



Fact-checking the consultation on ‘EU funds in the area of Cohesion’

Main conclusions

- The questionnaire launched on 10 January by the European Commission “on EU funds in the area of Cohesion” **falls short of a meaningful consultation on the future of Cohesion Policy**
- **The consultation has been framed in a way to provide biased conclusions of what Cohesion policy is and what it should address.** It therefore foresees a very different vision for post-2020 Cohesion Policy
- The consultation presents several inaccuracies when referring to Cohesion policy that are fact-checked in this note. Key issues examined in this note are the following:
 1. Confusion on the scope and objective of this consultation
 2. Confusion between treaty objectives and thematic priorities
 3. Identification of Regions as exclusive beneficiaries of Cohesion policy
 4. Putting into question the result-orientation of Cohesion policy
 5. Confusion in the sort of obstacles for success for Cohesion fund and programmes
 6. Stating that the Structural Reform Support Programme contributes to achieving Cohesion Policy objectives
- **There is no single reference to territorial cohesion or to a territorial dimension of Cohesion policy.** Cohesion policy is only mentioned twice in the consultation.

1. Context

The European Commission has launched a public consultation which affects the future of Cohesion policy¹. The results of this consultation are expected to feed in to the legislative proposal on post-2020 Cohesion policy which is bound to come sometime after May 2018, when the next multiannual

¹ https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-cohesion_en

financial framework legislation will be published. This proposal will set the basis for the size and function of future European policies and programmes.

The European Commission is also expected to carry out an impact assessment to provide evidence to inform and support the proposal for the post-2020 Cohesion policy. It is not clear at this stage how the impact assessment fits in with this consultation.

In addition, the European Commission has also launched a public consultation on EU Funds in the area of investment, research and innovation, SMEs and single market² and a consultation on EU funds in the area of values and mobility³. These two consultations cover several of the objectives of Cohesion policy and list Structural and Investment Funds and the European Social Fund respectively as funds in the mentioned areas. However, none of them mention Cohesion policy or territorial and economic cohesion.

The tone of the questions makes it clear that the purpose of this consultation is to undermine Cohesion Policy.

Objectives of this note

The CPMR Secretariat has ‘fact-checked’ the questionnaire of the consultation to set the record straight regarding the inaccuracies and imprecisions contained in the public consultation.

2. Fact-checking the public consultation

In this section, we have selected a number of claims and questions written on the public consultation and we have analysed them to get the facts right. Each of the subsections below looks at individual issues raised in the consultation.

2.1. A public consultation on Cohesion policy post-2020?

Claim

The European Commission has published a public consultation on the area of Cohesion.

Fact

The consultation published by the European Commission on January 10 **is NOT a consultation** on Cohesion policy per se, but a public consultation “*on EU funds in the area of Cohesion*”. It covers not only Cohesion policy and the European Structural and Investment Funds (ERDF, ESF and CF) but also the European Globalisation Adjustment Fund (EGF), the Fund for European Aid for the Most

² https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-investment-research-innovation-smes-and-single-market_en

³ https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-values-and-mobility_en

Deprived (FEAD) and the Employment and Social Innovation (EaSI) programme.

- The public consultation published by the European Commission on the 10th of January is, as the title states, “on EU funds in the area of Cohesion”. It is not a consultation on a policy but on funds. **There is no such a thing as an area of Cohesion. This is a new concept created in this consultation.** On the other hand, **Cohesion policy is real** and is underpinned by the **European Structural and Investment Funds** (European Regional Development Fund, European Social Fund and Cohesion Fund).

- The document also falls short of being a genuine consultation on Cohesion Policy insofar as two questions (questions 33 and 34) **put into question the added value of Cohesion Policy ‘compared to what Member States could achieve at national, regional and/or local levels without EU funds’.**

- **Cohesion policy has a strategic, long-term perspective** while the European Globalisation Adjustment Fund (EGF), the Fund for European Aid for the Most Deprived (FEAD) and the Employment and Social Innovation (EaSI) programme provide one-off individual support or material assistance (food, clothing and basic needs). **These funds are managed by the European Commission through direct management while Cohesion policy is a shared management policy:** EU, Member States and Regions work together to decrease regional disparities, boost growth and jobs, and achieve economic, social and territorial cohesion.

