



**COHESION POLICY OF THE EU:
CONCEPT, EVOLUTION, PRINCIPLES**

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Agenda

- **Relationship between economic and social development and cohesion**
- **Classification of EU instruments for economic and social cohesion**
- **Evolution of the EU policy for economic and social cohesion**
- **Cohesion policy in the 2007- 2013 period**
- **Cohesion policy in the 2014-2020 period**
- **Basic principles of the EU cohesion policy**



A. Economic and social development *versus* cohesion

- ***Development* is an overwhelming concept**
 - **Economic**
 - **Environmental**
 - **Social**
- **Two explicit strategies of the EU on sustainable development**
 - **Lisbon Agenda,**
 - **Europe 2020 (smart, sustainable, inclusive**
- **EU budget funds for development purposes (“internal” vs. “external” instruments)**



A. Economic and social development *versus* cohesion (II)

- ***Cohesion* is a concept aimed primarily at reducing economic and social disparities among EU member states**
- **EU cohesion should contribute towards balanced and sustainable EU development. This is in line with the Lisbon Agenda and the Europe 2020 strategy**
- **EU budget provides cohesion funds through “internal” and “external” instruments**



B. Classification of EU instruments for economic and social cohesion

- **“Internal” cohesion policy instruments**
 - **Funds for structural actions**
 - **Structural funds**
 - **Cohesion Fund**
 - **Other “internal” funds, including EIB, EBRD**
- **“External” cohesion policy instruments**
 - **Pre-accession funds**
 - **Other instruments accessible to pre-accession countries subject to their financial contribution**
 - **EIB and EBRD assistance to selected third countries**



C. Evolution of the EU policy for economic and social cohesion

- ***1950s*** – practically no cohesion policy at the time the European Communities were created
- ***1960s*** – discussion about regional disparities within the Communities
- ***1970s (entrance of UK and Ireland in 1973)*** – the problem become significant; ERDF established in 1975; DR Regio created
- ***1980s (entrance of Greece in 1981 and of Spain and Portugal in 1985)*** – relative importance of cohesion policy increased



C. Evolution of the EU policy for economic and social cohesion (II)

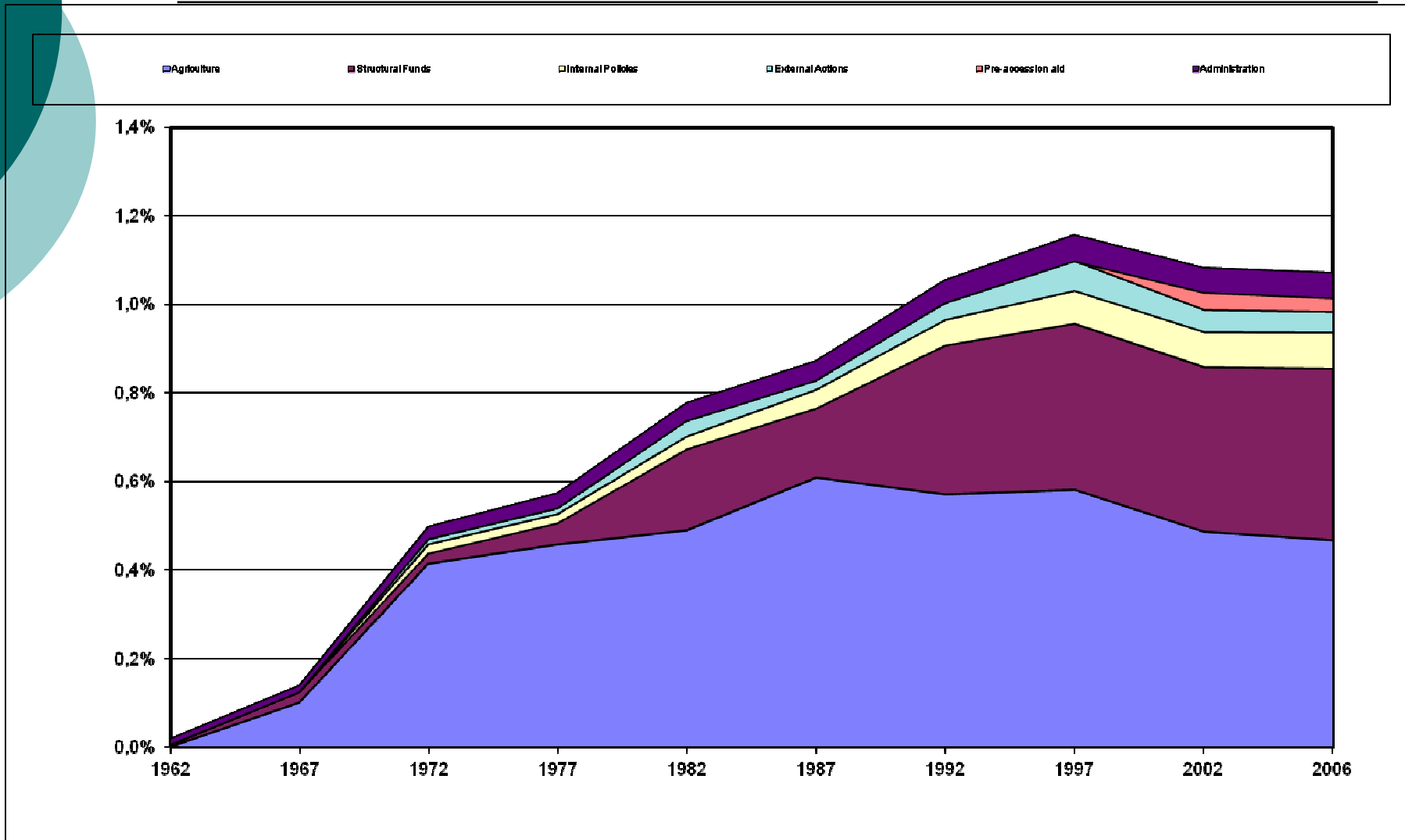
- ***1988 – 1992 period (Delors I package) – the most comprehensive reform of the policy***
 - **Key priority objective – support for regions with per capita GDP / PPP terms below 75% of the EU average**
 - **Three funds – ERDF, ESF, and EAGGF**
 - **Increased volume of funds – 64 bn EUR**
 - **Introduction of key implementation principles**
 - **Programming**
 - **Partnership**
 - **Additionality**



