



GOOD GOVERNANCE
FOR COHESION POLICY
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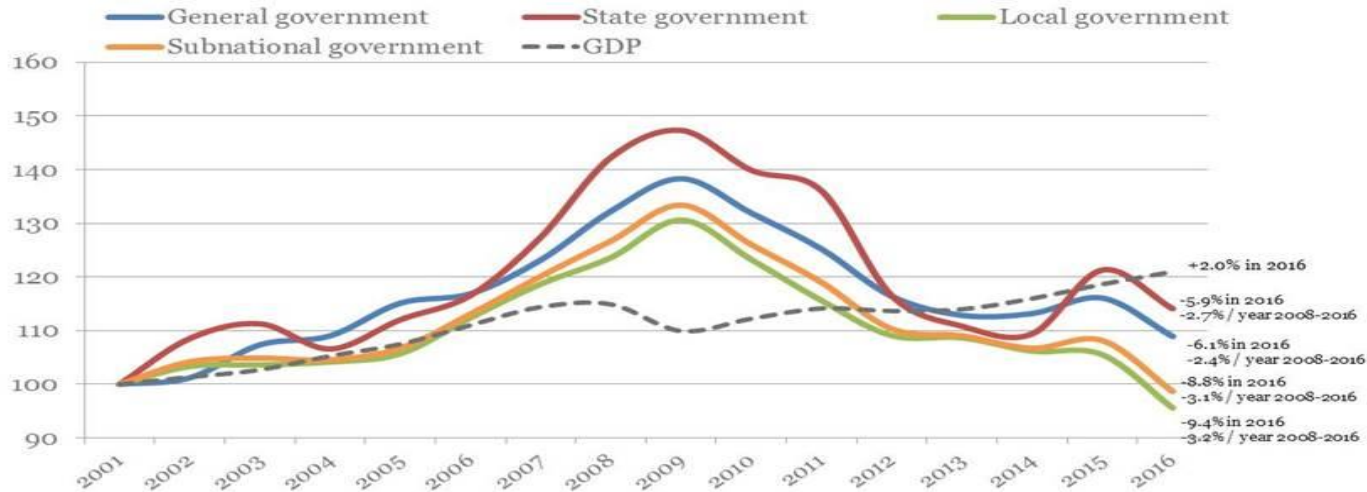
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Getting investment right, at a time of reduced public investment in the European Union, is particularly critical

Change in public investment in the EU28 from 2001-2016 (real terms)



- Cohesion funds represent a large share of public investment in many European countries – 90% in some eastern European countries.
- On average in the OECD, almost 60% of public investment is done by subnational governments, and 51% in the European Union (2016).



OECD instrument: Recommendation on Effective Public Investment Across Levels of Government

Pillar 1

Co-ordinate across levels of governments and policies

- Invest using an integrated strategy tailored to different places
- Adopt effective co-ordination instruments across levels of government
- Co-ordinate across SNGs to invest at the relevant scale

Pillar 2

Strengthen capacities and promote policy learning at all levels of government

- Assess upfront long term impacts and risks
- Encourage stakeholder involvement throughout investment cycle
- Mobilise private actors and financing institutions to diversify sources of funding and strengthen capacities
- Reinforce the expertise of public officials & institutions
- Focus on results and promote learning from experience

Pillar 3

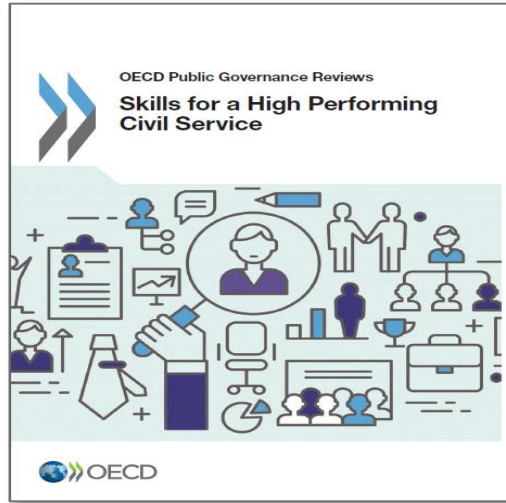
Ensure proper framework conditions for public investment at all levels of government

