



EUROPEAN COM
DIRECTORATE-GENERAL
REGIONAL AND URBAN POLICY

2014-2020 Policy and Legislation Inter-institutional relations

Brussels,

**MEETING OF THE STRUCTURED DIALOGUE
WITH EUROPEAN STRUCTURAL AND INVESTMENT FUNDS'
PARTNERS GROUP OF EXPERTS**

12.11.2014

This was the first meeting of the Structured Dialogue with European Structural and Investment Funds' Partners Group of Experts under the 2014-2020 programming period.

The dialogue addressed the following points:

- 1) Statement by Mikel Landabaso Álvarez, Head of Cabinet of Commissioner Crețu;*
- 2) Working arrangements for the Structured Dialogue;*
- 3) State of play of negotiations regarding ESIF partnership agreements and programmes for 2014-2020;*
- 4) State of play of the implementation of the partnership principle;*
- 5) The 6th Cohesion Report;*
- 6) The Youth Employment Initiative;*
- 7) Perspectives for Community-led Local Development in rural and coastal areas.*

Minutes

1) Statement by Mikel Landabaso Álvarez, Head of Cabinet of Commissioner Crețu

Dr Mikel Landabaso Álvarez, Head of Cabinet of Commissioner for Regional Policy Corina Crețu, welcomed on her behalf the organisations to the first meeting of the Structured Dialogue with ESIF' partners group of experts of the 2014-2020 programming period.

He started by outlining Commissioner Crețu's vision on Cohesion Policy, which consists on supporting EU regions to develop their capacities, with a view to exploiting a wide range of opportunities. In this respect, he underlined that Cohesion Policy is an integrated, territorial policy, which allows regions to choose the policy mix that best fits into their specific situation.

To this end, he underscored that the COM should support institutional capacity and good governance in Member States, while encouraging them to involve relevant partners to the full extent of their possibilities.

In this context, he recalled that Article 5 of the Common Provisions Regulation for the ESI Funds (CPR), together with the European code of conduct on partnership, provide for a series of tools to support and facilitate Member States in the implementation of partnership, throughout the whole programming process. There are a number of areas, where support from the ESI Funds would simply make no sense without involvement of relevant partners. This is in particular the case of smart specialisation strategies, whose partnerships involve stakeholders such as regions, local authorities, entrepreneurs, etc., as a means to ensure that the € 80 billion ERDF allocation to innovation produces the best possible impact on the ground.

In the ensuing debate, questions were raised by Business Angels Europe, Mr Pascher, Chair of the Advisory Group on Rural Development, EARTO, ETUC and WWF. Participants requested clarifications regarding Cohesion Policy support to enterprises, innovation (in particular in rural areas) and energy efficiency in partnership agreements and programmes.

In his reply, Dr Landabaso Álvarez emphasised the role of financial instruments, which will constitute the priority for business support in the years to come. Then, he underlined that support to innovation does not entail encouraging foundation of high-tech Silicon Valleys in each and all EU regions, but fostering "incremental innovation" in sectors such as tourism or eco-innovation, in which rural areas are often specialised. In this context, it is essential that relevant partners – especially socio-economic partners- support European regions towards the setting up of sound smart specialisation strategies. Finally, Dr Landabaso Álvarez pointed out that investment in energy efficiency action will reach over € 30 billion in 2014-2020, which proves the priority granted by the reformed Cohesion Policy to the green economy.

2) Working arrangements for the Structured Dialogue

The European COM (COM) explained that the aim of this group is to have an open dialogue on issues regarding the implementation of the ESI Funds; then, in accordance with Article 5 (6) of the CPR, to report to the Parliament and the Council on the outcome of the dialogue.

The COM recalled that members had been selected following a call for proposals and keeping a fair balance between the three categories of partners referred to in Article 5 of the CPR: regional, local, urban and other public authorities; socio-economic partners; civil society and NGOs.