C. Evolution of the EU policy for economic and social cohesion (III)

- ***1993 – 1999 period (Delors II package) – strengthening of the relative importance of the cohesion policy continues***
 - **Key priority objective unchanged**
 - **Volume of funds significantly increased**
 - **Cohesion Fund established – 15 bn EUR in 7 years**
- ***2006 – 2006 period – eastern enlargement***
 - **Volume equivalent to 1/3 of the EU budget**
 - **Three territorial / thematic priorities (Objective 1, Objective 2 and Objective 3) plus community in initiatives**

C. Evolution of the EU policy for economic and social cohesion (IV)





D. Cohesion policy in the 2007-2013 period

- **Volume of funds accounts for 308 bn EUR or 1/3 of the EU budget**
- **Objectives**
 - **Convergence – 82% of funds**
 - **Regional competitiveness and employment – 16% of funds**
 - **European territorial cooperation – 2% of funds**
- **Instruments**
 - **Structural funds – ERDF and ESF**
 - **Cohesion fund**

D. Cohesion policy in the 2007-2013 period (II)

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European territorial Cooperation	ERDF		

E. Cohesion policy in the 2014 – 2020 period

Commitment appropriations, million EUR	HvR 2	HvR 1	BOX 2	BOX 1	COM
	8.2.13	23.11.12	13.11.12	29.10.12	29.6.11
H1 SMART AND INCLUSIVE GROWTH	450.763	459.690	462.147	472.811	494.762
1A COMPETITIVENESS FOR GROWTH AND JOBS	125.614	139.542	152.652	146.317	155.768
1B ECONOMIC, SOCIAL AND TERRITORIAL COHESION	325.149	320.148	309.495	326.494	338.994
Structural funds	255.783	253.807	243.567	259.039	268.254
Less developed regions	163.504	161.427	156.136	162.205	163.561
More developed regions	50.342	50.872	47.505	50.689	55.419
Transition regions	31.602	31.393	29.187	36.308	36.471
Outermost and sparsely populated regions	1.387	1.387	925	925	925
European Territorial cooperation	8.948	8.728	9.814	8.912	11.878
Cohesion fund	66.362	66.341	65.928	67.455	70.740
H2 SUSTAINABLE GROWTH: NATURAL RESOURCES	373.179	372.230	364.472	378.972	386.472
H3 SECURITY AND CITIZENSHIP	15.686	16.685	18.309	18.109	18.809
H4 GLOBAL EUROPE	58.704	60.667	65.650	64.650	70.000
H5 ADMINISTRATION	61.629	62.629	62.629	63.165	63.165
H6 COMPENSATION	27	27	27	27	27
EXT. BUDG. ITEMS	36.794	38.842	40.917	40.679	58.317
TOTAL WITH EXT. BUDG. ITEMS	996.782	1.010.770	1.014.151	1.038.413	1.091.551

