



# Future of the Cohesion Policy

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# Main stages of the debate

1. **4th Cohesion report** (2007), consultation, results summarised in the **5th progress report** (2008)
2. Report « **Regions 2020** » (December 2008), main challenges: **globalization, ageing of population, climate change, energy supply**
3. Danuta Hübner: « **Reflection paper** on future cohesion policy » (April 2009)
4. **Barca report** (April 2009)
5. « **Green paper** on territorial cohesion » (2009), consultation, results summarised in the **6th progress report** (June 2009)
6. Pawel Samecki: « **Orientation paper** on the future cohesion policy » (December 2009)



# Main **issues** of the debate

1. Improving the way regional and local **resources** from all territories **are used**, so that they all contribute to the competitiveness of all Europe
2. More **focus on results** so that its impact can be measured
3. Continue **simplifying the process** used to implement the policy, at the same time ensuring it remains **effective**
4. Focussing the policy towards the **future** and helping regions deal with **challenges**



# Timeline

- 19 October 2010: **Budget Review**
- 10 November 2010: **Fifth Cohesion Report**
- 11 November 2010 – 31 January 2011: **public consultations**
- 31 January/1 February 2011: **Cohesion Forum**
- *Spring 2011: Proposal on **future financial perspectives***
- *Summer 2011: **Legislative proposals***
- *End 2012: **Adoption of new legislative package** and expected agreement on new budget post 2013*
- 2013: Finalisation of new programming documents
- 2014: Entry into force



## High Level Group (informal advisory group on future of the Cohesion policy)

1. **Members:** one representative for each Member State, Commission assumes presidency, provides secretariat and can invite additional experts
2. **Tasks:** discuss future policy directions, ensure transparency, offer a possibility to exchange views between Member States
3. **Meetings:** Brussels, at least twice under each Presidency, round table discussing questions raised by the Commission
4. **Mandate:** expires at the end of 2010



# High Level Group – discussions on European Territorial Cooperation - I

1. **Six meetings** held so far (first on 2.10.2009)
2. The **ETC** was discussed during two last sessions
3. 4th meeting – 25-26.03.2010: macro-regional strategies:
  - focus on **flagship project** status/separate funding pot,
  - **links** between **macro-regional strategies** and **transnational programmes**: strategies to replace transnational cooperation versus strategies to be better integrated into transnational programmes



# High Level Group – discussions on European Territorial Cooperation - II

## 4. 5th meeting – 7-8.06.2010:

### Architecture

- **regulatory framework:** ETC to be strengthened in the context of the Structural Funds regulation or to have a separate regulation/fund
- **structure:** to reduce/merge the number of cooperation strands or to keep current structure
- **allocation of funds:** to be made by MS or by programme (without national shares)



# High Level Group – discussions on European Territorial Cooperation - III

## Delivery

- **general implementation:** automatic de-commitment rule, EU-wide eligibility rules, more flexible involvement of partners from outside the eligible area, TA limits, aid schemes, financial engineering
- **financial management:** proportionality, simplified costs
- **demonstration of results:** strict selection criteria, financial incentives for flagship projects, limited number of indicators, meaningful presentation of results
- **cooperation at external borders:** lack of coherence in funding instruments (ENPI, EDF, IPA)



# Committee of the Regions

1. Committee of the Regions' Outlook Opinion on future cohesion policy adopted unanimously on 14 April 2010
2. The paper was presented during the fifth meeting of the HLG
3. Main messages:
  - Cohesion policy is the only EU policy linking **Europe 2020** goals with regional and local authorities;
  - Cohesion policy should support **all regions** but the **focus on the lagging behind** + transitional support for regions no longer eligible for the Convergence objective
  - **ETC** has a high **added value** and should remain as an objective.



# Interact

1. Autumn 2009 – Interact developed a **platform** for involving ETC programmes in the debate
2. Two expert **working group meetings** were held (April and May 2010) in Brussels
3. The main points were summarised in a **discussion paper** (available online)
4. **Consultation:** written contributions and a consultation event held in Brussels on 1-2.06.2010
5. Outcome: **Position Paper** (1st part – **strategic**/political approach, 2nd part – **implementation** issues) available online.



# 5th Cohesion report and Cohesion forum

1. 5th Cohesion was adopted on 10.11.2010.
2. A « **tour des capitales** » is organised to present the Report to all the Member States
3. Cohesion Forum to discuss the 5th Cohesion report should be organised on 31.1-1.2.2011.



# Common Strategic Framework

- The new Common Strategic Framework to cover the Cohesion Fund, the European Regional Development Fund, the European Fisheries Fund, the European Agricultural Fund for Rural Development and the European Social Fund
- Goal: to provide for a streamlined approach at strategic level and **linkage with objectives of Europe 2020**



# EU 2020 targets

- **Employment : 75%** (20-64) – '09: 69.1%
- **Education:**
  - max **10%** early school leavers – '09: 14.4%
  - **40%** higher education degree (30-34) – '09: 32.3%
- **Combating poverty: 20 million people** out of risk of poverty and exclusion – '09: 120 million
- **Climate change and energy: 20%/20%/20%** greenhouse gas emissions/renewable energy/energy efficiency
- **Research and Innovation: 3%** of GDP investments in R&D – '08: 1.9\* (Estimate Eurostat)



# Development and Investment Partnership Contract

- **Partnership contracts to be signed** between Member States, regions and the Commission.
- Member States and regions will **concentrate EU and national resources on a small number of priorities** responding to the specific challenges they face.
- **Clear link** between the selected **priority areas and Europe 2020 Strategy**
- A greater concentration of resources will build up a **critical mass** so that a **greater impact** can be attained.
- For each priority selected Member States and regions will have to set themselves – at the beginning of the programming cycle – **clear and measurable targets** to better evaluate progress.
- The performance of the policy to be strengthened through the introduction of **conditions and incentives**.