Subsequently, the COM pointed out that, although the above-mentioned provisions of the CPR only require the group to meet once a year, it believes that it would be worth meeting twice if possible, as was often the case for the Structured Dialogue group for 2007-2013. However, it is not excluded to organise three meetings a year, should it be justified.

Regarding the agenda of the meeting, the COM underlined that it had been designed in a way to address some of the most relevant issues for the current phase of programming: state of play of negotiations, partnership, Youth Employment Initiative and Community-led Local Development. In any case, it clarified that it would welcome specific proposals submitted by members, in view of future Structured Dialogue meetings.

Finally, the COM invited members to provide feedback on the specific guidance it had drawn up for beneficiaries on the basis of Article 13 of the CPR (deadline: Friday 28 November). The COM's intention is that this guidance should be a document that can be updated over time.

3) State of play of negotiations regarding ESIF Partnership Agreements and programmes for 2014-2020

The COM presented the state of play of the negotiations with Member States with regard to ESIF Partnership Agreements and programmes for 2014-2020. At the date of the meeting, all 28 Partnership Agreements have been adopted, as well as 32 Cohesion Policy Operational Programmes. These programmes should now organise their first monitoring committee meetings, with the aim in particular to discuss and approve selection criteria of operations.

The COM announced that more than half of the Cohesion Policy Operational Programmes should be adopted by the end of 2014 or early 2015. However, it pointed out that speeding up adoption procedures would in no case be done at the expense of quality, as these programmes are expected to substantially shape public investment policies for the next decade.

4) State of play of the implementation of the partnership principle

Mr Luc Van den Brande, Vice-president of the Committee of the Regions, presented the main aspects of the report he had drafted at the request of former Commissioner for Regional Policy Johannes Hahn, regarding the involvement of regional and local authorities in Cohesion Policy.

Mr Van den Brande pointed out that partnership and multi-level governance, not only offer the opportunity to improve subsidiarity, proportionality and accountability in the design and implementation of Cohesion Policy, but also help fill a number of gaps that undermine the effectiveness of the policy: information, capacity, resources and coordination.

Mr Van den Brande underlined that partnership and multi-level governance are not just formal principles, but have been shrouded in the ESIF Regulations for 2014-2020, both in Article 5 of the CPR and in the European code of conduct on partnership. As a result, there has been real progress in the way Member States implement these principles. According to Mr Van den Brande, 10 Member States are in line with these provisions and 10 others have shown tangible improvement with regard to past programming periods. At the same time, he observes a number of trends towards regional centralisation in certain federal countries, as well as a temptation to "de-politise" decisions, by increasing power of civil servants to the detriment of political leaders.

Mr Van den Brande concluded his speech by suggesting that a specific monitoring system should be set up, in order to provide sound evidence regarding implementation of the partnership principle.

Following this presentation, questions were raised by CPMR, FEANTSA, Barcelona Metropolitan Area, EU Disability Forum, ENNA, ETUC, COGECA, EUROCITIES, BusinessEurope, Arco Latino and EASPD. These questions regarded in particular late adoption of programmes, consistent implementation of the partnership principle, involvement of socio-economic and social services' partners, capacity building and functioning of the group.

In its responses, the COM started by recalling that adoption of programmes later in 2015 would be subject to an amendment to the Multi-Annual Financial Framework (MFF), but assured that internal procedures would be speeded up, in order to ensure that programmes could be adopted immediately after this amendment. Regarding consistent implementation of the partnership principle, the COM confirmed that the Code of Conduct cannot lead to a financial correction. However, it pointed out that implementation of the partnership principle is systematically being raised with Managing Authorities where there is any source of concern, and progress has been observed. Regarding involvement of partners, the COM noted that experiences vary across Member States, so it requested members of the group to be as specific as possible in their claims. In this respect, it explained that feedback provided in the framework of the ESF Committee had been particularly helpful. As regards capacity building, the COM underscored that Member States had earmarked large amounts of funding to both Thematic Objective 11 ("enhancing institutional capacity of public authorities and stakeholders and efficient public administration") and Technical Assistance, but definitive figures would only be known after adoption of all programmes.

