

# EU COHESION POLICY CONFERENCE

## Past Evidence, Current Experience and Future Perspectives

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### CONFERENCE CONCLUSIONS

1. Cohesion Policy has undergone a far-reaching reform taking effect during the 2014-2020 period and is leading the way in promoting a more performance-based, results-oriented, strategic, integrated and transparent approach to EU spending.
2. Cohesion Policy has an increasingly well-developed evaluation culture at all levels, providing evidence on performance and achievement of results that is not always well understood among the EU Institutions and the Member States. This emphasises the need for better communication on the added value of the policy. In particular, it needs to be emphasised that a strong, well-targeted EU Regional policy must be accompanied by economy-wide structural reforms, well-designed public investments and territorial reforms.
3. The **performance framework** has encouraged a reflection on objectives and indicators, improved the intervention logic, strengthened coordination, enhanced the evaluation culture, and facilitated more comparability of fund implementation across the EU. The tool, therefore, supports a stronger results orientation and direction of programmes. It could play an important role also in the post-2020 programming period, particularly by encouraging greater political ownership, more ambitious target-setting and a clearer balance between short-term outputs and longer-term results.
4. The current challenges are: to ensure that performance is not subordinated to the absorption of funding; to avoid a "safety first" culture where risk-taking is discouraged by focusing on "safe" projects with guaranteed outcomes; to ensure that performance framework is seen as a learning process that incentivises better programme implementation rather than being regarded as a way to sanction; and to provide sufficient flexibility in adapting the implementation to an uncertain and dynamic environment.
5. The recent Cohesion Policy reforms ensure that the policy makes an increasingly significant contribution to the **European economic governance**. Preliminary data show that a significant share of both ERDF and ESF expenditure is dedicated to the implementation of the Country Specific Recommendations (CSR). The use of CSR needs to be manageable and comprehensible to citizens, and the timescale over which the effects of CSR are judged (in bringing about structural reforms) needs to be realistic.
6. The contribution of Cohesion Policy to the economic governance has also been demonstrated by the use of ex ante conditionalities (EAC) linked to thematic concentration (even though the EAC do not form a particular part of measures linking ESIF to EU economic governance) which

reflects the economic, social and territorial challenges of individual EU regions in the Partnership Agreements and programmes. EACs can be used in the most effective way where they are specific and focused. However, better capacity is needed at all levels – EU, national and subnational – to maximise their potential.

7. Future steps on the economic governance also need to be rooted in a new vision for the EU to provide a reference point for CSRs, as well as for all EU policies and instruments. Economic governance requirements must be applied equally to all policies. They must also respect the Treaty objectives regarding the economic, social and territorial cohesion.
8. **Financial instruments** can play a significant role as a complementary tool to grants and possibilities to combine grants with financial instruments should be further explored,. Equally, it is important to recognise that the use of financial instruments is still evolving, and that while they can increase access to finance, there is little evidence on their contribution to leverage private funding, and promoting job creation and innovation. The future use of financial instruments - especially any expansion in their use and their application in new contexts – must be based on evidence.
9. The recent reforms, and the subsequent creation of the High-Level Group, has made serious attempts to pursue the **simplification** of Cohesion Policy through, for example, simplified cost options. While there have clearly been some benefits for the beneficiaries, the perception among many Member States is that the implementation of the policy has become more complex and costly. Responses to complexity need political will from the EU institutions and the Member States; implementing bodies and beneficiaries also need to be involved.
10. Issues regarding audits and controls are of particular concern, and there is a need to explore what could be simplified and rationalised. Control and assessment of Cohesion Policy need to focus more on project outcomes and achievements, with a stronger emphasis on trust rather than sanctions. Furthermore, it is important to have a consistent approach in managing and judging implementation and performance across EU policies.
11. There is a wider concern that Cohesion Policy is being over-regulated and over-burdened which might be caused inter alia by many different goals, distracting from its primary cohesion goal. Although the Cohesion Policy proved to be sufficiently flexible to address "new challenges" focus on efficiency and result orientation must be enhanced at the time of budgetary constraints.
12. Simplification may have reached its limits under the current system, and different or **differentiated approaches** need to be explored. Changes would need to address directly the growing concern of the Member States about administrative complexity (especially where ESIF part of funding is relatively small). Reforms also need to be regarded as fair and equitable by all Member States and they need to ensure that the Commission can discharge its responsibility with respect to the budget.