

HIGH LEVEL GROUP REFLECTING ON FUTURE COHESION POLICY

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STRATEGIC PROGRAMMING

This document has been prepared by DG Regional Policy as the basis for a discussion with experts as part of a general reflection process on the future of cohesion policy. It does not prejudge in any way the final position of DG Regional Policy or the Commission on these questions

1. STRATEGIC PROGRAMMING – AN OVERVIEW

The EU budget review outlined a new strategic programming approach for cohesion policy with a view to closer integration of EU policies to deliver the Europe 2020 Strategy and the Europe 2020 Integrated Guidelines. This approach would consist of:

- A **common strategic framework** (CSF) adopted by the Commission translating the targets and objectives of Europe 2020 into investment priorities. The framework would cover the Cohesion Fund, the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund. Such a framework would replace the current approach of separate sets of strategic guidelines for the policies and would ensure greater coordination between them. The distinct characteristics and mechanisms of the different policies would be set out in their respective legislative frameworks. In relation to the ESF, the CSF would exclusively refer to the Europe 2020 Integrated Guidelines. In order to accelerate adoption, but also to improve the coherence of the proposals, the Common Strategic Framework could be adopted by the Commission.
- A **development and investment partnership contract** which, based on the common strategic framework, would set out for each MS the investment priorities, the allocation of national and EU resources between priority areas and programmes, the agreed conditionalities, and the targets to be achieved. In order to promote economic social and territorial cohesion in a coherent and integrated manner, it might be useful to extend its scope to other policies and EU funds. The contract will be the fruit of the discussions between Member States and the Commission on the development strategy presented in their National Reform Programmes. It would also describe the coordination between EU funds at national level.

The added value of the Partnership Contract is fourfold. **First**, it is designed to strengthen the European added value of cohesion policy through a close partnership between the Commission and Member States and regions in defining investment priorities. **Second**, it seeks to increase the effectiveness of the funds by identifying the thematic concentration, coordination of EU instruments and results that programmes will achieve in respect of European priorities. **Third**, it should establish, where applicable, the conditionalities for the effective use of the funds and the steps to be taken by Member States and regions to fulfil them. **Finally**, it should ensure the active engagement of a broad range of actors at national, regional and local levels in the delivery of Europe 2020.

- **Operational programmes (OPs)** which, as in the current period, would be the main management tool and would translate the strategic documents into concrete investment priorities accompanied by clear and measurable targets — which should contribute to reaching the national goals and targets set in the framework of Europe 2020.

This programming process represents an evolution of the existing system of Community Strategic Guidelines, National Strategic Reference Frameworks and Operational Programmes. However, at the same time it introduces new elements linked to the alignment of Cohesion Policy with the Europe 2020 Strategy, thematic concentration and a stronger focus on results. The purpose of this paper is to explore in greater detail the changes this will bring in developing a more strategic programming process.

2. AN APPROACH BASED ON FOCUS AND FLEXIBILITY

Setting programme priorities based on thematic objectives

In order to achieve alignment with Europe 2020, the overall objectives for Cohesion Policy would be set in the regulations in the form of a thematic menu (see annex 1 for an indicative list based on the paper presented in the High Level Group in December 2010) which is to be based on Europe 2020, the Integrated Guidelines and the seven flagship initiatives. This thematic menu of objectives would provide the broad framework for the programming process and would define programme priority axes. This would result in common programme priority axes across programmes.

In order to achieve concentration on a limited number of objectives and to avoid fragmentation, the number of objectives selected at national or regional level would be limited – less in richer regions, more in poorer regions. This would be reflected in the number of priority axes in programmes.

Providing flexibility to adapt to national and regional situations

For each thematic objective and corresponding programme priority axis, the Common Strategic Framework would set out European investment priorities. Member States and regions would propose programmes in which the content of priority axes reflected these investment priorities, taking into account their specific situation.

Each programme would focus on contributing to achieving European objectives in a flexible manner that takes into account its starting points, specific challenges and opportunities. In particular, programmes should be given flexibility to identify the categories of expenditure (based on a list to be defined in the regulation) which best contribute to delivering the thematic objectives set out in the menu.

Building a partnership contract on the basis of the National Reform Programme

The Europe 2020 strategy is built around the five headline targets, seven flagship initiatives and the Integrated Economic and Employment Guidelines. At a national level the partnership contract should be the result of discussions of the development strategy presented in the National Reform Programmes (NRP).

However, the actions undertaken in the context of Europe 2020, as reflected in the flagship initiatives will be in many cases broader than those reflected in the NRP. For the ERDF and

Cohesion Fund, EU priorities which have not been covered in the NRPs, particularly in the fields of environment and transport will need also to be addressed in line with thematic objectives set out in the regulations and the investment needs identified in the Common Strategic Framework. For the ESF, those priorities, which are not explicitly covered by the NRPs, will need to underpin the Europe 2020 Integrated Guidelines the Flagship initiatives and thematic and country-specific recommendations.

Reflecting territorial specificities and institutional arrangements

As is the case in the current period, the choice of programming structures and number of operational programmes would be made in accordance with the territorial specificities and institutional arrangements of Member States. The Partnership Contract, which would include the list of all operational programmes, would indicate the level (either national or regional) for which the Member State would present programmes for financing by the ERDF¹. For the ESF, Operational Programmes would be drawn up at the appropriate level. Programming for the Cohesion Fund would take place at national level.

The integrated approach would be continued as in the current programme period by allowing the combination of several priorities from the same fund within an operational programme at the appropriate geographical level.

Furthermore, a certain degree of flexibility would be provided to allow Operational Programmes to support activities in functional as well as administrative areas. Increased scope could be given to managing authorities to delegate delivery of parts of programmes to sub-national and sub-regional actors. This would include actions in support of urban development and of areas with geographical specificities.

Timing

In order to reduce delays, the Partnership Contract and operational programmes would be negotiated simultaneously. The Contract – the commitments by Member States as regards delivery of European priorities, results, the steps to ensure that necessary preconditions are in place and the partnership arrangements within the Member State – would be adopted by Commission decision as was the case for the NSRF.

Questions

Q1: Does this approach provide sufficient focus on Europe 2020 priorities?

Q2: Does this approach provide enough flexibility to take into account national and regional specificities?

¹ Except as agreed otherwise with the Commission.

Example of a Thematic Menu of Objectives

Smart Growth:

- § Strengthening research and technological development
- § Promoting innovation and smart specialization
- § Enhancing accessibility to and use and quality of information and communication technologies
- § Removing obstacles to the growth of SMEs
- § Improving the quality and performance of education and training system at all levels and increasing participation in tertiary or equivalent education

Sustainable Growth:

- § Supporting in all sectors the shift towards a low-carbon, resource efficient and climate resilient economy
- § Promoting renewable energy sources
- § Upgrading Europe's energy network
- § Promoting sustainable transport
- § Correcting and preventing unsustainable use of resources
- § Removing bottlenecks in key network infrastructures

Inclusive Growth:

- § Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality
- § Developing a skilled workforce responding to labour market needs and promoting lifelong learning
- § Promoting social inclusion and combating poverty

Developing administrative capacity.