, SMEs, skills)</td><td>Good governance of national or regional smart specialisation strategy</td></tr>
<tr><th colspan="3">Fulfilment criteria for the enabling condition</th></tr>
<tr><td colspan="3">Smart specialisation strategy(ies) shall be supported by:
1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalisation
2. Existence of competent regional / national institution or body, responsible for the management of the smart specialisation strategy
3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy
4. Effective functioning of entrepreneurial discovery process
5. Actions necessary to improve national or regional research and innovation systems
6. Actions to manage industrial transition
7. Measures for international collaboration</td></tr>
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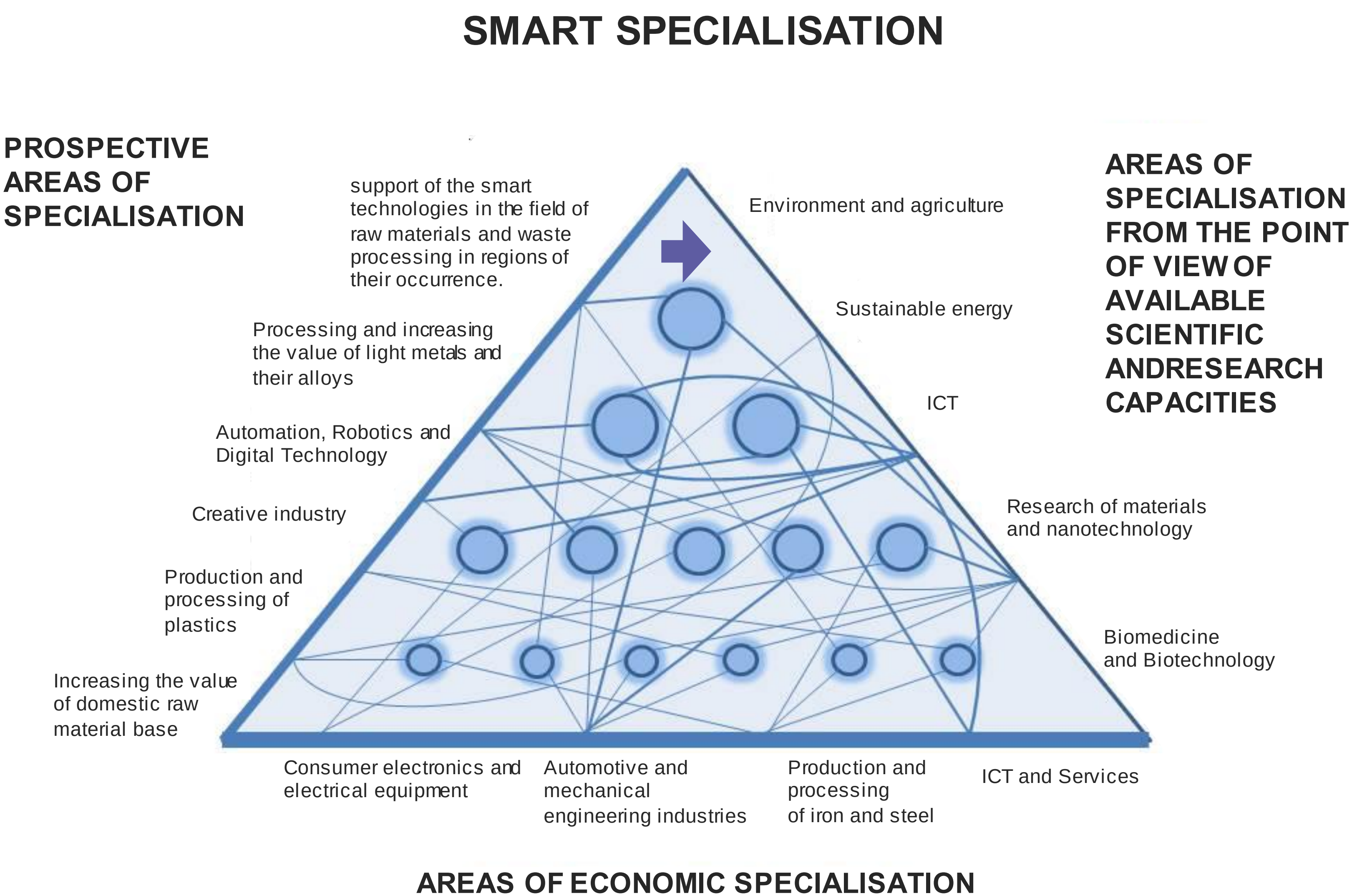
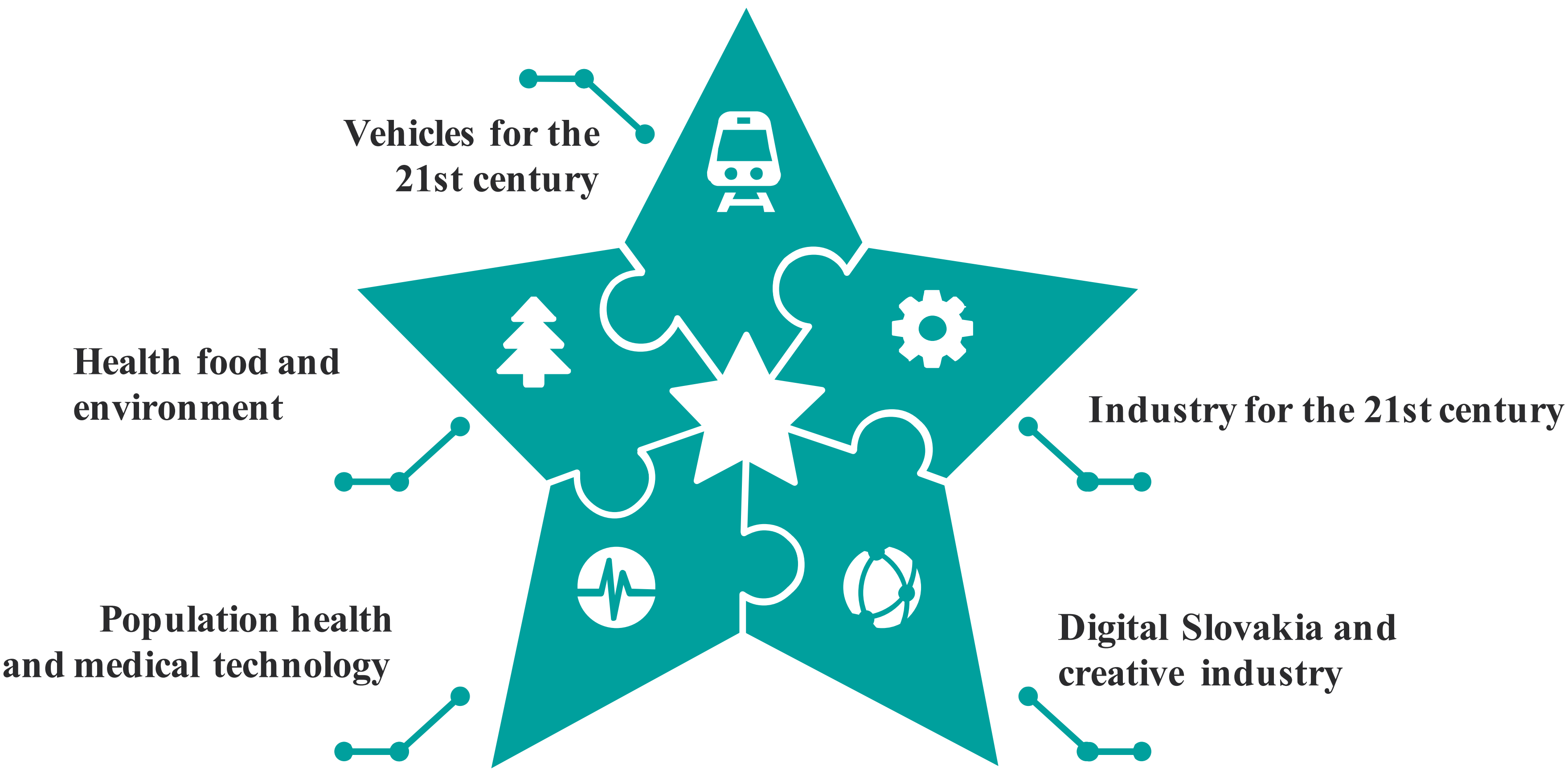
Smart Growth in SK RIS: Concentration of funding: From several areas to five domains



Smart Growth in SK RIS: Concentration of funding: From several areas to five domains

Smart Specialisation Domains



Thank you!

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