Mr Van den Brande concluded the round by pointing out that enhanced involvement of stakeholders entails necessarily a "contractualisation of the policy", whereby stakeholders become jointly accountable and responsible for the outcome of the policy.

ETUC, BusinessEurope, UEAPME, CEMR and CEE Bankwatch Network presented the main conclusions of the studies they had carried out with regard to the implementation of the partnership principle in the preparation of Partnership Agreements and programmes. According to these studies, progress and good practice can be observed throughout most of Member States. However, a range of suggestions might be tabled to improve the quality of partnership: early applicability of the Code of Conduct to the preparation and negotiation of Partnership Agreements; close monitoring of the Code of Conduct by the Structured Dialogue; full exploitation of the potential of existing fora such as Monitoring Committees.

The COM closed the morning session by concluding on:

- 1) The functioning of the group: the purpose of the group is twofold: following up the implementation of the partnership principle and focusing on areas of ESIF interest for partners. In this context, members are invited to table suggestions for the agenda of next meetings. Likewise, the COM will reflect on how best to facilitate knowledge sharing within the group, for instance by establishing a dedicated website or by setting up linkages to the Community of Practice on Partnership referred to in Article 18 of the Code of Conduct.
- 2) The report to the European Parliament and to the Council: Article 5 (6) requires the COM to report on the outcome of the consultation of ESIF partners at EU level. Accordingly, the COM will make the minutes of the meeting available to these institutions. The minutes will also be forwarded for information to the European Economic and Social Committee and the Committee of the Regions.
- 3) The COM study on the implementation of the partnership principle: Article 16 of the CPR requires the COM to report to the European Parliament and the Council on the outcome of

the negotiations concerning the Partnership Agreements and the programmes. In this context, the COM has launched an extensive study on the implementation of the partnership principle, which includes in particular a survey which will be addressed to a wide range of stakeholders. Members are invited to respond to this survey as widely as possible.

5) The 6th Cohesion Report

The COM opened discussion by presenting the two main elements of the Sixth Cohesion report:

- 1) Regional economic disparities have re-emerged due to the crisis: further to the economic crisis, a number of regions throughout the EU have experienced a contraction in GDP per head between 2008 and 2011, which has brought an increase in unemployment, poverty and exclusion. As a consequence, regional economic convergence processes have been halted – with some regions starting to diverge instead of catching up, in particular in Portugal and Greece.
- 2) The new Cohesion Policy intends to address these challenges: the reformed Cohesion Policy focuses on growth-enhancing investments and job creation (alignment with Europe 2020, thematic concentration), pre-conditions for funding (ex-ante conditionalities), link to structural reforms to ensure effective investment, focus on results, etc.

Following the presentation, questions were raised by ERGO, CCRN, ETUC, CPMR, EDF and COPA, with regard to trends in intraregional disparities, poverty, macro-economic conditionality, simplification and account taken of rural areas in the Report. In addition, ETUC regretted the way in which partners had been involved in the Cohesion Forum.

Concerning intraregional disparities, the COM pointed to the complexity of capturing spatial inequalities within urban areas, due among others to the difficulty to obtain reliable data on migrations. Similar concerns were expressed regarding the analysis of poverty, for which unavailability of data on wealth made it impossible to fine-tune conclusions drawn from income analysis. Moving on to macro-economic conditionality, the COM admitted that it might penalise regions respecting budget discipline, in cases where their Member State would not. However, it insisted that the CPR had set out a long and tough procedure, which would limit the likelihood of such scenarios. Regarding simplification, the COM underscored that the reformed Cohesion Policy involves a number of relevant measures, one of whose first and major achievements is significant progress on accountability through results-orientation. Nonetheless, it argued that the definitive impact of these measures would only be known once all operational programmes are adopted. Finally, with regard to coverage of rural areas, the COM conceded that the Report only included a limited number of references. The COM closed the point by indicating that the 6th Cohesion Forum had been followed by a public consultation, open to all stakeholders.