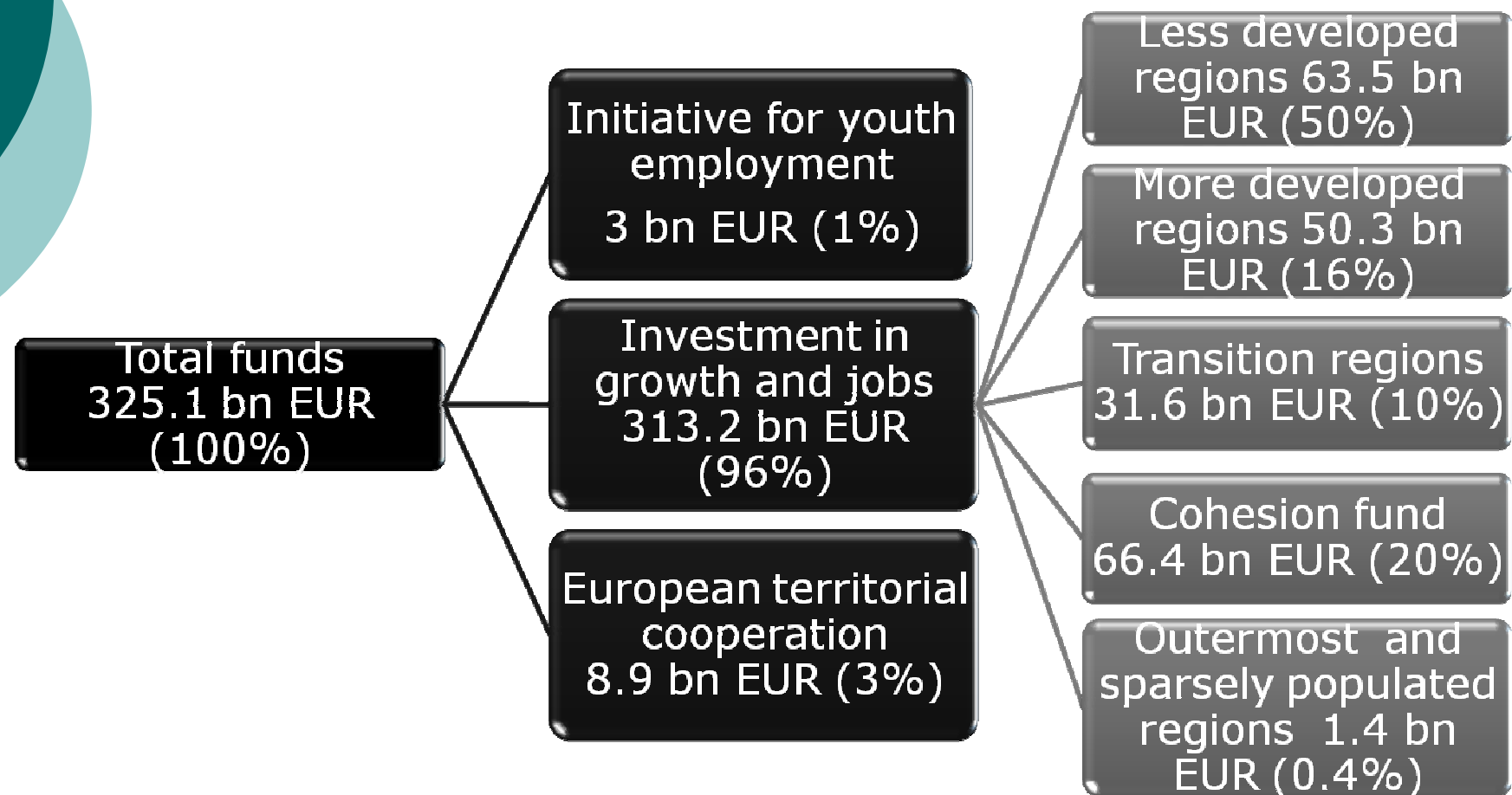
E. Cohesion policy in the 2014 – 2020 period (II)

