

Annex 7 Description of EU Funds/Programmes

Table 1 - Description of EU Funds/Programmes for financing Cohesion Policy and the Common Agricultural Policy

EU Policy / EU Fund (Programme)	Description of EU Fund (Programme)	Scope of the EU Fund (Programme)	Activities financed from the EU Fund (programme)
<i>Cohesion Policy</i>			
European Regional Development Fund (ERDF)	The ERDF aims to strengthen European rural development policy and simplify its implementation. It aims to reduce economic disparities between EU regions through the development of the agricultural sector.	<ul style="list-style-type: none"> - Innovation and research; - The digital agenda; - Support for small and medium-sized enterprises (SMEs); - The low-carbon economy. 	<ul style="list-style-type: none"> - Encouraging the transfer of knowledge and innovation in agriculture, forestry and rural areas - Strengthening the competitiveness of all types of agriculture and increasing the sustainability of the economy - Promoting the organization of the food chain and risk management in agriculture - Restoration, preservation and promotion of ecological dependence on agriculture and forestry - Promoting resource efficiency and shifting aid towards low carbon and climate-resilient agriculture, food and forestry - Promoting social inclusion, poverty reduction and economic development of rural areas¹
Cohesion Fund (CF)	The CF is an instrument intended for the least developed EU MSs, those whose gross domestic product is less than 90 percent of the EU average.	<ul style="list-style-type: none"> - Environmental Protection; - Transport infrastructure; 	<ul style="list-style-type: none"> - Aid towards a low carbon economy - Promoting adaptation to climate change and risk prevention - Protecting the environment and promoting resource efficiency - Promoting sustainable transport and removing bottlenecks in key infrastructure networks².
European Social Fund + (ESF+)	ESF+ is a structural instrument aimed at boosting employment by providing support to employers and helping employees to create fairer opportunities for all EU citizens.	<ul style="list-style-type: none"> - Promoting employment and supporting labor mobility; - Investing in education, skills and lifelong learning; - Promoting social inclusion and combating poverty; - Strengthening institutional capacities and efficiency of public administration;³ 	<ul style="list-style-type: none"> - Investments in human resources (lifelong learning, training, skills development, career guidance); - Adaptation to economic change and empowerment of the unemployed (more productive work organization, specialization, retraining, targeting knowledge and skills); - Improving access to the labor market (modernization and strengthening of institutions, active employment measures, inclusion of women, migrants and other vulnerable groups); - Development of social inclusion (fight against discrimination);
<i>Common Agricultural Policy</i>			
European Agricultural Fund for Rural Development (EAFRD)	Instrument for financing the common agricultural policy to support rural development strategies and projects.	<ul style="list-style-type: none"> - Ecological and territorial balance; - Protection of climatic conditions - Introduction of innovations in the agricultural sector. 	<ul style="list-style-type: none"> - Fostering knowledge transfer and innovation in agriculture, forestry and rural areas; - Enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management; - Promoting food chain organisation, animal welfare and risk management in agriculture; - Promoting resource efficiency and supporting the shift toward a low-carbon and climate resilient economy in the agriculture, food and forestry sectors; - Restoring, preserving and enhancing ecosystems related to agriculture and forestry;

¹ <http://europski-fondovi.eu/eafird>

² <http://europski-fondovi.eu/program/kohezijiski-fond>

³ <http://europski-fondovi.eu/program/europski-socijalni-fond>

EU Policy / EU Fund (Programme)	Description of EU Fund (Programme)	Scope of the EU Fund (Programme)	Activities financed from the EU Fund (programme)
			- Promoting social inclusion, poverty reduction and economic development in rural areas; ⁴
European Agricultural Guarantee Fund (EAGF)	It provides direct financial assistance to farmers in the Member States. ⁵	- Supporting sustainable agriculture - Financing of direct subsidies to farmers and measures regulating agricultural markets ⁶	- Direct payments to farmers under the CAP, - A refund for exports to third countries approved under the common market organization, - Intervention payments regulating agricultural markets - Certain informative and promotional measures. ⁷

Description of EU Funds / Programmes for the channeling funds from the Next Generation EU instrument, for which allocation by countries isn't available

REACT-EU is a new initiative to continue and expand crisis response and recovery measures implemented under the Corona Response Investment Initiative ⁸ and Corona Response Investment Initiative Plus⁹. REACT-EU funds are distributed among EU countries according to their level of prosperity and the socio-economic effects of the crisis. It will contribute to a green, digital and stable economic recovery. Funds will be available through [ERDF](#), [ESF](#) and [Fund for European Aid to the Most Deprived \(FEAD\)](#). REACT-EU funds can be used to finance eligible expenditure up to 100% from the EU budget. To enable this possibility, it is necessary to programme these funds under one or more new dedicated priority axes or, as appropriate, under a new dedicated operational program.

