

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

# POLICY DEPARTMENT **B**

STRUCTURAL AND COHESION POLICIES



Agriculture and Rural Development



Culture and Education



Fisheries



**Regional Development**



Transport and Tourism



## THE COHESION POLICY DIMENSION OF THE IMPLEMENTATION OF THE EUROPE 2020 STRATEGY

STUDY





**DIRECTORATE-GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES**

**REGIONAL DEVELOPMENT**

# **THE COHESION POLICY DIMENSION OF THE IMPLEMENTATION OF THE EUROPE 2020 STRATEGY**

**STUDY**

This document was requested by the European Parliament's Committee on Regional Development.

## **AUTHOR**

Diána Haase  
Policy Department B: Structural and Cohesion Policies  
European Parliament  
B-1047 Brussels  
E-mail: [poldep-cohesion@europarl.europa.eu](mailto:poldep-cohesion@europarl.europa.eu)

## **EDITORIAL ASSISTANCE**

Valerie Wiame

## **LINGUISTIC VERSIONS**

Original: EN

## **ABOUT THE PUBLISHER**

To contact the Policy Department or to subscribe to its monthly newsletter please write to:  
[poldep-cohesion@europarl.europa.eu](mailto:poldep-cohesion@europarl.europa.eu)

Manuscript completed in June 2015.  
Brussels, © European Union, 2015.

Print	ISBN 978-92-823-7162-6	doi:10.2861/574785	QA-01-15-420-EN-C
PDF	ISBN 978-92-823-7161-9	doi:10.2861/927327	QA-01-15-420-EN-N

This document is available on the internet at:  
[www.europarl.europa.eu/studies](http://www.europarl.europa.eu/studies)

## **DISCLAIMER**

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

**DIRECTORATE-GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES**

**REGIONAL DEVELOPMENT**

# **THE COHESION POLICY DIMENSION OF THE IMPLEMENTATION OF THE EUROPE 2020 STRATEGY**

## **STUDY**

### **Abstract**

This analysis provides input to the own-initiative report on "Cohesion policy and the review of the Europe 2020 strategy". The analysis focuses on three key themes: the (reciprocal) relationship between cohesion policy and the Europe 2020 strategy in the present and the previous programming period, the governance aspects (ownership and responsibility) and the territorial dimension of the strategy.



## **TABLE OF CONTENTS**

<b>LIST OF ABBREVIATIONS</b>	<b>5</b>
<b>1. Introduction</b>	<b>7</b>
1.1. Background	7
1.2. Review process of the Europe 2020 Strategy	7
<b>2. Relationship between the Europe 2020 Strategy and cohesion policy</b>	<b>9</b>
2.1. Period of 2010-2013	9
2.2. Period of 2014-2020	13
2.3. Flagship Initiatives	16
2.4. Investment Plan for Europe and the European Fund for Strategic Investments in the context of the review of the Strategy	18
<b>3. Responsibility and ownership dimensions of the Strategy</b>	<b>21</b>
3.1. Governance of the Strategy	21
3.2. Visibility of cohesion policy in the context of debates related to the European Semester	25
<b>4. Territorial dimension of the Strategy</b>	<b>27</b>
4.1. On the concept of territorial dimension	27
4.2. Indicators (targets)	31
<b>REFERENCES</b>	<b>33</b>



## LIST OF ABBREVIATIONS

<b>CF</b>	Cohesion Fund
<b>CIP</b>	Competitiveness and Innovation Framework Programme
<b>CoR</b>	Committee of the Regions
<b>CPR</b>	Common Provisions Regulation
<b>CSF</b>	Common Strategic Framework
<b>CSR</b>	Country-specific recommendation
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>ECON</b>	Economic and Monetary Affairs
<b>EESC</b>	European Economic and Social Committee
<b>EFF</b>	European Fisheries Fund
<b>EFSI</b>	European Fund for Strategic Investments
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>EMPL</b>	Committee on Employment and Social Affairs
<b>EP</b>	European Parliament
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESI</b>	European Structural and Investment Funds
<b>Funds/ESIF</b>	
<b>EU</b>	European Union
<b>ECA</b>	European Court of Auditors
<b>ESPON</b>	European Observation Network for Territorial Development and Cohesion
<b>FP7</b>	7 <sup>th</sup> Framework Programme for Research and Technological Development
<b>ICT</b>	Information and Communication Technology
<b>LRA</b>	local and regional authorities
<b>MFF</b>	Multiannual Financial Framework
<b>NRP</b>	National Reform Programme
<b>NUTS</b>	Nomenclature of territorial units for statistics/ Nomenclature des unités territoriales statistiques
<b>OP</b>	Operational Programme
<b>PA</b>	Partnership Agreement
<b>REGI</b>	Committee on Regional Development
<b>RES</b>	renewable energy sources
<b>RTDI</b>	Research and Development and Innovation
<b>SME</b>	small and medium-sized enterprises
<b>TA 2020</b>	Territorial Agenda 2020
<b>TO</b>	Thematic Objective



## 1. INTRODUCTION

### 1.1. Background

The Committee on Regional Development (REGI) of the European Parliament (EP) decided to draw up an **own-initiative report on "Cohesion policy and the review of the Europe 2020 strategy" (rapporteur: Fernando Ruas)**. In January 2015 Policy Department B - Structural and Cohesion Policies was requested to provide internal expertise in support of the ongoing work on the aforementioned report. This analysis has been drawn up in response to this request, addressing the three angles of research that were requested by REGI:

- The (reciprocal) relationship between cohesion policy and Europe 2020 – A strategy for smart, sustainable and inclusive growth<sup>1</sup> (hereinafter the Europe 2020 Strategy/the Strategy);
- Responsibility and ownership dimensions of the strategy;
- Territorial dimension of the strategy.

### 1.2. Review process of the Europe 2020 Strategy

The Europe 2020 Strategy, launched in 2010, is an overarching European Union (EU) "growth and jobs" strategy, which has replaced the Lisbon Strategy<sup>2</sup>. To support delivery of the Strategy, an economic governance system has been set up to provide for coordination of actions at the EU and national levels.<sup>3</sup>

In 2014 the Commission launched the process of reviewing the Strategy and the progress made towards delivering its targets by publishing its Communication on **"Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth"**<sup>4</sup>. The Communication presents **lessons learned in the first years of implementation of the Europe 2020 Strategy** by looking into (1) the impact of the crisis and long-term factors of growth, and (2) progress towards Europe 2020 targets and the role those targets have played, implementation of the Flagship Initiatives and role of the European Semester. The **key conclusions** include confirmation of:

- the **sustained relevance** of the Strategy;
- the need to **address the slowing convergence** process inside the EU (which is due to the crisis and accumulated imbalances across the territory);
- **mixed progress towards targets and the implementation of the Flagship Initiatives across the EU;**
- the crucial role that the **active engagement of regions and cities** can play in the pursuit of the Europe 2020 objectives.

---

<sup>1</sup> COM(2010)2020 of 3.3.2010

<sup>2</sup> Lisbon European Council 23 and 24 March 2000 presidency conclusions

<sup>3</sup> More on the Europe 2020 Strategy: [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<sup>4</sup> COM (2014)130 final of 5.3.2014

It should be noted that (as in the Communication on the Strategy itself) **very limited reference is made to cohesion, cohesion policy and its instruments** in the document. Following the above communication, a **public consultation** was conducted between May and October 2014 to gather evidence for the review process; the results were published on 2 March 2015<sup>5</sup>. Alongside this Communication, a Eurostat publication provided further input on the implementation of the Strategy<sup>6</sup>. The main outcome of the public consultation is in line with the conclusions of the abovementioned stocktaking Commission Communication: **the relevance of the Strategy and the meaningfulness of its objectives and priorities are confirmed. The Flagship Initiatives are considered to have served their purpose, but their visibility is low;** and, finally, it is pointed out that **there is a need to enhance ownership and involvement on the ground, which would improve the delivery of the Strategy**. The Eurostat publication presents a detailed picture of progress towards the headline targets of the Strategy, also confirming the findings of the Commission to the effect that this progress is mixed across the EU and that some of the targets will most likely not be achieved by 2020.

According to the Communication on the results of the public consultation, **publication of the Commission's review proposals for the Europe 2020 Strategy is due before the end of 2015**.

It is worth recalling that **the EP addressed the launch of the Strategy in several resolutions in 2010 and 2011<sup>7</sup>**, conveying messages such as the fact that economic, social and territorial cohesion is a cornerstone of the European project, and that the Strategy is an opportunity to maintain and strengthen cohesion. The reciprocal relationship was also stressed with the statement that a strong and well-financed cohesion policy that is aligned with the Europe 2020 Strategy is a pre-condition for successful attainment of the Europe 2020 goals. The governance aspects were also underlined: to achieve results, national, regional and local levels of governance must be accountable and of high quality, and stakeholders also need to play a key role in the delivery mechanism of the Strategy. **Concerns were raised by the EP that, in the absence of strengthened governance structures, the Europe 2020 Strategy would not be able to deliver on its objectives and targets.<sup>8</sup>**

---

<sup>5</sup> Results of the public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth, COM(2015)100 of 2.3.2015.

<sup>6</sup> Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy, Eurostat statistical books, 2015 edition

<sup>7</sup> Paragraph 39, EP resolution of 10 March 2010 on EU 2020, P7\_TA(2010)0053; recital E, paragraphs 61 and 62 of EP resolution of 16 June 2010 on EU 2020, P7\_TA(2010)0223; EP resolution of 17 February 2011 on Europe 2020, P7\_TA(2011)0068.

<sup>8</sup> Indeed, challenges identified when evaluating the Lisbon Strategy pointed to elements such as weaknesses of governance and the lack of ownership by Member States. See Lisbon Strategy evaluation document, Commission Staff Working Document, SEC(2010),114 final, Brussels, 2.2.2010.

