

SPEECH BY DR. LAURA POLVERARI AT THE
“FUTURE OF COHESION POLICY BEYOND 2020” FINAL CONFERENCE
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Thank you Chair and thank you Committee of the Regions for the kind invitation. I have found today’s debates not just inspiring but also energising: it is nice to be amongst a group who, like me, believe that Cohesion policy is an asset and that it should be further exploited and strengthened.

In the few minutes I have available I am going to provide some **personal** reflections, which will be based however on research, including from the research realised for the IQ-Net network of which I am co-Director. IQ-Net is a network of 18 national coordinating bodies and managing of authorities of ESIF programmes from across the EU28, managed by the institution for which I work, the European Policies Research Centre. For the IQ-Net Network we are actually undertaking a study right now on the reform of future delivery of Cohesion policy – we are doing this now, so it is too soon to discuss any outcomes – but we have also recently produced a paper on the simplification of Cohesion policy delivery: I’ll mention some of the results from this study.

I was asked to provide some reflections about the delivery of future CP and what I would like to do is to reflect a little on three interrelated issues: first, the issue of **efficiency in implementation** – and with it the themes of simplification and proportionality; second, the theme of the **effectiveness of implementation** – that is Cohesion policy’s ability to deliver what it is meant to; and last, the **issue of the method** for reform.

I am **not aiming to provide solutions but rather food for thoughts**.

Starting with the issue of **implementation efficiency**, I think that it is quite uncontested that something has been done in the current regulatory framework to introduce elements of simplification. However, it is also clear that there continues to be significant discontent amongst the administrations in charge of managing the funds – managing authorities, implementing bodies - and also amongst beneficiaries. We've heard this morning that every simplification attempt has resulted in fact in an increased burden for those involved in policy delivery. And administrations across Europe continue to advocate the need for more reforms. Many MAs, for example, argue that some simplifications introduced by the CPR, such as the simplified costs and flat costs, have mainly eased the burden for beneficiaries, but not really helped those who are responsible for delivering the programmes. Actually, in some cases, the simplifications achieved for beneficiaries have come at the expense of increased risks of compliance for the administrators who face more risks with audits for example. ***So a first question that needs to be addressed when discussing how to ease the administrative burden and simplify delivery is simplification for whom:*** For the Commission, for national authorities, for Managing Authorities and implementing bodies, or for beneficiaries. The possible solutions would most likely be different depending on the answer to this question and not asking this question means that **trade-offs and unintended consequences** are not addressed.

As far as the managing authorities and the other bodies involved in the delivery of the ESI Funds are concerned, the current regulations present two important shortcomings: **first**, the changes introduced to streamline implementation in reality have been offset by the wider array of new

provisions (such as the *ex ante conditionalities* or *thematic concentration provisions* for example).

Second, and related, the actual impact of the measures introduced in terms of actually easing the administrative burden is so far not positive. To an extent it is still too early to judge this, the programmes have only just started in many cases. However, in a recent study by my research centre for IQ-Net, we found that **only a handful of the novelties introduced in the new regulatory framework are considered to have delivered a real degree of simplification** by the authorities queried, whilst a majority of the changes - such as the return to multi-fund OPs, the lighter reporting on additionality, the possibility to merge managing and certifying authority, the 3% flexibility clause, and the new territorial instruments (ITIs and CLLDs), have been considered to have **very little impact or no impact at all on the burden associated with the administration of the funds.**

And of course, the discussions on implementation efficiency and simplification generally tend to carry with them the debate about **proportionality**, that is the question about whether one should differentiate delivery - depending on, say, levels of institutional capacity, degrees of assurance of domestic systems, relative wealth, or Cohesion policy receipts. And we know that a number of options have already been tabled, such as

- halting CP funding in richer regions/countries – allowing them to focus on other European instruments, such as EFSI or H2020 (which flow primarily to wealthier MSs anyway)
- or implementing CP in these regions/countries only through FIs or only through territorial cooperation programmes.

But these approaches would only solve the problem of the administrative onus for some, they would limit the problem to a smaller group of recipients, but they would clearly not solve the problem on the whole or represent the wide-ranging reforms advocated as necessary by many. So a partial solution at best.

The second theme that I wanted to touch upon is that of performance. In a recent speech at a Ministerial meeting of the Visegrad countries, Commissioner Cretu argued that the policy **'will be judged on its ability to perform'**. A question that has still not found a satisfactory answer in my view is **'ability to perform on what?'** To maintain its political viability, it is undeniable that Cohesion policy has been asked to deliver **more and more and more**, to address not just regional disparities, as per Treaty, but also growth all around, and the objectives of Europe 2020, and to provide a response to the economic crisis, and as of latter to deal with the refugee crisis even. So much so that, as raised by Iain Begg earlier today, it is not clear "why we have this policy, what it is there to do". If we need to be **innovative** in thinking how to reform delivery, as argued this morning by Commissioner Cretu's adviser Nicola De Michelis, it seems to me that **we need to agree first and foremost on the scope and reach of the policy**. And only then we can start talking about streamlining accountability lines, cutting red-tape, improving legal certainty or hypothesise a new architecture altogether.

The third and last topic that I wanted to briefly touch upon relates to the **method** for identifying those changes that may improve delivery. I have been involved in Cohesion policy since 1998 and it seems to me that at every negotiation round the negotiations focus predominantly on the period that has just finished and the long-term picture is somewhat lost. What is necessary is a

shift from a short-term to the long-term mindset, and also a reflection that is not rushed because the-regulations-need-to-be-approved-otherwise-programmes-cannot-start.

So, I agree with the speakers who preceded me, in stressing the value of this initiative by the Committee of the Regions and on the fact that starting discussing the reform of Cohesion policy now, thus in good time, provides for an opportunity to break old patterns, to find new, perhaps radically new, ways of policymaking and delivery. And **I also agree that the discussions should aim high, and not be constrained by the way things have worked until now.**

However, the **rationale for this should be better policymaking, not the political survival of the policy. Chasing radical change for the sake of appeasing the critics would mean missing an opportunity.**

So, to conclude, I highlighted three questions:

Simplification for whom?

Performance about what?

Reform for which (real) overarching goal?

I think that if these simple questions are clarified at the outset, everything else will follow in a more straightforward and coherent fashion. Thank you.

CLOSE

Laura Polverari, 03.04.2016