# How to render it operational?

- One of the options is to **link the disbursement** of EU funding to specific **reforms** closely related to the areas of intervention of Cohesion Policy. These would be negotiated and fixed in the contract at the beginning of the programming cycle.
- These may concern, for example, the functioning of the **public procurement** system, the transposition of relevant EU **environmental legislation** into national law, the existence of comprehensive sectoral strategies (for **transport, or waste management**), or the criteria for selecting projects



# Operational Programmes

- The Operational Programmes would remain the **main management tool** and would translate the strategic documents into concrete investment priorities accompanied by clear and measurable targets.



# Delivery system

- Annual clearance of accounts
- Reimbursement of expenditure
- N+2 rule



# ETC post 2013

- Concept of territorial cohesion needs to be integrated in cohesion policy
- Alignment with Europe 2020 strategy
- Two main challenges for territorial cooperation:
- **Strategic approach**
- **Optimising architecture and implementation**



# ETC post 2013

Strengthening the strategic approach:

- Firmly embedding ETC in **strategic documents** at all levels
- Better **link between ETC and Convergence/Competitiveness programmes** (and other sectoral/national/regional programmes and policies)
- **Exploiting achievements of macro-regional strategies**



# ETC post 2013

Strategic approach:

- Identification of **major challenges for programme area**
- How can ETC help, in line with other strategies?
- Definition of **expected outcomes** and how to measure them
- **Involvement of necessary stakeholders**



# Budget review - background

- The December 2005 Council asked the Commission **to review all aspects of EU spending and sources of income** by 2009. It would include the future of cohesion policy, of CAP and of all rebates.
- 2009: EP, Council and Commission agree to **postpone budget review** for a number reasons: not for an outgoing commission to proceed, budget review should incorporate future commission's political programme, not sure whether Lisbon Treaty would be ratified by all.
- **Main aims** of the exercise: to bring budget in line with **new priorities** + to devise a **more flexible** budget to enable EU to react quicker to developments.



# Budget review - content

- Budget review **kicks off the debate** on Post 2013 Multiannual Financial Framework
- **TFUE art. 312: MFF Approval** by Council unanimity after Parliament consent.
- **Duration period of at least 5 years:** Commission preferred option, 10 year period with a mid-term review (5 + 5)
- **MMF size, % for each policy:** no indication. Discussion on principles, ideas & options. However from President Barroso's speeches etc size of proposal would be + or – as current MFF ie around 1,05% of estimated GNI (around 120 billion/year).
- Wide-ranging review should affect: **Agricultural policy (3 options) ands Own resources' system** (UK rebate and reductions/rebates for DE, NL, SE and AT). Own resources' regulation is also approved by unanimity at the Council.



# Topics

- Strong link to EU 2020 strategy/Integrated Guidelines
- EU added value and **not** « **juste retour** » debate
- **Concentration of and result-oriented expenditure**
- **Grants vs loans and risk sharing instruments** and repayable grants
- **Simplification vs control**
- Increased MFF flexibility



# New legislative proposals I

1. Commissioner Hahn has established **five working groups** (Cabinet and DG REGIO) to discuss the new legislative package concerning the cohesion policy:
  - Thematic priorities and programming
  - Effectiveness, evaluation and monitoring
  - Financial management and audit
  - **Territorial cohesion, macro-regional strategies (ETC), urban/rural questions**
  - Financial engineering
2. Each group has prepared a report which will be a basis for the new legislative package



# New legislative proposals II

3. Main issues discussed in the « ETC working group »:

**links with** Europe 2020, Commission Strategic Guidelines, National Strategic Frameworks, Convergence and Competitiveness programmes; **budget allocations; number of strands; maritime/external UE cross-border cooperation;** capitalisation of good practice; proportionality (control); simplified cost system; **N+3 rule; technical assistance; EGTC**



# New legislative proposals III

## 4. Drafting exercise

- First draft to be ready by the end of the year
- Drafting to be based on the existing regulations
- Two drafting teams established (policy and delivery)
- One steering group to supervise the work and to ensure the quality and coherence



# Useful contacts

1. The cohesion policy of tomorrow:  
[http://ec.europa.eu/regional\\_policy/policy/future/index\\_en.htm](http://ec.europa.eu/regional_policy/policy/future/index_en.htm)
2. Committee of the Regions opinion nr 210/2009:  
<http://coropinions.cor.europa.eu/CORopinions.aspx>
3. Interact: [http://www.interact-eu.net/downloads/2152/ETC\\_beyond\\_2013\\_Position\\_Paper\\_July\\_2010.pdf](http://www.interact-eu.net/downloads/2152/ETC_beyond_2013_Position_Paper_July_2010.pdf)
4. Budget review:  
[http://ec.europa.eu/budget/reform/index\\_en.htm](http://ec.europa.eu/budget/reform/index_en.htm)
5. 5th Cohesion Report  
[http://ec.europa.eu/regional\\_policy/cohesion\\_report](http://ec.europa.eu/regional_policy/cohesion_report)



Thank you for your attention