

**EU-Kohäsionspolitik 2014+: Hat die Zukunft schon begonnen?!
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**Cohesion policy 2014+:
Perspectives on the reform debate**

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**Cohesion policy 2014:
Perspectives on the Reform Debate**

- EU budget consultation
- EU Cohesion policy consultation
- Pressures on the policy



Consultation on the EU budget

"This budget review is unique, a once in a generation opportunity to make a reform of the budget and in the way we work" (Barroso, September 2007)

Key questions:

- responsiveness of the budget to changing needs?
- the right balance between stability and flexibility?
- key issues for Europe in the coming decades?
- criteria for applying European added value?
- changes to spending priorities to reflect policy objectives?
- improving effectiveness and efficiency in budget delivery?
- enhancing transparency and accountability of the budget?

Extended deadline: 15 June 2008



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Perspectives of the Member States: EU budget

General support for the budget review:

- 17 Member States and large number of regions, NGOs, Private sector associations etc
- missing national responses: BE, CY, ES, IE, MT, SI, SE UK
- responses from regions, NGOs, private sector etc mainly from EU15 (UK, DE, AT, FR, IT); very few from EU12.

Principles that should guide the review:

- value added, subsidiarity, proportionality (AT, BG, CZ, DK, ET, FI, FR, GR, IT, LT, LV, NL, PT, RO)
- sound financial management, budgetary discipline (AT, BG, CZ, DE, DK, FI, FR, GR, HU, IT, LV, PT, RO)
- administrative effectiveness – simplicity, visibility, stability etc (DE, DK, PT, SK)
- solidarity (BG, CZ, DK, FR, GR, HU, IT, LT, LU, LV, NL, PT, RO)



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Perspectives of the Member States: EU budget – principles, resources

Overall approach – some basic principles:

- equitable burden sharing (DE, ET, FR, IT, GR, FI, LT, RO)
- improve transparency and credibility of spending (AT, DE, PL, SK)
- ensure consistency/coherence of policies (AT, DE, HU, PL)
- reduction of administrative costs (AT, DE, DK, FI, IT)
- greater application of evaluation (AT, DE, FR, IT)

Divided views on 'own resources'

- support for EU tax, allocation of national tax share to EU, or other EU-wide source of revenue (AT, FI, FR, IT, LT, LU, RO)
- ...but also retention of GNI-based system of national contributions (DE, FI, NL, PT, RO)
- abolition of VAT-based resource (AT, CZ, DE, ET, FI, FR, HU, LT, PT, SK)
- abolition, phasing-out, simplification of budgetary corrections (AT, BG, CZ, DK, ET, FR, GR, HU, IT, LT, LU, LV, PL, SK)



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Perspectives of the Member States: EU budget – expenditure, policy priorities

- Competitiveness – some common views
 - for more focus on education, innovation and research (BG, CZ, DE, DK, ET, FI, FR, GR, HU, LT, LV, RO)
 - knowledge economy should be 'top priority' (AT, FI, IT, LU, SK)
- CAP – less consensus
 - more competitive agriculture (DE, FI, IT, LT, LU, NL, SK)
 - shift resources to rural development (AT, CZ, DE, DK, ET, FI, GR, IT, LT, LU, RO, SK)
 - support for high-quality agriculture, environmentally compatible land use (AT, CZ, DE, GR, IT, PL, PT)
 - co-finance aid to farmers (IT)
 - phase out/reduce direct subsidies (DK, ET, NL)



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Perspectives of the Member States: EU budget – expenditure, policy priorities

- More attention to energy and the environment....
 - more attention to environmental protection (FR, LU)
 - incentives for renewable energy and energy efficiency (AT, CZ, DE, FR, IT, NL, PL, PT)
 - mitigation of climate change (CZ, DE, DK, FI, HU, IT, LU, LV, NL, PT, RO)
 - energy security (CZ, DE, FR, HU, LT, LU, LV, NL, PT, RO) or common energy policy (FI, GR, HU, LT, LV)
- ...also to citizenship, freedom, security, justice
 - more/adequate resources (BG, ET, FR, IT, LU, LV, NL)
 - migration policy (CZ, ET, FR, GR, HU, IT, LT, PT, RO, SK); sharing of burden for external border control (ET, GR, IT, LV, RO)
 - internal security (terrorism, transnational crime) (DE, ET, FR, HU, IT, LT, NL, SK)
 - external policy (ESS, ENP, CFSP) (BG, CZ, DE, DK, ET, FI, FR, GR, HU, IT, LT, LU, LV, NL, SK)
 - specific priorities - Western Balkans, Middle East, crisis management, ENP (AT, ET), Mediterranean (FR)



