

Preparatory Work on Future Cohesion Policy

Insights from the 5 meetings of the Group of High-Level specialists on the future of Cohesion policy

Normunds Popens Ana Maria Dobre European Commission, DG REGIO



Structure of the Presentation

1. Objectives and Organisation of the Group

2. Messages stemming from the exchanges between Group members

3. Next Steps organisation of work and inputs

Group of High-level Specialists on the Future of Cohesion Policy

- Initiative of Commissioner Ferreira process led by DG REGIO and managed in close cooperation with DG EMPL
- **Mission:** The Group will reflect on how to maximise the effectiveness of cohesion policy with a view to tackling the multiple challenges on cohesion identified in the 8th Cohesion Report, supporting a fair digital and green transition and regional recovery and growth

Composition of the group:

- Highly qualified specialists selected on the basis of their competence and experience in cohesion policy, economic and social governance and European integration.
- Representatives of academia, European, national, regional and local politicians, socio-economic partners and representatives of civil society
- Chair Professor Andres Rodriguez-Pose, London School of Economics



Group of High-level Specialists on the Future of Cohesion Policy

• Nine meetings in Brussels throughout 2023

- 1st meeting 31 January Last meeting 14 December
- 5 meetings so far on topics such as the Contribution of Cohesion Policy to the European Growth Model, Enhancing the resilience of regions against emerging challenges (twin transition, demographic challenge), Reinforcing the role of place-based policies and Strengthening territorial cooperation
- Next meeting 14 September 2023 Anchoring Cohesion Policy financial support in reforms, in the context of European Semester and in synergy with other EU policies
- The Group will publish its strategic conclusions and recommendations early 2024
- All documents and recordings available: Inforegio The future of Cohesion Policy (europa.eu)



1st meeting –

Cohesion Policy and the European Growth Model

- Addressing long-term challenges (twin transition, innovation, demography) at the territorial level remains vital for cohesion in the EU
- Our priority should remain the **development of all Europe** and Cohesion Policy is the main policy to achieve this objective
- Taking into account growing disparities between places and people increasing dissatisfaction and discontent of people living outside 'superstar regions and dissatisfaction of 'mediumincome people' – recommendations:
 - To go beyond the GDP approach to define types of regions for Cohesion policy and to use different territorial groupings (e.g. urban, sub-urban, rural)
 - To create more tailor made solutions and tools covering the needs of different territories and people (groups of people):
 - Not relying only on superstar metropolitan regions for ensuring growth and development throughout the EU
 - Attract talent and creating opportunities in medium-sized areas
 - Strengthening institutions and governance that involves social partners and civil society in policy programming and planning
 of investments



2nd meeting – The role of Cohesion Policy in enhancing the resilience of regions against emerging challenges

- To prosper and become more resilient, regions need to continuously diversify and increase the complexity of their activities
- Policy is fundamental to harness the opportunities that transitions offer everywhere, minimise the risks and support places and people develop their capacities - a real 'gold mine' of potential that is not currently being mined
- How can the potential of this 'gold mine' be harnessed to further maximise the capacity of cohesion policy for development and growth?
 - Addressing bottlenecks: lack of finance at the appropriate territorial level, mismatch between supply and demand of skills, institutions etc. - role for the policy in reforms – just opening the discussion on what could be learned from the Recovery and Resilience Facility (RRF)
 - **Policy experimentation and strengthened coordination**: It requires capacity building, coordination and coherence between different EU policies, but also to monitor the territorial impact of EU missions/transitions and ensure coordination with national and regional policies
 - **Participation and institutions**: further involvement of economic, social, and political stakeholders in policy design and investment + building and strengthening the administrative capacity of managing authorities and beneficiaries



2nd meeting – The role of Cohesion Policy in enhancing the resilience of regions against emerging challenges

- Involvement in networks and involving all territories in these transitions: Real added value of Cohesion Policy as a facilitator of these coordinated cooperation
- **Highlight the potential benefits of the policy**, but not just a question of narrative but of reality:
 - Without cohesion there is no digital and green transition
 - If transition costs and benefits increase territorial and social inequalities, people in places where transition costs concentrate might turn against cohesion objectives and efforts
 - Without cohesion there is no competitiveness
 - Without cohesion the EU will lose out as it risks not fully exploiting the potential of all places and people
- Upgrading the importance of issues related to demographics, skills, human capital development