6) The Youth Employment Initiative

The COM presented an overview of the main legal provisions related to the Youth Employment Initiative (YEI) and the state of play with regard to the programming of this instrument.

The European Council of February 2013 set out the YEI funding as an additional financial resource to support Member States' efforts in combating youth unemployment, in particular in the EU regions that are mostly affected. YEI funding is composed of resources from the ESF (3.2 billion €) and a special budget line for the YEI in the Multi-Annual Financial Agreement. The YEI is front-loaded and budgeted over the first two years of the programming period (2014-2015). It is fully

integrated in ESF programming (Chapter IV of the ESF Regulation, nr 1304/2013). The YEI target group is exclusively young people not in employment, education or training (NEETs). Funding will be spent on measures directly supporting the young people into employment, apprenticeships, traineeships or continued education or training. Some Member States are already launching relevant projects on the ground, even in the absence of adopted OPs.

In the ensuing discussion, questions were raised by EASPD, ERGO, Energy Cities, ETUC and REVES, with regard to the following questions: involvement of social partners in the context of YEI programming and implementation, management of the YEI funding at national level, involvement of young persons with disabilities and the contribution of YEI and ESF to the objectives of a low-carbon economy. Some concern was also expressed that this resource will not be sufficient to address the significant cost of the Youth Guarantee (21 billion €, quoted from an ILO study), and also how other funds such as ERDF can support youth employment.

The COM admitted that the YEI and the ESF are insufficient in comparison to the needs, but indicated that for that reason Member States would be encouraged to supplement this funding through national budgets. Regarding management, the ESF and the YEI are managed by the same Managing Authorities on the ground, hence civil society and social partners' organisations should liaise with them and insist to be involved in equal terms under both instruments. Regarding multi-fund approaches, each Fund could support youth employment through its own scope. In particular, the ERDF could provide support through education and social infrastructure. As regards low-carbon economy, the ESF acts indirectly via its missions and scope. Therefore, it could support employment-related activities that aim at the same time to reduce the carbon footprint, such as green jobs, employment in prospective and new/clean technologies sectors, etc.

7) Perspectives for Community-led Local Development (CLLD) in rural and coastal areas

The COM opened the point through a presentation regarding 'perspectives for CLLD in rural and coastal areas'. CLLD is inspired from the LEADER approach, which has been successfully implemented since 1991 in the context of the EU support to rural development. CLLD is based on the principle that needs are better addressed at local level, and widely relies on networking and cooperation. In 2007-2013, CLLD has also encountered great success in the framework of the European Fisheries Fund programmes for fisheries and coastal areas. It is expected to further develop under the European Maritime and Fisheries Fund programmes for 2014-2020. There are a number of synergies between EAFRD and EMFF. In 2014-2020, CLLD is open to all ESI funds and compulsory under the EAFRD. Finally, multi-fund approaches are possible, but experiences to date are limited.

The ensuing debate showed a general interest in CLLD, which is considered to be a useful tool. COPA, Atlantic Arc, Bankwatch, Social Platform, REVES, ERGO, EASPD, EAPN, EDF and ENSIE raised questions with regard to the following aspects: insufficient uptake of CLLD in the new programmes, limited transparency in the preparation of partnership agreements and programmes, deficient awareness of CLLD opportunities, complexity of multi-funding, transnational cooperation, need to develop capacity building, likely reluctance of Member States to empower local groups, added value of Fisheries Local Action Groups (FLAGs) in a series of Member States, monitoring and impact assessment of CLLD, 5% minimum earmarking under the EAFRD and mirroring EAFRD / EMFF national networks in the ERDF and the ESF.

In its replies, the COM confirmed the possibility to set up transnational FLAGs, for instance in the Atlantic Strategy. It also recognised that there is a need for capacity-building to implement CLLD, which concerns both local groups and managing authorities. Finally, it clarified that the rule

whereby public partners cannot represent more than 49% of the entire partnership aims to both ensure a degree of transparency at local level and prevent the capture by individual entities.