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Perspectives of the Member States: EU budget – expenditure, policy priorities

Mixed views on Cohesion policy

- Geography of support
 - broad view that policy should focus on least-developed Member States and regions (BG, CZ, DE, DK, ET, FI, HU, LU, NL, PT)
 - use only GDP per head for financial allocations (DE, DK, LT)
 - support should be provided for all regions (IT)
- Financial resources:
 - no reduction in Cohesion policy resources (HU, LT, PL, RO, SK)
 - substantial cut in Cohesion policy budget (NL)
- Thematic focus
 - maximise added value by focusing on EU priorities (CZ, FI, IT, LT) especially the Lisbon agenda (BG, CZ, DE, FI, FR, HU, LT, LU, PL, RO)



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Consultation on EU Cohesion policy

4th Cohesion Report launched consultation with fundamental questions:

Key questions

- What lessons can be drawn from the experience of preparing the 2007-2013 programmes?
- How far is Cohesion policy adapted to the new challenges European regions will face in the coming years?
- How can Cohesion policy further develop an integrated and more flexible approach to development/growth and jobs?
- How effective and efficient is the policy management system?

Deadline: closed 31 January 2008

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Consultation on Cohesion policy

- **Commission perspectives**
 - challenges
 - concepts
 - governance
 - implementation
- **Member State perspectives**
 - engagement in the debate
 - future challenges
 - policy approach
 - policy management

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Consultation on Cohesion policy Commission perspectives - Challenges

- **Future territorial challenges**
 - globalisation and acceleration of economic restructuring
 - changes in structure of population – demographic ageing/decline, migration
 - territorial pressures of climate change
 - economic impact of rising energy prices

- **Role of Cohesion policy**
 - delivering the territorial dimension of EU objectives?
 - facilitating the adjustment (capacity) of regions?



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Consultation on Cohesion policy Commission perspectives - Concepts

- **Primacy of growth**
 - function of Cohesion policy is not only **redistributive** - promoting convergence, reducing regional disparities....
 -but also **allocative** - mobilising local resources, potential to promote growth, exploit opportunities

- **Focus on the business environment**
 - growing emphasis on the provision of public goods (ICT, R&D, transport, skills etc), especially European public goods
 - supporting the business environment rather than direct aid to enterprises



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Consultation on Cohesion policy Commission perspectives - Concepts

- **Sustainable development**
 - concern with qualitative aspects of development: social and environmental sustainability
 - going beyond GDP per head as a measure of policy – defining new indicators

- **Territorial cohesion**
 - giving a higher profile to concepts of ‘territory’ or ‘place’ in the development paradigm
 - recognising specific territorial characteristics (insularity, peripherality, sparsity of population etc)
 - consideration of socio-economic dynamics (e.g. urban-rural relationships, urban networks)



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Consultation on Cohesion policy Commission perspectives - Governance

- **‘Reinforcement’ of the multi-level governance system**
 - stronger involvement of regional and local levels
 - more participation of private sector (e.g. through PPP)
 - greater coherence and coordination of policies with territorial impact
 - between EU Cohesion and other policies
 - between EU and national policies
 - between national regional and sectoral policies



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Consultation on Cohesion policy Commission perspectives - Implementation

- Review of the role of the Commission - more policy adviser than expenditure controller?
- Reorganisation of the division of responsibilities between Commission and Member States – especially audit?
- Simplified implementation system e.g. single fund?
- More performance-based approach (“single most important issue”) – targets, contracts?



