PREPARING FOR 2021-27: PROGRAMMING, PROJECTS & STAKEHOLDERS

Heidi Vironen and Viktoriya Dozhdeva

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Registered address:
Stichting EPRC Delft
De Cuserstraat 91
1081 CN Amsterdam
Netherlands

T: +44-141-548-3908
E: info@eprc-delft.eu
W: www.eprc-strath.eu

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- Stefan Kah (Austria, Slovenia)
- Dr Wilbert den Hoed (Belgium, the Netherlands)
- Dr Vinko Muštra (Croatia)
- Dr Marie Feřtrová (Czech Republic)
- Lise Smed Olsen (Denmark)
- Heidi Vironen (Finland, Sweden)
- Fabian Gal (France, Germany)
- Dr Eleftherios Antonopoulos (Greece)
- Dr Martin Ferry (Poland)
- Viktoria Dozhdeva (Portugal)
- Dr Martin Plešivčák (Slovakia)
- Dr Carlos Mendez (Spain)
- Rona Michie (United Kingdom)

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**Czech Republic**
- Ministry of Regional Development
Denmark
- Danish Business Authority

Finland
- South and West Finland (Etelä- ja Länsi-Suomi)

France
- General Commission for Territorial Equality (CGET) – membership renewal pending

Germany
- Nordrhein-Westfalen (North Rhine-Westphalia), Ministry for Economic Affairs, Innovation, Digitalization and Energy

Greece
- Management Organisation Unit of Development Programmes S.A.

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- Managing Authority Noord, Northern Netherlands Alliance (SNN)
- Managing Authority OP Oost
- Managing Authority Stimulus (OP Zuid)

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Spain
- Provincial Council of Bizkaia/ País Vasco (Basque Country)

Slovakia
- Deputy Prime Minister’s Office for Investments and Informatization of the Slovak Republic

Slovenia
- Government Office for Development and European Cohesion Policy
Sweden
- Swedish Agency for Economic and Regional Growth (Tilväxtverket)

United Kingdom
- Ministry of Housing, Communities and Local Government (England)
- Scottish Government
- Welsh European Funding Office


**Disclaimer**

It should be noted that the content and conclusions of this paper do not necessarily represent the views of individual members of the IQ-Net Consortium.
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<tbody>
<tr>
<td>AMIF</td>
<td>Asylum and Migration Fund</td>
</tr>
<tr>
<td>CEMR</td>
<td>The Council of European Municipalities and Regions</td>
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<tr>
<td>CLLD</td>
<td>Community-Led Local Development</td>
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<td>CoR</td>
<td>European Committee of the Regions</td>
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<td>CPMR</td>
<td>Conference of Peripheral Maritime Regions of Europe</td>
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<td>CPR</td>
<td>Common Provisions Regulation</td>
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<tr>
<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<tr>
<td>EDP</td>
<td>Entrepreneurial discovery process</td>
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<td>EMFF</td>
<td>European Maritime and Fisheries Fund</td>
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<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ESIF</td>
<td>European Structural and Investment Funds</td>
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<td>IB</td>
<td>Intermediate Body</td>
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<td>IROP</td>
<td>Integrated Regional Operational Programme</td>
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<td>ISF</td>
<td>Internal Security Fund</td>
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<td>ITI</td>
<td>Integrated Territorial Instrument</td>
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<td>LEP</td>
<td>Local Enterprise Partnership</td>
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<td>MA</td>
<td>Managing Authority</td>
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<td>MC</td>
<td>Monitoring Committee</td>
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<td>MFF</td>
<td>Multiannual Financial Framework</td>
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<td>MLG</td>
<td>Multi-level governance</td>
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<td>MS</td>
<td>Member State</td>
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<td>NGO</td>
<td>Non-governmental organisation</td>
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<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
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<td>OP</td>
<td>Operational Programme</td>
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<td>PA</td>
<td>Partnership Agreement</td>
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<td>PO</td>
<td>Policy Objective</td>
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<td>R&amp;I</td>
<td>Research and Innovation</td>
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<td>RIS3</td>
<td>Smart Specialisation Strategies</td>
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<td>ROP</td>
<td>Regional Operational Programme</td>
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<td>SME</td>
<td>Small and medium sized enterprises</td>
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<td>SPF</td>
<td>Shared Prosperity Fund</td>
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<td>SRSS</td>
<td>Structural Reform Support Service</td>
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<td>SUD</td>
<td>Sustainable Urban Development</td>
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<td>United Kingdom (Wales)</td>
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EXECUTIVE SUMMARY

Programming for 2021-27

While EU negotiations continue, programming preparations for 2021-27 have been gathering momentum at national and regional level with different speeds and degrees of political and public engagement and debate. Preparations are at a particularly advanced stage in those Member States and regions where submission of the draft OPs to the Commission is set to take place in early 2020 (EL, FI, FR). Progress is also expected to intensify elsewhere from the beginning of next year in order to reach agreement on the OPs in advance of the start of the new programme period.

The programming process, which in many cases takes place in parallel with other strategy drafting (RIS3, domestic strategies, PAs), is affected by a number of unknowns and challenges especially concerning the budget and the regulatory framework.

(i) Key budgetary issues

- Uncertainty about the future Cohesion Policy budget (and the domestic funding in the UK) and the allocation of funding to the countries and programmes;

- Challenges in relation to the funding conditions, such as the proposed increase to the national co-financing rate and the reintroduction of N+2.

(ii) Key regulatory issues

- The balance between the Commission’s Annex D proposals and the specific (additional) priorities highlighted by the Member States and regions, e.g. in relation to digitalisation and skills development (PO1), green issues (PO2) and the approach to different delivery instruments (territorial instruments, FIs).

- Decisions on approaches that support improved simplification, performance, synergies, and stakeholder engagement.

Programme architecture and institutional structures are still to be decided in many cases, although a large degree of continuity from 2014-20 is expected. The perceived benefits of simpler administration and flexibility of a single OP dominate the discussions in some countries and regions, while efficiency is the key issue relating to future institutional structures.

Key lessons for programming:

- To adopt a more analytical and strategic approach in the programming phase through e.g. preparatory analytical and evaluative work (CZ) or by developing a programme theory (SE) to facilitate the prioritisation of activities, the delivery of objectives and follow-up.
• To have **flexible programmes** to better adapt to future changes (FI).

• To adopt a **territorial and thematic approach** where programmes are tailored to specific individual conditions.

• To ensure that **responsibilities and competences are clearly defined**, that there are **sufficient human resources and administrative capacities**, and that programming and implementation resources are more closely linked (SI).

• To consider a more streamlined approach to programming (East NL) and **utilise key lessons learned** in order to plan for a **timely start** of implementation.

**Project generation and selection in 2021-27**

The delivery systems for generating and selecting projects are at the heart of programme implementation to deliver quality projects and create lasting impact. There is no uniform approach to project generation and selection. Rather, different systems are in place reflecting national practices, which have evolved over successive programme periods.

With programming ongoing, **thinking and planning is still at an early stage concerning project generation and selection** in 2021-27. Overall, a large degree of continuity is expected from 2014-20.

**Key priorities for programme authorities are results-orientation and simplification**, although other issues (e.g. financial absorption, transparency) are also relevant and have different level of priority at different stages of the programme cycle.

In line with evaluation recommendations, programme authorities are interested in linking results-orientation and simplification better into project generation and selection, although challenges remain.

While results consideration can sometimes make more sense at project level, many plan to ensure that this type of thinking flows through from the drafting of the OPs to the delivery of projects and evaluations.

Simplification measures that remove administrative barriers are considered to contribute to the achievement of better results. There are plans to reduce documentation and bureaucratic requirements in project selection, and make greater use of tools such as simplified cost options, digital channels and results-based (rather than cost-based) approaches to funding. Many authorities are also investing in administrative capacity-building based on lessons from the current and previous periods.

**Key lessons for project generation and selection:**

• To provide ongoing support to project actors (and guidance to authorities) to facilitate good quality (results-oriented) projects. There are various successful examples that will be continued into 2021-27, such as the use of consultants.

• To consider how and when to place further effort on communication and support activities to facilitate project generation (especially where there are limited resources for such tasks).
• To consider different practices and experiences in regard to project generation in terms the form and timing of project generation (competitive vs. direct approval; coordinated approaches etc.); and the themes and types of projects (targeted vs. broad themes; more or less strategic/experimental projects).
• To ensure a good governance system.
• To invest in additional efforts to strengthen administrative capacities, e.g. for specific themes.
• To adopt new thinking for project selection that is more simplified and addresses administrative capacities, and which considers other issues such as societal challenges (South NL) or ethical considerations (West Fi).

Stakeholder engagement in 2021-27

The value of stakeholder engagement in ESIF programming and implementation is widely recognised. There is considerable variation in terms of the IQ-Net partners’ experiences with stakeholder engagement (depending on e.g. budget, critical mass, capacities, types of stakeholders, themes etc.). However, many note a significant evolution of stakeholder engagement and its quality over time.

Key lessons from 2014-20

• The importance of early selection and involvement of stakeholders (in programming) to allow better outcomes later.

• Incorporate knowledge/needs of stakeholders in programmes.
• Allow stakeholders more time to take part in consultations.
• The role of communication in stimulating and supporting effective stakeholder engagement.

In terms of project generation and selection processes, key lessons include:

• Developing project calls in cooperation with stakeholders can be valuable for improving the image of ESIF and the quality of projects.
• Importance of more proactive communication of calls to build support among actors.
• More strategic and coordinated approach amongst the authorities, particularly where similar stakeholders are targeted.
• Value of a participatory approach, e.g. through the use of open innovation calls (North NL).

There are a number of good practices implemented in 2014-20 e.g.: thematic networks; web-based channels; practices under the territorial instruments and RIS3; and the role of the Monitoring Committee supporting and promoting stakeholder engagement.

Planning for 2021-27 is still at early stages, but in many cases no major changes are expected. Overall, there appears to be
stronger commitment to partners and/or coordination, as well as some changes in relation to:

- The composition and structure of stakeholder engagement;
- Communication strategies/approaches;
- Wider use of public consultations;
- Engagement of new groups due to the inclusion of new themes;
- Adjustments to the role of the Monitoring Committee during programme implementation.

Citizens engagement

The importance of greater involvement of citizens in programme preparation and implementation is acknowledged by many. However, experience with direct citizen involvement (e.g. via participatory governance tools, citizen dialogues) appears limited (and is often related to practices pursued outside ESIF).

In most cases, measures to engage (or increase the engagement of) citizens in ESIF programming or implementation are confined to: public consultations, provision of information and indirect representation (e.g. citizens engagement through the Monitoring Committees, thematic working groups, or end users).

Challenges and opportunities of stakeholder engagement for 2021-27

Challenges

- Administrative burden and complexity and the associated capacity issues, highlighting the role of simplification and administrative capacity building;
- Risk of conflict of interests, caused by e.g. overrepresentation of strong partners / the ‘usual suspects’;
- Challenge of managing expectations;
- Competition among stakeholders;
- Limited capacity for immediate improvement;
- Anticipated rise in the participation of experts rather than ‘pure’ citizens.

Opportunities

- Increased simplification, enhanced capacity-building and support to applicants;
- Opportunity to receive out-of-the-box ideas;
- Greater stakeholder engagement promoted under RIS3 (as part of the EDP) and territorial instruments, relying on successful practices from 2014-20;
- Transition from triple to quadruple-helix arrangements (e.g. by embedding societal organisations in the new OPs);
- Ultimately – a better design and implementation of EU and national policies.
1 MFF AND THE COHESION POLICY REFORM

The negotiations on the future of the EU budget and the reform of Cohesion Policy are still ongoing. Progress has been made in agreeing the shape and content of the sectoral legislative package, although the amount and distribution of resources are still open. It is clear that there has rarely been a more complex, uncertain and potentially protracted reform of the MFF than the budget and policy negotiations for 2021-27. Complicating factors are uncertainty over the budgetary implications of Brexit and the costs of the policy agenda of the new European Commission.¹

At the end of November 2019, the Finnish Presidency published a new Negotiating Box with a proposal to reduce the size of the EU budget to 1.07 percent of EU GNI, significantly lower than the Commission proposal of 1.14 percent. Under these proposals, the allocation for Cohesion Policy (Investment for Jobs and Growth) would be reduced from €322.194 billion to €313 billion (-2.8 percent). At this stage, the ambitions of the Finnish Presidency of concluding the MFF negotiations by the end of 2020 look unlikely. Croatia has pledged to have an agreement on the MFF as soon as possible once it takes over the presidency at the start of 2020², but it is certainly possible that the budgetary negotiations may only be resolved by the German Presidency in the second half of 2020.

Despite the fact that many of the regulatory blocks for ESIF in 2021-27 have been agreed by the Council, there are a number of financial issues that remain open and will only be resolved during the final political negotiations on the MFF. These include the level and distribution of funding, macro-economic conditionalities, N+2 and co-financing rates. The proposed conditionality relating to the rule of law is particularly contentious.³ European Parliament and Council agreement on the regulations are expected by September 2020 during the German presidency.⁴
2 COHESION POLICY PROGRAMMING

While the EU negotiations continue, programming preparations for 2021-27 have been gathering momentum at national and regional level with different speeds and degrees of political and public engagement and debate. Programme roadmaps were due to be submitted to the Commission in June 2019, although this deadline was not met in all cases. The OP and PA (where developed) submission timetable differs across the Member States and is prone to changes given the different approaches to programming and the associated consultations and dialogues involved.

Figure 1: OP / strategy drafting, submission, approval

<table>
<thead>
<tr>
<th>2019</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>• COM Annex D</td>
<td>• Drafting of OPs &amp; strategies / PAs</td>
<td>• Submission to the COM</td>
</tr>
<tr>
<td>• Studies / analyses / regional input</td>
<td>• Consultations &amp; dialogues</td>
<td>• Approval 2020-21</td>
</tr>
</tbody>
</table>

Source: Author’s own elaboration

2.1 From planning to programming

There has been a notable shift from planning to programming in the latter half of 2019. This is seen especially in those Member States and regions where the expected submission of the first draft OPs to the Commission is set to take place early 2020 (e.g. EL, FI, FR). In many other cases, programme drafting is expected to intensify at the start of 2020 (NRW) in order to reach agreement on the OPs by the middle of 2020 (e.g. DK, FR, NL, N-W).

Box 1: Expected schedule for draft/final OP submission to the Commission (examples)

<table>
<thead>
<tr>
<th></th>
<th>Jan-Apr 2020</th>
<th>May-Aug 2020</th>
<th>Sep-Dec 2020</th>
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<tbody>
<tr>
<td>AT</td>
<td></td>
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<tr>
<td>BE (Vla)</td>
<td>Draft (Apr-May)</td>
<td>Final</td>
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<tr>
<td>CZ</td>
<td></td>
<td>Final (Jul)</td>
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<tr>
<td>DK</td>
<td></td>
<td>Final</td>
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<tr>
<td>FI</td>
<td>Draft</td>
<td></td>
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<tr>
<td>FR</td>
<td>Draft (Jan-Mar)</td>
<td>Final (Jul-Dec)</td>
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<td>DE (NRW)</td>
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<td>SE</td>
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<td>Final</td>
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Source: IQ-Net research
Preparations are also underway elsewhere, even if the actual programming may be in very early stages (e.g. AT, DK, HR, PT, PV, SK OP R&I). These early preparatory stages involve ongoing discussions with the Commission on issues such as: key lessons learned; investment needs; enabling conditions; administrative capacity; programme architecture and governance; and engagement with stakeholders. This type of dialogue is viewed to be important to address issues at an early stage and to speed up the approval of the OP(s). Decisions on strategic directions and the governance architecture, however, are still on hold in some cases not least due to recent elections (FI, PT). In the UK, the new domestic growth programme is also not expected to start until 2021 at the earliest, and, given the uncertainties, it has not been possible to set a firm date.

In parallel with the programming, preparations are ongoing in regard to relevant (domestic) strategies (including RIS3) and PAs to inform the new OPs and objectives (e.g. EL, HR, CZ, NL, Pom, PT, SE, SK, Vla, W-M). These are being undertaken with the aim of contributing to a more effective and efficient programming process. In some instances, specific domestic strategies have been developed as a background document for the PA (e.g. CZ, SE). In the Netherlands, the new RIS3 strategies are expected to be finalised by the beginning of 2020 and inform the new regional OPs. There will be especially close links to PO1 to ensure that the budget allocated to PO1 is deployed in accordance with the RIS3 principles. In Greece, the National Growth Strategy prepared under the previous government was expected to function as a reference document for programming in 2021-27, but is anticipated to be replaced at least in part by new strategic documents.

Not all plan to prepare PAs (e.g. AT, DK, Vla). As per the proposals of the Council, PAs are optional affecting only those Member States with ‘no more than three programmes or a total allocation below €2.5 billion’. In Denmark, this is considered the right approach because there are seen to be limited links between ERDF and ESF+ OPs on the one hand, and EAFRD and EMFF OPs on the other hand. In Vlaanderen, having a single PA is not viewed to bring added value due to the different socio-economic conditions of the three regions in Belgium. The PA would therefore be a very artificial document attempting to link together the regional OPs.

Programming is also facilitated by additional analyses, evaluation findings and studies:

- In Vlaanderen, a combination of analyses and strategic documents are contributing to the preparations, including: the Commission’s Annex D proposals; the 2018 mid-term review; the beneficiary survey; and the domestic strategies on innovation and climate.

- Internal analyses have been carried out for example in Sweden and Finland with the aim of attracting feedback from the regions on key priorities. In Wales, the White Paper7 of the Welsh Government has set out the challenges and opportunities associated with Brexit, and a subsequent policy paper8 has developed further the Welsh Government’s thinking on the future of regional investment policy and set out detailed proposals. The Welsh Government has also worked with OECD to ensure that international best practice in regional development and governance is built into future plans.9

- Other countries are also using external expertise for their programming. In Greece, an OECD territorial review10 will focus on the design of the future programme period. It will also provide recommendations on the institutional structure and architecture at the
national and regional levels. In addition, the recommendations of the Structural Reform Support Service (SRSS) of the European Commission, covering employment and health themes, will also be considered, as will the input of the World Bank in regard to deindustrialisation and industrial transition, and the World Health Organisation (WHO) concerning specific studies for the Ministry of Health.