- The **Structural Reform Support Programme** is mentioned in the introduction but there are no questions about it or its complementarity with Cohesion policy.

- There is absolutely no mention of the **European Fund for Strategic Investments** (EFSI), despite the push for complementarity between EFSI and ESI funds and the impact of the EFSI on social, economic and territorial cohesion.

2.2. Regions are (only) beneficiaries of programmes and funds financed by the MFF?

Claim

Regions are beneficiaries of programmes and funds financed by the Multiannual Financial Framework.

Fact

Regions can be beneficiaries of programmes and funds financed by the MFF but they **are, more importantly, implementers of EU objectives on their territories** or managing authorities through regional programmes, under Cohesion policy, financed exclusively by ESI funds.

- While Regions can be and are beneficiaries of EU programmes and funds, as also are Member States, their involvement in Cohesion policy goes much beyond that.

- **Regions**, more importantly, **implement Cohesion policy and EU objectives in their territories across the EU.** They do so **through regional operational programmes in shared management** with Member States and the European Commission.

- Regions establish and coordinate partnerships on the ground with relevance to Cohesion Policy socio-economic stakeholders for long-lasting and sustainable projects to the benefit of Europe’s citizens

- It is surprising that the questionnaire only mentions Regions once, only to consider them as beneficiaries of programmes and funds financed by the MFF.

2.3. Which policy challenges could Cohesion policy address?

Claim

The consultation has preliminary identified 14 policy challenges which programmes/funds (including the EGF, FEAD and EaSI) in the area of cohesion could address, including treaty objectives like promoting economic, social and territorial cohesion, existing Cohesion policy thematic objectives, and other items like promoting sound economic governance and promote common values (e.g rule of law)

Fact

There are **EU Treaty articles linked to the promotion of economic, social and territorial cohesion and the reduction of regional disparities.**

In addition, **there are 11 thematic objectives guiding investment** under Cohesion policy thematic objectives.

There are **additional issues** which are **not the primary purpose of Cohesion Policy, such as promoting sound economic governance and the rule of law**

- The questionnaire awkwardly places treaty objectives, thematic objectives and additional issues at the same level when it comes to identifying policy challenges to be supported by Cohesion Policy in the future.

- **Reducing regional disparities is a Treaty objective (Article 174 EU Treaty)** but is identified in the questionnaire as a potential challenge to be addressed by Cohesion programmes/funds. **The promotion of social, economic and territorial cohesion is a treaty objective as per article 3 of the EU Treaty. Treaty objectives are not policy challenges; they are the raison d'être of Cohesion policy and they give the Union a mandate for action.**

- The consultation further addresses **reducing regional disparities and underdevelopment ONLY in certain EU regions**, which sparks further confusion. The already mentioned Article 174 states that the EU "shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions."⁴ **The choice of certain EU regions feels arbitrary and not in line with the EU Treaty.** And there is no such a reference to underdevelopment.⁵

- The questionnaire also lists **thematic objectives of Cohesion policy**: promoting social inclusion and poverty, foster research and innovation, promote sustainable transport and mobility, support education and training for skills and life-long learning, etc. Some of them have being slightly reworded or merged but correspond to the current and traditional policy challenges that Cohesion policy funds address.

- Lastly, we also find **EU objectives or EU priorities identified as policy challenges** such as promoting common values (rule of law, fundamental rights, etc.) or promoting sound economic governance and implementation of reforms. While there is already a link between Cohesion policy and the European

⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN>

⁵ <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A12012M%2FTXT>

Semester and structural reforms, macro-economic governance is far from being an exclusive policy challenge for Cohesion policy.

2.4. Is Cohesion policy successfully addressing Treaty objectives, EU objectives and thematic objectives?

Claim (Question 31)

To what extent do current programmes/funds successfully address the preliminary identified challenges?