## 2. RELATIONSHIP BETWEEN THE EUROPE 2020 STRATEGY AND COHESION POLICY

### 2.1. Period of 2010-2013

When the Europe 2020 Strategy was launched in 2010, the **2007-2013 programming period was well underway**, with National Strategic Reference Frameworks and operational programmes (OPs) in the course of implementation. Cohesion policy follows a multi-annual cycle, and has complex machinery underlying the strategic programming; thus **an immediate impact of the newly adopted strategy** (in terms of, for example, reprogramming in line with Europe 2020 objectives) **would have been difficult and even counter-productive**. By 2010, actions trying to help recovery from the crisis had already been addressed through legislative amendments to the cohesion package in the context of the Economic Recovery Plan (in 2009), which were complemented by further proposals in 2011 ("top-up" measures and creation of a risk-sharing instrument<sup>9</sup>). Both legislative amendments in 2011 were linked to the crisis (based on the explanatory memorandum of the COM documents), and not placed in relation to the Europe 2020 Strategy. However, the aim was obviously to try to fight economic decline, **so there was an implicit connection**. **Overall, the Strategy did not trigger a change in the architecture of cohesion policy in the 2007-2013 programming period.**

It should be noted that the 2007-2013 programmes were subject to **"Lisbon earmarking"** – alignment with the Lisbon Strategy. This meant that 60 % of expenditure under the Convergence objective and 75 % of expenditure under the Regional Competitiveness and Employment objective was dedicated to Lisbon priorities in all Member States of the European Union as constituted before 1 May 2004. (Those Member States that acceded to the European Union on or after 1 May 2004 were allowed to decide on their own initiative regarding the application of these provisions.) The rules governing earmarking did not see an update in 2010. Nevertheless, **given the similarities/continuity between the core objectives of the Lisbon Strategy and the Europe2020 Strategy<sup>10</sup>, it can be assumed that cohesion spending in the 2007-2013 period already contributed substantially to the Europe 2020 goals.**

Thus the question to be looked into in the period 2010-2013 is less that of how the Strategy had an impact on cohesion policy, and more that of **how cohesion policy supported the implementation of the Strategy**. An EP study from 2012, "How to integrate the EU Flagship Initiatives into cohesion policy in the current and future funding periods"<sup>11</sup> (hereinafter "Flagship Initiatives study"), found that **some Member States** (Greece and Italy, for example) **adapted policies in line with the Europe 2020 Strategy and thus reconsidered their national strategies during the 2007-2013 programming period**. The shift of strategies caused **delays in OP implementation**, however. Moreover, as a response to the crisis, some Member States made changes in their Operational Programmes, giving preference to more short-term goals, a fact not to be overlooked when analysing the policy's contribution to overarching strategic goals.

<sup>9</sup> COM(2011)482 of 1.8.2011 and COM(2011)655 of 12.10.2011

<sup>10</sup> "Compared to the Lisbon agenda, Europe 2020 added two new elements to the policy agenda of the EU, poverty reduction (...) and a stronger emphasis on sustainability (...). This has led to a change in the goals of Cohesion Policy and to the way policy is implemented, with a greater stress on action aimed at achieving multiple goals." 6th report on economic, social and territorial cohesion, European Commission, (2014)

<sup>11</sup> Metis GmbH and EPRC, University of Strathclyde, June 2012; commissioned by Policy Department B: Structural and Cohesion Policies upon request of REGI

The same study found that **links between the Strategy and cohesion policy instruments were not recognised at Member State level**: interviews revealed the widespread perception among programme authorities that the launch of Europe 2020 in 2010 happened at an inopportune time in the Cohesion Policy cycle, i.e. in the middle of the programming period, **so none of its objectives or the Flagship Initiatives were considered (in 2012) in any of the Cohesion Policy interventions**. Some programme authorities felt there was insufficient information on how to translate Europe 2020 and the Flagship Initiatives into action, especially at the regional level.

In 2010, shortly after the launch of the Strategy, **the Commission addressed in several communications** the question raised above, namely **how cohesion policy contributes to the delivery of the Strategy**. The Communication on **Regional Policy contributing to smart growth in Europe 2020**<sup>12</sup> set out the role of Regional Policy in implementing the Europe 2020 Strategy in the area of smart growth and in particular the flagship initiative "Innovation Union". The document complemented the communication on Innovation Union, and called on policy-makers in Member States at all levels to invest in smart growth more of the resources still available (at that time) from the European Regional Development Fund (ERDF) during the 2007-2013 programming period. **Concrete ideas were put forward on how to step up efforts in support of research and development and innovation (RTDI) under EU Regional Policy**, such as the need to develop **smart specialisation strategies**, increase **synergies** among policy instruments (Competitiveness and Innovation Framework Programme -CIP, 7<sup>th</sup> Framework Programme for Research and Technological Development - FP7 and ERDF), for example by considering the use of the ERDF for financing suitable shortlisted FP7 and CIP projects, step up the use of **innovative financial instruments**, etc.

To support the Member States and regions that intended to follow these recommendations, the Communication outlined **a list of actions to be undertaken by the Commission to facilitate this process** (e.g. assist Member States and regions to implement education, research and innovation projects through knowledge transfer and diffusion of good practice, with the help of the 'Regions for Economic Change' initiative; facilitate the formulation and implementation of smart specialisation strategies by national and regional governments, etc.) This Communication also included, in its Section 2.2, **information on cohesion policy's contribution to smart growth, in terms of planned allocations**: "Member States and regions are already committed to support smart growth despite the unfavourable economic conditions. Almost EUR 86 billion are allocated to these policy areas, three quarters financed by the ERDF (EUR 65 billion). However, the support given to research and innovation (...) tends to be larger in more advanced regions reinforcing a virtuous circle of innovation-driven growth."<sup>13</sup>

In 2011, another Communication on **Regional Policy contributing to sustainable growth in Europe 2020**<sup>14</sup> set out the role of regional policy in implementing the Europe 2020 Strategy in the area of sustainable growth, and in particular the Flagship Initiative 'Resource Efficient Europe'.

This second document complemented the one linked to smart growth, and gave clear **messages such as that regional funds should be redirected to support structural reforms** (following the path of the conclusions of the Fifth Cohesion Report), **and called for more effective use of remaining cohesion policy resources**. Practical recommendations (including examples of good practice) were given to regions on how to use the policy to develop a resource-efficient, low-carbon, climate-resilient competitive economy.

<sup>12</sup> COM(2010) 553 final of 6.10.2010

<sup>13</sup> The above Communication included data on allocations to projects on smart growth (research and innovation including entrepreneurship and ICT) in September 2009 (EUR 22 billion or 26% of the EUR 86 billion initially planned).

<sup>14</sup> COM(2011) 17 final of 26.1.2011

This Communication also included, in its Section 2, **information on cohesion policy's contribution to sustainable growth, in terms of planned allocations:** "Approximately 30% of the total EUR 344 billion Regional funding over 2007-2013 is available for activities with a particular impact on sustainable growth. By the end of 2009, 22% of this funding for sustainable growth had been allocated to specific projects compared to 27% for the total of Regional funding. (...) At the start of this programming period, energy efficiency and renewable energy were not recognised as the priorities they are today. The financial crisis, restricted public budgets, administrative bottlenecks and insufficient technical expertise in what are relatively new areas of activity for managing authorities have all contributed to delays in these fields." **Two pillars were identified** in terms of how to increase the contribution of Regional Policy to sustainable growth during the 2007-13 programming period: **investing more in sustainable growth** (encouraging greater strategic focus on investments in sustainable growth with an emphasis on a resource-efficient and low-carbon economy) and **investing better in sustainable growth** (improving policy delivery mechanisms by reinforcing the application of sustainable development principles in the operational programmes). Again, concrete actions for both the Member State/regional level and the Commission were included in annexes to the communication.

**Both documents focused on the 2007-2013 period and stressed that major changes could only be envisaged in the context of the 2014-2020 multiannual financial framework** – a statement that seems to echo the abovementioned findings of the Flagship Initiatives study.

A similar, third document was not produced for the "inclusive growth" pillar of the Strategy, but in 2013 in a joint paper by DG Employment and DG Regio – entitled "EU Cohesion Policy Contributing to Employment and Growth in Europe" **highlighted the role of the Structural Funds, in particular the European Social Fund (ESF), in preserving employment and fighting unemployment, in particular youth unemployment, supporting the modernisation of education systems and strengthening the labour market through reforms.** It added that, together with the co-financing provided by Member States, cohesion policy accounts for a very significant proportion of growth-friendly public expenditure in Europe: "It has a short term impact reflecting the implementation of programmes and a long term impact by improving the structure of the economy. (...) The impact of cohesion policy is particularly strong in the Member States and regions which are deemed "convergence" beneficiaries of cohesion policy, but it can also be significant in Member States which are net contributors to the Community budget. This is particularly true for net contributor countries that have strong trade links with the net recipient countries and which indirectly benefit from the increase in trade triggered by the economic stimulus related to cohesion policy investments in the main beneficiaries."

The 6th report on economic, social and territorial cohesion<sup>15</sup> delivers a thorough analysis of the state of play of cohesion in Europe and its regions, and underlines, same as the 5th Cohesion Report<sup>16</sup>, that **cohesion policy has a key role to play in boosting smart, sustainable and inclusive growth in Europe** (especially taking into account the fact that in many countries the crisis and the subsequent deterioration in public finances have reduced the margin of manoeuvre for public investment).

As explained earlier, the policy in 2007-2013 was not aligned with the goals of the Europe 2020 Strategy, and therefore only approximate calculations can be made in terms of allocations of resources to the Strategy in this period. Such calculations were made in support of the drafting of the 6th Cohesion report, trying to illustrate cohesion policy's contribution to Europe 2020 goals. Theoretically, the 2007-2013 spending categories can be grouped against the 11 thematic objectives defined in the 2014-2020 programming period (the latter being directly linked to the objectives of the Europe 2020 Strategy), and if such calculations are done after closure of the programmes of the 2007-2013 period, a rough estimation of policy contribution to the Strategy (per fund) could be calculated. The limitations of such exercise should however be taken into account.

<sup>15</sup> European Commission, July 2014

<sup>16</sup> European Commission, November 2010

### Relevant research findings for further reflection

- It remains to be seen how, upon closure of the 2007-2013 period, data and information become available on the Lisbon earmarking exercise, and by when results of the spending and an overall assessment of the exercise will be available (ex-post evaluations are expected to be ready by 31 December 2015 at the latest). **It is worthwhile to reflect on the lessons learned from the "Lisbon earmarking" exercise, inter alia with a view to the scrutiny of the implementation of thematic concentration in the 2014-2020 legislative framework.**
- It remains to be seen whether the Commission will provide information on the 2007-2013 programming period in relation to the links between cohesion policy and the Strategy. Most probably a complete (ex-post) alignment of 2007-2013 data with the Europe 2020 Strategy will prove difficult (or impossible). To facilitate more accurate policy discussions about effectiveness (also in the context of the soon to start debate on post-2020 cohesion policy), it seems worthwhile to **explore and understand the realities and limitations of the available evidence about policy's contribution to overarching European objectives that in fact were set subsequently to the creation of policy frameworks.**
- Several Commission communications and reports contained a series of recommendations on links between cohesion policy and the Strategy – it remains to be seen to what extent these recommendations and actions were carried forward and whether the review takes account of these links with cohesion policy.
- The upcoming review of the Europe 2020 Strategy seems again to be happening at an "inopportune moment" in the cohesion policy cycle, as the main attributes of the European Structural and Investment Funds (ESIF/ESI Funds) are in place and programme implementation is well underway. On the one hand (and especially when it comes to potential changes in thematic/governance aspects of the Strategy), it should be clarified **whether and how this review will have an impact on the 2014-2020 programming period, or whether it will rather serve for reflections on the future of cohesion policy.** If no direct impact of the review of the Strategy on the 2014-2020 programmes is to be expected, debates in 2016 on the review might nevertheless raise elements that are important for the design of the post-2020 cohesion era.
- It remains to be seen whether and how the review will influence programme implementation, if at all. In the case of a multi-annual policy based on thorough long-term strategic planning, frequent reprogramming or changes to the rules is considered to be counterproductive and hence questionable.
- It also seems necessary to clearly establish **what is known to date about the dynamics between the delivery of the objectives of the Strategy and individual Union policy areas** such as cohesion policy. Especially, given the strong links between the Strategy and the Multiannual Financial Framework (MFF) instruments in 2014-2020, there is a need for systematic follow-up of implementation of Union policies and their results in terms of overarching strategic goals.