## 2.2 Key issues affecting programming

The future period brings along opportunities, but also challenges, which will affect the programming exercise in different ways. The context for 2021-27 is very different to the one that characterised the drafting of the 2014-20 programmes, and requires new considerations. One notable issue is Brexit and its implications.

Although there may be a degree of continuity from 2014-20 in many countries (e.g. FI, NL) and regions (e.g. Biz, Vla), and a clear intention to avoid too many changes in the future period (AT), there are a number of issues that have been reported as particularly important in the programming process, including: the future budget allocations and associated financing issues; elements in the proposed regulatory framework; and, domestic developments.

### 2.2.1 Budget allocations and other financing issues

**Uncertainty about the future Cohesion Policy budget** (and domestic funding in the case of the UK) and the allocation of funding to the Member States and to the programmes is a major issue affecting the scope and timing of programming.

While there are indications on the Cohesion Policy eligibility and allocations to Member States, negotiations are ongoing on the size and distribution of funding. In May 2018, the Commission proposed a Cohesion Policy budget – for ERDF, the Cohesion Fund and the ESF+ - of c. €331 billion for 2021-27 compared with €374 billion for 2014-20. The latest negotiating box under the Finnish Presidency on 2 December 2019 has proposed to reduce the Cohesion Policy budget further to €323 billion with the following distribution:

- **Less developed regions**: €195.6 billion
- **Transition regions**: €42.2 billion
- **More developed regions**: €34.2 billion
- **Member States supported by the Cohesion Fund**: €39.7 billion

Furthermore, the application of the latest GDP data for 2015-17 to the allocation formula changes regional eligibility (see Map 1) and the distribution of resources to Member States. Some countries would be due more and some less compared to the figures published by the Commission in May 2018. EPRC calculations suggest that the scale of gains and losses for individual Member States could be significant in both directions compared to the Commission’s 2018 figures. Most striking are the reductions in allocations for less prosperous countries, or those of middling prosperity.
Issues concerning future funding allocations

The main issues regarding funding allocations identified among IQ-Net authorities are:

The balance of funding between the regions (e.g. FI, SI). In Finland, the West and South have been advocating for a more balanced allocation of funding, which in the past has favoured the North and East. This has been subject to much debate, and further intensified as a result of a study which concluded that the traditionally more lagging regions of North and East have caught up with the more prosperous West and South on a number of development indicators. In Slovenia, planned changes to the ratio of funding between East and West (from
1.5:1 to 8:1) is causing some challenges particularly as economic activity is concentrated in the West (location of the capital Ljubljana).

The balance between ERDF and ESF+ (e.g. Pom, Vla, W-M). In Vlaanderen, the proposed ratio of 30:70 between ERDF and ESF+ is not viewed as appropriate by the MA, and negotiations with the regions and within Vlaanderen continue on this issue. In Warmińsko-Mazurskie, the proposals indicate that ESF+ would constitute 45 percent and ERDF 55 percent, which is a significant difference from 2014-20 when ERDF accounted for over 70 percent of all funds in the ROP. The MA hopes that through individual negotiations (between the MAs of the ROPs) the proposed ERDF / ESF+ ratio will be possible on the basis of the flexibility rule +/- 10 percent.

Other reported issues include the possible recentralisation of funding (e.g. under PO1 in a large sectoral OP in Poland) and the extent to which future funding can be shifted away from Interreg in favor of the national ERDF and ESF OPs (DK).

Outside the Cohesion Policy context, the post-2020 funding is also pending in the UK due to the unknown size of the planned Shared Prosperity Fund (SPF), although the Conservative manifesto for the Parliamentary election on 12 December 2019 has pledged to maintain the ESIF funding levels across the devolved nations12, (see Box 2).

Box 2: Shared Prosperity Fund replacing Structural Funds in the UK post-2020

The UK Government has pledged to set up a Shared Prosperity Fund (SPF) replacing Structural Funds, which will aim to ‘reduce inequalities between communities’. However, there are a number of unknowns, including13:

- the priorities and objectives of the Fund;
- the amount of money to be allocated;
- the method of allocation between the countries and regions of the UK, and whether this is based on need (and the measures to determine need);
- the model by which funding will be allocated, whether pre-allocating an amount for a country/region, or inviting competitive bids from across the UK;
- the length of the planning period and the way in which this could conflict with domestic spending priorities;
- the administration of the fund (whether it is controlled from Westminster or by the devolved administrations) and the role of local authorities;
- the implications of the Fund for State aid rules.

The SPF is expected to be aligned with UK Government’s Industrial Strategy14 which focuses on five ‘foundations of productivity’ (ideas, people, infrastructure, business environment and places) and addresses ‘grand challenges’ (artificial intelligence and data economy, future of mobility, clean growth and ageing society). It is not clear, therefore, how much of the Structural Funds ‘remit’ the SPF may cover. Its closest fit appears to be with ERDF. Whether it will also replace funding for ESF, EAFRD, EMFF and ETC is not known. Further changes may be expected as a result of the planned updating of the Industrial Strategy and the general election of 12 December 2019.
ii Other funding conditions

In addition to the future allocation of the budget, different elements related to the financing continue to be a subject of much discussion and affect the programme writing efforts:

The proposed increase to the national co-financing rate in 2021-27 (see Box 3) is also a particular challenge for some countries (e.g. CZ, SK, PT) due to the pressures that it will put on the national budget and the beneficiaries (e.g. Ministry of Transport and Construction in SK, the MA of Czech IROP). To address the issue, the Ministry of Finance in the Czech Republic has been preparing a proposal on how the state budget can ensure the co-financing of ESIF projects in the future, especially for those actors (e.g. NGOs) which face difficulties providing co-financing from own sources.

**Box 3: Proposed changes to financing in 2021-27**

<table>
<thead>
<tr>
<th>National co-financing rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% – Less developed regions, outermost regions, Cohesion Fund, Transition regions</td>
</tr>
<tr>
<td>55% – Transition regions</td>
</tr>
<tr>
<td>40% – More developed regions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reintroduction of n+2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of TA from 4% to 2.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfer of funding between Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>covering up to 5% of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfer of funding between categories of regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;15% of total allocations for LDRs to TRs or MDRs and from TRs to MDRs</td>
</tr>
<tr>
<td>from the allocations for MDRs or TRs to LDRs (justification required)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allocation of ERDF and Cohesion Fund to PO1 and PO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI</td>
</tr>
<tr>
<td>----------------------------------</td>
</tr>
<tr>
<td>below 75%</td>
</tr>
<tr>
<td>75-100%</td>
</tr>
<tr>
<td>above 100%</td>
</tr>
</tbody>
</table>

*Source: European Commission*

The re-introduction of n+2 rule in place of n+3 is also a cause for concern (e.g. AT, CZ, PT, Vla). The change is considered to: put pressure on quick financial implementation and consequently also increase the administrative workload; make it more challenging to implement more complex and longer-term interventions; and create overlap as the ‘old’ n+3 and new n+2 targets have to be met in the same year (2022).

The proposed reduction to the Technical Assistance (TA) budget from four percent to two and a half percent is another element of uncertainty. In Vlaanderen, the four percent of TA available in 2014-20 has been insufficient and the MA has had to use additional regional means to support the necessary activities.
More generally, some authorities have noted issues in relation to the funding conditions. The compulsory allocation of ERDF and Cohesion Funds to PO1 and PO2 (e.g. CZ, W-M) is viewed to be challenging given the limited absorption capacity for investments under these themes (e.g. CZ). The MA in Warmińsko-Mazurskie expects that the approach will be agreed individually as part of the negotiations, taking into account real potentials and needs, and not necessarily automatically assigned. In Slovakia, the Ministry of Transport and Construction is concerned that as a result of the thematic concentration of funding, there will be a substantial reduction in funding for other themes, such as the construction and modernisation of transport infrastructure. The requirements in relation to climate investments are also perceived to have certain contradictions, especially as on the one hand there is a push towards further climate investments (at least 25 percent of EU expenditure contributing to climate action), and on the other hand, a need to ensure further thematic concentration for future activities (CZ) even without PO2 (NL). The transfer of funding between specific Funds and types of regions is also considered to have (too high) a number of conditions attached and a lack flexibility. For example, in the Czech Republic, this will make it difficult to have a right mix of support and to reflect correctly the compulsory thematic and regional shares.

2.2.2 Regulatory framework

Consideration will have to be given to the proposals of the new Regulatory Framework. Issues that are expected to alter the focus of the programmes, increase in priority or require further attention in comparison to the 2014-20 period include: the shift to fewer thematic priorities (Policy Objectives); the push towards more simplification and performance; synergies; stakeholder engagement; and, the focus on financial instruments.

i Thematic priorities

The discussion on the future investment priorities is ongoing. The European Commission’s proposals on the Policy Objectives (POs) were set out in the Annex D of the European Semester County Reports of 27 February 2019\(^\text{15}\). These ranged from a narrow focus on two POs (DK, FI, IE, LU, SE) to all five POs in less-developed countries with greater funding allocations. In between these two groups were the Netherlands (with three proposed POs) and Austria and Germany (with four proposed POs) (see Table 1).\(^\text{16}\)

<table>
<thead>
<tr>
<th>PO1</th>
<th>PO2</th>
<th>PO3</th>
<th>PO4</th>
<th>PO5</th>
<th>Member States</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>DK, FI, IE, LU, SE</td>
</tr>
<tr>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>NL</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>AT, DE</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>BE, BG, CZ, CY, EE, EL, ES, FR, HU, HR, IT, LT, LV, MT, PL, PT, HR, RO, SI, SK</td>
</tr>
</tbody>
</table>

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\(^\text{15}\)\hspace{1cm} European Commission’s proposals on the Policy Objectives (POs) were set out in the Annex D of the European Semester County Reports of 27 February 2019.

\(^\text{16}\)\hspace{1cm} Table 1: Policy Objectives proposed by the Commission
The Commission’s proposals are being considered and, on the whole, are perceived to be relevant or at least to provide a good basis for further discussions (e.g. DK, FI, FR) and in line with domestic strategies (NRW, Vla), policies (NL) or existing OPs (Pom). While many countries and regions expect a degree of continuity from 2014-20 (e.g. AT, Biz, Fl, Pom, SE, SI, Vla), not least given the broad scope that the suggested POs offer, others are expecting changes and note specific concerns: ‘the differences between the themes (POs) have become less clear, which is consequently making programming more challenging’. Many programme authorities have highlighted specific issues in regard to the future themes:

**PO1 Smarter Europe.** Innovation, digitisation, economic transformation and support to SMEs are the key principles under PO1 (Smarter Europe). Although similar priorities were also present in 2014-20, some programme authorities expect to have more focus on digitalisation and skills development within PO1 (e.g. SE, NRW, W-M):

- In Sweden, Tillväxtverket has recommended that PO1 (unlike the Commission’s Annex D proposals) should address all four specific objectives, including digitalisation, and to a greater degree also the challenges concerning skills development. Digitalisation is also anticipated to have more emphasis and funding in Nordrhein-Westfalen.

**PO2 Greener, carbon-free Europe.** Discussions are also ongoing around the inclusion / non-inclusion of PO2 and the shift towards prioritising green issues:

- In Denmark, the new government has a significantly greener agenda, which is expected to impact the content of the future programmes.

- In Germany, green infrastructure is not included in the Commission’s proposals, but has been identified by numerous stakeholders in Nordrhein-Westfalen as a funding priority. Discussions are ongoing on how binding the Annex D proposals are and whether there is some level of flexibility in the inclusions of green infrastructure in the OP.

- In Finland and Sweden, the Ministry of Employment and the Economy and the Ministry of Enterprise and Innovations respectively are leaning towards the Commission’s proposals, which suggest having two POs, namely PO1 and PO4. However, discussions are ongoing on whether climate-related / green investments can be supported under PO1, or whether there is also the need to include PO2.

- In the Netherlands, the approach to green issues is still being developed. The authorities are committed to the proposed climate earmarking requirements, but are looking into different approaches to support climate-related innovations as the programmes will not include PO2.

- In Warmińsko-Mazurskie, the MA would like to invest more in projects that support the circular economy. This would go beyond waste treatment to be a horizontal priority across a number of POs. A peer review expert support is provided through the Interreg Europe policy learning platform, which looks at what POs (PO1, PO2, PO4) the ROP could support in terms of boosting the circular economy.
**PO5 Europe Closer to Citizens.** Discussions are ongoing in many programmes on how to include territorial instruments in the programmes. PO5, as the new cross-cutting priority that aims to support the sustainable and integrated development of urban, rural and coastal areas and local initiatives, is the most ‘obvious’ priority for such instruments.

- In **Warmińsko-Mazurskie**, the MA plans to pursue integrated territorial tools (including ITIs) under PO5.
- However, some countries plan for a more mixed approach, such as **Slovenia**, where there are plans to cover CLLD under PO5 and ITIs under PO2.
- In **Sweden**, discussions are ongoing following the recommendations of a SUD evaluation on whether SUD should be implemented under PO1 or PO5, and also whether it should be implemented through one of the territorial instruments (ITI or CLLD).
- The use of territorial instruments similar to ITIs is also anticipated in **England** and the use of CLLD model in **Wales** in post-2020.

**Changing priorities.** Changes to the themes implemented in 2014-20 are also expected with many programmes looking into new themes. In East Netherlands, new themes concern human capital and internationalisation (e.g. ETC). This links to a wider discussion in the Netherlands regarding the balance between technological / sectoral targets and the increasing relevance of social development (e.g. skills training). In the Czech Republic (IROP), the future period is expected to include new themes such as the revitalisation of public spaces and public tourism infrastructure. Changes are also anticipated in the **UK**, where the planning for post-2020 priorities is ongoing. Proposed priorities for the replacement of ESIF have been set out in Wales, and are likely to be based around the UK’s Industrial Strategy priorities in England (see Box 4). In England, the selection of the prioritites has not been directly influenced by the ESFI planning for 2021-27, but they are considered to be in alignment. In Scotland, decisions are also pending on the extent to which future funding should link to future ESIF priorities.

**Box 4: Planned priorities in England and Wales post-2020**

In **England**, priorities of the future domestic growth programme are expected to be based around the UK’s Industrial Strategy priorities, which include:
- Starting and growing businesses;
- Exploiting ideas;
- Clean growth;
- Growth infrastructure.

In **Wales**, draft priorities include:
- Reducing income equalities for people;
- More productive and competitive businesses;
- Transition to a zero-carbon economy;
- Healthier and more resilient communities.
As a result of the thematic concentration, many programmes need to be selective in the priorities they decide to focus on. Some programme authorities are faced with the challenge of having fewer priorities (NL), while others are having to consider a broader range of needs (NRW). Decisions will also have to be made on which priorities will no longer be supported:

- **Public administration**, for example, will not be a separate priority (or a separate OP) in Slovakia in 2021-27. Discussions are ongoing on alternative approaches to the inclusion of the priority into ESIF implementation, given the continued need to support administrative capacities on the national and regional levels.

- In Slovenia, the Commission has noted that it is not possible to provide funding for **energy efficiency in public buildings**, although domestic authorities remain confident that this will remain an option.

- In Vlaanderen, the **entrepreneurship** priority is likely not to be included in the new programme. Instead activities will be funded through the innovation priority. There is considerable domestic support for SME development, and as such the additionality of a separate entrepreneurship priority is not as clear cut. In addition, the move away from entrepreneurship fits with the programme’s desire to support larger investment projects, enhance the innovation infrastructure, and reduce the number of projects.

- In West Netherlands, it is likely that the **labour market theme** (social inclusion) will not be included in post-2020 given the low budget and the work this would require in terms of improving the project pipeline and governance.

- In the Czech Republic, there will be a **degree of shifting themes between the OPs**. For example, the iROP will no longer support themes such as thermal insulation of housing, which will be transferred to the OP Environment. Similarly, social entrepreneurship will be transferred from iROP to OP Human Resources where it will be linked with social integration issues. Furthermore, themes such as spatial planning where there has been a low level of absorption will be discontinued (IROP).

ii **Simplification and performance**

Simplification measures that aim to reduce complexities of the existing systems, as well as plans to increase the results-orientation (see Section 2), are key considerations in the programming process. For simplification, programme authorities aim to make use of the already existing regulatory options, such as simplified cost options (SCOs) and the payment against delivery approach.

One of the uncertainties relates to the **new enabling conditions**, which are intended to set the right conditions for growth and job creation and help remove barriers to investments. The number of strategies that are required to be developed or updated (e.g. national climate plan) has led to concerns that not all enabling conditions will be met on time (SI). In **Vlaanderen**, the MA views the proposed enabling conditions as administratively onerous, particularly for territories with smaller budgets. In **Warmińsko-Mazurskie**, the enabling conditions are considered to be problematic especially for Smart Specialisation. The number of conditions for Smart Specialisation is set to increase from five (in 2014-20) to seven (in 2021-27) covering aspects that may create difficulties for many regions (e.g. the entrepreneurial discovery process or analysis of innovation diffusion bottlenecks). An additional difficulty is
fulfilling these conditions throughout the programme period rather than just at the beginning. This problem is also recognised in the **Czech Republic**, where the NCA plans to establish a system for monitoring/assessing enabling conditions, although the Commission’s requirements on what is necessary and how this should be done remain unclear.

