

**Conclusions of the fifth report on economic, social and territorial cohesion:
the future of cohesion policy**

Questionnaire

Q 1. *How could the Europe 2020 Strategy and cohesion policy be brought closer together at EU, national and sub-national levels?*

It is very important that development priorities to be chosen at local/regional level and not to be imposed by the priorities/objectives identified only at European level, while ensuring a correct implementation of the subsidiarity principle. Closer ties between Europe 2020 Strategy and Cohesion Policy can be achieved only in cases where development priorities/targets identified at the two levels coincide or/and are compatible.

The Europe 2020 Strategy priorities might not be always the same as those identified in less developed regions. In this context, UNCJR believes that for reaching the goals of Europe 2020 Strategy the European funding should be complemented.

In conclusion, the association of the Europe 2020 Strategy to the Cohesion Policy must be done only by preserving the autonomy of the last one, being understood that Europe 2020 development priorities are intended to facilitate the fulfilment of Cohesion Policy's specific objectives at local level.

Q 2. *Should the scope of the development and investment partnership contract go beyond cohesion policy and, if so, what should it be?*

Assuming that Development and Investment Partnership Contracts would mean, in fact, a summary of development strategies and commitments taken by Member States, UNCJR is of the view that, if we refer to Cohesion Policy, the scope of contracts should not go beyond it.

Conditions to be set through Operational Programmes should be reflected exactly, by taking into account the necessary actions proposed by Member States, through full consultation with the local level, to which the Cohesion Policy finally addresses.

A permanent dialogue at all stages between various levels of government, makes the EU priorities to be brought closer to citizens, thus strengthening the required involvement for a successful Europe 2020 Strategy.

Q 3. *How could stronger thematic concentration on the Europe 2020 priorities be achieved?*

In our view, the thematic concentration proposed by the Europe 2020 Strategy does not totally fit with the territorial approach of the Cohesion Policy, and, by consequent, does not properly address the territorial development. The thematic

concentration could be achieved only by taking into account the territorial (local) specific needs, and by pursuing a European Cohesion Policy dedicated to the alleviation of disparities between less favoured and rich regions. The thematic/sectorial concentration must be regarded as overall objectives of the EU to be reached under the Europe 2020 Strategy which might be addressed also through other financing instruments under the existing transversal policies and not by mixing them with the key objectives of the Cohesion Policy.

Even if we agree that the future Cohesion Policy should contribute to the achievement of the Europe 2020 objectives, we strongly support the idea that the budget for the period 2014-2020 should continue to support the less developed regions of Europe, by taking into account their specific development needs. Only in this way the overall objectives established at European level through the Europe 2020 Strategy could be met, while keeping applying the key principles defining the Cohesion Policy - concentration, programming, additionality and partnership.

UNCJR strongly supports the idea of maintaining the current “key” for the allocation of funds under the Cohesion Policy, being of the view that the development degree expressed by the GDP per capita is a relevant criteria in allocating resources.

For the purposes of supporting a balanced development of regions, Member States and regions should have the opportunity to select priorities and areas of intervention depending on their local specific conditions and socio-economic and territorial challenges.

Q 4. *How could conditionalities, incentives and results-based management make cohesion policy more effective?*

UNCJR is very reluctant regarding conditionalities related to other European policies, strategies or objectives, like Stability and Growth Pact, being of the view that they could not make Cohesion Policy more efficient. Territories needing support in order to reach a certain level of development, and reducing thereby the deep disparities between them and most developed European territories will not be encouraged or will not be able to achieve their specific development objectives if they will be penalized for failing to comply with objectives not belonging to them.

Moreover, taking into account the definition of the Cohesion Policy, any kind of corrective measures raising from these conditionalities would be in contradiction with the Lisbon Treaty provisions, namely with the overall objectives of economic, social and territorial cohesion.