## 2.2. Period of 2014-2020

The relationship between cohesion policy, Europe 2020 Strategy and its governance system (European Semester) has been more **closely aligned in the 2014-2020 programming period, and this relationship is embedded in the strategic documents governing cohesion-oriented interventions (Partnership Agreements and programmes)**. Member States, when analysing the disparities, development needs and growth potential of their territories must take thorough account of the relevant country-specific recommendations (CSRs), issued in the context of the European Semester, and, where appropriate, of the National Reform Programmes (NRPs).<sup>17</sup> Moreover, **the (now five) ESI Funds are to be oriented towards 11 thematic objectives, which are directly derived from the Europe 2020 objectives**. This means that policy interventions are designed to contribute directly to Europe 2020 Strategy goals. In line with this approach, a (complex) **reporting system has also been created in such a way as to deliver input on progress made towards the Europe 2020 Strategy**:

"Member States submit annual implementation reports and progress reports on the implementation of their Partnership Agreements to enable the Commission to monitor progress. On the basis of these reports, the Commission has to prepare a strategic report on progress in 2017 and again in 2019. In order to ensure a regular strategic policy debate on the contribution of the ESI Funds to the achievement of the Union's strategy for smart, sustainable and inclusive growth, and to improve the quality of spending and the effectiveness of the policy in line with the European Semester, the strategic reports are debated in Council. On the basis of that debate, the Council provides input for the assessment presented at the spring meeting of the European Council on the role of all Union policies and instruments in delivering sustainable job-creating growth across the Union. It is also necessary to evaluate the effectiveness, efficiency and impact of assistance from the ESI Funds in order to improve the quality of design and implementation of programmes and to determine their impact."

**Source :** European Union Cohesion Policy 2014-2020, A comprehensive presentation of the legislative package and the role of the European Parliament, Secretariat of the Committee on Regional Development, European Parliament, 2014.

Finally, **the policy also has a closer link to the broader economic governance process, through the so-called "macroeconomic conditionality" measures, but also through support to Member States with temporary budgetary difficulties** (increase in payments via 10% top-up of co-financing rates and technical assistance resources transferred to the Commission, to be used to support structural and administrative reforms).

**The current programming period is in its early phase, but with most of the programming process being completed, early conclusions can already be drawn on the basis of available experience**, and it is useful and interesting to examine input and opinions from a range of sources.

In a recent "non-paper" prepared at the request of the Latvian Presidency the Commission included information on **thematic concentration** on the basis of the Partnership Agreements adopted:

"...cohesion policy resources have been redirected to priorities contributing to growth and jobs. Amounts allocated to R&I, SME support, ICT and the low-carbon economy as well as to employment, social inclusion, education and administrative capacity building for the 2014-2020 period have increased in comparison to the previous programming period, while support to basic transport infrastructure has decreased. The same applies to climate change and environment. However, the amounts allocated to climate change and environment (TO5 and 6) considered together with those allocated to the shift towards low-carbon economy (TO4) show an overall increase in investments related to environment (under TO 4, 5 and 6)."<sup>18</sup>

**Source:** Effectiveness and Added Value of Cohesion Policy Non-paper assessing the implementation of the reform in the programming for cohesion policy 2014-2020, European Commission, 2015.

<sup>17</sup> See Article 2.35, 15.1, 96.2 of Regulation (EU) No. 1303/2013 of 17 December 2013 (Common Provisions Regulation).

<sup>18</sup> TO: thematic objective, ICT: Information and Communication Technology SME: small and medium-sized enterprises

A recent EP study has found that:

"(...) it is clear that **thematic concentration will be achieved**, at least at the programming stage. There will be a significant shift in the expenditure allocations in the programmes, increasing significantly the focus on RTDI, ICT, SME competitiveness and the low-carbon economy. This is probably the most contentious area of the programming negotiations on strategic coherence (...) and it is not clear whether allocations to specific objectives advocated by the Commission will be absorbed or whether they represent the most effective use of the Funds in individual countries and regions.

(...)

Member States are **critical of the scope for balancing thematic concentration with flexibility** to support domestic priorities, especially with regard to the **very strict application of the principle by the Commission** during the negotiations."

**Source:** Strategic coherence of Cohesion Policy: comparison of the 2007-13 and 2014-20 programming periods", EPRC, University of Strathclyde, February 2014; commissioned by Policy Department B: Structural and Cohesion Policies, at the request of REGI (hereinafter Strategic coherence study).

The aforementioned Commission non-paper includes the following on relevant **country-specific recommendations**:

"Out of a total number of 157 CSRs for 2014, more than two thirds of them – namely 110 – have been considered as relevant for cohesion policy. (...) In broad terms, the CSRs that are of most relevance for cohesion policy are those concerning improvements to labour market functioning, the reform of education systems, the functioning of public administration, improvements to the business and R&I environment, social inclusion and poverty reduction, access to finance for SMEs and the functioning of network industries. However, the linkages between investments planned and the CSRs are not always straightforward. In the Partnership Agreements and programmes, some Member States have clearly flagged a CSR as part of the rationale for programme interventions. But this was not done systematically for all cohesion policy funds. Understanding how the cohesion policy fund intervention supports the policy response to the challenges identified in CSRs will depend on how Member States connected their structural reforms, better spending and the use of the cohesion policy funds through the National Reform Programmes and the ensuing programme implementation."

**Source:** Effectiveness and Added Value of Cohesion Policy Non-paper assessing the implementation of the reform in the programming for cohesion policy 2014-2020, European Commission, 2015.

And the same recent EP study arrived at the following findings (11 Member States were analysed in the context of this study):

"According to an early assessment of the PA negotiations by the European Commission, the CSRs were generally well reflected in terms of identifying development and investment needs but *'...only in some cases are the results expected from the investment supported by the funds clearly related to the CSRs specified and there is a need for more detail on the way that the CSRs concerned will be put into effect in the programmes.'*<sup>19</sup>

In fact, the detail provided on CSRs in PAs varies significantly. **Only some Member States provide a list of all CSRs**, in the form of a comprehensive table (Poland, Spain) or short bullet points (Austria), while most others mention only those CSRs that are deemed to be relevant for ESI Funds. Austria, France and Germany do not discuss CSRs to any great extent.

In France, CSRs are mentioned only sporadically in the PA, e.g. when explaining the importance of ESF interventions to respond to CSRs. A similar focus on ESF is also apparent in Austria. Portugal had not received any CSRs before the PA was submitted to the Commission as Portugal was subject to a bail-out programme with alternative mechanisms for addressing structural reform recommendations."

**Source:** Strategic coherence of Cohesion Policy: comparison of the 2007-13 and 2014-20 programming periods", EPRC, University of Strathclyde, February 2014; commissioned by Policy Department B: Structural and Cohesion Policies, at the request of REGI.

<sup>19</sup> European Commission (2014), Investment for jobs and growth. Promoting development and good governance in EU regions and cities. Sixth report on economic, social and territorial cohesion. Brussels. P. 263.

Another recent research paper by EPRC, University of Strathclyde<sup>20</sup> finds that in most Member States (on the basis of the content of the Partnership Agreements) the **results expected from the investment supported by the ESI Funds are not clearly related to the relevant CSRs, so that it remains to be seen how relevant CSRs will be taken into account in the programmes.**

As regards the thematic objectives, it remains to be seen how such objectives will be pursued and how the Europe 2020 Strategy will be supported in achieving its targets and objectives. The challenges are multifold, as the pursuit of Europe 2020 goals is to be understood in the broader cohesion objectives of the policy. In addition, the pursuit of thematic concentration is coupled with a challenging new policy framework (greater strategic coherence, result orientation, etc.).

To give an example of why the concept of thematic concentration might prove to be complex in practice, one can consider, for example, the findings of the European Court of Auditors (ECA) when it looked into support to renewable energy generation. The following observations were made, among others, by the Court<sup>21</sup>:

"The audit also found that the cohesion policy funds for RES had a limited EU added value. There has been a risk of public funding replacement in those Member States which simply used the EU funds to complement their national grants for RES as well as a risk of dead-weight. While the EU co-financing had some 'operational value added' the investment projects have not, however, helped build up managerial capacities in a significant way. Overall the use of ERDF and CF for RES has been modest in relation to the need for increased efforts to reach the EU objectives."

**Source:** Cohesion policy funds support to renewable energy generation — has it achieved good results? European Court of Auditors Special report, 2014.

One needs to take into account the reflections made by the Commission in its responses to the findings of the ECA. Moreover, the example of renewables is not to be extrapolated into an overall conclusion on thematic orientation of support; the point is more that specific difficulties linked to certain areas of intervention need to be taken into account. This in fact leads to the conclusion that **a standalone assessment of the performance of cohesion policy, when it comes to the pursuit/achievement of thematic objectives, is to be avoided. Cohesion policy is not the only vehicle with which to deliver the Europe 2020 Strategy, and when it comes to thematic areas spending has some preconditions, without which effectiveness can be seriously hampered.** This was recognised by the legislators, and has been addressed in the 2014-2020 period through, for example, ex-ante conditionalities which are preconditions directly linked to thematic objectives and investment/Union priorities of the five funds. This is also underlined in the **Council conclusions**<sup>22</sup> (which remind us that the ECA report looked into 2007-2013 conditions, and recalled that the "(...) reformed cohesion policy legislative framework already provides answers to some of the Court recommendations because it is more result-oriented and more focused on achieving higher efficiency and effectiveness through the introduction – inter alia – of a performance framework and a series of ex-ante conditionalities, while following the principle of better spending, and WELCOMES that the Court continues its comprehensive examination of projects in the field of supporting the low-carbon economy with a view to verifying whether the reformed cohesion policy will be fostering the expected results for 2014-2020 programming period." **All in all, delivery and results of thematic ambitions should be carefully monitored.**

<sup>20</sup> Prospects for Cohesion Policy in 2014-20 and Beyond: Progress with Programming and Reflections on the Future, EoRPA paper 14/4, Carlos Mendez and John Bachtler, EPRC, University of Strathclyde, January 2015.