Commitment appropriations, million EUR	HvR 2 8.2.13	HvR 1 23.11.12	BOX 2 13.11.12	BOX 1 29.10.12	COM 29.6.11
H1 SMART AND INCLUSIVE GROWTH	-8.927	-2.457	-10.664	-21.951	494.762
1A COMPETITIVENESS FOR GROWTH AND JOBS	-13.928	-13.110	6.335	-9.451	155.768
1B ECONOMIC, SOCIAL AND TERRITORIAL COHESION	5.001	10.653	-16.999	-12.500	338.994
Structural funds	1.976	10.240	-15.472	-9.215	268.254
Less developed regions	2.077	5.291	-6.069	-1.356	163.561
More developed regions	-530	3.367	-3.184	-4.730	55.419
Transition regions	209	2.206	-7.121	-163	36.471
Outermost and sparsely populated regions	0	462	0	0	925
European Territorial cooperation	220	-1.086	902	-2.966	11.878
Cohesion fund	21	413	-1.527	-3.285	70.740
H2 SUSTAINABLE GROWTH: NATURAL RESOURCES	949	7.758	-14.500	-7.500	386.472
H3 SECURITY AND CITIZENSHIP	-999	-1.624	200	-700	18.809
H4 GLOBAL EUROPE	-1.963	-4.983	1.000	-5.350	70.000
H5 ADMINISTRATION	-1.000	0	-536	0	63.165
H6 COMPENSATION	0	0	0	0	27
EXT. BUDG. ITEMS	-2.048	-2.075	238	-17.638	58.317
TOTAL CA WITH EXT. BUDG. ITEMS	-13.988	-3.381	-24.262	-53.138	1.091.551

E. Cohesion policy in the 2014 – 2020 period (III)

Headings	2014-20	2007-13
1. Smart and Inclusive Growth	450.763	446.310
1a. Competitiveness	125.614	91.495
1b. Cohesion	325.149	354.815
2. Sustainable growth: Natural Resources	373.179	420.682
3. Security and Citizenship	15.686	12.366
4. Global Europe	58.704	56.815
5. Administration	61.629	57.082
6. Compensations	27	n/a
<i>Total commitment appropriations</i>	959.988	994.176

E. Cohesion policy in the 2014 – 2020 period (IV)





F. Basic principles of the EU cohesion policy

○ *Programming*

- **At the EU level**
 - **Community Strategic Guidelines for Cohesion**
 - **Compatibility with the Lisbon / Europe 2020**
- **At the member state level**
 - **Development strategy (national document)**
 - **National Development Plans (national document)**
 - **National Strategic Reference Framework / Partnership Programme (agreement with the EC needed)**
 - **Operational programs**
- ***Partnership* – implies cooperation of bodies**



F. Basic principles of the EU cohesion policy (II)

- ***Management* of the funds is largely left to member states – decentralization; for each operational programme, the Member State appoints:**
 - **Managing authority to manage the operational programme**
 - **A certification body to certify the statement of expenditure before their transmission to the Commission**
 - **An auditing body to oversee the efficient running of the system**



F. Basic principles of the EU cohesion policy (III)

○ *Financial conditions*

- Co-financing – around 20% of total project / program costs must be co-financed from local – public or private – sources**
- Additionality – structural funds money should be used as additional to national funds and not as a substitution to these funds**
- Commitments made under the N + 2 / N + 3 rule**
- Payments from the EU budget made on the basis of the submission of certified expenditures**



F. Basic principles of the EU cohesion policy (IV)

- ***Evaluation* of the assistance – assessment of additionality**
 - **“Ex-ante evaluation” – responsibility of the member state – has to assure coordination of the assistance with the EU policies**
 - **“Mid-term evaluation” – responsibility of the member state, but in cooperation with the Commission – has to assess how the program is being implemented**
 - **“Ex-post evaluation” – primarily the responsibility of the Commission – should assess the overall impact of the assistance**