

The future of EU Cohesion policy: Post-2013 perspectives

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Cohesion policy post-2013

- Reform context and state-of-play
 - New goals: Europe 2020 (agreed in 2010)
 - New budget: Post-2013 MFF (proposed today!)
 - New regulations: in late Sept 2011?
- Fifth Cohesion Report proposals and counter-positions
 - The budget and policy architecture
 - Reinforcing strategic programming
 - Thematic concentration
 - Conditionality
 - Strengthening governance and territorial cohesion
 - More effective monitoring, reporting and evaluation
 - Streamlining and simplifying delivery

Cohesion policy budget & architecture

The EU budget

- MFF Proposals: similar budget allocation to current period (?)
- Infrastructure Fund: for TEN-T projects (transport, energy)

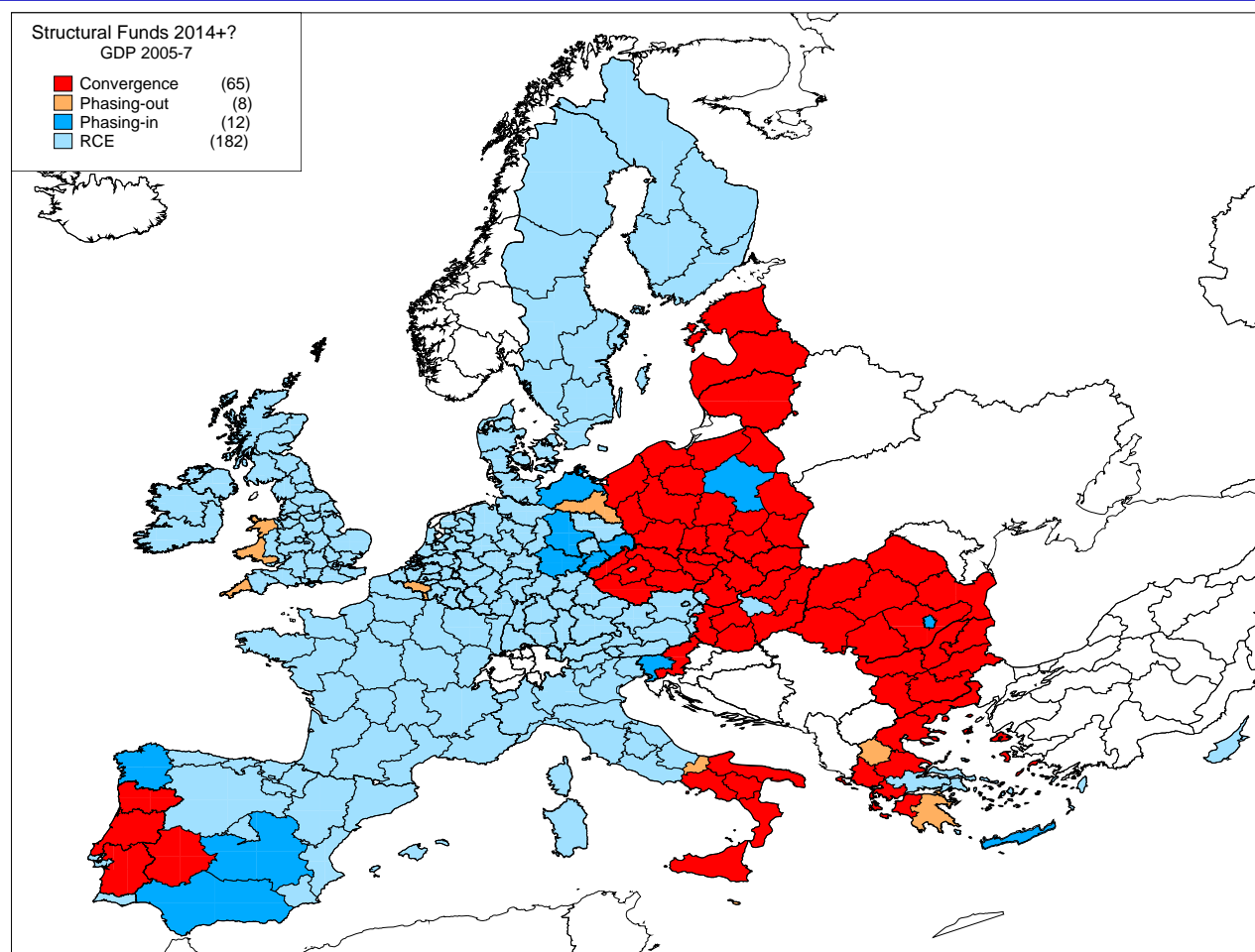
A similar Cohesion policy architecture (Fifth Cohesion Report)