<sup>21</sup> RES: renewable energy sources, CF: Cohesion Fund.

<sup>22</sup> Council conclusions on Special Report No 6/2014 by the European Court of Auditors: "Cohesion policy funds support to renewable energy generation – has it achieved good results?", Council of the European Union, 10 October 2014.

Finally, it should be noted that the review of the Strategy might have a "direct" impact on cohesion policy: **according to Article 12 of the Common Provisions Regulation (CPR), the Common Strategic Framework (CSF, Annex I of the CPR) might be amended in case changes are made to the Europe 2020 Strategy.**

It remains to be seen whether the review prompts the Commission to adopt such an amending proposal. **The European Parliament and the Council have the possibility to request the Commission to submit such a proposal** (Article 225 and 241 of the Treaty on the Functioning of the European Union).

### 2.3. Flagship Initiatives

Seven Flagship Initiatives were identified at the launch of the Strategy in 2010, which cover **seven policy areas and are to catalyse growth and jobs under the three priority themes of the Strategy and thus to set pathways for the achievement of European targets.**

The aforementioned Flagship Initiatives study found that there are **clear linkages between these seven policy areas and cohesion policy, and that (at the strategic level) there are no conflicts between the objectives of the Flagship Initiatives and Cohesion policy.** Nevertheless, criticism was expressed that the **Flagship Initiatives contribute only to a limited extent to the goal of cohesion**, owing to their sectoral character. Authorities consulted in the context of this study were concerned about a **weakening of the integrated territorial approach** in favour of a national and sectoral approach to programmes. The authors added that these Initiatives were designed to support the European single market, which is predicated upon Europe as a whole rather than a sum of different national territories. Moreover:

"The criticism of their sectoral approach should be contrasted with the fact that the **seven Flagship initiatives cover horizontal topics with relevance for many different sectors and all European regions.** Cohesion Policy and any other European and even national policy would do well to consider these pathways. Hence, the Flagship initiatives should be integrated into coherent Operational Programmes. The current absence of the links leads to a **low level of awareness** amongst stakeholders in the Member States regarding the Flagships and a lack of interest in aligning their programmes with the initiatives. On the other hand, 'integration' should not become 'assimilation'; implementation experience shows that **Operational Programmes tend to favour so-called 'routine projects' instead of pioneering ideas** for the sake of absorption, efficiency and the avoidance of irregularities. Considering the path-setter role of the Flagship initiatives, a symbiotic *modus operandi* must be sought.

Lastly, the three Objectives of Cohesion Policy fare differently but are complementary to the Flagship initiatives. As demonstrated in the roadmaps in **Convergence** regions with large ERDF and Cohesion Fund envelopes, **physical infrastructure investments** are possible. In comparison, in **Regional Competitiveness and Employment** regions ERDF and mainly ESF can be used to **enhance human resources** and for **specialised infrastructure**. Considering the addressed time lag between countries dominated by Objective 1 and Objective 2, the orientation of the first two Cohesion Policy Objectives seems to fit well. Objective 3 European **Territorial Cooperation can play a niche role** as mediator and facilitator for the maturation and legitimisation of Flagship initiatives topics, thus assisting their broad uptake in the 'mainstream' programmes."

**Source:** How to integrate the EU Flagship Initiatives into cohesion policy in the current and future funding periods, Metis GmbH and EPRC, University of Strathclyde, June 2012; commissioned by Policy Department B: Structural and Cohesion Policies upon request of REGI

The Flagship Initiatives study analysed the content of these initiatives and found that **with the exception of Communications on 'Industrial Policy' and 'Resource-efficient Europe', the Flagship Initiatives do refer to the Structural Funds**. Some links are highlighted between them and cohesion policy instruments, for example:

- "Digital Agenda" - links to ERDF and European Agricultural Fund for Rural Development - EAFRD;
- "Innovation Union" - links to ERDF and ESF;
- "New Skills and jobs" - links to ESF.

ERDF is in fact found to cover a broad range of relevant themes of the Flagships 'Digital Agenda', 'Innovation Union' and 'Industrial Policy', whereas 'New Skills and Jobs' and 'European Platform against Poverty' are mainly related to ESF. EAFRD and the European Maritime and Fisheries Fund (EMFF) contribute directly to topics such as innovation, improvement of ICT infrastructure, resource efficiency, support for SMEs and skills development.

Innovation Union suggests that **ERDF funding is fully exploited on the basis of smart regional specialisation strategies** and innovation initiatives. **A role of providing for training for the skills needed for the Innovation Union is attributed to the ESF**. It should be noted that with smart specialisation strategies being embedded in the 2014-2020 legislative framework (as an ex-ante conditionality), **the contribution of cohesion policy to Innovation Union could become more visible**.

This study concludes that:<sup>23</sup>

"By contrast, when considering funds and policy instruments, a fairly universal pattern is visible. Whereas Horizon 2020 is more or less a universal instrument relevant to almost all Flagship initiatives, other instruments focus on specific activities. In the sphere of Cohesion Policy, a clear division of tasks is identifiable, with ERDF covering the hard factors (i.e. physical infrastructure) and ESF encompassing the soft elements (i.e. human resources and skills). EAFRD and EFF are complementary to ERDF in their respective environments, and the Cohesion Fund assumes responsibility for some hard factors where applicable, mainly related to the Flagship 'Resource-efficient Europe'."

**Source:** How to integrate the EU Flagship Initiatives into cohesion policy in the current and future funding periods, Metis GmbH and EPRC, University of Strathclyde, June 2012; commissioned by Policy Department B: Structural and Cohesion Policies upon request of REGI

The same study notes that **linkages (in the form of references) to the Flagships were somewhat absent from the Commission's proposals on the regulations** (published in October 2011) – with the exception of the EMFF regulation, where several references were made.

It must be added that the modified proposal for the CPR, published in September 2012, which included the proposed **text of the CSF**, included a generic reference to the Flagships, thus pointing to their potential relevance in the programming process. They are also mentioned in the **ESF regulation** (recital 3)<sup>24</sup>.

Finally, in its Communication on stocktaking, the Commission presented the **state of play of implementation of the seven Flagship Initiatives**. The outlook with regard to deliverables, impact and lessons learnt is mixed: in some cases the implementation is well on track, in others the overall effects have been limited.

<sup>23</sup> EFF: European Fisheries Fund

<sup>24</sup> Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006

Among the lessons learnt, the Commission noted in the case of several of the initiatives the need for better monitoring of progress, and it seems to be a general problem that subsequent policy initiatives diverted attention from the Flagship Initiatives. In this context, the Committee of the Regions (CoR) addresses<sup>25</sup> the issue of how **the Flagship Initiatives should become a lever to enhance policy coordination at all levels and internal coordination between different EU policies**. In its 5th Monitoring Report on Europe 2020<sup>26</sup> it is pointed out that the thematic multidimensional orientation of the Flagship Initiatives has provided EU local and regional authorities with a useful framework of objectives and actions, allowing for better coordination of implementation efforts.

It should also be noted that **the Commission's stocktaking communication and the annex thereto do not relate in detail the state of play of the Strategy to specific policy areas, nor does the summary of the public consultation offer new elements in this context**. In section 2.2, reflections on the Flagships include that these, at times, served as a guide for the use of funding in the 2007-2013 period (in the case of cohesion policy, however, it does not seem to fully reflect the findings of the aforementioned Flagship Initiatives study), and also provided **a framework for the design of EU funds for 2014-2020**. For the latter, the **thematic concentration on low-carbon economy** (ERDF, Article 4 of Regulation (EU) No 1301/2013) **is given as an example**.

### Relevant research findings for further reflection

- It remains to be seen whether and how the EU 2020 review will address the implementation of the Flagship Initiatives and how Flagship Initiatives can best be carried forward, and evaluated, without creating additional layers of complexity.
- Even though the ESI Funds are geared to the Europe 2020 Strategy through the thematic objectives, there is no explicit mechanism built into the programming or the reporting provisions that would explicitly target Flagship Initiatives in terms of the contribution of ESI Funds to their delivery.
- Evidence seems to suggest that the Flagships have played a role in enhancing coordination, especially at local and regional level. It remains to be seen whether and how they will continue to play a role in fostering synergies in the 2014-2020 period.

## 2.4. Investment Plan for Europe and the European Fund for Strategic Investments in the context of the review of the Strategy

As mentioned before, coherence and synergies among different policy frameworks are of the utmost importance for several reasons: they are a prerequisite for the efficient and effective use of available (financial, administrative, etc.) resources, and are necessary for the attainment of overarching strategic objectives, such as those of the Strategy. In the 2014-2020 period, following long negotiations up to 2013 among the European Institutions, the EU budget, and hence the instruments under the Multiannual Financial Framework, are aligned with the Strategy.

It can be assumed that policy frameworks will continue to evolve in (and perhaps beyond) the context that guided the agreements in 2013. Indeed, in November 2014 the Commission published the "Investment Plan for Europe"<sup>27</sup> (hereinafter the Investment Plan) and a proposal for a new instrument, the so-called European Fund for Strategic Investments (EFSI)<sup>28</sup>.

<sup>25</sup> In its "Blueprint for a revised Europe 2020 strategy Contribution of the Steering Committee of the Committee of the Regions' Europe 2020 Monitoring Platform", a document that translates the main recommendations of the Athens Declaration into concrete proposals and represents the CoR's contribution to the review process of the Europe 2020 Strategy.

<sup>26</sup> Europe 2020 Monitoring Platform, Committee of the Regions, October 2014.

<sup>27</sup> An Investment Plan for Europe, COM(2014)903 of 26.11.2014.

<sup>28</sup> Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013, COM(2015)10 of 13.1.2015.

It should be noted that **the Communication on the Investment Plan does not make a direct link to the (review of the) Europe 2020 Strategy, but does refer on many occasions to various MFF instruments (ESIF, Horizon 2020, etc.) that are geared to it.** (Nor do the European Council conclusions on the Investment Plan refer to the Strategy<sup>29</sup>.)

The interplay between the Investment Plan and different instruments of the Union budget remains to be seen. As to how the different strategic policy processes are linked together, there are emerging views that can be taken into account in future debate. In the aforementioned Non-paper, the Commission says the following with regard to the linkages between the European Semester, cohesion policy and the Investment Plan for Europe, going beyond mere considerations on synergies and complementarities in spending available resources:

"In its Annual Growth Survey 2015<sup>30</sup>, the Commission recommends a renewed commitment to structural reforms as one of the three main pillars for the EU's economic and social policy in 2015. This is also reflected in the Investment Plan, which establishes the improvement of the investment environment as its third pillar. Both relevant country specific recommendations resulting from the European Semester and ex ante conditionalities have a key role to play in this context, as they have important positive spill-over effects from cohesion policy to the broader environment for investments."