### iii Synergies

Although regulatory reforms introduced for 2014-20 have encouraged greater synergies, there has been strong variation in how this has been delivered. Synergies have taken place in different stages in the policy process and, touched upon different thematic fields and different territories. **Many programme authorities report a need for enhancing synergies in 2021-27, although planning is still in early stages.**

The design of implementation approaches in the programming phase is an important part of the pursuit of synergies. Different aspects of implementation approaches play a role in the pursuit of synergies, including: familiarity with different instruments and Funds among implementers; the availability of up-to-date information on the progress of different instruments; the use of flexible, ad hoc contact between actors; the value of formal ‘linking’ structures; synchronicity in design and implementation; awareness raising among beneficiaries; and the role of capacity-building for synergistic working among implementers and beneficiaries.19

**Within ESIF, the most commonly reported links are seen between ERDF and ESF+ as well as ERDF and EAFRD**, although these come with their own specific challenges linked to their different perspectives (people-based in ESF rather than place-based in ERDF) and regulatory barriers, and the fact that the proposed CPR will not include EAFRD. With respect to support for rural areas in 2014-20, for example, there have been cases where there has been some level of overlap of activities. In response authorities have called for more clarity on the scope of the programmes (FR) and on the roles and responsibilities of the authorities involved (SE). While there are calls for more standardisation across the Funds (e.g. on reporting requirements and the type of data involved), programme authorities plan to promote links in the future period, for example, through:

- **Multi-Fund OPs.** In the **Czech Republic**, three multi-Fund OPs are planned for 2021-27 to encourage synergies between ESIF programmes. Similarly, in **Slovenia**, the MA plans to continue its current multi-Fund programme (ERDF, ESF, Cohesion Fund) and would also like to develop more strategic multi-Fund projects tailored to the specific needs of each region, although there are still pending questions on how this would be done in practice (e.g. what selection criteria to use for the different Funds involved etc.). Some concerns have also been raised in relation to the administrative complexities associated with multi-Fund OPs.

- **Integrated projects.** In **Pomorskie**, integrated projects have proven to be effective in 2014-20 and are seen to be the most advanced formula for ensuring complementarity and comprehensiveness between activities co-financed by both ERDF and ESF. The intention is to broaden the scope of integrated projects in 2021-27. Similarly, in **Warmińsko-Mazurskie**, the MA sees the value of integrated projects which combine
various activities in one project (e.g. combining research work with the development of skills or necessary infrastructure).

- **Territorial instruments.** Some programme authorities plan to strengthen synergies through the use territorial instruments (e.g. AT, Pom, SI, W-M), such as ITIs and CLLDs. Despite the fact that, in many cases, the set-up of the needed structures and approval of projects has been somewhat slow, instruments such as CLLD have been found to be a useful framework for synergies on the ground, particularly between the ERDF and ESF on one hand, and EAFRD and EMFF on the other. In Warmińsko-Mazurskie, the integrated territorial tools are seen as the most practical way to pursue synergies. The MA is particularly keen to use this approach for revitalisation where ERDF infrastructure projects and ESF+ skills and training projects can be coordinated in degraded areas.

- **Addressing skills development.** Many programme authorities have noted that there is more scope to address specific challenges faced by businesses, such as skills development, through ERDF and ESF+. Tillväxtverket in Sweden, but also authorities in Austria, welcome the Commission’s proposal that aims to widen the scope of ERDF support to include training and qualification measures that have previously been possible under ESF. In Finland, a summary of the evaluations has recommended more cooperation between ERDF and ESF with possible common themes including: quality of working life and productivity; learning in working life; and climate issues. In Croatia, synergies between ERDF and ESF+ are expected to be pursued under PO4, although there are also opportunities linking PO1 and PO4. In England, closer alignment of economic growth and skills generation is also expected post-2020.

New elements to consider in the future period also include synergies with the Asylum and Migration Fund (AMF) and the Internal Security Fund (ISF) that are incorporated into the legal framework of CPR for 2021-27. In Croatia, any potential synergies are foreseen to be possible between AMF and ISF rather than incorporating other Structural Funds.

**The pursuit of synergies between ESIF and other EU instruments varies across policy areas.** Examples range from COSME and Horizon 2020 to social inclusion related funds. However, many note experiences in relation to research and innovation, and some programmes plan to emphasise these links more in 2021-27 (e.g. SK OP R&I).

- **The Seal of Excellence under Horizon 2020** is one example that has been used. Under this, a stamp of excellence is given to projects that have been submitted to Horizon 2020 but do not receive funding due to budget limits. By validating the quality of the project proposal, the Seal of Excellence aims to facilitate alternative funding, e.g., via ESIF OPs or national funding programmes. In the Czech Republic, this approach is planned to be extended to other EU instruments (e.g. Connective Europe Facility, digital programmes) for 2021-27.

**Promotion of synergies with national instruments is also recognised** (e.g. NL, SE, SK OP R&I). This is especially relevant in countries where the limited ERDF allocation has meant that the programmes are closely aligned with domestic policies. For example, in the Netherlands, the programmes aim to find additionality by using ERDF to co-finance domestic innovation policies (e.g. regional strengths identified in the RIS3). In Sweden, Tillväxtverket has recommended strengthening the synergies and cooperation between the domestic regional growth policy and Cohesion Policy in 2021-27. This is considered to be particularly relevant if the Commission’s proposal of higher national co-financing is realised. In order to achieve better synergies, Tillväxtverket considers that the Government should provide clearer assignments to the
relevant authorities. Furthermore it calls for more simplified regulations that are harmonised between the policy areas not least to facilitate co-financing of projects (see Box 5).\textsuperscript{23}

**Box 5: Synergies and cooperation – key lessons from Sweden for 2021-27**

Tillväxtverket has provided a number of lessons learned for 2021--27 concerning synergies and cooperation between the funds:

- **Improve coordination of calls between the funds.** This applies to EU and national funds, but does not require an identical call period which can make coordination more difficult because of the resource-intensive application process.

- **Increase awareness of the opportunities and limitations of the funds.** This applies to the potential applicants and responsible authorities.

- **Strengthen regional capacities for mobilising actors at an early stage.** In order to achieve synergies, all responsible authorities need to be activated and other regional stakeholders involved before the calls for proposals are launched.

- **Focus on the benefits of the funds, not on the co-financing of the project.** Co-financed projects are sometimes perceived as the ultimate proof of successful fund coordination. This is not always true as implementing a project with funding from different sources can be administratively onerous. Coordinated projects, clusters of projects and coordinated calls that result in concrete investments through different funds but which together address a regional challenges, are of greater importance.

- **Link together approved projects.** There are many examples of approved projects with similar themes, geography or target sector which could be linked together in order to create added value.

- **Encourage learning across the funds.** Investments within Cohesion Policy involve learning at different levels. Often there is general cross-Fund learning that can be explored and disseminated to local, regional and national level actors.

*Source: Tillväxtverket (2019) Samverkan och synergier i EU-fonderna 2021-27 – inspel till regeringens strategiska ställningstaganden, 4 October 2019* 

**iv Stakeholder engagement**

Some programme authorities have identified questions related to stakeholder involvement as one of the key issues affecting programming (see also Section 4). For example, in England, the level of involvement of stakeholders in delivery and the need to devolve responsibility in decision-making to the local level while at the same time ensuring accountability and financial probity, are among the key issues affecting the implementation of a post-2020 local growth programme. In Portugal, decisions on the actions and the schedule for the engagement of stakeholders in the PA and OP elaboration are among some of the key internal decisions awaiting political validation that will affect the 2021-27 programming.
The ongoing discussions at the EU level regarding the proposed CPR covering Cohesion policy Financial Instruments (FIs) have meant that preparations are in early stages in relation to their planned use in 2021-27. Overall, the proposals have generated little reaction from domestic stakeholders, although they have been broadly welcomed by MAs especially given the future emphasis on simplification and continuity, as well as the absence of prescription on issues like the ex ante assessment (see Box 6). However, challenges have also been noted especially in relation to the selection of bodies to implement FIs, as well as certain technical aspects such as management costs and fees. As in the past, the planned use of FIs should be indicated in the OP.25

Box 6: Ex ante assessment for FIs in 2021-2726

Under the proposed new CPR, the ex ante assessment can be based on an existing or updated ex ante assessment and it need include only the following:

- The proposed amount of programme contributions and the expected leverage
- The proposed financial products and whether differentiated treatment of investors might be needed
- The proposed target group of final recipients
- The expected contribution of the FI to the achievement of specific objectives.

Past experience is important in the planning process as are ex ante assessments and other analyses to identify the scope for FIs. In East Netherlands, the MA has used capital market research and the experience in 2014-20 to understand what is the appropriate mix between FIs (loans) and grants. The ongoing pilot of setting up a ‘financing facility’ aimed at one of the two eastern provinces is set to serve as an example to find the right balance between instruments and policy targets. In Warmińsko-Mazurskie, any plans to increase the pool of FIs is seen to require a solid diagnosis. This is because experience from 2014-20 suggests that the supply significantly exceeded the demand. They expect MAs to have the freedom to select and use FIs depending on the regional specificity. Plans to increase the use of FIs is also being investigated in Finland through a study of the MA on the use of loan instruments.

Continued or increased use of FIs. A number of countries and regions plan to continue and even increase the use of FIs in 2021-27 (e.g. CZ, Eng, NL, Pom, SE, SK), although the situation can differ between the different OPs (e.g. CZ, SK).

- In the Czech Republic, for example, the NCA promotes a wider use of FIs and has also carried out an assessment together with an external evaluation team of possible themes that could be funded through FIs. However, the decision on the use of FIs will be made by the individual MAs. The MA for the Competitiveness OP plans to increase the use of FIs on the basis that support is largely targeted at businesses which are familiar and more open to non-grant forms of support. The OP also includes relevant themes that are suitable to be implemented through FIs.
• Similarly, in **Slovakia**, a wider use of FIs is planned under the OP R&I in regard to supporting progressive and innovative SMEs, for which grant-based support can be more onerous in administrative terms.

**In some cases, the focus is more about increasing the scale** (e.g. DK, Eng, West NL, Pom), **while others are looking also to expand the range of FIs** (SE) or **the themes they cover** (W-M).

• In the **Netherlands**, the West plans to continue using FIs, while North and East are also considering the possibility of including FIs in the future.

• In **Denmark**, there is an expected shift in priority away from grant-based support towards FIs, although an analysis of the need for FIs will be carried before any decisions are taken.

• In **England**, FIs are likely to continue to be used in post-2020, but potentially with less complex accounting and reporting requirements.

• Widening of FIs is an option in **Sweden**, where an ex ante assessment is under way looking into other forms of FIs (other than seed capital), including loans, guarantees and instruments to support social innovation etc.

• Similarly, in **Warmińsko-Mazurskie**, the MA is considering expanding the scope of using FIs to include investments in the production of energy from renewable energy sources.

**Focus on grants.** Although adopted by some OPs in the Czech Republic, the IROP will not use FIs in the future period due to the negative experiences from 2014-20 (e.g. difficulties finding a private bank to act as a fund manager). In **Croatia**, FIs are seen as desirable but authorities advocate that most funds should be delivered through grants. As in 2014-20, there is also no indication that **Bizkaia** or **Vlaanderen** plan to change their approach from grants to FIs in the future period. In **Slovakia**, more use of FIs to support the development of transport infrastructure in the OP Integrated Infrastructure is also questionable due to limited demand.

### 2.2.3 Programme architecture

Besides the budgetary and regulatory issues, other aspect affecting the programming include the number and structure of the future OPs. **Decisions on the programme architecture are pending in a number of countries** (e.g. EL, FI, HR, PL, SE, SI, SK, PT), although many are expecting a large degree of continuity (e.g. AT, Biz, CZ, NL, Vla). The latter is notable in cases where dramatic changes to the Cohesion Policy budget proposals are not expected, and where major reforms have been carried out for previous programme periods (e.g. in Austria where the number of ERDF co-financed OPs went down from nine to one for 2014-20).

**The uncertainty regarding the number, scale and scope of intervention of national programmes can influence the decision on regional programmes.** This is a notable issue for example in Poland where there will be regional OPs, but their size and scope is still uncertain (e.g. Pom, W-M).
The perceived benefits of simpler administration and flexibility of a single OP dominate the discussions in some countries and regions:

- **In the IROP of the Czech Republic**, the fact that all programmes are at national level is considered to be good practice.

- **In Vlaanderen**, the MA intends to continue with a single OP to avoid duplication and an increase in the administrative burden, but also due to the limited Cohesion Policy budget (and the fact that the province of Limburg will be a transition region), which is seen as insufficient to justify setting up two different management structures.

- **In Finland**, debate between the continuation of a single multi-fund OP and the possibility of a separate regional OP for East and North was resolved on 28 November 2019 when the Government ruled in favour of a single national multi-fund (ERDF/ESF+) OP for 2021-27 (and a continuation of a separate OP in the islands of Åland). Special measures targeted at sparsely populated areas for East and North will be included in the national OP.\(^{27}\)

- **In Slovenia**, discussions are ongoing on whether the single OP covering the West (more developed region) and East (less developed region) will be continued in the future. The East has called for two OPs, but the position of the MA is that there are more advantages (simpler administration, flexibility) in maintaining a single OP, which differentiates between the two types of regions.

- Although future programme arrangements are unclear in the UK, there is preference for a single domestic programme in England, which would enable the adoption of a more flexible approach and more simplified management and financial control arrangements.

- **In Sweden**, the situation is slightly different in that there are eight regional (ERDF) OPs and one national (ERDF) OP in 2014-20. While the advantages of keeping the current structure are recognised, other options are also discussed namely: (i) to replace the structure with one national (ERDF) OP; or (ii) to keep the eight regional (ERDF) OPs without the national (ERDF) OP. The regions favour the existing structure with regional OPs, while the national level sees advantages and disadvantages in all options. One concern from the national perspective is that there is less flexibility in budget transfers if there are several programmes. The limited size of the Cohesion Policy budget in Sweden has also been mentioned as a factor favouring a simplified programme structure. Decisions on the structure are expected by the end of 2019.

**Changes are expected as a result of domestic reforms**, such as in France where in line with the territorial reform of 2016, that saw the number of regions decrease, the number of future OPs will reduce in accordance with the ‘one region, one OP’ principle.

### 2.2.4 Institutional structure and administrative capacity

Institutional set-up is another key element in the preparations for 2021-27. In many countries and regions, a large degree of continuity is expected (e.g. Biz, CZ, NL, NRW, PT, SI, W-M) as previous reforms have resulted in well-established delivery systems (e.g. AT, DK). However, **changes to the institutional responsibilities or to administrative structures on national and regional levels are still possible** (e.g. DK, Pom, W-M), as decisions on the institutional structure are pending (e.g. Eng, HR, PT, SE, SK, Vla).
The design of future institutional frameworks draws on evaluation findings, studies and lessons learned (e.g. EL, HR, SE) relating to administrative capacity. In Sweden, the synthesis of the evaluations calls for a different type of governance for the programmes and the projects in 2021-27. It recommends not only a better governance structure, but also a more experimental approach that provides the conditions for learning and supports innovation and sustainable development. The Swedish Government is expected to take a decision on the future institutional responsibilities in December 2019. In Greece, the OECD territorial review is set to provide recommendations on the institutional structure. In France, where institutional reforms were carried out for 2014-20 period, discussions are also taking place on how to address any shortcomings, with decisions on the institutional responsibilities (concerning especially the distribution of competences between national and regional authorities for ESF and EAFRD) expected by the end of 2019.

Efficiency of the structures is a key issue in the analyses and evaluations being carried out. In some cases the whole structure is under scrutiny, while in other cases, it is one particular body or partnership that is being looked at. For example in Sweden, the Structural Fund partnerships (SF partnerships), which exist in each of the eight programme areas and have the task of prioritising projects, are being analysed. The SF partnerships consist of representatives from the regions, municipalities, labour market, state authorities and the civil society. One of the purposes of the SF partnership is to facilitate the consideration of regional needs, which can contribute to more effective actions. However, the SF structure is also associated with certain disadvantages such as increased administration. In addition there is a risk of ambiguousness in regard to the roles and responsibilities of many of the involved actors in the partnerships. In light of these issues, the Swedish National Audit Office is carrying out an in-depth analysis on the effectiveness of the SF partnerships. In addition to the effectiveness of the partnerships, the assessment will determine whether the Government, Tillväxtverket and the ESF-Council (MA for ESF) have provided the right conditions for the work of the SF partnerships. The forthcoming results are interesting not just from an efficiency point of view but also in terms of possible recommendations for institutional reforms. The final report is due in April 2020.

Decisions on the institutional arrangements are also very much dependent on the wider governance structure. For example in the UK, it is unclear how potential governance of the Shared Prosperity Fund, which is set to replace Structural Funds in post-2020, will interact with the devolved responsibilities within Scotland, Wales and Northern Ireland. The UK Government’s Industrial Strategy, with which the SFP is expected to be aligned, covers themes for which responsibility is currently devolved as well as themes which are currently reserved to the UK government.

The challenges concerning coordination

Other issues that have been raised concern coordination responsibilities:

- In Finland, it is likely that many of the coordinating regional councils will discontinue in 2021-27. In the West, where the regional council of the Tampere region has acted as the coordinating council, it is anticipated that all the regional councils will perform the
IB functions independently, and there will be no coordinating council in 2021-27. This is not viewed favourably by all (least by the existing coordinating councils) as by performing the IB functions independently is expected to increase the administrative burden and costs. Only in the case of the Centres for Economic Development, Transport and the Environment (ELY-centres), which are the regional state authorities responsible for ESF, the ‘coordinating’ ELY-Centre role will be continued for 2021-27.

- In Greece, there is a level of scepticism on whether the architecture adopted for 2014-20 with the coordinating bodies in the ministries, actually facilitates programming. This intermediate structure has meant that direct contact between the MA and the competent Minister has been lost. The OECD territorial review is expected to provide input in this regard and assess whether the existing architecture has facilitated or obstructed coordination, management and implementation.