- Less developed regions (= GDP per head < 75% EU27 average)
- Intermediate category (75% to 75% EU27 average)
- All other regions
- Territorial cooperation (cross-border, transnational and inter-regional)

Key issues

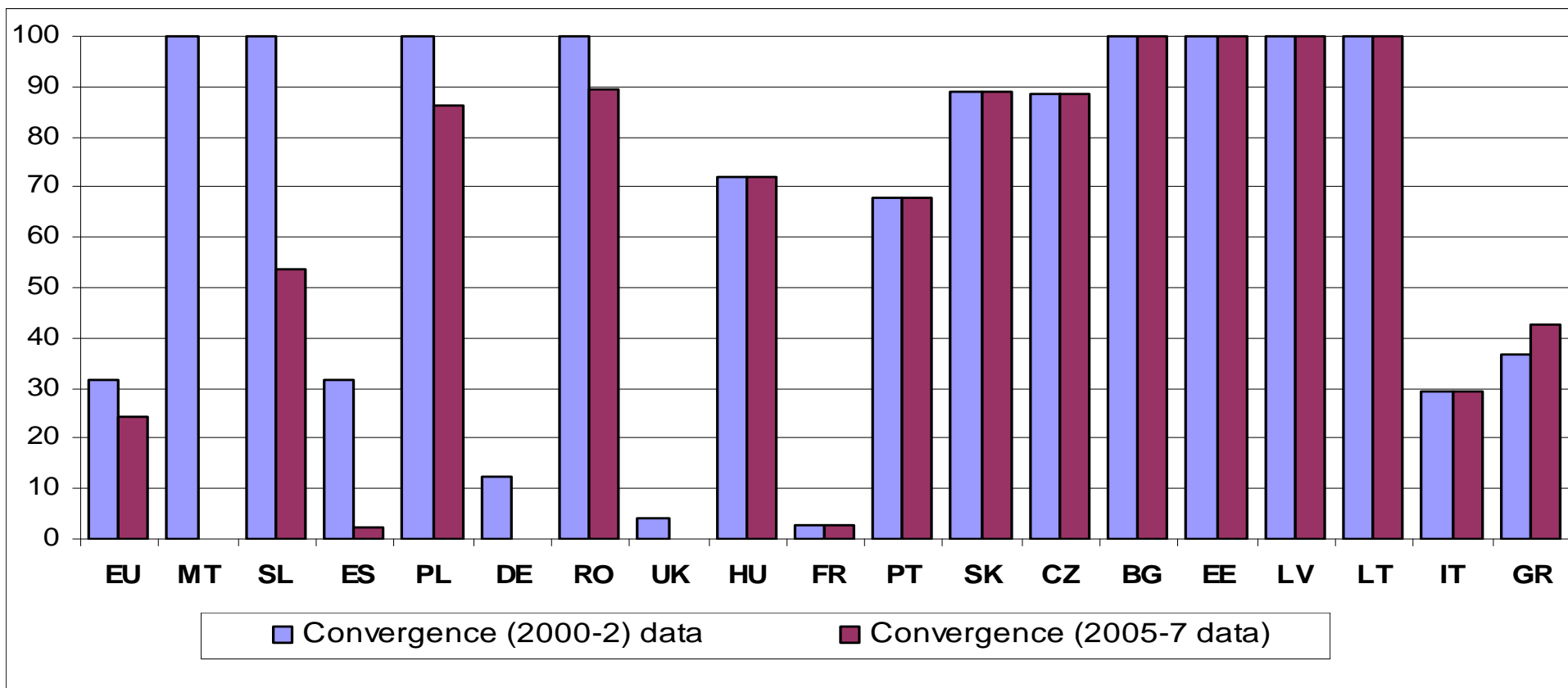
- Size of EU budget and CP - mixed MS views
- Infrastructure Fund - Will it come from CP budget? Will MS agree to ex-post allocations?
- Policy architecture - who will pay for the intermediate regions?

