

# SUMMARY OF INTERVENTIONS

## Informal Meeting of Ministers of Regional Policy

Zaragoza, February 19, 2010

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## SUMMARY OF CONCLUSION

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*Ministers for Regional Policy of the European Union met in Zaragoza, Spain, on February 19, 2010 to discuss the future of Cohesion Policy.*

*The Commissioner for Regional Policy, Chairwomen and representatives of the Committee on Regional Policy in the European Parliament, the President of the Committee of the Regions, representatives of the European Economic and Social Committee, representatives of the European Investment Bank, and representatives of the Organization for Economic Cooperation and Development also took part in the meeting. The Presidency was also pleased to welcome representatives from the candidate country Croatia, as well as representatives from Norway, as a member of the European Free Trade Association,*

*The following conclusions were drawn:*

**PART 1. Strategy, priorities, and objectives of the future cohesion policy. The EU 2020 Strategy.**

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In the first session of the meeting the strategic aspects of Cohesion Policy were analyzed. Also, its connection to the EU 2020 Strategy took an important part in the debate.

The first thing that was clear, after the gauntlet thrown down by the Commissioner, was that there is a need for a high level debate on the future of Cohesion Policy, albeit some reflection on the format that the debate will take needs to be made.

Cohesion Policy cannot just be about distribution of resources, rather it has to be a powerful instrument for the economic development of all EU regions; although, of course, financial resources have to be focused on the least developed areas.

The unanimous position is that Cohesion Policy needs to continue to be a key policy of the EU and it needs to have a leading role within the EU 2020 Strategy, along the same lines as the Lisbon Strategy.

The so-called knowledge triangle –education, research, and innovation- is essential for development across all of the EU territories. Moreover, all aspects linked to sustainability, and in particular, renewable energies and energy efficiency must have an increasingly important role to play in Cohesion Policy.

Furthermore, there are all those aspects that are linked to the labor market, training, and social inclusion. These elements need to be at the heart of the strategy.

There is a clear concern that all of these fields should be tackled taking into account the different starting points of the different Member States and regions. So the measures need to be adequate for each specific region.

Cohesion Policy is a useful instrument to help EU Member States out of the economic crisis and, therefore, should be a crucial element in the post-crisis economic strategy. The said policy has

changed and will continue to change the economic structures of the EU Member States in the next few years.

## PART 2. Economic Efficiency and simplification in a context of economic crisis.

The second element that has been analyzed is the simplification of the regulatory framework and the procedures which affect Cohesion Policy.

The unanimous opinion is that it is necessary to react quickly in this field in order to attain a rationalization of the management and control procedures. Management and control procedures need to be streamlined, without losing any efficiency and rigor, whilst accelerating the payments which come from the Community budget.

Managers need to be managers, and need to be concerned about providing the maximum development for a region. Strategy and planning should not be subordinated to the application of excessive normative and administrative rules.

It is quite clear that there should be zero tolerance for fraud, but that should not be confused with the error rate. Regardless of the work carried out in order to reduce the error rate, further work needs to be done to make sure that all of this is translated into the public debate.

Perhaps there is a semantic problem, or a problem with translating concepts into different languages. However, what has to be clear at the end of the day is that all those who manage the funds are not involved in fraud. It has to be clear in all languages and all Community institutions.

The unanimous opinion is that any improvement in the management system requires partnership between the Commission and the Member States.

So as to resolve many of the problems that are on the table, rules do not need to be rewritten; rather there needs to be a more flexible application thereof. Perhaps the current exercise should be renamed and called "flexibilization" of the implementation and interpretation of the current rules.

Without changing the current regulatory frameworks, more clarity and transparency could be achieved, whilst avoiding the duplication of tasks. Likewise, the proportionality principle needs to be strictly implemented, in terms of the types of actors involved, as well as the types of measures and the volume of financing. All of these can be attained without losing any rigor in management and financial controls.

If management and control systems are simplified and made more flexible, it will be easier to move towards results based management; in particular in terms of impact. Nonetheless, translating the current rigidity as regards controls to indicators should be avoided.

With respect to the future, it is deemed that simplification should be a horizontal principle, applicable to all Community legislation and not exclusively to Cohesion Policy.

Moreover, many consider that a single, more coherent and better coordinated, programming framework should be developed. In this context, it is necessary to improve the connection

between all EU financing channels as well as those of the EIB. Given that resources will be increasingly scarce, the use of financial engineering instruments should be fostered and the possibility to resort less to subsidies should be studied.

Probably, there will be a need for different rules depending on the type of actors and measures so as to attain an effective application of the proportionality principle. Also, this principle should be implemented through the modulation of the automatic decommitment rule.

### PART 3. Strategy, priorities, and objectives of the future Cohesion Policy. Reformulation of objectives.

The third aspect that was analyzed with respect to the future is the definition of Cohesion Policy's objectives.

There is a main current of opinion who thinks that Cohesion Policy should cover all the EU territory..

With respect to the current convergence objective it seems that there is unanimity as to its continuity. However, it is necessary to analyze the possibility of introducing some modifications in order to reinforce its effectiveness in the current juncture.

Another important aspect is the definition of transitional periods for those regions abandoning the convergence objective. It seems logical that, so as to guarantee the harmonious and balanced development of these regions, gradual exit strategies be designed in order to avoid abrupt changes in the financial resources that they receive from Cohesion Policy and so that they can enjoy some financial stability during the exit process.

In relation to the competitiveness and employment objective, at least, two thirds of the European regions will be part of this objective in the next programming period. Thus, it does not seem reasonable to exclude these regions from the benefits of regional policy. Likewise, the development of the EU 2020 Strategy makes their eligibility essential in the future Cohesion Policy.

It should be considered that it is an objective specifically linked to competitiveness. Indeed, within the framework of this objective, regions foresee and promote economic change through innovation, the support of a knowledge society, entrepreneurial initiative, environmental protection and the improvement of accessibility; whilst favoring the adaptation of the workforce by investing in human resources, thus contributing to the objective of more and better jobs.

The European territorial cooperation objective exhibits a high degree of consensus as regards its future continuity. Financial resources and management systems should be further discussed. Transnational cooperation and the development of macro-regional cooperation tools are important for many Member States.

#### PART 4- Inclusion of territorial cohesion within Cohesion Policy.

The last issue that was discussed is the inclusion of the territorial cohesion principle within Cohesion Policy. In this meeting, progress has been made as to the practical implications of the territorial cohesion principle in relation to Cohesion Policy.

It has been made clear that cities and urban-rural linkages play an important role. Likewise, reinforcing the institutional capacity and developing all administrative levels –local, regional, national, and Community- is crucial.

Finally, it is evident that the territorial cohesion concept requires introducing a geographic perspective in the debate.