### ii The changing roles of the Intermediate Bodies

Other planned institutional changes relate to the IBs and their respective roles (e.g. AT, CZ IROP, Eng, Fl, NRW, Pom):

- In Finland, new IBs will need to be assigned in cases where regional councils expect to take over responsibilities from the coordinating councils that were in place in 2014-20 (e.g. concerns all regional councils in the West of Finland).

- In Nordrhein-Westfalen, there is a possible reduction in the number of IBs as business start-up support will be supported by domestic funding only. This would mean that the body responsible for acting as an IB in 2014-20 would no longer carry this function in 2021-27.

- In England, the use of devolved IBs has worked well in 2014-20, although their powers have been limited. Future considerations include whether these bodies could be given greater accountability and increased role in decision making.

- In Pomorskie, there are discussions on whether the IB for the ITI could be focussed more on strategic and less on operational tasks in order to increase the added value.

- In the Czech Republic (IROP), decisions have been taken in terms of not having IBs appointed for ITIs due to the lack of experience and capacities of these organisations in 2014-20.

#### 2.2.5 Domestic developments

Domestic developments are particularly relevant in countries such as the UK where there is a high degree of uncertainty at the strategic level regarding the size and duration of the available funding post-2020 (see Box 2). In Greece, the key issue relates to the exit of the country from the financial support programmes and inclusion in the European Semester, as well as meeting the obligations associated with the post-financial assistance period set out in the agreements.
2.3 Key lessons for future programming

i Past experience

Past experience is crucial in laying solid foundations for the future in all Member States and regions. This plays a particularly important role in countries where there has been more limited experience with ESIF. For example, in Croatia, the start of the 2014-20 programme period was in large part ‘lost’ because there was a need to familiarise with the new institutional system and investment possibilities. For 2021-27, the foundations are in place with respect to the necessary experience and expertise together with a solid institutional support system, and this is anticipated to lead to faster programming. Programme drafting is also expected to be relatively quick in South Netherlands as the future OP will be based on the key lessons learned from 2014-20.

ii Strategic approach

Some countries are adopting a more analytical and strategic approach for 2021-27:

- In Scotland, wider questions are being asked about how to better design post-2020 programmes, how to better use data, and how to use the results of evaluation more effectively. In this respect, the future evaluation plan will be refocussed to try to identify the elements of the 2014-20 programmes that work well with a view of informing future approaches.

- In Portugal, evaluations will also feed into the debate on key lessons learned. The main lessons coming out from evaluations will be synthesised and used in the context of preparations for the future period.

- In the Czech Republic, much effort has been put into the preparatory analytical and evaluative work in order to have a robust foundation for programming. In the absence of strategic overview for 2014-20, the authorities have also decided to develop a strategic document for Cohesion Policy to provide a foundation for the future programme priorities.

- In Slovakia, the key lesson in the OP Effective Public Administration concerns the need to have clear definition of interventions and the objectives, to set out correct target values for the indicators, and to ensure that the OP reflects the needs of the beneficiaries and ensures synergies with the other OPs.

- In Sweden, the authorities are developing a programme theory for ERDF, which is expected to facilitate the prioritisation of activities, the delivery of the objectives and the follow-up. The process entails four stages and three workshops (see Box 7).
Box 7: Developing a programme theory in Sweden

The process of developing a programme theory is implemented through a learning project, which is led by Reglab but also involves Tillväxtverket. The learning project focuses on ERDF, but it also aims at general skills development in order to increase the knowledge on programme theory as a tool for monitoring, evaluation and learning. One of the key considerations for the programme theory is the use of knowledge from the 2014-20 evaluations, as well as knowledge of stakeholders which were involved in this process. Another element is to use the expertise and experience of Tillväxtverket, the regions and other important stakeholders to ensure that the programme theory is relevant for all actors. This is a much more strategic approach to programming than was the case in 2014-20.

Source: Adapted from Tillväxtverket (2019) Gemensamt Övervakningskommittémöte, 17 October 2019

iii Territorial / thematic approach

Adopting a territorial and thematic approach where programmes are tailored to the specific individual conditions is underlined as a key issue by the authorities in Warmińsko-Mazurskie. They highlight the importance of taking into consideration the specificity of individual regions and their needs. They advocate that the territorial approach within the ROP should be developed by the regions, requiring a bottom-up approach. The MA is calling for the 2014-20 approach of ‘unified or one-size-fits-all regulations’ to be reviewed, as these were seen to generate substantial difficulties and barriers in the implementation of the programmes, and prevent the investment of funds in those areas that are key for the region. In Croatia, flexibility and tailored set-up are also noted as important.

iv Responsibilities and administrative capacities

Another key lesson reported by programme authorities is the need to ensure that responsibilities and competences are clearly and coherently defined and that there are sufficient human resources and administrative capacities. In France, this was seen as one of the biggest challenges in 2014-20, although largely a problem for ESF and EARDF. Furthermore as the responsibility of OP implementation was transferred to the regional authorities, new staff often needed to be recruited and trained. Some regional councils also underestimated the need for qualified staff and the technical complexity of Cohesion Policy implementation. In Slovenia, authorities have also underlined the need to have programming and implementation resources more closely linked. This is because, in the past, programming has
been carried out by actors who were not necessarily aware of the many practical implications of decisions taken during the programme drafting stage.

vi Timely start of implementation

One of the key success factors for any future programme is the **timely start of implementation**. For 2014-20, programmes were not adopted until the end of 2015, not least due to the late approval of EU regulations and slow designation of management bodies. Although there are ambitions for a timely start in 2021-27, delays are already affecting the programme and strategy writing efforts in many Member States and regions. These have occurred as a result of pending EU regulatory and budgetary decisions, but also due to domestic factors such as elections (e.g. PL) resulting in a change of government (e.g. EL, FI, Vla) and the absence of government decision-making on key issues such as the programme architecture and strategic priorities (e.g. FI, PT, Vla). Forthcoming elections are also making future planning more difficult (e.g. UK in December 2019, Slovakia in February 2020, Croatia in the Autumn of 2020). To overcome delays, the East Netherlands MA plans to adopt a more streamlined approach to programming and the development of the RIS3 strategy while utilising a wider set of partners in the process.

vi Simplification, flexibility and clarity

Many of the other lessons for the future mentioned by the programme authorities relate to further simplification measures (see Box 8), flexibility, as well as to the clarity of the decisions to ensure that there is no room for ambiguous interpretation. For example in Finland and Slovakia (OP R&I) as well as in England, the flexibility of the programmes has been underlined as particularly important. In Slovakia (OP R&I), the problem in 2014-20 has been that some activities were set out in too much detail which in turn limited flexibility in the course of their implementation. Although the 2014-20 OP in Finland was drafted with the intention of making it general and flexible so that it could accommodate different sectors and actors, and minimise the need for possible programme changes, it has been suggested that there is scope to go beyond this in 2021-27. Further flexibility is underlined as important in order for the programme to better adapt to sudden changes in the wider environment.

Thinking is also encouraged to consider alternatives to the programme-based approach at the EU-level, although alternative options are admittedly limited. These questions are also relevant for the UK, where the debate has opened up wider questions on the future regional policy. For example in Scotland, there are questions regarding how the ESIF will be replaced, including their added value, their fit within the domestic policy agenda, and the role of ESIF in leveraging best value out of the various policy areas.
3 PROJECT GENERATION AND SELECTION

The delivery systems for generating and selecting projects are at the heart of programme implementation to deliver quality projects and create lasting impact. There is no uniform approach to project generation, appraisal and selection among the EU Member States. Rather different systems are in place reflecting national practices, which have evolved over the successive programme periods. The models for project generation and selection used in the 2014-20 programmes vary in terms of their selectivity and degree of targeting, their timing and the burden involved in preparing and managing them. A common trait is that these delivery systems have, over time, aimed to increase the administrative efficiency and to deliver more results and impact.

In 2021-27, simplification and the reduction of administrative burden are key elements in the draft proposals, along with the continued result-orientation. Appropriate project generation and selection processes and mechanisms have a crucial role in this respect, insofar as they:

- are key in pursuing result-orientation (i.e. essential for achieving performance/policy objectives) as one of the key principles of implementing ESIF;
- are important in ensuring the high quality of projects (e.g. clear/adequate criteria necessary to ensure that [potential] beneficiaries fully understand the needs/requirements and are able to meet them) and timely project delivery; and
- have the potential to contribute to the simplification agenda by (potentially) integrating measures that seek to reduce the administrative burden for applicants / beneficiaries as well as for programme authorities.

Recent evaluations highlight that, while greater focus on results (not just spending) is key for more effective ESIF implementation and ensuring the supported investments generate a meaningful change on the ground, and the Member States have been successful in developing OPs with a more robust intervention logic, result-orientation needs to be better integrated in project selection procedures and processes. Furthermore, simplification measures are important for preventing delays in project selection and ultimately, facilitating the delivery of results.

The following sections discuss the early thinking and planning that is taking place in the countries and regions concerning project generation and selection in 2021-27.

3.1 Planning for project generation and selection

With programming ongoing, thinking and planning is still at an early stage concerning project generation and selection in 2021-27. Overall, a large degree of continuity is expected from 2014-20 (e.g. AT, Biz, CZ, FI, NL, SI) not least because major changes were already established for 2014-20 (e.g. AT, DK, North NL) and there is a general wish to avoid creating new procedures and causing delays to implementation. It is therefore expected that there will be no significant changes, but rather fine-tuning and adjustments
(e.g. AT, DK, FI, NRW, Vla) based on past experience, evaluation evidence and the new regulatory requirements. More uncertainty is notable for example in the UK, as the direction and scope of the Shared Prosperity Fund is still unknown.

3.1.1 Focus on results-orientation and simplification

In 2021-27, key priorities for programme authorities are results-orientation and simplification, although also financial absorption, transparency and compliance remain important inter-linked issues (see Table 2). In addition, synergies (see more in Section 2.2.2), and territorial focus have been noted as relevant. Similar priorities are also notable in England and Wales where the focus is expected to be on the delivery of outputs (Eng, Wal) and value for money (Eng) in the future domestic programmes.

Over the programme periods, authorities have improved their performance concerning many of these priority areas (e.g. compliance and transparency), and there is therefore a clear shift to other areas, namely towards improving results-orientation and simplification in 2021-27. However, the priority may vary at different stages of the programme cycle. For example, financial absorption is commonly noted as important in the early years of implementation, and very relevant in the context of the future programme period as a result of the possible reintroduction of n+2. At the same time, financial absorption is also an ongoing priority not least because it is visible and as such may be subject to political pressures (e.g. due to published rankings of OPs in terms of their financial performance). Programme authorities note also the relevance of priorities such as transparency and compliance, but highlight the importance of results-orientation particularly towards the end of implementation. As noted by one programme authority: ‘projects may perform well in terms of absorption, transparency and other criteria, but will ultimately be judged on the basis of the results’. All priority areas can therefore be important in different stages of the programme cycle.

There is a clear interest in linking results-orientation and simplification measures better into project generation and selection, although challenges remain. Much has been learned from 2014-20, although there are a number of concerns that prevail. There continue to be differences in understanding results-orientation, and issues about making results-orientation work in a Structural Funds context and in the different types of projects. The need to measure and give evidence of performance over the short term has sometimes meant that there is a tendency to steer away from projects which have the potential to initiate real change (i.e. risky/complex interventions) to favour safer projects. Furthermore, describing the intended results and impact can be challenging especially under ERDF where the indicators are not necessarily able to capture all the results and impacts (e.g. creation of a new type of business culture and know-how). In England, authorities aim to simplify and streamline application and implementation procedures for both applicants and the MA, whilst ensuring accountability and delivery of outputs. Further, the reduced emphasis on financial control and audit under a
domestic growth programme is considered to allow more innovative projects and delivery mechanisms.

Table 2: Priority areas in 2021-27

<table>
<thead>
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<th>Priority area</th>
<th>Future focus</th>
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| **Results-orientation** | ‘Projects judged on the basis of results’.  
Change in attitude amongst actors (incl. AA’s shift towards results)  
More theory-based approach  
Indicators  
Emphasis on improving monitoring systems in order to record results / evaluate impacts (FI)  
Further guidance (DK), training (FI) needed |
| **Simplification** | More focus on simplification measures (including SCOs, payments based on results, reducing audit/control burden etc.)  
Concrete measures to reduce the number of documents and procedures. |
| **Financial absorption** | More publicity measures to improve absorption. |
| **Transparency** | More transparency through increased/improved communication efforts (focus on early reputation/image, which can be difficult to change at a later stage; highlight results-driven information rather than budgetary issues). |
| **Compliance** | |

Source: IQ-Net research

**Results-orientation can sometimes make more sense at project level** than at programme level as it is possible to set meaningful and measurable targets for individual projects. This can be particularly relevant for small programmes (with limited EU funding) where external factors have a strong influence on overall programme achievements.37

In addition to considering results-orientation at the project level, **results thinking as part of the entire chain** (e.g. DK, FI, SE) has been reported as necessary. For example in Sweden, the focus is on better intervention logic and programme theory (see Box 7) in order to improve the results-orientation. The key is that this type of thinking would flow through the chain – from the development of the OPs to the mobilisation of the projects, applications and evaluations. Evaluations in Sweden also call for a clearer link between indicators and results, as well as the link between results and long-term impacts.38 In the Czech Republic, there have also been difficulties in identifying the links between project calls and results. In response, all MAs have been asked to outline a theory of change at the level of specific objectives for 2021-27. Therefore, subsequent project calls (which are linked to specific objectives) will be clearly linked to the expected result.
The continued focus on results is viewed as compatible with calls for greater simplification. Simplification measures that remove administrative barriers are considered to contribute to the achievement of better results. However, in order to ensure a balance between the requirements, more thinking is needed in regard to selection criteria, indicators (e.g. measurability of indicators, availability of data), as well as the flexibility of programme authorities to adapt processes tailored to their specific circumstances so that the over-reliance on the various priorities does not mean shift away from the selection of innovative/more experimental projects. For example in Vlaanderen, one of the functions of ERDF is that it provides ‘seed funding’ for experimental initiatives. The results of this vary, as sometimes projects that are stimulated turn into successful businesses, but they also carry a higher risk of failure.

Box 8: Measures to simplify procedures and reduce administrative burden

The Commission’s investment guidance to the Member States also recommends efforts to simplify procedures and reduce administrative burden for applicants and beneficiaries.

This can be achieved by reducing documentation or bureaucratic requirements in project selection and enhancing the use of simplified costs options (SCOs). Programme authorities have also highlighted the use of digitalised tools (e.g. fully electronic communication and application procedures) and noted the benefits of the results-based (rather than cost-based) approach to funding. Furthermore, the benefits of the idea generation phase (i.e. ideas are submitted before the development of full project proposals) have been noted (DK), as these can simplify and accelerate the project generation process. Similarly, a one-stop-shop approach where all information and services are provided under one umbrella has been mentioned as an option for some in the future (e.g. FR).

3.1.2 Differentiated approach for other delivery instruments?

Discussions are also in early stages concerning any possible changes to project generation and selection for different delivery instruments (e.g. FIs, RIS3 strategies, Territorial Instruments). This is because in many cases, decisions on whether such instruments will be adopted are still pending (e.g. AT). In Sweden, discussions are ongoing on how to address project generation and selection for Sustainable Urban Development (SUD). This is because many SUD projects in 2014-20 have been assessed as having a strong business development or innovation perspective, but have lacked critical elements, such as integration of environmental or social perspectives. The evaluation of the SUD calls for clearer definition of SUD in the future OPs, with well-developed investment priorities and indicators in order to ensure clearer targets for the projects to aim for. In the Czech Republic, a range of approaches for different delivery instruments and for different themes are likely, as this has been also done in 2014-20.
3.2 Lessons for project generation and selection

In line with the above mentioned issues, programme authorities are reviewing experiences and lessons from 2014-20 with a view to adopting best practices and addressing possible shortcomings. Specific issues that have been noted by programme authorities as requiring attention in 2021-27, include:

3.2.1 Support and communication

Ongoing support to project actors is a key to facilitating good quality (result-oriented) projects and mobilising stakeholders. Evaluation findings highlight the importance of careful planning in the project application phase, commitment to the project, and the expertise and experiences, which can have positive effects on the implementation. Authorities can facilitate this especially in the project application phase, but also throughout the project implementation by providing ongoing support to the project actors.40 There are different examples of how this support is provided and organised (ranging from informal to more formal arrangements) and the themes covered (e.g. with applicants reporting difficulties in a wide range of areas, including State aid, public procurement and ownership structures).

Successful examples that will be continued into the 2021-27 period include: the use of contact points (e.g. SI, West NL especially to raise awareness on the low-carbon priority); consultants (e.g. EL, West NL) or intermediary organisations (e.g. AT); and the negotiated process between the programme authorities and the applicants / beneficiaries (e.g. W-M).

- Use of consultants or intermediary organisations. In Greece, the Management and Organisation Unit (MOU) has accumulated a three-decade long experience in providing support to beneficiaries, which dates from the second Community Support Framework (CSF). In order to assist weak beneficiaries in project generation, selection and maturation, the MOU has established dedicated expert teams, also known as the “flying consultants”, which have been in operation in 2014-20. The Task Force for the Remote and Islands areas is a notable good practice example (see Box 9).

Box 9: Support for project beneficiaries in the remote and islands areas in Greece

The mission of the Task Force for Remote and Island Areas is to provide support to beneficiaries in remote and island areas. Project beneficiaries (small municipalities) lack in-house technical services and rely on outsourced services. Support tasks are therefore undertaken by the MOU expert teams. The teams take a hands-on approach of assisting throughout the project preparation phase. They assume the preparation of the mayor’s proposal to the town council, carry out project maturation, prepare applications for finance, provide expertise for supervising the necessary studies and they seek external aid in order to provide the capacity of contracting services.