UNCJR is of the view that incentives related to the degree of fulfilment of territorial development objectives would be more than welcomed if they will be based on the evolution principle. This would mean the establishment of such performance criteria able to demonstrate the real added value of implemented projects, taking into account the specific conditions and development needs in each territory.

A better communication, viable integrated regional programmes and an emphasized territorial dimension are the major means for greater efficiency of Cohesion Policy.

Q 5. *How could cohesion policy be made more results-oriented? Which priorities should be obligatory?*

Priorities are those identified in each territory, they can not be generalized because needs vary from one region to another and from one Member State to another. A more results-oriented Cohesion Policy should not start from the identification of a generally applicable priority, but rather from the obligation to identify each region's development priorities. In one Member State regions are not identical, so priorities are not identical.

Moreover, we should not overlook the fact that results and effectiveness evaluation might not always be conclusive if measured only from the financial point of view.

Q 6. *How can cohesion policy take better account of the key role of urban areas and of territories with particular geographical features in development processes and of the emergence of macro-regional strategies?*

UNCJR do not understand the real reason for the special focus on urban areas, while there are still enormous problems at rural level in least favoured regions, both in terms of poverty and early school leaving (or even non access to school), the state of infrastructure and access to health services, etc.

Not wishing to forget or neglect the importance of different problems faced by urban areas and the benefits of a greater attention to the improvement of energy saving and emissions reduction, transport, infrastructure, etc., this special focus on the urban agenda may seem exacerbated without an adequate correlation, at the same level of importance, with the structural problems faced by rural areas.

In our opinion, at least three of the five Europe 2020 Strategy targets, more specifically in terms of employment, education and poverty/social exclusion, should be the subject of a common urban-rural agenda in the context of the future Cohesion Policy, ensuring thus a consistent development strategy in a given territory and an adequate exploitation of rural areas' resources.

UNCJR would like to remind that in the Chapter of the Lisbon Treaty (Articles 174 to 178) dedicated to the Economic, Social and Territorial Cohesion there is no special mention about urban areas *per se*. Of course, the provisions of this Chapter are to be applied also to urban areas only if they are qualifying as privileged beneficiaries of the Cohesion Policy, as clearly defined by the Treaty.

The Cohesion Policy should continue its role, aiming at "reducing disparities between the level of development of various regions and backwardness of the least favoured regions". This role could be better achieved only by taking into account the realities on the ground, the proximity and subsidiarity principles, by consulting with local authorities on their real problems and not by assuming that development needs are the same everywhere in Europe.

Q 7. *How can the partnership principle and involvement of local and regional stakeholders, social partners and civil society be improved?*

Partnership principle and involvement of local and all the other stakeholders could be improved through a real and adequate consultation on their development priorities during the negotiations stage as well as through an adequate allocation of

resources. The involvement of local and regional stakeholders should not only mean more responsibilities without securing the related resources.

Taking into account the fact that one of the key principles of the Cohesion Policy, essential for its implementation, is the partnership principle, special attention should be paid to the associative environment (NGOs in the field and relevant employers associations). The associative environment is flexible, efficient, easily adapting to new circumstances, with large initiative and a solid knowledge of community needs, with managerial expertise and a substantial contribution in creating added value. Therefore, it is highly recommended to clearly state within the partnership, both the equality of representation and its special involvement in the consultation and preparation stage.

Q 8. *How can the audit process be simplified and how can audits by Member States and the Commission be better integrated, whilst maintaining a high level of assurance on expenditure co-financed?*

Unfortunately, very few of the measures proposed by the Commission regarding the reform of Cohesion Policy are intended to support Member States. Such measures could be simplification of procedures for the allocation of EU funds and improving monitoring and control systems on their use.

In the meantime, involving local and regional authorities in both decisional and evaluation process, in a real spirit of partnership (which should become a binding one), could increase their spirit of responsibility.