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Consultation on Cohesion policy Member State perspectives

- **Approach to the consultation on Cohesion policy**
 - overall welcome for the debate – but caution about what it involves
 - Member State responses to the DG Regio consultation
 - characterised by generalised statements, although some clear principles stated...
 -with some Member States reticent about being involved (e.g. AT, DK, SE, SK)....
 -and concern that Cohesion policy consultation should not replace/pre-empt budget debate (e.g. DE, PL)



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Consultation on Cohesion policy Member State perspectives - challenges

- Views on the 'future challenges' for Cohesion policy
 - general consensus that convergence should be the main objective of Cohesion policy
 - Lisbon focus is also generally supported, although some concern about...
 - the appropriate balance between convergence and competitiveness (e.g. SK) and..
 - the over-prescriptive approach of the COM; need for more flexibility (e.g. RO, UK)



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Consultation on Cohesion policy Member State perspectives - challenges

- No consensus on the role of Cohesion policy in addressing major challenges such as climate change, demography, energy security etc
 - recognition that Cohesion policy needs to take account of these issues (AT) or can make a contribution (PT) but...
 - ...need to be clear on rationale for CP involvement (DE)
 - ...CP should not depart from its main goal (BE)
 - ...CP budget is too limited to broaden its focus (LV)
 - ...other instruments are more appropriate (FI)
 - ...dangerous to widen objectives (UK)
 - ...CP should concentrate on a limited number of objectives (PL)



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Consultation on Cohesion policy Member State perspectives – policy approach

- Main issue of debate is territorial cohesion:
 - definitional concerns – need to clarify meaning and operationalisation of territorial cohesion (PL, PT)
 - agreement on value of territorial cooperation (needs to be strengthened in view of ES, FI, LV, PL), but no mandate for extending scope of territorial cohesion further (DE, UK)
 - divided views on:
 - spatial coverage – all region approach (DE, FI) vs territorial selectivity (LV)
 - eligibility criteria – retain GDP per capita (DE) vs use of of broader range of criteria (BE, ES, LV, PL)
 - territorial features – no differentiation (DE) vs recognition of geographical characteristics (ES, FI, FR, GR)



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Consultation on Cohesion policy Member State perspectives – policy approach

- Specific concerns regarding the focus of support:
 - concept of public goods needs further discussion (AT, SK)
 - stronger focus on R&D and innovation (BE, ES)
 - more support for social capital / human capital (BE, FI)
 - provision of support for general education (LV)



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Consultation on Cohesion policy Member State perspectives – management

- Simplification has been inadequate / meaningless – needs serious action (AT, ES, FI, IT, LV, UK)
- Strengthen synergies / integration between EU policies e.g. Cohesion policy with rural development, sustainable development policies (BE, FI, IT, PL, PT, RO, UK)
- Subsidiarity needs to be stronger – increased flexibility for implementation (AT, BE, DE, ES, RO)
- Increased use of other financial instruments (FI)
- More results-oriented policy approach e.g. conditionality, targets, performance incentives (IT, PT)
- Better evaluation (IT, PL, PT)



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Cohesion policy 2014: Pressures on the policy

- Effectiveness of the policy is disputed:
 - Significant evidence for positive economic and employment (and added value) effects.....
 - but several studies have found limited impacts on regional disparities or long-term growth
 - Reasons for 'poor' performance:
 - over-reliance on infrastructure investment (especially in the 1990s); insufficient attention to education and human capital
 - business aid less effective in poorer regions
 - not enough attention given to institutional capacity
 - New evidence:
 - will the ex post evaluation of the 2000-06 period show different results?
 - are Structural Funds more effective in the 2007-13 period?



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Cohesion policy 2014: Pressures on the policy

- Efficiency of the policy is problematic:
 - high level of administration (disproportionate?)
 - organisations avoiding applying for EU funding
 - management bodies focusing on large projects and quick commitment
 - N+2(3) – financial absorption vs project quality
 - financial management, control and audit
 - problems at programme and Member State level – irregularities in past programmes
 - problems at EU level – EU accounts, EP hearings



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Cohesion policy 2014: Pressures on the policy

- Implications of the budget review
 - 'zero-base' approach by DG Budget
 - pressures from within the Commission - other policy areas and new themes
 - pressures from Member States
 - influence of the European Parliament?
- Final question: what kind of Cohesion policy will command sufficient support?



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Thank you for your attention!

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