With a new government in office, there are signs that the work of the Task Force for Remote and Island Areas is going to expand by creating an office responsible for the public tender of projects.
In **East Netherlands**, the MA is largely satisfied with the project generation and selection structure, but considers that there is a need for improving the administrative capacities and knowledge of the specific innovation areas (e.g. low-carbon). The MA is investing in the help of consultancy firms to provide advice on new procedures and regulations. Consultancy firms play an important role as they have extensive innovation and SME networks and act as intermediaries in accessing different forms of public funding.

In **Austria**, many Länder use intermediary organisations to advise potential beneficiaries. These are often located at the interface between business and R&D, and sometimes go beyond offering just advice, and help with the generation of projects. For example, in Burgenland, the business agency WiBuG (Wirtschaft Burgenland GmbH) actively approaches enterprises directly to encourage project applications. In addition, cluster organisations can play a role in supporting project generation.

In **Warmińsko-Mazurskie**, the MA is reviewing arrangements to improve the readiness of projects at the start of the new period. The process of 'negotiation' between applicants / beneficiaries and programme authorities is well-established especially under ESF. However, the MA is considering negotiations under ERDF with potential applicants at the stage of identifying them so as to better align their assumptions with the objectives of the programme and make them more ambitious.

One reported issue of the 2014-20 period concerns **guidance issued for the generation and selection of projects:**

In the **Czech Republic**, the guidelines on project generation and appraisal for 2014-20 issued by the NCA have been perceived by the MA as too binding, inflexible and hard to work with, and not always tailored to the specificities of the OPs. In response, the NCA plans to issue framework guidelines to ensure that all MAs will employ the same key principles, while also ensuring that these guidelines will not be too detailed. This approach is expected to lead to simplification, and also to deepen the involvement of MAs designing the central monitoring system.

In **Croatia**, instructions and support have focussed in particular on addressing the occurrence of irregularities. The MA has issued instructions for the IBs regarding irregularities especially in relation to public procurement processes in order to unify procedures. The MA has also established networks (public procurement network, state aid network, network for the management of irregularities) to discuss and exchange good practice, practical problems, complex cases, bottlenecks and training needs etc. Furthermore, the MA publishes a table with examples of common irregularities and how to avoid them, which is particularly important before grant contracts are concluded. The MA also prepares reports on identified problems and issues recommendations on how to deal with them and how to avoid them in the future. The aim of these reports is to improve the quality of instructions for applicants and harmonise grant procedures, as well as prevent errors that applicants make while preparing their project proposals.

Although the importance of ongoing support is acknowledged, sometimes resource limitations have meant that only very essential tasks are prioritised. Consequently, this has meant that resources are more limited to providing support to applicants, attracting new project applicants and communication. Nonetheless, it is clear that programmes are having to reconsider their priorities for the future, given the important role that these activities can play.
Box 10: Communication in 2021-27

Communication has been given an increasing priority in the future Cohesion Policy agenda. Programme authorities acknowledge the importance of communication especially in terms of encouraging and facilitating project generation (e.g. attracting (new) applicants, disseminating information on results and new requirements), improving the quality of submitted applications, but also in terms of increasing transparency on funding calls.

Planned activities are set out in the communication strategies, and include: online tools (website, social media, webinars, videos); public events (conferences, seminars, road shows, open days); leaflets, brochures, newsletters, press releases and good practice guides; and TV and radio broadcasters.

Online communication is highlighted as a priority for 2021-27 not least due to the wide scope of dissemination and cost efficiency. However, events which enable direct contact with the recipients (and storytelling methods) are popular in many places and can be associated with a higher level of satisfaction. There are also calls for more unified regulation and branding for all programmes and Funds across the EU, in order to simplify and improve the communication efforts.

Communication requirements on transparency are also further strengthened for 2021-27. In particular, MAs will be required to publish on their webpage a summary of forthcoming funding calls one month before their launch with the following information (Art.44, draft CPR):

- (a) geographical area covered by the call for proposal;
- (b) policy objective or specific objective concerned;
- (c) type of eligible applicants;
- (d) total amount of support for the call;
- (e) start and end date of the call.

3.2.2 Approach to project generation

Programme authorities plan to prioritise different elements in the project generation in 2021-27:

i  What form of project generation is most suitable?

Many programme authorities are thinking about the type of project generation approach, whether this is done, for example, on a competitive basis or through direct approval, or through a combination of different approaches (e.g. Slovenian competitive calls and direct approval). In Slovakia, there are plans in the OP R&I to use competitive calls, but taking a more simplified and flexible approach to designing and approving the calls. Calls are also planned in the IROP in the Czech Republic, but there are plans to introduce a system of call notification in order to provide actors with sufficient time to negotiate and prepare project proposals, and to ensure necessary sources for co-financing. In Warmińsko-Mazurskie, consideration is being given to the role of major, non-competitive projects. This approach is a response to the possible shift to n+2 especially in the context of major projects which often take time to prepare and complete. The non-competitive projects would have to be ready for implementation before the start of the application procedure.
ii Joint/aligned project calls?

The lack of coordination and synergies between calls has been noted as a problem in the OP R&I in Slovakia in 2014-20. However, in Finland, the simultaneous organisation of calls within a NUTS2 regions has been a successful practice. In South Finland, this has created the foundation for cross-regional project activities and generating more and better results. This process has meant that the regions have also organised joint call info sessions and engaged in joint communication activities (sometimes supplemented by region-specific, additional communication activities). However, some challenges may emerge in 2021-27 not least given the possible discontinuation of the coordination councils (although in South Finland, the coordination council will continue in 2021-27). Nonetheless, some form of cooperation is still anticipated in the future.

Alignment of local economic growth and skills issues in project calls is planned in England for the post-2020 period, as this has not been possible in 2014-20 due to the separate ERDF and ESF programmes. In Nordrhein-Westfalen, experiences with joint calls involving ESF and domestic funding sources have been less convincing and characterised as complex and confusing amongst the project promoters in 2014-20.

iii Continuous or concentrated project generation?

While some programme authorities plan to have continued project generation in order to phase out the incoming applications and the subsequent tasks (e.g. AT, CZ, SK OP R&I), others aim for a more concentrated in-flow of project applications (e.g. NRW, Vla). For example, in Austria, applications are submitted on a continuous basis to the IBs, while in Nordrhein-Westfalen, the authorities are considering whether adjusting the number of project calls could yield some advantages, while covering a broader range of fundable measures. Similar plans are expected in Vlaanderen, where the MA strives for more transparent project generation process by using a fixed calendar of calls per priority.

iv Targeted or broad themes?

A broader range of fundable measures in the calls is being considered in Nordrhein-Westfalen. By contrast others plan for a more targeted approach (e.g. DK, NL South and West, SE, SK, Vla):

- In Denmark, the Business Promotion Board plans to specify which business cluster can build innovation cooperation in certain thematic calls (e.g. only the maritime cluster would be eligible to respond to a call relating to innovation in the maritime industry). However, discussions between the Board and the MA are still ongoing on how to make the calls more targeted in 2021-27.

- In Sweden, there are plans to launch calls that are more targeted and which define clearly what types of projects are expected. Furthermore, the synthesis of the evaluations has recommended prioritisation of projects that can cope with changes and unexpected events in line with resilience thinking.

- In Slovakia, in the OP R&I, calls are planned to be more targeted with concrete priorities which have been identified in the RIS3 strategy.
In West and South Netherlands, targeted calls have been assessed as relatively successful and will be pursued post-2020. The mid-term evaluation findings have highlighted the potential of thematic calls based on their intersectoral focus, but also note challenges as thematic calls may be too specific and as this can be a demotivating factor, decrease the ambition level, and potentially drain the project pipeline.43

More or less strategic and experimental projects?

While some programme authorities plan to shift away from large and complex projects due to regulatory changes such as the reintroduction of n+2, others are keen to implement more integrated and strategic projects (Pom, SI), larger (East NL, Vla) or mature investment projects (Biz) or to accommodate as wide a range of needs as possible (SK OP R&I):

- In Vlaanderen, larger projects are preferred as they provide more focus, beneficiaries tend to have more capacity and impacts are more durable.

- In Pomorskie, integrated and strategic projects are considered well suited to addressing cross-sectoral issues as well as engaging stakeholders. This relates not just to ITI but also to other territorial tools that encourage integrated project approaches. So-called strategic projects are also viewed positively. These are integrated sets of projects that are identified in Pomorskie’s strategic development frameworks and that are subject to an intense process of negotiation between the MA and potential beneficiaries prior to the launch of the ROP (see Box 11).

Box 11: The added value of strategic, negotiated projects in Pomorskie

In Pomorskie, the ROP supports strategic projects, which were identified in the development of the (six) regional strategic programmes. These projects were then transferred into the ROP as a dedicated call for the applicants that had been involved in the drafting of the strategic programmes. Examples of these projects include support for an integrated system of marinas to boost tourism, cycle paths etc.

The approach creates the benefits of stability and certainty. Beneficiaries and the MA can address technical and strategic issues in advance and so there are no major surprises once the ROP is launched (although, there may be need for further negotiations as the projects go through different implementation stages). Hence the MA and beneficiaries know what is going to be supported in advance and there is added value in negotiating a complex set of projects, looking at how a specific theme or territory can be developed. ERDF investments can sometimes be too dispersed or fragmented to achieve optimal strategic results and coordinating this type of support through negotiation across different organisations is advantageous.

For the MA, a key benefit is being able to gauge feedback on its plans at an early stage from the levels of interest raised. This indicates a likely demand ‘on the ground’ under future ROP priorities and gives the MA the chance to adjust planned measures accordingly.
• In Sweden, the evaluations have called for a more experimental approach to projects with a view to opening up options for new stakeholders and new types of innovations. Projects could be organised as experiments where the results are compared and analysed. This would provide a better foundation for the SF partnership (responsible for prioritising projects) to see what type of projects work and what can be scaled up. This would be a simplified way of working with evidence-based practice that allows conclusions and lessons from the projects to be drawn.

• In Croatia, the strategic framework, the National Development Strategy 2030 (NDS), has involved all stakeholders (through focus groups) in discussions on the most impactful strategic projects that could be implemented on the national level by relevant Ministries. Those projects which are assessed to have most impact on the strategic objectives of the NDS 2030 will be prioritised. This process will be paired with the establishment of a central electronic project register which will record all stages from the project idea phase and initiation to its elaboration.

3.2.3 Governance and administrative capacities

A good governance system is a key for the generation and implementation of projects. For example in Slovakia, the OP R&I has faced problems in regard to multiple decision and approval of documents by different administrative bodies, which has significantly slowed down the process. In Sweden, the synthesis of the evaluations has called for a better governance, including: better coordination and more active involvement of the SF partnership, which is responsible for the prioritisation of projects; more involvement of the regional actors and decision-makers to create links to other activities; and simplification of programmes to provide a better overview, governance and learning.

Another important related issue concerns the need to strengthen administrative capacities. In the Czech Republic, public administration has been faced with a constant decline in human resources, which has affected the capacities available for the delivery of ESIF. In other places, there has been a need to address specific thematic experience, especially concerning low-carbon (e.g. NL North, SE), which was addressed through communication (NL), project calls (by removing thematic or geographic restrictions through so-called open innovation call) and through specific projects (ClimateSync in SE). In North Netherlands, the adopted measures resulted in an important increase of interest and good projects.

The Commission’s investment guidance to the Member States, notes that additional efforts are needed to strengthen the administrative capacity of IBs and beneficiaries to prepare and implement projects (EE, FI, LT, LV, MT, SI) or to support authorities in the delivery of policies and strategies (BG). The latter includes Smart Specialisation strategies (SE), Public Employment Services (CY, PT) and training measures (MT). Increased capacity of beneficiaries is also highlighted (HR, SK) in the rail sector and areas facing socioeconomic challenges (PL, RO) as well as waste, roads, education and health sectors (RO).
3.2.4 Adapting project selection procedures for the future

New thinking is also planned to project selection procedures especially in terms of simplification and addressing administrative capacities. In Slovakia, substantial changes in the project selection procedures are anticipated given the problems faced in 2014-20 (see Box 12).

Box 12: Changes to project selection in Slovakia

**OP Research & Innovation**

*Challenge:* In the OP R&I, the project selection processes have been one of the key problem areas in implementation. Challenges have included the high administrative burden in the project selection procedures (mainly due to national requirements) and limited administrative capacity, which have contributed to delays in the selection process (which lasts on average 9-12 months).

*Future plans:* The plan is to simplify and shorten the assessment of applications and the awarding process. This includes reducing the number of funding conditions that need to be fulfilled in the project application and subsequently verified by the MA/IB in the project selection process. In the new approach, the relevant funding conditions will only be established in the contract with the beneficiary and verified in the project implementation phase. Focus will also be placed on motivating experts to assess ESIF applications.

**OP Integrated Infrastructure**

*Challenge:* In the OP Integrated Infrastructure, the MA has been required by the Audit Authority to perform detailed assessments of the technical aspects of infrastructure projects in the final stages of the selection process. The MA considers this ineffective and leading to duplication of efforts for projects which have a long technical preparation period and are subject to ongoing scrutiny on the technical principles and solutions by competent national authorities.

*Future plans:* In 2021-27, the process should become more simplified in that technical questions will not be posed in the project selection phase, but addressed in earlier stages preparatory stages. More focus is, however, planned in relation to questions on Environmental Impact Assessment (EIA), Cost-Benefit Analysis (CBA) and eligibility of expenditure. Other issues relate to State aid questions, which the MA views should also be addressed in advance rather than during the selection process.

Programme authorities also note plans to address project selection criteria in terms of adjusting the criteria because it can be difficult to assess (e.g. project innovativeness) or because there is a need to accommodate wider challenges. For example, in South Netherlands, the MA plans to revise the selection criteria in order to accommodate project proposals in line with societal challenges (particularly in the climate and energy domains). The key is to develop indicators that include a clear measurement of environmental and social impact. Another challenge is to avoid having a large number of criteria (more than the current 5-6) and to consider criteria that go beyond economic indicators (innovation and business case criteria).
Box 13: Use of thematic experts in the selection of projects

In the Netherlands, the use of thematic experts has been actively used in the selection of projects, and the approach of South Netherlands has also been discussed in the other regions (especially in West and East NL). In South Netherlands, a small core committee advises the MA on project selection and in addition a ‘flexible layer’ of thematic experts can be called on depending on the expertise required. This approach is expected to result in a more effective operation of the committee and better alignment with the priorities of the national innovation policy, although discussions are also ongoing on cost implications.

An innovative example that takes into account ethical considerations in the selection of projects can be noted in the West of Finland. Ethical responsibility is a new criterion that has been tested in the West of Finland by the regional council of the Tampere region in 2014-20. This was applied for the first time in the thematic call focusing on the use and application of artificial intelligence in March 2019. The additional criterion required ‘the project to implement the principles of responsible innovation in the application of artificial intelligence’. The criterion was added due to the significant societal implications and risks associated with artificial intelligence. It was considered important that the applicants assess these impacts, define the results that the activities aim to generate, and plan for the management of possible risks that these operations may have.

Responsible approach can touch upon different aspects, but in this particular thematic call by the regional council of Tampere region, the focus was on the ethical considerations, inclusion, transparency and openness, as well as trustworthiness and safety. Following these considerations, the funded projects were required to consider the responsible approach throughout the process of planning, implementing and using the results. This applied to technological development projects but also to projects related to learning and building of networks. The projects were expected to create models which ensured that all relevant actors incorporated responsible and ethical approaches to their activities (see Box 14). In the West of Finland and in the regional council of the Tampere region this is a good practice example not only for Structural Fund calls, but also for the work carried out within the council more generally.
Box 14: Ethical considerations in the calls of the regional council of Tampere region

The call for project proposals included a separate attachment on the criterion, which was required to be completed by the applicant. The attachment provided further information including information on the need for such criterion, and the definition of terms such as ethicality, inclusion, transparency and openness. The attachment also included a number of questions that the project applicant was expected to address. These questions were then assessed on a scale from 1-5, and the average – which was rounded up to the nearest whole number - was used.

The questions in the annex included following:

- What ethical questions and possible challenges are recognised in the project and how are these addressed? The challenges can relate to:
  - the project activities;
  - the models or technologies being developed;
  - the target and the environment of the applications;
  - the development of learning;
  - the building of networks.

- What actors and stakeholders are included in the project’s innovation activity and why? How is this inclusion being implemented? (For example, who is involved and in what ways is the ‘responsible’ thinking and decision-making related to innovation activities? How are the values and interests of different stakeholders taken into consideration in the innovation activities?)

- How does the project implement transparency and openness? (For example, how are the objectives, activities and results of the project communicated and discussed with stakeholders and citizens?)

- How is trustworthiness and safety of the project’s activities and results ensured? (For example, how is the protection of the collected data - including possible personal data - ensured in an innovation and / or in a project, and how is misuse of innovations prevented? How is trustworthiness and safety of innovations related to other participating actors - stakeholders, business etc. - ensured?)

Source: Regional Council of the Tampere Region (2019) EAKR-rahoituksen haku 4.3.2019 mennessä, teemahaku: tekoälyn solveltaminen ja hyödyntäminen; Liite, vastuullisuus tekoälyhankkeessa
4 STAKEHOLDER ENGAGEMENT

Cohesion Policy can be regarded as the only EU policy that supports all of Europe’s territories and local communities by involving territorial stakeholders to deliver territorially-differentiated strategies led by shared EU goals. It is shaped and delivered in partnership with regions, municipalities, cities and local actors. Subsidiarity, multi-level governance (MLG), the partnership principle, the territorial / place-based approach are at the core of Cohesion Policy. Its shared management model is based on the partnership principle, MLG and the coordination of different administrative levels. Partnership working covers the whole Cohesion Policy cycle, from the programming stage through to the implementation and assessment of results. This approach is seen as leading to better programme outcomes and helping ensure that ESIF resources are spent efficiently. More specifically, the partnership principle and MLG model are important as they, among other things:

- enforce the legitimacy of EU policymaking by giving stakeholders a voice in decisions on funding measures that concern them directly;
- lead to greater transparency in the policy implementation / performance;
- allow the design of better policies by taking into account the needs/capacities of territorial stakeholders and adjusting policy instruments to the specifics of the territory;
- help in identifying and designing appropriate/adequate project application requirements (project selection criteria) that can be met by potential beneficiaries;
- promote stronger collective commitment to and ownership of ESIF on the ground and responsibility for policy implementation among all stakeholders (ultimately leading to better policy implementation / better results);
- can contribute to better communication of EU policy objectives and results (which can help increase public awareness about the effectiveness of the EU’s regional policy).

