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**Lithuania's Reflections on the Future of Cohesion Policy**

*Follow-up of Public Consultations in Lithuania*

The Fourth Report on Economic and Social Cohesion once more showed high importance and good results of the European Union Cohesion Policy. At the same time, taking into account new challenges, the European Commission initiated the discussion on its future. In this context, public consultations with government institutions, social economic and other partners, as well as academicians on the future of Cohesion Policy took place in Vilnius on the 4<sup>th</sup> of February. The main conclusions reached during the debate are presented below.

There was broad agreement among the participants that in the context of good policy results and taking into consideration the increasing development disparities in the EU, as a consequence of the Enlargement, the Cohesion Policy should remain one of the key European common policies in the future. Moreover, it was emphasized that its fundamental Treaty-based goal – to decrease regional development disparities in the Union – should remain the cornerstone of the Policy, concentrating the Policy resources in the least developed (Convergence) regions. In this regard, it was concluded that the level of GDP per capita as compared to the EU average should be maintained as the prime criterion determining the least developed regions in the Union.

The participants agreed that any steps leading to renationalisation or „weakening“ of the Policy should not be supported and therefore, a limited assistance for more prosperous regions as it is delivered now in the frames of Regional Competitiveness and Employment objective could be justified and in one or another form maintained in the future.

During the debate, new challenges highlighted in the Fourth Cohesion Report, such as demographic changes, increasing global pressure for modernization, climate change and rising energy prices, were considered as very relevant ones to every Member State. However, it was

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agreed that the most effective ways to respond to them may differ from region to region taking into account national or regional particularities. It was stressed that the priorities of the new Cohesion Policy should not overshadow its main objectives laid down in the Treaty.

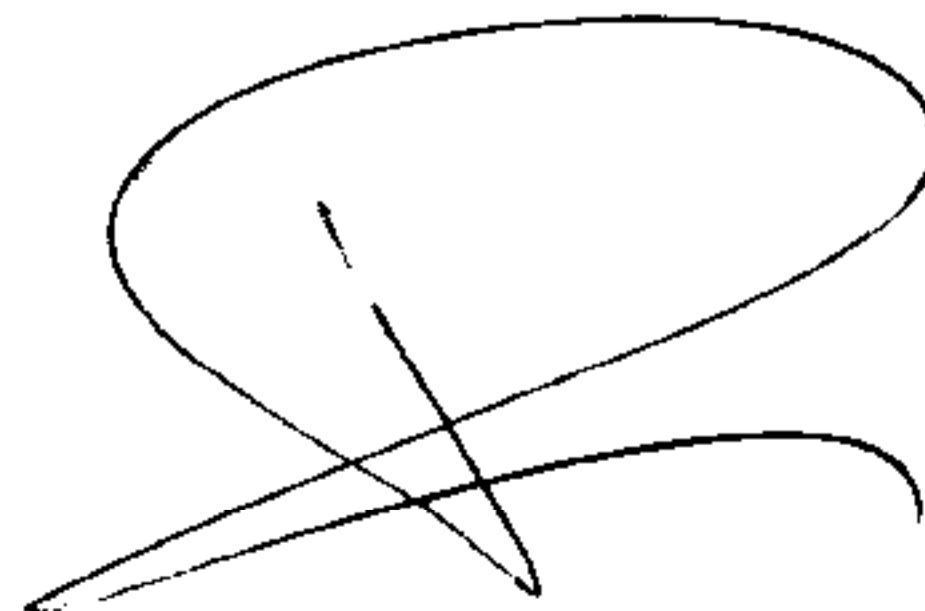
The increasing integration of the renewed Lisbon strategy and Cohesion Policy objectives was welcomed. It was stressed during the discussion that region specific development priorities instead of strict „earmarking“ targets should dictate the distribution of assistance among investment fields. It was agreed that any kind of earmarking should be recommendatory at the very most.

Despite the fact that the implementation of programmes for the years 2007–2013 has just started, the simplification issues were actively discussed. A number of participants remarked that we spent too much energy and resources on redundant control arrangements and that priority shift was needed from heavy control and audit requirements to the policy impact assessment. It was concluded that any steps in simplification, especially in the field of ESF, would be welcome.

In addition, it was noticed that the principle of „one fund – one programme“ did not simplify anything but just burdened the programming process and introduced complicated and unnecessary „cross-financing“ calculations. Integration of the Cohesion Fund and ERDF implementation rules was welcomed. The importance of further unification of the planning and implementation systems of the CF, ERDF, ESF as well as other Community funding of similar nature in order to maximize the impact of EU assistance was stressed.

Please note that these issues raised during the public consultations do not prejudice the official position of Lithuania on the future of Cohesion Policy planned to be approved by the Government in March 2008 within the broader frame of the discussion on future of EU budget. Lithuania would also like to notice that it is ready to participate in all forms of discussion on finding the best solutions for the future of the EU Cohesion Policy.

Undersecretary of the Ministry



Rolandas Kriščiūnas