REACT-EU will provide additional funding for the most important sectors for a healthy and sustainable recovery. This will include investments in: maintaining jobs through short-term work programmes and supporting the self-employed; job creation and measures for youth employment, health systems and the provision of working capital and investment support to small and medium-sized enterprises. Such support will be available in economic sectors, including the affected tourism and culture sectors. Additional support will also serve to invest in the implementation of the Europe Green Agreement and the digital transition, as a reinforcement of significant investments in those areas that are already taking place through EU cohesion policy.¹⁰

The Just Transition Fund is the first pillar of the mechanism for a fair transition and will support the economic diversification and conversion of the areas concerned. This means supporting productive investment in small and medium-sized enterprises, setting up new businesses, research and innovation, environmental recovery, clean energy, retraining and retraining of workers, job search assistance and active involvement of jobseekers, as well as the transformation of existing high-emission plants carbon when these investments lead to significant emission reductions and job protection.

In order to access the Just Transition Fund, Member States must draw up territorial plans for a just transition for the period up to 2030 and identify the areas and sectors most in need of support. These plans should also identify the best ways to address social, economic and environmental problems. The identification of areas and sectors eligible for funding under the Just Transition Fund will be carried out through dialogue with the EC. It will be based on an analysis provided in the context of the European Semester, and in particular on the EC's proposal for eligibility regions and sectors, as set out in Annex D to

⁴ <http://europski-fondovi.eu/eafrd>

⁵ <http://europski-fondovi.eu/eagf>

⁶ <http://europski-fondovi.eu/eagf>

⁷ <http://europski-fondovi.eu/eagf>

⁸ https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic/cohesion-policy-support-measures-coronavirus-response-investment-initiative_hr

⁹ https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_574

¹⁰ https://ec.europa.eu/commission/presscorner/detail/hr/qanda_20_2381

the Member States' European Semester 2020 reports. Once the plans have been approved by the EC, earmarked funding can be implemented not only from the Just Transition Fund, but also from a specific just transition programme under the InvestEU programme and the EIB's public sector lending instrument. The plans will be attached to the cohesion policy programmes, which include support for the Just Transition Fund, and will be adopted by the Commission together with these programmes.¹¹

Rural development programmes tailored to their needs and capabilities are implemented by EU MS. These programmes are funded by the **EAFRD**. They can be prepared on a national or regional basis and must focus on at least four of the Union's six rural development priorities.¹² States must set targets in line with specific areas of interest and determine what measures they will take and how much resources they need to achieve those targets. The EC approves and monitors their implementation. At least 30% of funding for each rural development programme must be earmarked for measures that are important for the environment and climate change, and a significant part of this funding is channelled through grants and annual payments to farmers who switch to environmentally friendly practices.

InvestEU programme is based on the successful model of the Investment Plan for Europe, the Juncker Plan. It includes the European Fund for Strategic Investments and 13 currently available EU financial instruments. The programme wants to give an extra boost to investment, innovation and job creation in Europe. The programme consists of:

- InvestEU Fund: Mobilize public and private investment using the EU budget guarantee
- InvestEU Counseling Center: Providing technical advice on investment projects that need financing.
- InvestEU Portal: An easily accessible database that matches projects with potential investors around the world.
- InvestEU Fund will support four main policy areas: sustainable infrastructure; research, innovation and digitization; small and medium enterprises; and social investment and skills.¹³

Horizon Europe is the future framework programme of the EU for research and innovation for the period 2021-2027 with a total budget of € 95.5 billion, of which € 5 billion comes from the Next Generation EU instrument.¹⁴ It is the EU's flagship initiative to support research and innovation, from concept to marketing, and complements national and regional funding. Horizon Europe is a continuation of the EU Horizon 2020 program. Horizon Europe is therefore expected to strengthen the EU's science and technology sector to address major global challenges in key areas such as health, aging, security, pollution and climate change.

rescEU represents the latest element of the EU Civil Protection Mechanism introduced to ensure an effective disaster response at all times. It aims to improve the protection of citizens from disasters and the management of emerging risks. In addition, rescEU is establishing a new European Resource Reserve ("rescEU Reserve") that includes a fleet of firefighting aircraft and helicopters, medical evacuation aircraft, as well as a stockpile of medical equipment and field hospitals that can respond to urgent health problems, and chemical, biological, radiological and nuclear incidents. When the scale of the emergency outweighs the country's ability to react independently, it can seek assistance through the EU's civil protection mechanism. Once activated, the EU channels through the Emergency Coordination Center, the offers of assistance made available by its Member States and Participating States.¹⁵

¹¹ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/just-transition-mechanism/just-transition-funding-sources_hr

¹² 1. encouraging the transfer of knowledge and innovation in agriculture, forestry and rural areas, 2. improving the profitability and competitiveness of all types of agriculture and promoting innovative agricultural technologies and sustainable forest management, 3. improving the organization of the food supply chain and animal welfare and risk management in agriculture, 4. promoting resource efficiency and encouraging progress towards a low-carbon economy resistant to climate change in the agricultural, food and forestry sectors, 5. restoring, preserving and improving ecosystems related to agriculture and forestry, 6. promoting social inclusion, reducing poverty and encouraging economic development in rural areas.

¹³ https://ec.europa.eu/commission/priorities/jobs-growth-and-investment/investment-plan-europe-juncker-plan/whats-next-investeu-programme-2021-2027_en

¹⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2345

¹⁵ https://ec.europa.eu/echo/what/civil-protection/resceu_en