The partnership principle has been further strengthened in the 2014-20 programme period, with the CPR requiring the creation of partnerships for all ESIF programmes and a new European Code of Conduct on Partnership to be respected by the Member States when preparing and implementing their OPs. New policy approaches and instruments (e.g. territorial instruments, Smart Specialisation strategies) play an important role in implementing and strengthening the partnership principle, empowering territorial actors through greater involvement and ownership in programme preparation and funding decisions (identification of development needs, priority-setting) as well as implementation processes (e.g. through the delegation of management tasks, dedicated monitoring / management structures).

While recent studies have found that the level of stakeholder involvement has generally improved since 2007-13, the view among stakeholders has been more mixed. Key problem areas include:

- unbalanced representation and overrepresentation of certain groups;
- concerns regarding how partners are selected (lack of transparency);
- quality of the consultation process (limited involvement, lack of sufficient time for involvement);
- low take-up of stakeholders’ views.
This suggests that there is still significant room for improvement in order to ensure the real and early involvement of all stakeholders, and points to a need for tighter measures to ensure improved partnerships in the future. A wide range of Cohesion Policy stakeholders have called for the partnership principle to be strengthened in 2021-27.\textsuperscript{56} Such calls are further strengthened by the intensifying concerns over the risk of undermining stakeholder involvement in 2021-27 through the weakening of the territorial dimension and the partnership principle. This could occur, for example, through derogation from the mandatory adoption of the Partnership Agreements and the simplification agenda more generally.\textsuperscript{57}

These concerns should also be viewed in the context of a wider debate on the democratic deficit of the EU and its policies. Since the 1990s, the political agenda of the EU has been increasingly characterised by efforts to strengthen its democratic legitimacy, while at the same time, criticism regarding its democratic deficit has intensified.\textsuperscript{58} Given the increasingly problematic image of the EU among the public (becoming more salient following the recent economic and migration crises which have fuelled a rise in nationalist and anti-EU sentiment across Europe)\textsuperscript{59}, calls for more inclusive, citizen-focused approaches to the programming of EU funds (e.g. via participatory governance tools or making citizens’ voice better heard through representative organisations) are getting more compelling and gaining momentum.\textsuperscript{60}

At the same time, the effectiveness and quality of stakeholder engagement and its positive impact upon programming and implementation decisions are largely dependent on the capacities (e.g. human, organisational, technical, financial, etc.), hence the crucial importance of relevant capacity-building measures targeting programme stakeholders. The simplification agenda and work on reducing the administrative burden for Cohesion Policy stakeholders (including the potential and actual beneficiaries of Cohesion Policy funding) in order to improve their capacities and engagement potential are also important in this respect.

With regards to the legislative changes to Cohesion Policy for 2021-27, Commission proposals for CPR 2021-27, which bring together seven Funds under a shared management, highlight the principle of partnership as a key feature in the implementation of the Funds. This builds on the MLG approach and ensures the involvement of civil society and social partners (see Table 3).

**Table 3: Commission CPR proposal - references to the partnership principle**

<table>
<thead>
<tr>
<th>Title I: Objectives &amp; general support</th>
<th>'The basis is laid ... for the strong emphasis on shared management and partnership'</th>
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<tbody>
<tr>
<td>Art 5: Shared management</td>
<td>Provides the basis for the shared management arrangements</td>
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<tr>
<td>Art 6: Partnership and MLG</td>
<td>1. Each MS shall organise a partnership with the competent regional and local authorities. That partnership shall include at least the following partners:</td>
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<tr>
<td></td>
<td>a) urban and other public authorities;</td>
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<td></td>
<td>b) economic and social partners;</td>
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</tbody>
</table>
c) relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.

2. In accordance with the MLG principle, the MS shall involve those partners in the preparation of PAs and throughout the preparation and implementation of programmes including through participation in monitoring committees...

3. The organisation and implementation of partnership shall be carried out in accordance with COM Delegated Regulation [on the European code of conduct on partnership].

4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes.

Source: Proposal for a CPR COM(2018) 375 final, Strasbourg, 29 May 2018

The European Commission’s ‘Investment Guidance on Cohesion Policy Funding 2021-27’ identified partnership among the key factors for the effective delivery of policy objectives. In most reports, the main recommendation was to ensure adequate participation and strengthened capacity of social partners, civil society and other relevant stakeholders in the delivery of policy objectives, including through public consultations.

Furthermore, among the main features of its proposal for a modernised Cohesion Policy, the Commission identified a Cohesion Policy for all regions and a more tailored approach to regional development. This relies, among other things, on more involvement of local, urban and territorial authorities, including via integrated territorial development instruments. Thus, the territorial dimension has received a relatively greater visibility through a new dedicated Policy Objective (PO5), while the required ERDF funding for this PO is set to increase (although marginally) from five to six percent, delivered through local development partnerships (via the existing tools such as SUD, ITI and CLLD). The regulatory proposals may therefore suggest the potential for an increased emphasis on integrated territorial development and more citizen-focused intervention via PO5.

However, as mentioned, a number of concerns over specific risks for the partnership principle and stakeholder involvement in 2021-27 remain. For example, the proposal of a number of Member States to make the drafting of PAs non-binding for small Member States or Member States with a low number of OPs has been a major concern for example for the CoR, CPMR and CEMR, who see this as part of a trend towards weakening the partnership principle. Furthermore, the CoR noted ‘with concern the strengthening of centrally managed instruments at the expense of shared management, which weakens partnership and multi-level governance’, seen in the proposals allowing the transfer of funding from programmes shared in partnership between EU, national and regional actors, towards programmes and initiatives managed directly by the Commission.
Against this background, the paper looks into the early thinking that has taken place with respect to approaches to stakeholder engagement in 2021-27, including lessons learned and expected changes from 2014-20 and anticipated challenges and opportunities of 2021-27.

4.1 Evolution of stakeholder engagement

There is considerable variation in terms of IQ-Net authorities’ experiences with stakeholder engagement in ESIF over time. In some cases, it largely relies on a long/strong (domestic) tradition and culture of stakeholder engagement. For example in Austria, in addition to the OP-level arrangements, stakeholder participation is particularly relevant in the Länder where economic and social partnership has a strong tradition, notably relying on the ‘social partnership’ model. In the Netherlands, the culture of consensus decision-making through the ‘polder model’ is well established, although MAs are now having to respond to a changing context. In other cases, where there is a more limited tradition of stakeholder engagement, Cohesion Policy has served as a driver for wider participation. For example, stakeholder engagement for the 2014-20 programme period served as a starting point in terms of partnership experience since Croatia joined the EU in 2013.

Specific governance reforms have in some cases changed the dynamics of stakeholder participation, for example leading to:

- **Participation becoming narrower.** In Denmark, the narrowing participation was a consequence of the reform of the business promotion system which was assessed to have become too supply-driven and comprising too many different actors.

- **Local stakeholders enjoying a greater say.** In England, with the shift from regionally (NUTS2) based programmes in 2007-13 to indicative allocations at the Local Enterprise Partnership (LEP) level on the basis of LEP ESIF strategies in 2014-20, local stakeholders welcomed the opportunity to set their own priorities for expenditure on economic growth. They also welcomed increased participation in programme management and decision making during 2014-20 through their role on local ESIF Sub-Committees.

Many programme authorities have noted a significant evolution of stakeholder engagement and its quality over time. Stakeholder engagement has progressed in terms of becoming embedded in ESIF practices (EL), contributing to better coordination between different levels of government (HR) and improving cooperation with the civil society (e.g. SK OP R&I). ESIF support for partner capacity building has allowed, over time, the increase in the quality of participation in the PA implementation (PT), and trust has been built between the MA and partners, making the debates more constructive and less time-consuming (CZ IROP). In addition, a greater extent of informal communication (e.g. between the National Coordination Authority and MAs in CZ) has facilitated the programming stage for 2021-27. Cooperation between the regions, and links between municipalities and Universities, have also increased in some cases (e.g. SE). At the same time, the evolution of stakeholder engagement has sometimes had different dynamics in different regions within a country (SE).

**Evolution in terms of the involvement of specific types of actors** has also been noted:
SMEs: In East Netherlands, SME involvement in stakeholder groups has increased as a result of individual companies stepping forward to organise 'corporate evenings' to discuss business affairs and broader regional development issues (see Box 15).

Local communities: In Pomorskie, there has been an increasing engagement of people in local communities in the ROP in recent years, to be built on in the future.

NGOs: In Warmińsko-Mazurskie, participation of NGOs has increased substantially over time.

In other cases, there has been no significant evolution of the partnership approach and stakeholder participation over time – particularly in comparison to 2007-13 period (e.g. CZ IROP, PV, AT). In some instances, the participation might have been to some extent neglected due to institutional reforms (e.g. given the need to establish a completely new institutional architecture in France).

Nevertheless, in most cases programme authorities have noted that a good level of engagement has been achieved during previous programme periods, with stakeholder participation generally assessed as working well. A proven track-record of conducting public consultations or involving experienced professionals in ESIF-related discussions (PT), involvement of stakeholders in preparing demand driven calls (SKOP Effective Public Administration), a variety of formal and informal communication platforms (CZ), or the prioritisation of partners representing a large number of actors (Biz)⁷⁶ are among successful elements of the partnership principle, all of which could be strengthened in future. In Vlaanderen, the involvement of different departments and lower-level administrations is seen as an organic process that encompasses the reaching and engaging of stakeholders as two distinct agendas. Stakeholder engagement is considered to be very strong in Nordrhein-Westfalen, with stakeholders actively demanding to have a say.

4.2 Lessons learned from 2014-20

Assessing the experience of stakeholder participation in the 2014-20 programme period, IQ-Net programme authorities have highlighted a number of key lessons, which in many cases are expected to have an impact upon stakeholder engagement dynamics in the future.

In general, the value of stakeholder engagement in both ESIF programming and implementation is widely recognised. In most cases, it is not seen as merely a regulatory requirement that needs to be complied with, but as an opportunity to achieve a broader societal consensus on policy priorities, promote stronger ownership of ESIF on the ground, and, ultimately, design and implement better policies. More specifically, some of the advantages of stakeholder engagement highlighted by programme authorities include:

- Stakeholder participation is beneficial for reaching common understanding and enhancing a broad ownership of EU policies, particularly in the programming phase (HR). In this regard, participatory processes associated with integrated territorial instruments have been specifically highlighted as contributing to instigating a sense of joint ownership of interventions (EL). In Sweden, the authorities underline the
importance of joint ownership in the development of the programme theory, which relies on participatory and collaborative process.

- **The plurality of views helps enrich the policy debate** by stimulating the exchange of views, experience and knowledge in the field of EU funds (SK).
- **Stakeholder engagement contributes to better coordination** between different levels of government during the implementation phase (HR).
- **Ultimately, stakeholder participation contributes to a better policy design and a more effective implementation** of programmes / projects, overall leading to improved policy outcomes (HR, SK OP Integrated Infrastructure).

Recognising the merit of stakeholder engagement for ESIF programming and implementation, a range of programme managers highlight the value of continued stakeholder engagement in 2021-27 and support further strengthening and widening of cooperation with stakeholders. For example in Sweden, calls for more engagement with a view to mobilising stakeholders and creating good quality projects are evident in the different thematic evaluation findings. In Portugal, new instruments of participation have been created, reflecting the recognition of the multiple advantages of a greater engagement of partners, both in the initial phase of the OP/PA preparation and throughout the whole programme period. In Slovakia, a number of OPs see a strengthened partnership principle as important to ensure the successful preparation of the new period as well as the implementation of future projects.

Some specific lessons that have been drawn from the existing experience with stakeholder participation include the following:

- **Early selection and involvement of stakeholders.** One of the lessons learned is the importance of partner participation from the early stages of the programming process, which would allow for better outcomes at later stages (PT, SK OP R&I). The earlier the partners are involved, the more engaged they feel in the relevant discussions and the higher the level of their participation is. Early involvement of all relevant partners in setting out the priorities for the next programme period is therefore crucial. In similar vein, early adjustment of the composition and the cooperation frameworks for different stakeholder groups, in order to allow them to adapt to the new context and changes at EU level (HR), is important for ensuring their timely and effective engagement throughout the programme cycle.

A range of IQ-Net programme authorities emphasised the particular importance of stakeholder engagement in the programming phase, during which it is important to:

- **Ensure intense communication with all partners** during the entire programming phase, including in terms of communicating broader policy agendas and the anticipated changes to them (CZ IROP).
- **Seek and incorporate the knowledge of stakeholders, as well as explore and reflect their needs in programme documents** (SE, SK OP Effective Public Administration). For example, a more strategic approach to future programming, relying on a programme theory, is to be adopted in Sweden. Within this, the use of knowledge, expertise and experience of stakeholders involved in the process is seen as crucial to facilitate the prioritisation of activities and the delivery of objectives, as well as ensure that the programme theory is relevant for all actors (see also Box 7).
- **Allow stakeholders more time to take part in consultations** (e.g. EL).
In some cases, there is a need to involve stakeholder at the programming stage in a very targeted way. For example Austria aims to have a relatively narrow definition of what constitutes a programme partner, and the programme partnership seeks to reflect the thematically quite narrow programme.

Although the value of stakeholder engagement at the implementation stage is recognised, its intensity has been characterised by some as more limited compared to the programming phase. At the same time, the importance of defining multi-level governance arrangements at all stages of the policy cycle has also been highlighted.78

The role of communication in stimulating and supporting effective stakeholder engagement at all phases of the policy cycle has been stressed, including in terms of:

- Information provision/communication of results to stakeholders, for example to introduce the new programme(s), communicate the anticipated changes or project results to the interested parties, or provide information on how the results of the stakeholder consultations are used; and

- Open communication among/with all partners, supporting open, constructive and often informal communication which is important for enabling more efficient and effective programming process (e.g. CZ), creating an environment of trust, fostering the emergence of more and better projects, as well new actors and new partnerships (e.g. PT).

Another lesson learned from the experience with stakeholder participation is that a variety of factors can have an impact on the level as well as quality of participation, including:

- Budget allocation and the critical mass of the region. For example in Sweden, OPs with smaller territories (and shorter distances) use less of the total budget allocation for meeting purposes. These OPs are therefore in a (better) position (than OPs covering larger territories) to use any remaining budget for other activities such as seminars and stakeholder mobilisation.

- Capacities and/or understanding of stakeholders can affect the quality of participation, emphasising the importance of learning and capacity building measures. For example in Portugal, the authorities stress a clear correlation between the quality of stakeholder involvement and their capacity for understanding what is at stake when implementing the OPs. The ESIF support for partner capacity building and a cumulative learning process has allowed, over time, an increase in the quality of stakeholder participation in the PA implementation.

- Regional (institutional) capacity in mobilising stakeholders can also be important in order to ensure that there are adequate engagement mechanisms and processes in place. This is of particular relevance, for example, in Sweden where the new directly-elected county councils are intended to be the engines at the regional level and responsible for mobilising stakeholders. These tasks apply to all regions, although it is clear that some regions have more capacities and experience.

In terms of project generation and selection processes, some of the lessons drawn from past experience with stakeholder participation include:

- Greater stakeholder engagement is key for improving project generation and selection processes. For example in Sweden, the synthesis of the 2014-20 evaluations calls for more involvement of regional actors and decision-makers, including in project generation and selection activities, as their better engagement is found to be a way to create links to other activities.
• Development of project calls in cooperation with regional stakeholders is considered a good practice. This can take place for example through the Monitoring Committee or dedicated contact points (e.g. NL, Vla) and be valuable in terms of improving the image of ESIF and the quality of projects.

• Need for a more substantive exchange between beneficiaries during project generation (e.g. Vla).

• Importance of proactive communication around specific calls, in order to build support among actors (e.g. SMEs, citizens) through, for example, targeted information provision (e.g. specific information sessions in the NL South), and the need for more vivid online presentation of ESIF-funded projects (e.g. via a dedicated web-page in Vla).

• Need for a more strategic approach for preparing project calls. This is seen as relevant for example in Sweden in order to promote greater synergies and coordination (between calls, themes, funds) as there is often an effort to reach out similar stakeholders.

• Value of a participatory approach through open innovation calls. For example in the Netherlands (North), the development of an open innovation call is seen to have boosted the interest of potential applicants and 'good' projects overall. This was accompanied by a large-scale stakeholder consultation and the set-up of a 'matrix table' to continue the dialogues in the preparation of RIS3 and the new OP.

4.2.1 Challenges

Despite the widely recognised value of stakeholder engagement in both ESIF programming and implementation, this exercise is constrained by a number of challenges:

  i  Need for better engagement of specific types of actors

Figure 2: Examples of harder-to-reach stakeholders

<table>
<thead>
<tr>
<th>Businesses / SMEs</th>
<th>Third sector</th>
<th>Academia</th>
<th>New actors</th>
<th>Actors beyond ESIF</th>
</tr>
</thead>
</table>

Source: Author’s own elaboration based on IQ-Net research

Some stakeholders are better represented than others, and the extent to which active participation can be mobilised varies across types of actors. This has been identified as a challenge in the past and one that will potentially also affect the future programmes. This suggests the importance of developing actions to balance the differences in representation by applying an inclusive approach and/or pursuing targeted measures seeking to achieve more active engagement of specific types of actors. The following groups have been identified as particularly relevant in this regard:

Businesses / business community. For example in Warmińsko-Mazurskie, the challenge of engaging representatives of the business community relates to this group being 'sceptical' about the value of ROP support, particularly given the anticipated time and resources that have to be invested. In Finland, direct contact with individual businesses or
through representative organisations (chambers of commerce) is highlighted as a way to ensure a better ‘connection’, so that the business sector can flag their development needs and future opportunities.