Eligibility scenarios 2014+



Implications of changing eligibility

Convergence coverage - Impact of GDP per head trends (% of population)



Reinforcing strategic programming

- Common Strategic Framework (EU level)
 - Adopted by Commission
 - Translates Europe 2020 objectives and targets into priorities
 - To cover cohesion policy + rural development and fisheries policies + coordination with other EU policies
- National Development Contracts (Member State level)
 - Objectives, priorities, indicators
 - Conditionalities commitment
 - Coordination with other EU funds, could extend to other EU policies
- Programmes (thematic or regional)
 - Specific investment priorities, targets and indicators
 - Conditionalities

Thematic concentration

Developing an economy based on knowledge and innovation (smart growth)	Promoting a greener, more resource-efficient and competitive economy (sustainable growth)	Fostering high-employment delivering social and territorial cohesion (inclusive growth)
<ul style="list-style-type: none"> ▪ Strengthening research and technological development (R&TD) and promoting innovation, ▪ Enhancing accessibility to, and use and quality of, information and communication technologies. ▪ Removing obstacles to the growth of small and medium-sized enterprises ▪ Improving the quality and performance of education and training system at all levels and increasing participation 	<ul style="list-style-type: none"> ▪ Supporting in all sectors the shift towards a low-carbon, resource-efficient and climate resilient economy ▪ Promoting renewable energy resources ▪ Upgrading Europe's energy network ▪ Promoting sustainable transport ▪ Correcting and preventing unsustainable use of resources ▪ Removing bottlenecks in key network infrastructures 	<ul style="list-style-type: none"> ▪ Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality ▪ Developing a skilled workforce responding to labour market needs and promoting lifelong learning ▪ Promoting social inclusion and combating poverty

Alignment with Europe 2020 priorities

OPs to concentrate on a limited number of priorities

- Critical mass
- Added value

Member State perspectives

Support for strategic alignment with Europe 2020, but

- Quite vague
- Sectoral approach dominates
- Cohesion must remain primary objective (cohesion)
- Other development drivers or challenges are important

Support for Common Strategic Framework at EU level, but

- Should not add another layer of objectives
- What is the relationship with the Territorial Agenda?
- Flexibility needed to adapt to different domestic contexts

Conditionalities and incentives

- Ex-ante
 - Linked to CP priorities and horizontal mgmt.
 - Robust regulatory framework, strategies in place, effective institutions, strong project planning capacity etc.
 - Applied at OP/priority level
- Structural reform
 - Linked to National Reform Programmes
- Sanctions linked to EU fiscal policy rules (SGP)
 - To protect the Euro
- Performance conditionality
 - An EU bonus reserve to reward Member States/OPs that progress most towards Europe 2020 targets
- High-level Strategic Debate

Member State perspectives

- Some support, but lots of scepticism too
 - Positive incentives instead of sanctions
 - Ex-ante conditionalities has support, less support for structural and fiscal conditionalities
 - Administrative burden
 - Methodological challenges
 - Perverse effects on behaviour
 - Politicisation
 - Unfair penalisation of less developed regions

Strengthening governance and territorial cohesion

- Reinforcing partnership
 - More involvement of local and regional stakeholders, economic & social partners and civil society
- Economic, social 'and territorial' cohesion
 - A new EU Treaty objective
 - Reinforcing territorial cohesion/cooperation (across regions within countries and also within 'macro-regions')
 - Addressing specific territorial features (e.g. natural or demographic challenges)
 - Developing an urban agenda
- Member State perspectives
 - Partnership principle supported, but implemented in 'national colours'
 - Territorial cohesion should not impact on the distribution of funding
 - Territorial cooperation good in theory, difficult in practice

Monitoring, reporting and evaluation

- **Improve the quality and focus of indicators and targets**
 - When the programmes are formulated (negotiations with the Commission)
 - During implementation (the Annual Implementation Reports)
- **Ex-ante and on-going evaluation as before, plus**
 - Obligatory evaluation plans detailing future evaluation work
 - Ex-post summaries of evaluation work to support Commission evaluations
 - encourage the use of more rigorous evaluation methodologies
- **Member States perspectives**
 - Continue and further encourage on-going, needs-based evaluation
 - Improve data quality and consistency of indicators & definitions across MS
 - Strengthen national and sub-national capacities
 - More political buy-in needed to improve monitoring and evaluation practice

Streamline & simplify delivery

- **Management and control:** Radical changes, driven by Financial Regulation: single accredited body, annual statement, closure of accounts.
- **Proportionality:** Differentiated control and audit rules → proportionate to risk or financial size of programmes?
- **Simplification:** simplified reimbursement methods; harmonise eligibility rules, especially across different EU Funds

Member State perspectives

- Main concern is administrative burden of financial audit and control
- Do not want to overhaul systems - scope to merge with existing practice?
- Agreement on the need to simplify rules, but
 - No consensus on how
 - beware of adjustment costs of simplification efforts

Summary: Reform directions

- Concentrate on a limited number of EU objectives / priorities
- Strategic coherence across funding instruments / policy areas through joint strategic planning
- Strengthen territorial cooperation, including the use of functional or macro-regions
- Better and more visible performance through conditionalities, monitoring and evaluation
- Proportionality in and simplification of administrative procedures

Thank-you for your attention

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