Q 9. *How could application of the proportionality principle alleviate the administrative burden in terms of management and control? Should there be specific simplification measures for territorial cooperation programmes?*

UNCJR is of the view that a correct application of the proportionality principle would certainly alleviate the administrative burden. More streamlined, clear and simple rules and regulations and fewer changes during the same programming period, as well as less controls and audits, could lead to the fulfilment of this goal.

Moreover, the proportionality principle should be also applied when designing management procedures and, consequently, control procedures, which should be, both of them, proportional to the projects' size.

In terms of territorial cooperation programmes, UNCJR believes that they must be decided at local/regional level and not at central government level. Thus, funds would be available directly to territories, through European programs for specific territorial cooperation projects and not at the Member States level, simplifying and streamlining thereby the interest and also the access to this kind of programmes.

Q10. *How can the right balance be struck between common rules for all the Funds and acknowledgement of Funds' specificities when defining eligibility rules?*

The most appropriate way is to preserve, on the one hand, clear rules generally applicable to all funds under the Common Strategic Framework (e.g. related to financial and control aspects), and on the other hand, to have simplified rules

addressing eligibility and implementation issues specific to each fund.

Eligibility rules should take into account the former programming period experience, providing a sufficient scope for specific situations in each territory. It might be useful, for example to try to develop integrated development plans for territories having similar development interests, and thus creating a European strategy including all the actions related, for example, to social, economic, environment, energy sectors.

Q11. *How can financial discipline be ensured, while providing enough flexibility to design and implement complex programmes and projects?*

Financial discipline should not necessarily mean the multiplication of controls. It can be improved by reducing unclear aspects and ambiguities in the regulations, based on those already reported by Member States. In addition, a closer and faster cooperation between management authorities and the European Commission or even between direct beneficiaries and European Commission (for example through interactive tools) in order to clarify issues of concern to them may constitute a step forward.

Q12. *How can it be ensured that the architecture of cohesion policy takes into account the specificity of each Fund and in particular the need to provide greater visibility and predictable funding volumes for the ESF and to focus it on securing the 2020 objectives?*

The ESF objective should continue to be to “reduce differences in prosperity and living standards across EU Member States and regions, and therefore promoting economic and social cohesion”. This is why it should continue to focus on less developed territories, securing thereby the related 2020 objectives at European level.

Like ERDF, ESF addresses specific problems encountered at the regional level, which would justify a regional approach for an adequate management of this fund. Moreover, there are cases in which there is a need for greater flexibility allowing the use of different funds within the same project, the so called “cross-financing”. Speaking about funds specificities we should not forget that complex projects might need flexible rules, for example combining ERDF and ESF financing tools.

Q13. *How could a new intermediate category of regions be designed to accompany regions which have not completed their process of catching up?*

The idea of creating a new category of regions in the framework of the Cohesion Policy, namely the “transition category”, may be an interesting proposal only if it will not affect an adequate level of funding for the three objectives: convergence, competitiveness and territorial cooperation.

Maybe it's not really necessary to create a new category of intermediary regions in order to support those lagging behind, but only to analyze in a thorough and objective way the problems faced by these regions, and then initiate an appropriate system for the allocation of resources, depending on their specific needs.

Economic growth, as main target of convergence objective, represents one of the main incentives for regional development, especially for those regions facing developmental delays. For this reason, the convergence objective should benefit from the largest percentage of financial resources, which should be more carefully monitored and strictly linked to governmental policies facilitating loans and co-funding.

UNCJR strongly opposes any attempts to reduce the budget dedicated to the convergence objective in order to ensure additional funds for this category of regions. Convergence objective must remain the key element of Cohesion Policy aiming to ensure European solidarity. Its importance can not be proved otherwise than by maintaining an adequate level of funding in order to be able to achieve the expected results.

Contact person:

Liliana MANGEAC

Coordinator

European Office of the

National Union of County Councils

Romania

Rue Montoyer 24

1000 Bruxelles

E-mail : liliana.mangeac@uncjr.org

Tel. +32(0)2 2317141

Fax. +32(0)2 2317003

www.uncjr.org