COURTESY TRANSLATION

ITALY

Position paper on Cohesion policy

(Italy’s position paper to be forwarded to the European Commission)

The Italian contribution to the debate on the future of the cohesion policy first of all reaffirms the added value of this policy within the framework of the commitments taken according to the Treaty and the developments of the European political project. The contribution addresses the issues raised in the Fourth Cohesion Report underlying in particular the following: the orientation favourable to a policy-mix driven by public goods provision; the opportunity for the cohesion policy to sustain the Lisbon strategy also considering the new challenges mentioned in the Fourth Cohesion Report; the suggestion to reinforce the integration of cohesion policy avoiding sectoralisation of the Funds and reinforcing the integration with other Community policies; an approach of territorial cohesion as an element capable of reinforcing a single and integrated approach of regional development programming; a contribution to reinforce the multilevel governance model more clearly distinguishing the distribution of tasks and responsibilities; the recognition of the need to further improve cohesion policy efficiency and delivery, in pursuit of higher intervention selectivity, concentration, more focus on results, integration with national policies, transparency and streamlining of implementation procedures.
The Fourth Cohesion Report bears witness to the progress made by the European integration process, but also to the need for a more challenging and long-standing commitment required to reinforce economic, social and territorial cohesion in the European Union. The Fourth Report underlines how cohesion policy favoured convergence at national and regional level, promoting growth and speeding up regional development. It is clear however that the impact of cohesion policy is uneven as it is often contingent upon national and local context-based situations which may amplify or mitigate the impact itself. As a matter of fact, repeated cycles of weak economic growth in Italy as well as in other countries blunted the efficacy of such policy. In general terms, however, the goals of cohesion are far from being successfully achieved. Therefore strengthening the efficacy of cohesion policy to improve its territorial impact is one of the milestones of the debate on cohesion even in the presence of a substantially reformed process. Italy welcomed and supported a modernisation reform in the public administration still in the making, the centrepiece of which is the commitment to achieve challenging cohesion objectives. That is the reason why Italy is determined to participate in and take heed of the ongoing debate centred on practical strategies to achieve better results through cohesion.

Similarly, the commitment to build a European Union predicated upon a balanced and sustainable development pattern which allows all European regions to take the most advantage of the opportunities resulting from being part of the European Union while reducing internal disparities is one of the most fundamental tenets of the European political blueprint supporting the EU ambition to play a key role in the global competitive market. There can be no doubt about the value added of the European cohesion policy. The cohesion policy is the single European economic policy that along with the monetary policy and the single market, guides and fosters growth in Europe avoiding internal and external disparities between regions and between member States, and reinforcing the value of underexploited and underdeveloped territorial resources that slow down EU competitiveness. This is how Europe shall multiply its growth opportunities, generating virtuous circles of reciprocity between developed and underdeveloped regions to the benefit of the whole
European Union. Attracting investments designed to promote competitiveness in the most vulnerable regions and favour the development of businesses and economic activities, upgrading the infrastructures and strengthening the human capital is of interest for all the member States because the positive impact of a stronger cohesion policy, in terms of market enlargement and internal market completion, and public and private fund raising, will reverberate across all the regions, even in the most developed ones.\(^1\)

Cohesion policy is not simply a redistributive policy predicated upon a solidarity concept which only suggests the need to compensate for the backlog of disadvantages and, in so doing, gives up the idea of wiping them out. Cohesion policy instead is a policy that translates the solidarity concept into promotion of competitiveness in all regions, with no exceptions, making it possible for all EU regions to enforce common priorities, focusing interventions and resources where they are more urgent. Cohesion policy stands for a vision and a strategy that needs to be pursued at EU level, the only level where common objectives and rules can be defined, where the necessary collective financial resources can be allocated to mobilise effective regional development policies capable of achieving the EU objectives summarized in the Lisbon strategy. The European value added of cohesion policy can be captured fully by adopting the right policy mix, favouring the provision of public goods, perceived as interventions involving tangible and intangible infrastructures and actions leading to the modernisation of services and markets which strengthen regions’ capacity to attract investments, labour and businesses while improving the quality of life of its citizens.

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\(^1\) The European Commission believes that almost one fourth of cohesion spending in less developed regions feeds into the rest of the EU in the form of increased exports towards those regions (ref. R. Hall, 11th plenary Assembly of the Presidents of Regional assemblies with legislative powers of the EU, “The future of European Regional Policies against the background of reviewing the EU Budget in the year 2008”).
The analyses conducted by the European Commission give evidence of the key function carried out by cohesion policy in supporting the Lisbon strategy: 2007-2013 programming helps implement such strategy by means of significant resources which reinforce and disseminate European policies in favour of research and innovation, human capital, business development and energy across the whole of Europe, covering the four priority areas identified by the European Council in the Spring of 2006 for the “Renewed Lisbon Strategy” (investment in knowledge, innovation; unleash the potential of private businesses in particular SMEs, increase employment capacity through the notion of “flexi-security”; better management of energy resources.)