Fact

Cohesion policy is a results-oriented policy which aims at achieving targets based on indicators. It can actually show success and results related to its existing Treaty and thematic objectives, but not for challenges identified in the consultation paper such as promoting the rule of law

- **Cohesion policy is the only EU policy which can accurately demonstrate its impact in factual terms** thanks to its results orientation, baseline indicators and target indicators, which are closely monitored and evaluated by Regions, Member States and the European Commission.

- Question 31 puts into question this results-orientation framework and Cohesion policy successes and objectives until this point, even if they are shown in the 7th Cohesion report or in the 2007-2013 ex post evaluation of ESI fund programmes, among other sources

- The question repeats the same mistake as in previous questions: it mixes EU Treaty objectives, EU objectives and priorities, Cohesion policy thematic objectives and the objectives of the other mentioned programmes (EGF, FEAD, EaSi)

2.5. Which obstacles for Cohesion Policy funds to achieve their objectives?

Claim

There are many potential obstacles which prevent current programmes/funds from successfully achieving their objectives. Some are: insufficient financial instruments, co-financing rates, or complex procedures leading to high administrative burden and delays

Fact

The consultation provides a catalogue of potential obstacles of all sorts and nature without clarifying why are they real obstacles.

Some of them are obvious (i.e. simplification) while other are confusing and imprecise (i.e. insufficient ownership, co-financing rates).

Some of these obstacles are framed in an obvious biased way (i.e. insufficient links with financial instruments, or insufficient links with EU economic governance and the implementation of structural reforms. The consultation does not provide the opportunity to make proposals to address obstacles to implementation.

- The consultation provides a **catalogue of possible obstacles to achieving the objectives of the programmes/funds**.

- **Some of these obstacles** are confusing and imprecise: co-financing rates, insufficient ownership. It is absolutely unclear how these should be contemplated as obstacles. How can co-financing rates per se be an obstacle to achieving objectives of ESI funds or programmes? What is it meant by insufficient ownership? By who?

- **Other obstacles are framed in a negative way**, i.e. insufficient links with financial instruments, insufficient synergies between EU funds, or insufficient links with EU economic governance and the implementation of structural reforms. These issues cannot be considered as obstacles per se.

- On the other hand, **the quiet diversion of ESI funds from technical assistance or from the performance reserve of Cohesion policy programmes** to other instruments, since 2015, could be considered as an obstacle, but it is **not listed as such**.

2.6. Does the Structural Reform Support Programme contribute to achieving Cohesion policy objectives?

Claim

The Structural Reform Support Programme (SRSP) contributes to achieving the objectives of Cohesion policy.

Fact

It is **Cohesion policy** which **contributes to structural reforms** and not the other way around. **There is no evidence of any contribution of the SRSP to Cohesion policy.**

- The main objective of the SPRS is to contribute to institutional, administrative and growth-sustaining structural reforms in Member States. **There is no evidence of its contribution** to achieving Cohesion policy objectives at this stage. On the SRSP-dedicated website, it is stated that the Structural Reform Support Programme has engaged with 15 countries on more than 150 projects. These projects are nowhere to be found, only previous projects of the already existing service.⁶

- **Cohesion policy contributes to structural reforms generally through:**

- a dedicated thematic objective on Efficient public administration (TO11)
- general and thematic ex ante conditionalities
- the possibility of amending the Partnership Agreement and operational programmes to align them with the European Semester

- **Cohesion policy does also contribute to the Structural Reforms Support Programme** through the diversion of technical assistance of ESI funds available to help stakeholders implement Commission-funded programmes and projects.

- Cohesion policy funds intended for a performance reserve for well performing regional programmes can also be used to implement structural reforms if a Member States wishes to do so.

⁶ https://ec.europa.eu/info/funding-tenders/funding-opportunities/funding-programmes/overview-funding-programmes/structural-reform-support-programme-srsp_en#reform-areas-covered



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