Small companies / SMEs. In most parts of the Netherlands, contact with SMEs is perceived to have been limited (e.g. confined to providing an input in the context of RIS3), despite the fact that they are the target group of the programme. A greater engagement of small companies through the existing channels and networks, including at project generation and selection stage, is thus highlighted as a point for improvement for 2021-27 (e.g. NL East). In Vlaanderen, an improvement in terms of involving individual SMEs would require the MA to go beyond the existing inter-governmental networks.

Third sector (NGOs / other non-profit organisations). Engagement of a third sector is seen as challenging or insufficient in a number of cases, hindered by:

- low capacities, limited institutional funding of NGOs and the relatively more restricted resources available for the voluntary participation in ESIF stakeholder engagement exercises (CZ, FI);
- the difficult regulatory framework and complexity associated with OP administration, including State aid rules and public procurement procedures (FI, SE).

A range of programmes are therefore planning to pursue efforts to stimulate better engagement of the third sector in 2021-27, including in the design and prospective adaptation of OPs during implementation as well as individual projects (e.g. CZ, SE, SI). For example in the Czech Republic, the NCA aims to establish a representative forum of NGOs relevant for ESIF implementation to facilitate the transfer of practical information from the ground into the implementation structure to animate the programmes as well as discuss possibilities of funding the institutional costs for NGOs. In Slovenia, there is a need to stimulate greater involvement of environmental NGOs and NGOs dealing with long-term care in particular.

Research institutes / academia. The need to engage more with research institutes in ERDF co-financed projects, either individually or through an umbrella organisation for research institutes, has been emphasised in Sweden. Factors such as increased regulations (e.g. overhead costs) have reduced the incentives for Universities and colleges to act as project owners. This is a challenge given that many Swedish OPs, especially those located outside the metropolitan areas, are dependent on these stakeholders not least due to their capacity to manage ERDF projects.80

New actors. In many cases, programme/project participation tends to be confined to established project actors (e.g. FI). In the Netherlands, the MAs are now open to a wider set of organisations than before, and work to raise awareness beyond the ‘usual suspects’. This can happen, for example, via setting up new business networks, promoting participation in science events or encouraging wider participation in RIS3 preparation. Engagement of new, proactive and hard-working, actors, ‘not tired from ESIF’, is also welcomed as an opportunity in the Czech Republic (IROP). Similarly, the need to ensure a greater involvement of new societal, financial and legal parties during project generation and selection is emphasised by the MA in West Netherlands. Involvement of a wider set of
Stakeholders at implementation stage, particularly in the areas of recent societal challenges\textsuperscript{81} is also seen beneficial (e.g. NL).

**Stakeholders beyond ESIF.** The need to involve stakeholders that are not directly involved in ESIF implementation, but have thematic responsibility for particular enabling condition has also been stressed (e.g. CZ).

While some recognise the need to widen participation by engaging a broader circle of actors, others point to the need to *mainstream stakeholder engagement*. This could involve focusing on the main groups (e.g. SI), not least as larger numbers and high variety of stakeholders can be demanding to manage (e.g. SK OP R&I).

\textit{i} 

**Other challenges**

\textbf{Challenge to mobilise stakeholders under specific (new) themes}, which underlines the importance of relevant capacity-building measures. For example in Sweden, the capacity to mobilise stakeholders was an issue in 2014-20, especially under TO4. To respond to the challenge, the ClimateSync project\textsuperscript{82} was set up. It intended to address the lack of knowledge in regard to TO4 as a new theme, increasing the thematic skills of actors involved in the ESIF programmes and inspiring stakeholders to generate projects under this theme. Other projects, such as InnovationSync\textsuperscript{83} carried out similar activities under TO1, as well as capacity building measures under ESF, providing dedicated support for developing projects.

**Challenge to help stakeholders adapt to changes.** This includes a challenge of assisting actors to adjust and prepare for legal / regulatory changes, create new skills necessary to engage in new themes and types of projects. For example, a challenge in the Netherlands is to facilitate upscaling through the creation of new skills and introducing the necessary legal changes, in order to respond to current societal challenges. The late understanding and adoption of new rules for the 2014-20 period had a negative impact on the quality and selection of projects in the first calls in Warmińsko-Mazurskie, as there was a need for the applicants to become accustomed to the new regulations. Since it is difficult to predict all changes and needs that may occur during the seven years of programme implementation, identifying new needs on an ongoing basis and reporting them during the renegotiation of the ROP proved important.

**Competition from other sources, affecting participation.** Given that ERDF is sometimes characterised as ‘hard to get’, compared to the perceived greater ease of accessing domestic funding, the presence of domestic funding pots competing for the same stakeholders may present a challenge (e.g. SE).

**Challenges related to the broad composition, capacity issues and/or lack of operational knowledge of the overarching organisations (Monitoring Committees).** In some cases, too wide a composition of the MC, although valuable in many respects, can present a challenge. This can be seen, for example, in terms of lack of flexibility (SK OP R&I), lack of ‘operational knowledge’ (NL) or good grasp of the technical issues due to lack of interest or capacities (SI). This can lead to a ‘gap’ between this body and the actual programme implementation (NL).
4.2.2 Good practices in 2014-20

A number of specific elements of the partnership principle, implemented in 2014-20, have been assessed as good practice examples, including the following:

- **Thematic networks.** Networks, bringing specific types of actors together to exchange knowledge, experience and good practices, engage in collective learning and support the ESIF governance model are highly valued. Some examples include the national thematic networks and networks of functional articulation in Portugal, or the Public procurement, State aid and Irregularities Management networks in Croatia (see more in Section 0). These fora of articulation with partners are to be strengthened in the future.

- **Networks of cooperation with beneficiaries.** For example in Greece, in addition to stakeholder engagement efforts undertaken at the national level by the Communication and Dissemination Unit of the Special Service for Strategy, Planning and Evaluation, the MAs have developed their own networks of cooperation and communication with beneficiaries.

- **Web-based channels of communication with stakeholders.** For example in the Helsinki-Uusimaa regional council (Finland), webinars, electronic channels and web-based clinics have been utilised in order to ensure wide stakeholder participation.

- **Practices of stakeholder engagement under the new territorial instruments and RIS3.** For example ITI and SUD participatory processes are considered a good practice in Greece, where they have contributed to the instigation of a sense of joint ownership of interventions. In addition, particularly focused forms of stakeholder engagement have been successfully pioneered through the innovation platforms in the framework of RIS3. In Finland, engagement of stakeholders through the Six Cities Strategy (ITI) and the RIS3 (through the entrepreneurial discovery process) may provide the model for stakeholder engagement also for other activities in 2021-27. In the Netherlands, the stakeholder consultation structure now set up as part of the new RIS3 preparation is also expected to be actively consulted during the 2021-27 period.

- **Role of Monitoring Committee.** The positive role of Monitoring Committees (MC) in supporting and promoting stakeholder engagement is often mentioned. Some of the merits are associated with the broad, active (e.g. NRW, PV) and balanced (SK OP Integrated Infrastructure) participation, promoting stakeholder involvement on horizontal issues (EL) or in the preparation of calls (e.g. through dedicated working groups).

- **Specific types of actors stepping up engagement in ESIF (see Box 16).**

**Box 15: Coalition of the willing in the Netherlands East**

In the Netherlands (East), the gap between the MC and programme implementation led to individual companies stepping forward to organise separate meetings. The MA facilitated these ‘corporate evenings’, resulting in a coalition of the willing that discusses business affairs as well as the potential for the wider region. The MA now uses their input to draft the new RIS3 and intends to maintain this momentum during the new programme (e.g. strategic consultations during the preparation of the OPs or when launching new schemes).
• **Stakeholder involvement in evaluation, monitoring and follow-up.** Stakeholder involvement in evaluation and monitoring (follow-up) groups is considered a good practice. In Portugal, for example, members of the Economic and Social Council and of other relevant public agencies take part, as well as, on certain occasions, representatives of beneficiaries.

• **Communication campaigns,** for example ‘EU project my project’ campaign (e.g. SI).

### 4.2.3 Stakeholder engagement in 2021-27

#### Anticipated changes

In terms of changes anticipated to stakeholder engagement practices and mechanisms in 2021-27, in a number of cases it appears **too soon to provide any details as there are, as yet, no firm policy decisions** and there is still a great deal of uncertainty at both strategic and more operational levels (e.g. EL, FI, Sco, SE). In many cases, **no major changes are expected or introduced for 2021-27,** the approach to stakeholder participation being characterised by a significant degree of continuity. The authorities often aim to build on previous experience of partnership processes and/or largely rely on the established practices and structures (e.g. AT, CZ, DK, NRW, HR, Pom, PV, SI, SK, W-M). Some of the following general **changes are however anticipated.**

• **Strengthened commitment to partnership and/or coordination.** A greater engagement of partners is often seen to have many advantages and, as a result, new instruments of participation have been created (e.g. PT). Stakeholder engagement is to be intensified for example by involving 4-helix stakeholders in project generation and implementation as ‘mirror groups’ (NL) or increasing the level of coordination among all actors (HR). The partnership principle is an important part of a new investment approach in Wales (domestic funding replacing ESIF), where the key elements include, among others, a national framework developed in partnership with stakeholders, and a strengthened commitment to co-production during policy development and implementation.

• **Changes to the composition and structure of stakeholder engagement** (e.g. HR).

• **Use of more targeted calls,** limiting the number of beneficiaries (e.g. DK).

• **Changes to the communication strategies/approaches,** including:
  - strengthened communication efforts by MAs, to create awareness about ESIF among a wider group of stakeholders and raise their public profile (e.g. DK, NL);
  - revision of communication strategies to reach new target groups (e.g. NL);
  - reduction in the number of communication platforms, while ensuring all relevant actors are engaged (e.g. CZ).

More nuanced changes are foreseen applying to the specific programme stage (Table 4).
Table 4: Examples of stakeholder engagement at specific programme stages

<table>
<thead>
<tr>
<th>Programming stage</th>
<th>Implementation stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• wider use of public consultations on draft documents (CZ)</td>
<td>• involvement of a narrower circle of partners with less focus on geographic representation (DK)</td>
</tr>
<tr>
<td>• engagement of new groups due to the inclusion of new themes (CZ IROP)</td>
<td>• adaptation of communication towards specific groups (e.g. large companies) due to changes in forms of support (CZ)</td>
</tr>
<tr>
<td>• stronger engagement of sub-regional public authorities in OP preparation (FR)</td>
<td>• facilitating stakeholder involvement after project selection through community-building initiatives at local level (Vla)</td>
</tr>
<tr>
<td>• adjusting the role of stakeholders (e.g. in working groups drafting new OPs) to new strategic developments (e.g. inclusion of new strategic areas in a national development strategy in W-M)</td>
<td>• adjusting the role of the MC during programme implementation, for instance excluding technical issues from the agenda (SI)</td>
</tr>
</tbody>
</table>

Source: IQ-Net research

ii Engagement mechanisms for programme preparations

The programming process for the 2021-27 period is expected to be carried out with due respect to the partnership principle, as stipulated in the regulations. This involves, as a minimum, the inclusion of the partners mentioned in Art 6 of the CPR (‘Partnership and MLG’). A variety of methods to ensure wide engagement of relevant partners into the programme preparation process are being employed, among others including various forms of communication (ranging from websites and newsletters to roadshows and strategic events), stakeholder participation in evaluations and workshops, as well as involvement in consultations (Box 16).

Box 16: Examples of stakeholder engagement mechanisms employed at the planning phase

- **Communication – informing stakeholders of changes, opportunities and other developments.** For instance, communication via online channels (websites, online share points, etc.), publication of articles, newsletters and press releases, roadshows or strategic events to inform stakeholders and the wider public about the new period, the evolution of regulatory requirements and PA/OP preparations. 86

- **Stakeholder participation in evaluations,** for example in the internal assessment of the enabling conditions or the environmental impact assessment process.

- **Participation in workshops on the lessons learnt** from the previous period(s).

- **Consultations** pursued, for instance, via: stakeholder engagement events, civil society hearings, interviews with experts or beneficiaries, focus groups, websites and online consultations, semi-open consultations, targeted (e.g. business) consultations. 87

A range of mechanisms are also used to promote more direct stakeholder participation in policy design for the next programme period. These include thematic working groups, policy planning / policy design teams, or committees with responsibilities for OP programming. 88 Such arenas for dialogue engage relevant stakeholders to discuss in more detail specific issues concerning the design of future programmes, for instance particular themes foreseen or designated for support in 2021-27.
Specific mechanisms are also planned to involve stakeholders in future programme implementation, including for instance Monitoring Committees, project boosting teams, expert groups.

4.3 Engagement under different delivery instruments

The approaches to stakeholder engagement used by programme authorities might differ depending on specific delivery instruments. In a number of cases, however, there is as yet no knowledge of the specifics of differentiated approaches (if any) to be used in 2021-27 (e.g. EL, OP R&I, PT, SK), as planning is still at early stages. In some others, there is no intention to promote different or innovative approaches to stakeholder engagement under territorial instruments or RIS3 strategies (e.g. Biz, SK). A significant degree of continuity is expected in some cases. For example in Slovenia, no major change is expected regarding stakeholder engagement under RIS3 as the current approach based on Strategic Research and Innovation Partnerships will remain the same. Approach to engage stakeholders is supposed to be retained for ITI in the Czech Republic, and the current city-region measures in Upper Austria and CLLD in Tyrol, which have their own stakeholder engagement arrangements, are both likely to be continued in some form in 2021-27.

Different or innovative approaches to stakeholder engagement concerning different delivery instruments (particularly territorial instruments and RIS3) – in comparison to the common project generation and selection systems and in comparison to 2014-20 – can however be foreseen in some cases. The following elements have been noted:

4.3.1 RIS3

- More intense stakeholder engagement and capacity-building. More intense engagement of regional stakeholders is planned for the preparation of the new national RIS3 in the Czech Republic compared to 2014-20. The aim is to share knowledge via an online portal and transfer know-how from the regions where RIS3 have been successful. The national coordinator aims to revise the EDP process and carry out foresight research. These efforts have been supported by opening a programme Smart Accelerator II, designed to support the needs of the regions related to development capacities in managing and pursuing effective regional RIS3 and regional innovation policies.

- Change in the thematic targeting of stakeholders due to changing OP focus. Different stakeholder groups are expected to be thematically targeted under RIS3 in North Netherlands, as the OP delivery will be more directed towards specific societal challenges.

- Setting up specific thematic networks to engage stakeholders. An option to set up a network targeting the low-carbon theme and pursuing a dedicated approach to stakeholder involvement is being considered by the MA in East Netherlands. This partly stems from the need to understand why this theme was less successful in the first half of 2014-20 and also to reflect the (potential) climate earmarking requirements of 2021-27.

- Dedicated instruments to promote engagement under RIS3-specific themes. Vlaanderen is preparing the new OP with targeted working groups focusing on PO1 and PO2. This will be complemented by internal experts drafting the ideas of the working groups into the
OP model. In 2014-20, the MA in Pomorskie started to implement a ‘7th type of project’, focusing on TO1, which can provide valuable lessons for 2021-27 (see Box 17).

Box 17: ‘7th type of project’ to help generate quality projects under TO1 in Pomorskie

A so-called ‘7th type of project’ aims to help generate quality projects under TO1 headings. It represents a financial line in the ROP to support interesting project ideas from beneficiaries under TO1 (involving research grants to boost project ideas and make participation more attractive). For this, a competition has been launched to select the operator of a grant project ‘Pomorskie R&D Services Broker’ under the ROP. One beneficiary will be selected from among universities, research centres and higher education institutes to operate the grant. It will be responsible for creating a regional co-financing system for R&D services provided to enterprises. The operator will allocate small grants to entrepreneurs to cover part of the costs of R&D services purchased by them related to ‘proof of concept’ activities and the development or practical application of a new or improved product/technology.

- **Stakeholder engagement in identifying further specialisations.** In Warmińsko-Mazurskie, the MA plans to open the way, through a special budget line under the current ROP, to identify further (smart) specialisations through a dialogue of expert/scientific communities with local entrepreneurs. This would also support stakeholder involvement in identifying projects that can be financed in the future (in sectoral development programmes and specialisation action plans).

4.3.2 **Territorial instruments**

Territorial instruments incentivise support for local and community leadership and involvement in strategy development and implementation. A prime example is Community-led Local Development (CLLD), which requires the direct involvement of local stakeholders, including citizens, through the Local Action Group (LAG) structure. The introduction of integrated territorial investments (ITI), including Sustainable Urban Development strategies (SUD) offers further opportunities to engage stakeholders, local communities and citizens. These instruments offer a stake in the implementation of European funding in specific territories through techniques such as consultative planning, citizens’ assemblies or other fora, the use of web platforms and social networks.

- **Building citizen participation.** CLLD is being used as part of The Hague (NL) ITI strategy. It involves innovative features of citizen participation in the implementation of Cohesion Policy, introducing alternative methods of project selection that involve citizens through online or newspaper-based project selection systems.

- **Strengthening the partnership.** In line with the regulatory requirements, Croatia anticipates the need to establish local partnerships in order to operationalise the support to integrated territorial development, accompanied by a strengthened role of regional development agencies. Vlaanderen sees scope to engage a wider set of stakeholders, including individual SMEs, in the context of the urban ITIs. In Sweden, a greater engagement of municipalities is anticipated, whose role in ERDF implementation has traditionally been rather limited.
Greater role for stakeholders due to domestic changes. In England, the MA is considering giving stakeholders greater responsibility for decision-making and financial accountability, initially in areas that have experienced a degree of devolution, such as SUD areas.