**Source:** Effectiveness and Added Value of Cohesion Policy Non-paper assessing the implementation of the reform in the programming for cohesion policy 2014-2020, European Commission, 2015.

In its opinion adopted on 19 February 2015<sup>31</sup>, the European Economic and Social Committee (EESC) considers that the **Investment Plan (together with the Digital Single Market Package and Energy Union, all part of the Commission's work programme for 2014) directly supports the implementation of the Strategy.** Moreover, Europe 2020 and the Investment Plan should be much more closely linked, and "The main objectives of the European Semester, National Reform Programmes and the Europe 2020 strategy should finally be aligned by a long-term vision". This opinion also reflects on the need to have a better overview of investment in infrastructure and economic development programmes supported by the ESI Funds, and that these should be in line with projects under the EFSI. It seems, however, that the recommendations do not go into detail as to how interventions already embedded in Partnership Agreements/programmes can be aligned with a newly introduced instrument. **Nevertheless, the need for coordination is clearly an important message conveyed by the advisory body.**

In its own-initiative report on the 6th Cohesion Report<sup>32</sup>, REGI pointed out that under Article 175 of the Treaty on the Functioning of the European Union, Member States are to conduct and coordinate their economic policies in such a way as to attain the objectives of overall harmonious development and a strengthening of economic, social and territorial cohesion, As a consequence of this obligation, **the REGI report stressed that the Investment Plan for Europe must also contribute to these Treaty-based objectives.** Also, in this context REGI warned that "(...) the flexibility in the project selection within EFSI poses a risk to undermine the economic, social and territorial cohesion by channelling investments to more developed Member States". **The relationship between EFSI and ESIF should therefore be closely monitored.**

<sup>29</sup> European Council conclusions, 18 December 2014.

<sup>30</sup> COM(2014)0902.

<sup>31</sup> Opinion of the European Economic and Social Committee on Progress made on implementing the Europe 2020 strategy and how to achieve its targets by 2020 (exploratory opinion requested by the Latvian Presidency), Rapporteur-general: Mr Baráth, 19.2.2015.

Last but not least, it should be noted, that the **framework of cohesion policy for 2014-2020 includes an instrument that was created to facilitate synergies and coordination across Union instruments and policy areas:** "The CSF establishes strategic guiding principles to facilitate the programming process and the sectoral and territorial coordination of Union intervention under the ESI Funds and with other relevant Union policies and instruments, in line with the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, taking into account the key territorial challenges of the various types of territories."<sup>33</sup> Article 12 of the CPR (on review of the CSF) empowers the Commission to adopt delegated acts to supplement Section 4 of the CSF that includes provisions on coordination and synergies between ESI Funds and other Union policies and instruments. The aim of the provision in Article 12 was to provide the possibility to change the CSF in case new Union policies or instruments are created subsequently to the entering into force of the legislative package. **It remains to be seen whether such delegated act will be adopted by the Commission, but it seems to be the appropriate legal instrument to address relationship between the ESI Funds and the EFSI.**

### Relevant research findings for further reflection

- Different layers of policy initiatives hamper coherence, and carry the risk of creating confusion or contradiction among different levels of policy implementation. As a general concern, better coherence of Union and national policy areas, as well as coherence and synergy of future/new policy proposals, remains an issue to be monitored.<sup>34</sup> This is an aspect that is also relevant to the Commission's "Investment Plan for Europe" and the new, still to be created EFSI.
- The CSF is the instrument that provides for coordination and synergies between ESI Funds and other Union instruments. Article 12 of the CPR empowers the Commission to adopt delegated acts to supplement the CSF in case new Union policies or instruments are created. It remains to be seen whether provisions guiding coordination between ESIF and EFSI will be adopted by the Commission in the form of a delegated act.
- In terms of coherence of overarching strategic processes, there seems to be a vaguely explained link between the processes behind the Investment Plan and the review of the Strategy. The dynamic between instruments of the EU budget and the initiatives under the Investment Plan (e.g. EFSI implementation) remains to be seen, and synergies between the EFSI and the ESIF should be carefully monitored, not only in terms of the use of the available resources, but also in term of outputs and results.
- It remains to be seen how the review of the Europe 2020 Strategy will take account of the newly announced Investment Plan and its pillars.

<sup>32</sup> Report on 'Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union', (Rapporteur: Tamás Deutsch), 2014/2245(INI), adopted on 5.05.2015.

<sup>33</sup> Article 10, CPR

<sup>34</sup> The confusing element of the complexity of different policy proposals and papers was clearly voiced in a briefing note entitled "Increasing competitiveness and sustainability of the EU: implementing the EU 2020 strategy by fostering innovation, longterm investment for jobs and growth ", By Re-Define, commissioned by Policy Department A for the CRIS temporary committee in February 2011.

### 3. RESPONSIBILITY AND OWNERSHIP DIMENSIONS OF THE STRATEGY

#### 3.1. Governance of the Strategy

This angle of the analysis, requested by REGI, looks at governance aspects. The Strategy focuses in the first place on the Union and Member State level but the role of local and regional authorities, and potentially of other stakeholders, should not be underestimated.

The European Semester is the specific process that is to ensure that Member States keep their budgetary and economic policies in line with their EU commitments (commitments under the Stability and Growth Pact, economic reform plans enshrined in country-specific recommendations and the long-term growth and jobs targets in the Europe 2020 Strategy). **The semester aims also to increase political ownership, accountability and acceptance across Member States and to improve the implementation of CSRs.** As explained earlier (see Chapter 2.2), it is especially in the 2014-2020 programming period that **cohesion policy has been strongly aligned to these processes (although awareness of this fact outside the cohesion policy arena might be low).**

As shown earlier, the evidence seems to suggest that, especially at its launch, ownership of the Strategy was low and, especially, that links between the Strategy and cohesion policy instruments were not recognised at Member State level. Moreover, research findings seem to suggest **that the multi-level governance approach of cohesion policy should be carefully analysed when it comes to implementation of projects in different thematic fields** (as concentration on thematic areas is the crucial aspect of alignment with Europe 2020). As pointed out earlier, a recent ECA report has shed light on specific difficulties when it comes to thematic concentration of funds and their added value in a given area.

In this context, the **Flagships Initiative study found that no generalisation about the best mix of governance levels is possible when it comes to project implementation:** apart from the usual bottom-up versus top-down comparisons, success also depends on how certain thematic fields and allocations are managed in a given territory. In certain thematic areas broader coordination of locally and regionally available resources is necessary. This study found that **in the case of the Lisbon agenda, matching it with national policies and developing "ownership" at national and regional level remained a concern:**<sup>35</sup>

"Although at the **central level**, the people involved were aware of the provisions of the strategy and were able to respond to it in their programming documents, in some cases **Lisbon codes** were matched to existing strategies **ex post**. This was especially the case for the EU-12 and some EU-15 Member States, where **hard infrastructure projects are favoured** or inherited from the previous period, whereas many EU-15 Member States focus on soft projects, much more aligned to the spirit of Lisbon. For Member States in great need of hard infrastructure, the overall Lisbon process might have been regarded as a high-level intellectual exercise that had with little practical value and was too abstract.

The **involvement of LRAs** in the implementation of the Operational Programmes has been dependent on the thematic field and the political environment. Particular 'hard' projects have been **centrally managed** or implemented via specific non-governmental agencies.

Local and regional authorities have been deemed to be over-**bureaucratic** and **lacking capacity and experience** in thematic fields."

How to integrate the EU Flagship Initiatives into cohesion policy in the current and future funding periods, Metis GmbH and EPRC, University of Strathclyde, June 2012; commissioned by Policy Department B: Structural and Cohesion Policies upon request of REGI

<sup>35</sup> LRA: local and regional authorities.

The above findings are nuanced with details showing that although the involvement of regional- and local-level actors has been described as intensive in all programmes, there is a **distinction between the involvement of LRAs in the programming phase and in the implementation phase**. It depends on the Operational Programme (regional or national) and on the thematic fields: for example, programmes dealing with **social and labour market issues** in the ESF depend on **local-level** implementation, whereas for projects in the field of **social inclusion** a more **bottom-up approach** is required to reach the right target groups.

**The question of whether and how deep an understanding regional and local levels need about strategies, objectives and targets and the broader background to budget allocations cannot be fully answered.** Individuals at regional and local level who are directly involved with beneficiaries are sometimes confronted with politically delicate situations, and the **study concludes that** "strategies and objectives should be presented at the local level in such a way that local actors can 'sell' the necessary aspects of the strategy 'message' directly to the community."

Even though the above **considerations linked to the Lisbon Agenda seem somewhat distant in time, one should not underestimate their relevance.** As mentioned earlier, in its resolutions of 2010 and 2011 the EP stressed the importance of governance: to achieve results, national, regional and local levels of governance must be of high quality and accountability, and stakeholders also need to play a key role in the delivery mechanism of the Strategy.

In its opinion on the Commission's stocktaking Communication<sup>36</sup>, **the EESC states that the "main problems" of the Strategy** are "in the areas of governance, the targets set, civil society participation and its implementation". (It seems that problems are detected by the advisory body across the board from conception of the Strategy to its implementation.) The governance system is criticised to be weak and not effective in making sure that Member States pursue their targets. Moreover, it is considered that the governance system itself "has formalised a structural distortion in which economic aspects take precedence over social and environmental governance, subordinating the Europe 2020 targets to the macro-economic priorities of the European Semester". In addition, the European Semester itself "has often set priorities that do not effectively contribute to achieving the Europe 2020 strategy's targets." Finally, it is considered that the Strategy does not involve organised civil society adequately at either national or European level. (The latter might be an element contributing to the lack of awareness of the Strategy in Member States.) **The EESC considers that the multi-level governance approach should also be applied to the Strategy.**

In its extensive work in the context of the Europe 2020 Monitoring Platform, the CoR has found that the situation with regard to the Europe 2020 Strategy is quite positive, but the certain concerns remain relevant in some regions and cities:

---

<sup>36</sup> Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth, Rapporteur: Stefano Palmieri, 15 October 2014, SC/039.

"Under different constitutional layouts, and with varying degrees of competences and resources, LRAs in the EU play a key role in most policy areas encompassing the Europe 2020 strategy, be it research and development, innovation, education and sustainable environment policies or others. After almost four years, a CoR consultation found that Europe 2020 helped them to improve their priority setting and to make measurable progress. The Flagship Initiatives encouraged many respondents to adopt policy programs in line with their goals.