The Fourth Cohesion Report also urges to take into more serious account global challenges: competitive pressures put upon developing regions, climate change, demography, energy. These issues are already on the agenda of 2007-2013 Community Strategy guidelines of the NSRFs and OPs. Cohesion policy has already thoroughly reviewed and innovated its own strategic approach and intervention priorities in the frame of the 2007-2013 reform, now the question is how to focus common resources on effective implementation tools. Cohesion policy could be upgraded in the light of the strategic reporting on 2007-2013 planning which will help adapt cohesion policy to the evolution of EU development strategies.

It is important to reinforce the integrated approach of the cohesion policy. The simplification introduced by the single-fund approach adopted for the 2007-2013 period and the setting up of a separate rural development fund does not seem to produce satisfactory results. It is necessary to recover and reinforce coordination, primarily at Community level, in order to prevent an alarming

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trend aiming at the sectorialisation of Fund interventions from been consolidated.

Cohesion policy and the progress towards an increasingly knowledge-based society could benefit from a better integration with the other European policies which promote research and innovation, environment, rural development, accessibility, as well as from greater attention drawn towards policies nursing the dialogue between Mediterranean and Balkan areas, as the natural environment where territorial cooperative relations of several Member States, including Italy, tend to expand.

The mainstreaming of territorial cohesion into cohesion policy, as agreed upon under the Lisbon Treaty which was recently adopted, can be regarded as a positive innovation in its own right, in compliance with 2007-2013 EU Regulations, as long as territorial cohesion is interpreted as strengthening the integrated regional development approach. The introduction of specific geographic characteristics should not conceal an attempt to generate the fragmentation of cohesion policy. In view of a single integrated cohesion policy, the notion of territorial cohesion strengthens the EU capacity to withstand the upcoming of new regional development challenges underlining more clearly the territorial dimension of EU sectorial policies.

Cohesion policy is built upon the principles of subsidiarity and partnership: the multi-level governance system is the real innovation of cohesion policy in terms of approach and implementation as it translates cohesion policy into concrete and operational measures. Italy welcomed and put into effect the multi-level governance practice under the assumption that such practice should reconcile indispensable local knowledge with essential global information capable of capitalising on externalities and making the most effective use of a common national strategy. Multi-level governance is the basis of a bottom-up place-based development policy inspired and fuelled by local knowledge which aims at making the best use of unexploited resources, mobilising global skills and aligning real needs to strategies, with a view to maximising resources and capitalising on the efficacy of public interventions. However the system needs
to be further strengthened by clarifying responsibilities and tasks, better defining the instruments and the rules to be applied at the different levels of Community government and ensuring stronger horizontal and vertical coordination.

It is however necessary to increase the efficacy and improve the functioning of cohesion policy stressing the performance-oriented approach and the integration of national policies. It is necessary to pursue higher intervention selectivity focusing on actions capable of producing a stronger impact at territorial level. This points to the need to raise the discussion to the level of how to achieve more concentration and efficiency, both on the selection of priorities, and objectives. It is necessary to agree on credible and measurable cohesion policy targets and set up conditions and rules that help reach the expected results, shunning formal “compliance”. Italy, as an example, agreed to introduce service objectives into the 2007-2013 programming and to set up targets for some key services the achievement of which is a prerequisite for eligibility to a large share of resources.

It is necessary to ensure a more efficient integration with national policies, in order to make clear the integration paths and the mutual reinforcing of the Community and national action towards reducing regional disparities. Therefore, Italy agreed to include national regional policy resources in the NSRF under a single framework of targets and rules to increase the synergies between EU and national interventions, with a view to making the best use of the EU leveraging effect. In this respect it is essential to strengthen the principle of additionality, the only principle capable of ensuring that cohesion policy could indeed speed up development in the most disadvantaged regions, also developing tools and methods allowing to transform the respect of additionality principle from a regulation obligation into an economic policy instrument.

Finally, in view of increasing policy transparency and raising the awareness of the European public on cohesion policies it would be highly desirable to promote a genuine simplification of programme implementing procedures, in
fact reinforcing those monitoring and evaluation activities which support more effective decision making, to improve policy accountability and favour the mobilisation of all actors in achieving the expected objectives.