The COM closed the session by thanking participants for the quality of the dialogue, which had provided the COM with a very useful feedback. It also carried out the following statements:

- 1) The session's material would swiftly be made available.
- 2) Future meetings should follow a similar structure, starting with the implementation of the partnership principle in the morning and following with thematic issues in the afternoon. Members were invited to forward suggestions in this sense.
- 3) The COM would reflect on different possibilities to facilitate and strengthen the work of the group (setting up a dedicated website, linking with the Community of Practice on Partnership, etc.).
- 4) Number of meetings: Article 5 (6) of the CPR requires the COM to consult partners at EU level at least once a year. Twice a year would appear appropriate. However, it is not excluded to organise three meetings a year, should it be justified.
- 5) Draft guidance for beneficiaries was distributed during the meeting. Members were invited to forward their comments by 28 November.
- 6) Agenda of future meetings will be made available three weeks beforehand. This target could not be met for the first meeting, due to difficulties linked to the setting up of the group.
- 7) Minutes of the meeting: the COM will provide minutes of the group's meetings, which will be forwarded to the European Parliament and the Council in order to fulfil the requirement of Article 5 (6) of the CPR. The minutes will also be forwarded for information to the European Economic and Social Committee and the Committee of the Regions.

ANNEX – LIST OF PARTICIPANTS

Nr. crt.	Organisation
Experts from external organisations	
1.	ARCO LATINO
2.	BUSINESSEUROPE
3.	Capital Cities and Regions Network (CCRN)
4.	CECODHAS Housing Europe
5.	CEE Bankwatch Network
6.	ClientEarth
7.	Confédération européenne des entreprises de travaux techniques agricoles, ruraux et forestiers (CEETTAR)
8.	Conference of Atlantic Arc Citeis
9.	Conference of Peripheral Maritime Regions (CPMR)
10.	Council of European Municipalities and Regions (CEMR – CCRE)
11.	Energy Cities
12.	Euclid Network
13.	European Association of Development Agencies (EURADA)
14.	Eurochambres
15.	Eurochild AISBL
16.	EUROCITIES ASBL
17.	European agri-cooperatives (COGECA)
18.	European Agroforestry Federation (EURAF)
19.	European Antipoverty Network (EAPN)
20.	European Association of Craft, Small and Medium-sized Enterprises (UEAPME)
21.	European Association of Research and Technology Organisations (EARTO)
22.	European Association of service providers for persons with disabilities (EASPD)
23.	European Boating Industry
24.	European Centre of Employers and Enterprises providing Public Services (CEEP)
25.	European Citizen Action Service (ECAS)

26.	European Disability Forum (EDF)
27.	European Farmers (COPA)
28.	European federation of national organisations working with homeless people (FEANTSA)
29.	European Forum for Technical and Vocational Education and Training (EfVET)
30.	European Network of Cities and Regions for the Social Economy (REVES AISBL)
31.	European Network of National Civil Society Associations (ENNA)
32.	European Network of Social Integration Enterprises (ENSIE)
33.	European Network on Independent Living (ENIL)
34.	European Regions Research and Innovation Network (ERRIN)
35.	European Small Island Federation (ESIN)
36.	European Trade Union Confederation (ETUC)
37.	European Union of Supported Employment (EUSE)
38.	European University Association (EUA)
39.	European Women's Lobby (EWL)
40.	European Youth Forum
41.	Europêche, Association of National Organisations of Fishing Enterprises in the European Union
42.	Fundación Secretariado Gitano / EURoma Network Technical Secretariat (FSG)
43.	Making the Most of EU Funds for Roma / Open Society Foundations (MtM)
44.	MEDCITIES
45.	Ocean Energy Europe
46.	PREPARE - Partnership for Rural Europe
47.	Social Platform – Platform of European Social NGOs
48.	Stichting ERGO Network (ERGO)
49.	World Wide Fund for Nature (WWF)
50.	<i>Business Angels Europe (BAE) (observer)</i>
EU Institutions	
51.	European Commission

52.	Committee of the Regions
53.	European Economic and Social Committee