A number of LRA are actively designing and implementing own Europe 2020 local/regional holistic development strategies. For them, the strategy has created a framework for stimulation, inspiration, participation and exchange. In some cases, they have adopted governance systems based on participation of stakeholders, also in target-setting, as well as forms of vertical coordination between levels of government. Other regions and cities are less involved, more distant from Europe 2020, which they perceive as abstract, setting unrealistic targets. This might be due to different reasons, such as a lack of vertical coordination between levels of government, policy cycles and budgets; a lack of resources and/or administrative capabilities, the difficulty to cope with related administrative burden."

**Source:** A mid-term assessment of Europe 2020 from the standpoint of EU cities and regions, for the Committee of the Regions by Ecologic Institute, Institute for Managing Sustainability and ICLEI – Local Governments for Sustainability, February 2014.

**The CoR suggests (similarly to the EESC) that the delivery of the Europe 2020 Strategy and its governance process should "take over" the multi-level governance approach of cohesion policy.** As an example of strategic planning, the creation of Partnership Agreements and programmes is given, along the lines of which **future national and regional Europe-2020-related targets and roadmaps could be created, but with better involvement of different levels of governance.** Recommendations include that NRPs should be designed, implemented, monitored and evaluated in partnership by all levels of government and other relevant stakeholders. The NRPs, Annual Growth Survey and CSRs should include a specific governance section highlighting the role of LRAs. In addition, CSRs should address different territorial levels (and thus acknowledge territorial differentiations within a given Member State), an approach which should be reflected in territorially differentiated targets. Regions should be given the opportunity to give input to the NRPs through either "Regional Reform Programmes" or similar documents (which could build on Regional Development Strategies, Smart Specialisation Strategies and Operational Programmes). Finally, it is recommended that "Regional Jobs Plans" should complement, and contribute to, the National Jobs Plan. All in all, **multi-level governance tools should become customary in all phases of the implementation of the Strategy**, from target-setting down to implementation, monitoring and evaluation (through negotiated arrangements such as Territorial Pacts).

**The justification given by the CoR for introducing stronger multi-level governance arrangements into the Europe 2020 governance system is that cohesion policy spending, the largest share of the EU budget directly geared to Europe 2020, is based on strategic documents that are a result of thorough planning for cohesion, growth and jobs.** In accordance with the Partnership principle<sup>37</sup>, LRAs have needed to be heavily involved in the cohesion programming process (how it happened in practice remains to be seen, but the expert input of the Strategic coherence study seems to suggest that it was broadly adhered to).

<sup>37</sup> Article 5 of Regulation 1303/2013 (Common Provisions Regulation).

The programming process of the ESI Funds targets the same territory along the same strategic goals as the Europe 2020 Strategy, and **the experience accumulated in ESIF programming should therefore be used when setting and reviewing national (regional?) targets under the umbrella of the Strategy.**

A careful balance needs to be found, however, between the ambitious evolution of policy processes and the learning capacity of administrations; the **CoR itself underlines that administrative capacity and innovation in the public sector should be strengthened to this end.**

In fact, a more recent CoR paper – **the 5th CoR Monitoring Report on Europe 2020 (October 2014) – includes positive developments in this context**, namely that "Multilevel governance arrangements are being adopted in several EU countries to implement the Europe 2020 Strategy." These arrangements are diverse, as they reflect regional specificities and differences in the Member States' institutional framework. Despite the differences, **common elements in such multi-level governance arrangements can be detected:** policy coordination, sufficient institutional capacity, active mobilisation of stakeholders through governance modes (from informal approaches to contractual arrangements) and pragmatic arrangements (to actually implement a policy), involvement of both administrative and political stakeholders. Moreover, this document adds that "the 2014 CSRs (though not the accompanying Communication) acknowledge the existence of territorial disparities between and within Member States and the need to improve coordination and cooperation between levels of government."

Finally, the abovementioned CoR mid-term assessment paper confirms what has been mentioned before: that a majority of the 1 059 participants in the latest consultation by the CoR found that **the Europe 2020 Strategy helped them improve priority-setting and make measurable progress.** A number of local and regional authorities acknowledged in the CoR's consultation that although the strategy has provided a long-term framework for action, and a framework for benchmark and exchange of knowledge, **the top-down, uniform and abstract approach of target-setting has undermined the adequacy and relevance of the targets at local and regional level.** This approach was considered to be **"territorially blind"**, to disregard the territorial specificities, potentials and weaknesses of European regions, and in general to undermine Europe 2020's objectives. Such an approach could even worsen regional disparities, increase territorial vulnerabilities and thus prevent the full development of a sense of responsibility and 'ownership' of the strategy at regional and local level.

In terms of pursuing the targets and objectives, **the introduction of a longer-term approach and return to Europe 2020 goals into the documents of the European Semester** is also advocated by the CoR. The mid-term assessment paper concluded that **European Semesters from 2011 to 2014 focused on short-term issues**, and that attempts to support long-term growth and investment were overwhelmed by the urgency of short-term fiscal consolidation. With respect to 2013, progress was noted in the 2014 CSRs in the sense that these make increased reference to Europe 2020, putting stronger emphasis on long-term measures. (However, the Flagship Initiatives are almost never mentioned explicitly).

### Relevant research findings for further reflection

- It is worthwhile exploring how the rather top-down approach of the Europe 2020 Strategy and the multi-level nature of cohesion policy (and the involvement of diverse stakeholders through the partnership principle) can benefit from/complement each other, or whether this difference remains an inherent difficulty when it comes to implementation.
- The CoR/EESC documents do not provide details on the feasibility of its proposals, but when it comes to putting them into practice, obviously **a process would need to be developed and steered in order to manage systematic contributions from subnational level actors** – which poses the question whether there is the political will to implement such proposals in the Member States and regions, and whether there is the necessary administrative capacity (and time to run these processes ahead of decisions taken) available to manage strategic processes in a new way.

### 3.2. Visibility of cohesion policy in the context of debates related to the European Semester

As explained earlier, strong links have been established between cohesion policy, the Europe 2020 Strategy and the broader economic governance processes; these links are included in several provisions in the legislative framework of cohesion policy. It is to be expected that debates and reflections on the policy will thus also include elements of great relevance for the Strategy. As of today, it seems that the debates are not reciprocal: the European Semester seems to include little consideration of cohesion/territorial issues. This might be partially due to the debates being staged in different fora both at both EU and national level (different Council formations, Commission Directorate Generals/Commissioners, EP committees, ministries).

The key EP players in the annual debate in the context of the European Semester are the committees on Economic and Monetary Affairs (ECON) and on Employment and Social Affairs (EMPL), with other interested committees having the opportunity to give an opinion. In the first phase there is usually an own-initiative report drawn up by ECON (lead committee) on the European Semester process of the current year, and EMPL acts as associated committee with exclusive competence on employment and social issues. In the second phase, the two committees prepare separate reports, but with a harmonised timetable enabling them to arrive together in plenary (a third piece of relevant input in the process is an report of the Committee on Internal Market and Consumer Protection on the governance of the single market). This second report is prepared ahead of the Annual Growth Survey of the coming year. REGI has the possibility of delivering an opinion for the above reports. In the previous legislature REGI contributed to the above processes on a number of occasions:

Procedure number	Title	Lead committee
2011/2071(INI)	The European Semester for economic policy coordination	ECON
2012/2257(INI)	European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2013	EMPL
2012/2256(INI)	European Semester for economic policy coordination: Annual Growth Survey 2013	ECON
2013/2134(INI)	European Semester for economic policy coordination: implementation of 2013 priorities	ECON

**Source:** Committee on Regional Development Report of Activities, The Seventh Term (July 2009 – June 2014)

In its recommendations in the context of the previously mentioned mid-term assessment of the Europe 2020 Strategy, the CoR advocated that a regular annual debate should take place in REGI in September on the "State of local and regional authorities in Europe" as part of the dialogue between the EP and the Commission.

The presence of directly cohesion-policy-related elements in broader debates (on economic governance and on the European Semester) is also linked to the long-debated issue of cohesion policy being accorded a specific Council formation, as advocated also by the EP on several occasions<sup>38</sup>. In its own reflections the Council (taking into account the reporting and monitoring requirements established by the 2014-2020 ESIF regulations) recently advocated that, in order to discuss the implementation and results of the ESI Funds, a regular debate in the General Affairs Council should take place with the participation of relevant ministers.<sup>39</sup>

### **Relevant research findings for further reflection**

- It remains to be seen whether the review brings out new elements as regards the target-setting and governance aspects of the Strategy. At present cohesion policy and its instruments seem on many occasions to have limited visibility, even though they are relevant to the entire territory of the EU and aligned with the Europe 2020 Strategy, not to mention their weight in the EU budget.
- It remains to be seen whether the contribution of cohesion policy to the Strategy and its linkages to economic governance will result in more visibility in broader policy debate. It also remains to be seen how the debate in REGI will address European Semester/Europe 2020 Strategy/economic governance-related issues, and how the committee will be present in such debates in the future in the broader context of the EP.

<sup>38</sup> For example: Paragraph 45 of the European Parliament resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of the debate on the future reform of cohesion policy, P6\_TA(2009)0163 or the REGI Report on 'Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union', (Rapporteur: Tamás Deutsch), 2014/2245(INI), adopted on 5.05.2015. (at the time of writing awaiting plenary vote)

<sup>39</sup> Council conclusions on the Sixth report on economic, social and territorial cohesion: investment for jobs and growth, 19 November 2014.

## 4. TERRITORIAL DIMENSION OF THE STRATEGY

### 4.1. On the concept of territorial dimension

A "Territorial dimension" might seem to be a somewhat theoretical or rather detached concept, whereas it is in fact deeply relevant, and should not be disregarded in policy design and implementation, as in fact all policies are implemented "on the ground" and have consequences for the lives of citizens and organisations in regions and localities. **Reflections could well be guided by the questions asked in a report based on the Territorial Agenda 2020** (TA 2020) prepared at the request of the Polish Presidency<sup>40</sup>: What is the role of territory in achieving the goals of "Europe 2020"? How the EU territory should be developed: through a mix of sectoral policies or rather by accepting a place based approach as suggested by Barca? What type of European territory would we like to have in the future? Should we simply accept the "inevitability" of uneven territorial development or, on the contrary, should an ambitious policy be carried out to provide equal opportunities for regions all across the EU? To what extent can the EU territorial cohesion model contribute to the achievement of both of the goals inscribed in the Treaty and, over the next decade, "Europe 2020" goals?