- Develop a fiscal framework adapted to the objectives pursued
- Require sound and transparent financial management at all levels
- Promote transparency and strategic use of procurement
- Strive for quality and consistency in regulatory systems across levels of government



1. Strengthening capacities at all levels of government for more effective regional policy

- Improving skills to ensure performance and impact of governments



- Strengthening strategic planning capacities, institutional and financial capacities



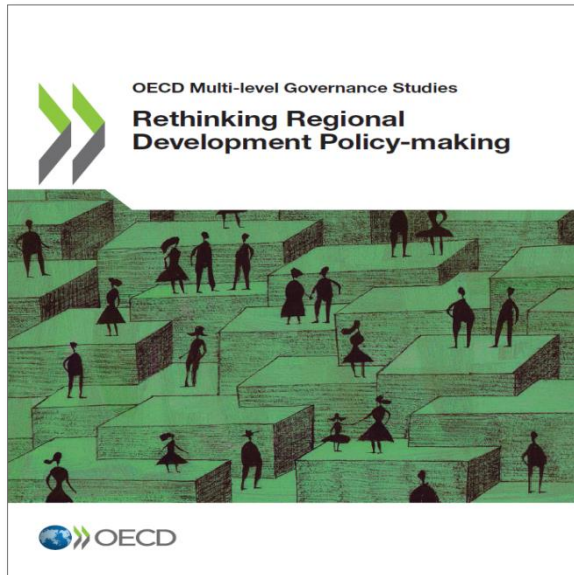
2. Keep the public investment system simple and allow for flexibility within the system

- **Reduce regulatory burdens to keep the system simple**

- ❖ A 2015 OECD-EU survey shows that 90% of the regions and cities reported that administrative burden was the most important obstacle for subnational public investment.

- **Avoid one-size fits all policy responses as what works here might not work there**

- Different size and level of capacities
 - Greater flexibility allow adapting programmes to local circumstances and development needs
 - Find a balance between trying and testing and the continuity of policies and regulations.





3. Enhance the governance of procurement

- **The governance of procurement is particularly critical for cohesion policy**
 - On average, it amounts to about **29%** of government spending in the EU (European Commission, 2016)
 - Beyond the EU, a growing interest across OECD and non-members countries with the untamed potential of procurement, which represents **12%** of GDP in OECD countries.
- **OECD has worked closely with the EC/DG Regio**
 - **Bulgaria and Slovakia:** supported the development of administrative capacity, training and dissemination of information
 - Opportunities and challenges in the implementation of strategic public procurement



Two new OECD projects to partner with the EC to improve the governance of cohesion policy

❖ Implementing strategic public procurement in concrete projects (Funded by the ERDF or the European Cohesion Funds)

- Providing practical “hands-on” support to implement or promote strategic public procurement
- Key priority areas:
 - ✓ Green public procurement (GPP)
 - ✓ Socially responsible public procurement
 - ✓ Public procurement for innovation
 - ✓ Better access for SMEs
- Collect lessons learned and develop practical guidance for other member states



Two new OECD projects to partner with the EC to improve the governance of cohesion policy

❖ A new partnership between DG REGIO and the OECD to strengthen capacities in 5 pilot Managing Authorities

- To develop a **comprehensive roadmap** for capacity building reforms and provide insights to **build capacity** in the post 2020 programming period.
- Two pillars of analysis:
 - Individual and organisational capacities:

*Are people with the right **skills** working in well structured and managed **organisations** which provide the **right tools and environments** to succeed?*
 - Systemic and strategic planning

*Are MAs engaging in effective **strategic planning**, coordinating with **stakeholders**, and operating in appropriate **framework conditions**?*



Thank you

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