3rd meeting – The role of Cohesion Policy in addressing different developments of European regions

• All regions face cohesion challenges

- **However**, Cohesion policy needs to go beyond the current territorial concentration approach further enhancing the place-based/place sensitive and people-based policy approach
- This requires in particular:
 - Having a **more granular focus** and **diversified types of intervention**, tailor-made for trapped regions, regions risking of falling into a development trap, regions that were previously engines of growth
 - Supporting dynamic large agglomerations, metropolitan areas + focus on intermediate cities, towns, and rural areas with significant economic potential
 - Addressing the typology of regions for cohesion policy, which also requires an approach going beyond the GDP
 - **Reassessing the** importance of high-quality data for Cohesion Policy and, in general, that of **data** availability, especially for the **sub-national level**



4th meeting – Role of place-based policies and development strategies

• Rationale for the policy:

- Economic rationale: Without policy interventions, economic activity will mostly continue to cluster in large agglomerations, particularly in innovative sectors, leading further to a **concentration of opportunities**. Market failures and ineffective automatic adjustment mechanisms are behind the lack of dynamism of certain places and the growth of inequalities
- Political rationale: support political cohesion, solidarity and ensure a fair transition
- Cohesion policy should focus on levelling up and tapping into the economic potential which has remained untapped in many places of Europe
- This calls for investing in **different types of places in a very diversified way** better developed places with higher returns but also investing in innovation in less developed regions (innovation related to capabilities)
- Ensuring investments in targeted regions, as a more differentiated support is clearly needed



5th meeting – Reinforcing territorial cooperation and addressing challenges on European integration

Key messages -Tackling persistent cross-border obstacles by:

- Reinforcing the **European framework for integrated data collection** and support the exchanges on cross-border obstacles
- Reinforcing coordination and concertation, e.g., via macroregional strategies/ transnational projects and/or **good practice transfer via interregional cooperation**
- Enhancing the territorial distribution of common public services and promote new types (e.g., e-governance, e-health and interoperability)
- Promoting the development of common public services and other forms of cooperation on borders lacking the appropriate measures
- Strengthening the **governance of cross-border areas**, with focus on their different typologies (maritime / mountainous / insular/ river-based, lake-based, outermost or within macro-regions)
- **Overcoming "border blindness"** by enhancing coordination between national programmes
- Increasing the budget for territorial cooperation



First Cross-Cutting Messages Reinforcing synergies, cooperation, partnership and inclusive participation for success

- Action is necessary under a range of EU and national and sub-national policies + more inclusive participation of partners, stakeholders, citizens
 - 'Do No Harm to Cohesion' is an important principle, but it is essentially defensive and reactive
 - Should Cohesion policy be more specific and positive about what other policies need to contribute?
 - Important to be realistic in putting forward the objectives Cohesion policy can achieve, as economic development and growth depend also on many other EU, national and regional/local policies
 - Importance of all levels of government, including subnational governments, working together in terms of resources and intervention + but also encouraging participation firms and people inclusive engagement



First Cross-Cutting Messages Absolute 'must have' features of future Cohesion Policy

- Need for radical and provocative policy recommendations to re-invent the policy (a New Deal for Cohesion Policy), while learning the implementation lessons.
- Absolute 'must have' features of future Cohesion Policy:
 - Harmonious development and 'togetherness'
 - Not just place-based/place-sensitive, but also human-centric approach/people-based
 - More granular policy tools and better policy tailored to each region's needs and opportunities
 - Clear, simpler (and perhaps fewer) objectives
 - Ensuring a minimum level of public goods in all regions
 - Higher social impact investments
 - Strengthened institutions and governance that involve social partners and civil society in policy programming and planning of investments



Next Steps Towards the future revised Cohesion Policy regulatory framework

• Publication of the 9th Cohesion Report and related Cohesion Forum – spring 2024

 Continuous consultations of and exchanges with member States, institutions and stakeholders - 2023-2024

 Encourage policy debates with Member States, including all governance levels, representatives of economic and social actors and of civil society

• The next MFF proposals are expected to be adopted by end of first semester 2025



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