These questions are more relevant than ever, and the quest to find answers strongly marked the negotiations on the 2014-2020 legislative framework for cohesion policy. **An additional question to be asked is whether and to what extent answers are being sought in other policy areas: the Union goals of cohesion are not to be delivered exclusively through cohesion policy interventions.** In this context, it seems worthwhile exploring briefly what is meant by the territorial dimension of policies. There are several approaches to how to consider territorial elements in developing policies and their various instruments:<sup>41</sup>

- **Spatially blind** policy-making that does not distinguish between territories, focus is on homogeneous implementation everywhere and the basic assumption is that policies largely follow economic developments and should reinforce positive developments. The article states that the **Europe 2020 Strategy might be seen as an example of such a policy.**
- **Spatially targeted** policy-making that reflects territorial diversity and does not usually consider existing territorial patterns to be necessarily optimal. It attempts to adjust public interventions and investments to different territorial characteristics.
- **Place-based policy-making** (as developed by Barca<sup>42</sup>) goes beyond spatially targeted policy-making, as it does not equate "place" with administrative units, puts a strong focus on the involvement of important local and regional decision-makers and opinion-makers (vertical integration), advocating a strong multi-level governance approach and the necessary dialogue among sectoral policy areas (horizontal integration). The article states that **TA 2020 might be regarded as place-based.**

<sup>40</sup> How to strengthen the territorial dimension of "Europe 2020" and the EU Cohesion Policy, Report based on the Territorial Agenda 2020 prepared at the request of the Polish presidency of the Council of the European Union, Warsaw, September 2011, Kai Böhme, Philippe Doucet, Tomasz Komornicki, Jacek Zaucha, Dariusz Świątek.

<sup>41</sup> Doucet Philippe, Kai Böhme & Jacek Zaucha, EU territory and policy-making: from words to deeds to promote policy integration, Debate article, January 2014, European Journal of Spatial Development.

<sup>42</sup> An Agenda for a reformed cohesion policy, A place-based approach to meeting European Union challenges and expectations, Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy by Fabrizio Barca, April 2009.

The **Fifth report on economic, social and territorial cohesion included a detailed overview of the territorial impact** of different EU policies, grouping them according to the presence or absence of a spatial dimension of the given policy area. It is noted that whether policies have (an explicit or partial) spatial dimension or not, they can still have a territorial impact. In some policy areas territorial impact is asymmetrical and requires concrete steps to ensure more equal distribution of costs and benefits. To be able to design policies in a way that takes into account territorial "externalities" (be they positive or negative), **a greater awareness of territorial impacts would clearly be needed. To this end, the territorial dimension of impact assessment of policies should be enhanced, at both EU and Member State level.** (Territorial impact assessment could be included in the ex-post assessment of policies.) This requires methodological fine-tuning, and the results of the work of the European Observation Network for Territorial Development and Cohesion (EPSON), which was also welcomed by the EP, could be built upon (for example, the report on EATIA, ESPON and Territorial Impact Assessment of 29/06/2012, or the report on ESPON ARTS, Assessment of Regional and Territorial Sensitivity of 30/07/2012). The EP showed strong support for this analytical approach and stated, for example in the context of a resolution on urban dimension<sup>43</sup>, that there is a need for a **better understanding of the territorial impact of policies**, and called on the Commission to proceed with a territorial impact assessment of sectoral policies and to extend the existing impact assessment mechanisms. **This analytical approach by the 5th Cohesion Report was unfortunately abandoned in the Sixth Report on Cohesion, a fact noted with concern by REGI** in its aforementioned own-initiative report.

An **interesting attempt to look at the Europe 2020 Strategy from a territorial point of view** was made by ESPON in "SIESTA Spatial Indicators for a 'Europe 2020 Strategy' Territorial Analysis" (ESPON & Universidade de Santiago de Compostela, 2012), a document which, according to its Foreword, "is not a usual Atlas, but a document **attempting to translate a written strategic plan which lacks any spatial representation** into a consistent collection of maps." This Analysis showed the regional and, when possible, urban dimension of the Strategy, and reached the conclusion that achieving the targets of the strategy is "far from near" from both a temporal and a spatial point of view. As regards the spatial dimension, it was demonstrated that **the dimensions of growth identified in the strategy (smart, sustainable, inclusive) are territorially uneven, and the divides between territories in the EU are noticeable and in some cases dramatic.** Even though the verifications remained at a general level in this research work, conclusions for policy makers could be drawn, to the effect that **policies fostering growth differ to a great extent between regions and cities.**

Given the reality of spatial differences and their influence on results and their impact on policy implementation, it seems important to trigger a move towards a more place-based approach. However, the question is whether there is a methodology for doing this, and there seems to be no uniform answer. With regard to the territorial dimension of the Europe 2020 Strategy, the following option is explained in the article about EU territory and policy-making, referred to earlier, with regard to how to tailor a place-based approach to different planning systems:

"An interesting option has been proposed by McCann (2011) i.e. integrated regional typology covering smart, inclusive and sustainable growth in line with the Europe 2020 Strategy. The main advantage of this approach is a clear demonstration of differences in the mix of challenges and opportunities that different regions face. The priorities of developmental policies should be differentiated accordingly. Interestingly, policy integration is clearly also on the agenda in the 'Europe 2020' strategy (EC, 2010), be it for the country reporting system (which needs to 'ensure an integrated approach to policy design and implementation') or for the 'integrated guidelines'. However, this integration would encompass a limited number of policies only, namely the budgetary, economic and employment policies. Nothing is said, for example, about environmental, transport and energy policies, despite their relevance for various "Europe 2020" priority themes and flagship initiatives."

**Source:** Doucet Philippe, Kai Böhme & Jacek Zaucha, EU territory and policy-making: from words to deeds to promote policy integration, Debate article, January 2014, European Journal of Spatial Development.

<sup>43</sup> European Parliament resolution of 23 June 2011 on European Urban Agenda and its Future in Cohesion Policy, OJ C 390 E, 18.12.2012, p. 10.

The aforementioned report, prepared at the request of the Polish Presidency, claims that **the territorial approach is necessary when it comes to the achievement of the Europe 2020 objectives** in order to "identify potential and specific assets/handicaps of each territory, and then to highlight what specific actions need to be taken in each city/region." It adds that in fact **in many EU Member States development strategies combine spatial and socio-economic considerations, and that the same could be done at EU level by mutually reinforcing the approach taken in Europe 2020 and in the Territorial Agenda 2020 process.** (In addition, as also advocated by the CoR<sup>44</sup>, it is essential to create synergies between the urban agenda and the territorial dimension of the EU 2020 Strategy.) It should be noted, that although the **TA 2020 document has an informal status, it could still be a relevant reference document when it comes to addressing the territorial dimension of EU policies, and the Europe 2020 Strategy.**

And again, the seemingly detached concepts can be translated into quite valid realities: in its paper on different scenarios<sup>45</sup> ESPON **examined the consequences of competitiveness becoming the central focus of policies, and the answer found in the research was that it leads to centralisation.** In terms of reaching the Europe 2020 goals, it might well mean **that aggregate levels of indicators might show success** (for example in terms of employment or innovation), whereas **the divide inside Member States or inside the EU might grow, and the areas lagging behind would not deliver.** The aforementioned report based on the Territorial Agenda 2020 adds to this finding that "In reality, however, the possible territorial outcome/impact of Europe 2020 is far from clear". It remains difficult to make forecasts without a more transparent territorial dimension of the Strategy. Moreover, "in its current state the strategy is territorially blind", which requires complementary corrective policy action through cohesion policy. The report also includes the following explanation, should the territorial dimension be considered more from the angle of pursuing **economic growth and competitiveness**:

"The Europe 2020 underestimates the impact of territorial structures on smart, sustainable, inclusive growth. Such notions as accessibility, functional areas, territorial capital and services of general economic interest are not even mentioned in the document while networks are limited to transport and infrastructure. Conversely, the TA 2020 frequently refers to smart, sustainable and inclusive growth but fails to present concrete predictions about how this growth might reshape the EU territory in the long run." Economic growth takes place in distinct territories. (...) For instance, decisions about functioning urban agglomerations directly influence the competitiveness of enterprises. (...) The improvement of the settlement pattern and other aspects of the spatial structure can result in significant agglomeration economies and lower costs of moving goods, people and ideas."

**Source:** How to strengthen the territorial dimension of "Europe 2020" and the EU Cohesion Policy, Report based on the Territorial Agenda 2020 prepared at the request of the Polish presidency of the Council of the European Union, Warsaw, September 2011, Kai Böhme, Philippe Doucet, Tomasz Komornicki, Jacek Zaucha, Dariusz Świątek.

One can conclude that, no matter whether account is taken of it or not, **in reality a given region/community /territory is subject to the impact of diverse policy interventions, which are often interdependent. The targets and related actions proposed under the Europe 2020 Strategy are no exception to this – but there is no reflection in the current Strategy on how to deal with such impacts.**

<sup>44</sup> Towards an Integrated Urban Agenda for the EU, Opinion of the Committee of the Regions, 19.8.2014.

<sup>45</sup> ESPON project 3.2, Spatial Scenarios and Orientations in relation to the ESDP and Cohesion Policy, October 2006.

**Cohesion Policy cannot and should not be seen as a stand-alone EU policy impacting territories and responsible for the achievement of economic, social and territorial cohesion and the Europe 2020 goals** (reflecting on the performance of cohesion policy is especially doubtful when in parallel sectoral policy interventions have a counterproductive effect on the development of a given area). **Ideally, the situation should be avoided where the impact of different policies is negative or they severely diminish each other's performance, and close coordination is therefore required among different policy areas.**

The above concerns were an important element during the **debate in REGI on the 6th Cohesion Report**. In its report, REGI recalled the new tools (integrated territorial investments, community-led local development, etc.) that could contribute to balanced territorial development, and highlighted the importance of assessing the territorial impact of EU policies and of creating greater awareness of such impacts in the legislative processes. In this context, REGI also called for a strengthening of the EU Territorial Agenda 2020.

The fact that **in the 2014-2020 programming period** (1) five funds and through them several policy areas are more closely aligned and coordinated through a series of common provisions, and (2) a Common Strategic Framework provides input for coordination with instruments of other policy areas, an element to be addressed in Partnership Agreements and through reporting, could be considered as **a very interesting "policy-laboratory", and the lessons and challenges of such closer coordination, including its impact in the territories, should be closely monitored**. As a first input, the aforementioned Strategic Coherence Study found that in several Member States **ministries and authorities active in these different policy areas have been prompted to establish closer cooperation during preparation of the Partnership Agreements and programmes**.

### Questions for further reflection

- Understanding should be deepened about existing knowledge on how territorial aspects are among the factors of economic growth.
- How could and should the TA 2020 and Europe 2020 review processes (and the development of the Urban Agenda) be coordinated in reality? With the postponement of the review of the Europe 2020 Strategy towards the end of 2015, the momentum seems to be given to create more synergies between the Strategy and the Territorial Agenda, and even more so since the review of the TA 2020 is also on the policy agenda in the coming months, under several presidencies.
- To what extent does the 2014-2020 cohesion policy framework offer innovations and positive examples in terms of integrating/deepening/addressing the territorial dimension? Is there any other positive attempt to be seen in the other policy areas (beyond those covered by the ESI Funds) in this respect?
- Should the review of the Europe 2020 Strategy address territorial impacts and give guidance on how to deal with them?

## 4.2. Indicators (targets)

Monitoring and evaluation is a central element of any strategy, and to make it happen, appropriate indicators are necessary, with clearly established baseline values and targets. Criticism has been voiced, including by the CoR's Europe 2020 Monitoring Platform<sup>46</sup>, about the **lack of regionally (territorially) differentiated targets of the Europe 2020 Strategy** and, in relation to this, about the **lack of regional statistics (NUTS 2 and 3 levels<sup>47</sup>) for Europe 2020**. The result is that **a territorially diversified follow-up of the impact and delivery of the Europe 2020 Strategy is difficult**.

Monitoring seems to remain largely at the aggregate national/Union level. In the aforementioned recently published Eurostat document on Europe 2020, very few regional (all on NUTS 2) level indicators are presented, and not in all themes of the analysis: employment rate, gross domestic expenditure on R&D, early leavers from education and training, tertiary educational attainment. The country profiles included in the document are not broken down to regional level. On the other hand, DG Regio on its website has published "country factsheets" in **which national and regional Europe 2020 indicators are presented**, so that "distance to target" (national and EU level) is more visible when it comes to individual regions inside a Member State.<sup>48</sup>

The CoR points out<sup>49</sup> that a **statistical gap such as this is a major challenge to the multi-level governance approach of the Strategy**. It is advocated that work should be stepped up in this respect by the Commission, Eurostat, Joint Research Centre, ESPON and the Organisation for Economic Co-operation and Development. Moreover, with regard to territorially differentiated targets, it is recommended that these be set in partnership by all levels of government, mixing a top-down and a bottom-up approach, and that all regions contribute by setting at least a limited number of quantitative targets or setting a qualitative approach of a "path to change" contributing to the targets.

The above reflections are nuanced by the aforementioned **EESC opinion** on the stocktaking communication, which stresses the need to **go beyond quantitative measurement of targets and to use qualitative assessment as well**: "use should also be made of qualitative indicators such as the type of innovations brought to the "market", and the quality of the jobs created." The setting up of a monitoring system is recommended, which would be based on indicators "that take account of households' disposable income, the quality of life, environmental sustainability, social cohesion and the health and overall well-being of present and future generations." Whilst the reflections on alternative or complementary indicators are of the utmost importance, the **difficulties encountered when trying to define indicators** that can measure strategic progress across the territory of the EU should not be underestimated.

<sup>46</sup> For example, 5th Monitoring Report on Europe 2020, Europe 2020 Monitoring Platform, Committee of the Regions, October 2014.

<sup>47</sup> NUTS: Nomenclature of territorial units for statistics/ Nomenclature des unités territoriales statistiques

<sup>48</sup> [Country profiles - key indicators, 2015](#)

<sup>49</sup> An Indicator for Measuring Regional Progress towards the Europe 2020 Targets, report for the Committee of the Regions, by Tanja Srebotnjak, Albrecht Gradmann, Lucas Porsch (Ecologic Institute) and Markus Hametner (Research Institute for Managing Sustainability), June 2014.

### **Questions for further reflection**

- It remains to be seen whether the issue of territorially differentiated targets and indicators is addressed in the review of the Strategy, and what baselines are taken into account for its further delivery.
- It seems necessary to step up debate and reflections on appropriate indicators that measure progress, or at least nuance the understanding of "smart", "sustainable" and "inclusive" growth".
- Is it possible to streamline the experience (setting of objectives during the cohesion policy programming process and the finalisation of the Partnership Agreements) with a review (territorial breakdown) of the targets set under the Europe 2020 Strategy? What would this entail in terms of administrative burden?

## REFERENCES

- Barca, Fabrizio (2009) An Agenda for a reformed cohesion policy, A place-based approach to meeting European Union challenges and expectations, Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy, April 2009.
- Böhme, Kai; Doucet, Philippe; Komornicki, Tomasz; Zaucha Jacek; Świątek, Dariusz (2011) How to strengthen the territorial dimension of "Europe 2020" and the EU Cohesion Policy, Report based on the Territorial Agenda 2020 prepared at the request of the Polish presidency of the Council of the European Union, Warsaw, September 2011.
- Committee of the Regions (2014) A mid-term assessment of Europe 2020 from the standpoint of EU cities and regions, author: Ecologic Institute, Institute for Managing Sustainability and ICLEI – Local Governments for Sustainability, February 2014.
- Committee of the Regions (2014) An Indicator for Measuring Regional Progress towards the Europe 2020 Targets, author: Tanja Srebotnjak, Albrecht Gradmann, Lucas Porsch (Ecologic Institute) and Markus Hametner (Research Institute for Managing Sustainability), June 2014.
- Committee of the Regions (2014) Towards an Integrated Urban Agenda for the EU, Opinion of the Committee of the Regions, 19.8.2014.
- Committee of the Regions (2014) 5th Monitoring Report on Europe 2020, Europe 2020 Monitoring Platform, October 2014.
- Committee of the Regions (2014) Blueprint for a revised Europe 2020 strategy Contribution of the Steering Committee of the Committee of the Regions, 21.11.2014.
- Council of the European Union (2014) conclusions on Special Report No 6/2014 by the European Court of Auditors: "Cohesion policy funds support to renewable energy generation – has it achieved good results?", 10 October 2014.
- Council of the European Union (2014) conclusions on the Sixth report on economic, social and territorial cohesion: investment for jobs and growth, 19 November 2014.
- Doucet Philippe; Böhme, Kai; Zaucha, Jacek (2014) EU territory and policy-making: from words to deeds to promote policy integration, Debate article, European Journal of Spatial Development, January 2014.
- ESPON (2006) ESPON project 3.2, Spatial Scenarios and Orientations in relation to the ESDP and Cohesion Policy, October 2006.
- European Commission (2010) Lisbon Strategy evaluation document, Commission Staff Working Document, SEC(2010),114 final, Brussels, 2.2.2010.
- European Commission (2010) Europe 2020 – A strategy for smart, sustainable and inclusive growth, COM (2010)2020 final of 3.3.2010.
- European Commission (2010) Regional Policy contributing to smart growth in Europe 2020, COM (2010)553 final of 6.10.2010.
- European Commission (2010) 5th report on economic, social and territorial cohesion, November 2010.
- European Commission (2011) Regional Policy contributing to sustainable growth in Europe 2020, COM(2011)17 final of 26.1.2011.

- European Commission (2011) Proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability, COM (2011)482 final of 1.8.2011.
- European Commission (2011) Proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability, COM (2010)655 final of 12.10.2011.
- European Commission (2013) EU Cohesion Policy Contributing to Employment and Growth in Europe, July 2014.
- European Commission (2014) Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth, COM (2014)130 final of 5.3.2014.
- European Commission (2014) 6th report on economic, social and territorial cohesion, July 2014.
- European Commission (2014) An Investment Plan for Europe, COM(2014)903 of 26.11.2014.
- European Commission (2015) Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013, COM(2015)10 of 13.1.2015.
- European Commission (2015) Results of the public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth, COM(2015)100 of 2.3.2015.
- European Commission (2015) Effectiveness and Added Value of Cohesion Policy Non-paper assessing the implementation of the reform in the programming for cohesion policy 2014-2020.
- European Council (2014) European Council conclusions, 18 December 2014.
- European Court of Auditors (2014) Cohesion policy funds support to renewable energy generation — has it achieved good results? European Court of Auditors Special report, 2014.
- European Economic and Social Committee (2015) Opinion on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth, 15 October 2014.
- European Economic and Social Committee (2015) Opinion on Progress made on implementing the Europe 2020 strategy and how to achieve its targets by 2020 (exploratory opinion requested by the Latvian Presidency), 19.2.2015.
- European Parliament (2009) resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of the debate on the future reform of cohesion policy, P6\_TA(2009)0163.
- European Parliament (2010) resolution of 10 March 2010 on EU 2020, P7\_TA(2010)0053.
- European Parliament (2010) resolution of 16 June 2010 on EU 2020, P7\_TA(2010)0223.

- European Parliament (2011) resolution of 17 February 2011 on Europe 2020, P7\_TA(2011)0068.
- European Parliament (2012) resolution of 23 June 2011 on European Urban Agenda and its Future in Cohesion Policy, P7\_TA(2011)0284.
- European Parliament (2012) Increasing competitiveness and sustainability of the EU: implementing the EU 2020 strategy by fostering innovation, longterm investment for jobs and growth, EP, Directorate-General for Internal Policies, Author: Re-Define, February 2011.
- European Parliament (2012) How to integrate the EU Flagship Initiatives into cohesion policy in the current and future funding periods, EP, Directorate-General for Internal Policies, Author: Metis GmbH and EPRC, University of Strathclyde, June 2012.
- European Parliament (2014) European Union Cohesion Policy 2014-2020, A comprehensive presentation of the legislative package and the role of the European Parliament, Secretariat of the Committee on Regional Development, European Parliament.
- European Parliament (2014) Strategic coherence of Cohesion Policy: comparison of the 2007-13 and 2014-20 programming periods, author: EPRC, University of Strathclyde, February 2014; EP, Directorate-General for Internal Policies, February 2015.
- European Parliament - Committee on Regional Development (2014) Committee on Regional Development Report of Activities, The Seventh Term (July 2009 – June 2014).
- European Parliament - Committee on Regional Development (2015) Report on 'Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union', 2014/2245(INI), 5.05.2015.
- Eurostat (2015) Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy, Eurostat statistical books, 2015 edition.
- Mendez, Carlos; Bachtler, John (2015) Prospects for Cohesion Policy in 2014-20 and Beyond: Progress with Programming and Reflections on the Future, EoRPA paper 14/4, EPRC, University of Strathclyde, January 2015.
- Regulation (EU) no 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.
- Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006.





## DIRECTORATE-GENERAL FOR INTERNAL POLICIES

# POLICY DEPARTMENT STRUCTURAL AND COHESION POLICIES **B**

### Role

The Policy Departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

### Policy Areas

- Agriculture and Rural Development
- Culture and Education
- Fisheries
- Regional Development
- Transport and Tourism

### Documents

Visit the European Parliament website:  
<http://www.europarl.europa.eu/studies>

PHOTO CREDIT:  
iStock International Inc., Image Source, Photodisk, Phovoir, Shutterstock



ISBN 978-92-823-7162-6 (print) 978-92-823-7161-9 (pdf)  
doi:10.2861/574785 (print), doi:10.2861/927327 (pdf)