It should be noted that stakeholder engagement in territorial instruments has often been impeded by resource challenges and the technical nature of many strategies. Some of the challenges highlighted relate, in particular, to the organisational capacity of the MA. This can include not putting new engagement methods in practice (Vla), and a lack of integration between ERDF and ESF, hindering cooperation between the different actors, particularly under the SUD (SE). However, some note the success of stakeholder participation under ITI and RIS3 in terms of providing the engagement model also for other activities in the 2021-27 period (FI).

4.4 Citizen engagement

Citizen engagement in EU policy processes has risen up the agenda in recent years. The European Commission President von der Leyen has called for “a new push for European democracy”, including a two-year ‘Conference on the Future of Europe’ in which citizens shall “play a leading and active part”.

In this context, DG REGIO has organised a conference on 6 February 2020 to examine what initiatives under Cohesion Policy have worked to strengthen citizen engagement and to develop political momentum to enhance citizen engagement in the future Cohesion Policy and programmes in Member States. Research shows that despite efforts to increase the visibility of Cohesion Policy and engage more actively with citizens, experiences are uneven and lacking in genuine democratic innovation.

Some programmes are expected to introduce specific changes compared to 2014-20, reflecting an increased focus on citizen engagement in the EU-wide discourse. In other cases, no major changes are expected and citizen engagement is anticipated to be pursued at the level similar to the 2014-20 period, often via less direct engagement methods.

The importance of greater involvement of citizens in programme preparation and/or implementation has been noted by some programme authorities. Some of them expect to rely on the already existing experience from 2014-20. For instance in Slovakia (OP R&I), experience with the involvement of civil society via a participatory governance tool was found very useful for preparing the call to support social innovations in SMEs. The existing experience with direct citizen involvement is, however, often related to practices pursued outside ESIF. For instance in Bizkaia, open government plans and local participatory budgeting are used in other funding schemes, as is participatory budgeting in Scotland. In Pomorskie, Gdansk is one of the Polish cities implementing the Citizen Budget instrument where citizens can vote every year on how a proportion of the domestic budget is allocated. Furthermore, the regional government is working on a law to create a Pomorskie Citizens’ Fund. It would look to the private sector to contribute funds alongside matched funding from the public sector to support projects in local communities and build social capital and social trust.
Greater citizen involvement is often seen as important and beneficial. This can include, for example, increasing trust and awareness of citizens (HR, SE), focusing on more pragmatic interventions while giving feedback on the functionality of projects as final recipients (EL), and ultimately contributing to a better design and implementation of policies (HR). Citizen involvement in the preparations of the new overarching development strategies (e.g. Pomorskie 2030 Strategy, Portugal 2030 Strategy) is seen as a crucial element in the post-2020 planning process by some programme authorities. In line with this, some programme managers expect to focus more on citizen engagement in future.

Where programmes do not plan to have an increased focus on citizen engagement compared to 2014-20, activities may be confined to consultation activities (e.g. during programme preparation CZ, PV), indirect involvement (e.g. through citizen organisations as part of the quadruple helix in NL), or communication activities targeting citizens (DK, PV) – although citizens could benefit through skills development and training projects (Eng). In some cases, the wider public is seen to be of ‘limited importance’ (NL, CZ), the topic of an increased citizen engagement being absent from the policy agenda (AT) and no specific effort being undertaken in terms of engaging with citizens at regional level (FI). No significant changes to citizen engagement from 2014-20 are expected by some (e.g. W-M, SK, Eng, SE, CZ IROP), where it is anticipated to remain at a similar level. Some of the reservations with regard to a greater citizen involvement relate for example to:

- **Professional community (experts) rather than citizens** considered the key target group. For example in Austria, as in 2014-20, the wider population is not the target – instead, the preparation process and the programme are targeted at a professional community. The management of IROP (CZ) is sceptical of any greater involvement of citizens in programme preparation/implementation as, in their view, ‘a citizen cannot understand the principles of implementation of Cohesion Policy’.

- **Belief that citizen engagement should be limited to thematic strategic planning**, not ESIF programming / implementation (e.g. CZ IROP).

- **Participation is already considered broad / adequate.** For example in Denmark, the consultation process includes a broad range of stakeholders. The encouragement of more citizen involvement, therefore, is not foreseen in addition to, for example, public hearings, Open Doors events and the MA’s communications efforts. In Slovakia (OP R&I), participation of representatives from different professional and social backgrounds was already ensured in the previous period, so no changes in 2021-27 are expected.

### 4.4.1 Types of citizen engagement

In most cases, measures to engage (or increase the engagement of) citizens in ESIF programming or implementation are confined to practices such as public consultations, provision of information (communication / publicity) and indirect representation.

Public consultations are (planned to be) undertaken on a range of ESIF-related issues (notably during the programme preparation stage) in most IQ-Net regions and countries. Some plan to gather citizens’ views through public consultations/hearings on the basis of previous experience, often with no significant changes in terms of greater citizen engagement overall foreseen for 2021-27 (e.g. PV, SI, NRW, SK OP Integrated Infrastructure,
Citizen engagement is also pursued through **communication activities** (e.g. project publicity, programme websites, roadshows, public stands, Open Door events[93]), informing citizens of funded projects and programmes. In some cases, the involvement of citizens is mostly confined to this type of activity (Biz, DK, NL). Enhanced communication efforts targeting the general public are anticipated for 2021-27 in some cases (NRW, CZ). Public websites are a common tool used not only to disseminate information on ESIF and associated preparations, but also to promote participation in the discussion (FI, PT).

Various channels of **indirect citizen representation** are employed by a number of programme authorities, e.g. citizen engagement through the Monitoring Committees, thematic working groups, civil society groups and organisations, e.g. as part of the quadruple helix model or as ‘end users’.

Other forms of more direct engagement with citizens are being considered in some cases (although not yet employed) such as citizen dialogues in Nordrhein-Westfalen.

**The topic of citizen engagement has been given more focus at the local than the regional level.** For example, as mentioned by authorities in Pomorskie, citizens are unlikely to become actively engaged in broad, regional level, abstract issues such as the aims and priorities of the ROP. In contrast, they are much more likely to engage in specific, local level initiatives – which emphasises the role of integrated territorial tools in mobilising communities. In line with this, promoting citizen engagement can be regarded as a particularly important responsibility of local authorities. There is more scope for participatory consultation in urban contexts, which often involve smaller projects targeted at a smaller territory, rather than at programme level (Vla). On the other hand, the relevance of both the local and regional levels – as opposed to the national level – has also been stressed in this regard (e.g. SE).

### 4.5 Challenges and opportunities in stakeholder engagement

In terms of the main challenges anticipated in the stakeholder engagement in 2021-27, programme authorities have stressed, *inter alia*, the following:

**Administrative burden and complexity and the associated capacity issues, highlighting the role of simplification and capacity building.** The high complexity of Cohesion Policy rules, procedures and processes and the associated administrative burden created for participating stakeholders may discourage them from participation and create capacity challenges. This calls for greater efforts in terms of simplification measures as well as the development of stakeholders’ capacities and skills. This can include the administrative capacity necessary for the effective administration and implementation of the Funds as well as capacities facilitating adequate engagement in various policy stages (e.g. EL, HR, SI, SK, Vla). Examples of relevant **simplification and capacity building measures** are noted in Table 5.
Table 5: Planned simplification and capacity building measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>IQ-Net example</th>
</tr>
</thead>
<tbody>
<tr>
<td>• the use of SCOs</td>
<td>EL, Biz</td>
</tr>
<tr>
<td>• streamlining procedures and securing quality data</td>
<td>EL</td>
</tr>
<tr>
<td>• providing citizen summaries of the OPs or summary documents detailing all rules from various sources for a particular intervention</td>
<td>Si, NRW</td>
</tr>
<tr>
<td>• upgrading systems and interface to facilitate stakeholder engagement (e.g. focusing on digital channels of engagement)</td>
<td>EL</td>
</tr>
<tr>
<td>• supporting harder-to-reach stakeholder groups (e.g. NGOs) within specific calls</td>
<td>SK</td>
</tr>
<tr>
<td>• providing project specific support sessions in the preparation of project applications</td>
<td>FI</td>
</tr>
<tr>
<td>• undertaking information campaigns and training activities</td>
<td>NRW etc.</td>
</tr>
<tr>
<td>• establishing dedicated communication teams to follow-up on project activities and facilitate more formal exchange programmes</td>
<td>Vla</td>
</tr>
<tr>
<td>• establishing dedicated organisational units to enhance dialogue with stakeholders, including through strengthening their capacity</td>
<td>HR²⁴</td>
</tr>
</tbody>
</table>

Source: IQ-Net research

At the same time, the importance of ensuring a balance between stakeholder engagement and simplification on the one hand and accountability for the funding on the other has also been emphasised (Eng).

**Risk of conflict of interests**, for instance caused by overly broad engagement or overrepresentation of strong partners / the ‘usual suspects’. A large variety of stakeholders engaging in programme-related matters may carry the risk of contradicting positions and interests (Si, SK OP R&I). This may be aggravated by an overrepresentation of strong partners with larger power and/or the usual suspects (NL), requiring particular sensitivity in terms of engagement methods and processes.

**Challenge of managing expectations.** It is important to control expectations when stakeholders / citizens are consulted. It is particularly relevant if they are hoping to be given full accountability for programme management and accountability in their area (Eng), or in order not to create expectations that involvement will result in funding which could lead to disappointment (AT). In addition, if opinions are too wide-ranging, consultations will not lead to consensus and projects/preparations risk being delayed (Vla). Expectation management is thus important to avoid risks of friction between creating a broad citizen consensus and effective project delivery (i.e. a timely start and operation).

**Competition among stakeholders** due to reduced levels of financing. Competition among stakeholders is expected for instance in Warmińsko-Mazurskie as there is likely to be high interest in infrastructure projects in the context of reduced resources allocated for their implementation in comparison to the 2014-20 financial perspective.
Higher levels of own contribution. The need to find higher levels of own contribution, due to likely changes in co-financing rates, is seen as one of the main challenges to stakeholder engagement in Warmińsko-Mazurskie.

Limited capacity for immediate improvement. Despite the value of greater partnership, in the context of continued focus on larger investment projects (e.g. in Via), it is challenging to involve stakeholders other than those with proven means, willingness and capacity to contribute over longer periods.

Some of the challenges regarding citizen involvement include an anticipated rise in the participation of experts rather than ‘pure’ citizens in the consultation exercise – despite efforts to conduct public consultations with higher intensity than in 2014-20 (CZ) – and the fact that programming documents are too complicated to discuss with the wider public (SI). A greater engagement of ‘usual suspects’ in OP consultations is also expected (Via). In addition, there is sometimes little room to set up new structures targeting citizen engagement, particularly for smaller programmes (NL). Given a complex set of rules regarding ESIF, combined with the regulatory requirement to involve the public, greater responsibility for the challenges of citizen engagement is seen to lie with the European Commission (SI).

At the same time, a range of new opportunities is anticipated in the stakeholder engagement in the new programme period, including in terms of:

- Increased simplification, enhanced capacity-building and support to applicants – responding to the challenge of high complexity and the associated capacity issues.
- Promoting better understanding of specific instruments (e.g. FIs, SCOs) and encouraging their wider use (CZ).
- Opportunity to work more closely with local partners in the development and selection of projects (Eng).
- Value of meeting in smaller stakeholder groups, which can provide flexibility and time efficiency gains during programme implementation (NL).
- Opportunity to receive out-of-the-box ideas, encouraged by wider stakeholder involvement (PT).
- Greater stakeholder engagement promoted under RIS3 (as part of the EDP) and territorial instruments, relying on successful practices from 2014-20.
- Transition from triple to quadruple-helix arrangements, which can be addressed by embedding societal organisations in the new OPs (NL).
- Greater scope for open / informal communication with relevant stakeholders (SK), and
- Ultimately – a better design and implementation of EU and national policies, stimulated by the multiple benefits stakeholder and citizen engagement processes can offer.
**5 CONCLUSIONS AND DISCUSSION ISSUES**

The paper has shown that extensive preparatory work and thinking is underway in terms of programming, arrangements for project generation and selection, and stakeholder engagement for 2021-27. **The main developments are:**

- Programming has advanced considerably in the latter half of 2019, and is set to intensify at the start of 2020. Negotiations and dialogue with the Commission are ongoing to try to facilitate a timely approval of programmes.

- A large degree of continuity is expected in project generation and selection in 2021-27, with possible fine-tuning and adjustments expected based on past experience, evaluation evidence and the regulatory requirements.

- Results-orientation and simplification are now more firmly embedded in programme implementation, and there is a clear interest in having these better linked to project generation and selection through the use of e.g. SCOs and results-based approaches to funding.

- Stakeholder/citizen engagement is widely recognised to lead to better programme outcomes. There appears to be stronger commitment to stakeholder engagement in 2021-27, although established structures are anticipated to remain largely unchanged. New opportunities are noted e.g. under RIS3 and territorial instruments, relying on successful practices from 2014-20.

These preparations will continue and intensify as the main launch of the new period approaches, but **there are several areas where there is uncertainty or further work needed:**

- Programming has been affected especially by the lack of certainty about future budget allocations and other funding conditions, and various regulatory issues.

- Past experience and evaluative work provide the foundation for future programming. More focus could be given to the adoption of a more strategic and flexible approach to programming; the consideration of territorial and thematic needs; and a clearer definition of responsibilities and consideration of administrative capacity issues.

- Future approaches to project generation and selection should focus on: providing ongoing support (and guidance to authorities) and making a better use of communication tools, which can facilitate good quality projects and mobilise stakeholders; adapting approaches to project generation based on lessons learned elsewhere; and ensuring good governance and administrative capacities (e.g. thematic expertise); and consideration of approaches under other delivery instruments (e.g. FIs, RIS3 strategies and territorial instruments).

- There is room for improvement in regard to stakeholder engagement, although this comes with a number of challenges related to e.g. budget, capacities, types of stakeholders, themes.

- There is also more reservation regarding direct engagement of individual citizens, and examples relate predominantly to practices pursued outside ESIF. There is potentially an underexploited opportunity for ESIF to champion a more citizen-focused approach.
Notes


3 Bachtler et al. (2019) op. cit.


5 Bachtler et al. (2019) op. cit.


10 OECD (forthcoming) OECD Territorial Review, Regional Policy for Greece post-2020

11 Aro T (2019) Aluekehityksen kokonaiskuva, Tilastoanalyysi suuralueiden (NUTS 2) kehityksestä, February 2019

12 ThirdSector (2019) EU funding levels will be maintained in all four home nations, says Tory manifesto, 25 November 2019 https://www.thirdsector.co.uk/eu-funding-levels-will-maintained-four-home-nations-says-tory-manifesto/policy-and-politics/article/1666806


16 Bachtler et al. (2019) op. cit.


18 Tillväxtverket (2019) Utvärdering av hållbar stadsutveckling i regionalfonden, Slutrapport, June 2019

19 Ferry M, Kah S and Bachtler J (2016) Research for REGi committee – maximisation of synergies between European Structural and Investment Funds and other EU instruments to attain Europe 2020 goals


22 EPRC (2019) Analysis of the coordination of EU funding programmes in selected EU Member States (focus: institutional settings), Report to the Ministry of Regional Development of the Czech Republic, 22 January 2019

23 Tillväxtverket (2019) Samverkan och synergi i EU-fonderna 2021-27 – inspel till regeringens strategiska ställningstaganden, 4 October 2019


26 Ibid.


30 A member-based, not-for-profit, non-political organisation for regional economic development.


32 Tillväxtverket (2019d) op. cit.


35 Gross F and Polverari L (2014) op. cit.


37 Gross F and Polverari L (2014) op. cit.


41 Ibid.

42 Nordmark S and Svensson L (2019) op. cit.


45 An experimental approach is about being able to compare the results of different projects and draw general conclusions from these.

46 Ibid.

47 ClimateSync (Klimatsynk) is a project run by the Swedish Energy Agency in cooperation with Tillväxtverket within the national OP. The project functions as an online platform (www.klimatsynk.se) with the aim of finding synergies, avoiding overlaps, and increase learning between the eight regional and one national OP within TO4.

48 Bachtler et al. (2019) op. cit.
In a broad sense, ‘Cohesion policy stakeholders’ may refer to individuals (citizens), organisations, entities with specific interests and/or role in issues and/or decisions concerning Cohesion Policy. Stakeholders can include regional and local authorities / local state authority associations or federations, economic and social partners and civil society organisations (e.g. business/commercial organisations, business associations or federations, trade unions / representative professional organisations, education/research institutions, interest groups, NGOs, civil society organisations).


E.g. EIBURS study (*) found that failure to fully involve relevant stakeholders (e.g. representatives of municipalities and of socio-economic interests) in the programming phase hinders the identification of priorities that are coherent with the socioeconomic needs of the region (leading to the prioritisation of investment areas that are not in line with regional development needs).


E.g. EIBURS study (Ibid.) highlighted that failure to involve the relevant socio-economic partners in decisions concerning beneficiaries’ selection criteria or to take their opinions in due account leads to the identification of application requirements that cannot be met by potential beneficiaries, creating implementation delays.

In accordance with Art. 5 of the CPR 2014-20, for the PA and each programme Member States are required to organise a partnership with relevant partners, including:

- a) competent urban and other public authorities;
- b) economic and social partners; and
- c) relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination.

They should be involved at all stages of the programming process, including the preparation, implementation and monitoring of PAs and OPs. Art. 5 also empowered the Commission to adopt a delegated act to introduce a European Code of Conduct on Partnership (established under Commission Delegated Regulation No 240/2014 of 7 January 2014).

Art 35 of the CPR (Support from the ESI Funds for community-led local development), stipulates that the costs of preparatory support consisting of capacity-building, training and networking with a view to preparing and implementing a CLLD strategy may include, among others, training actions for local stakeholders, or costs related to consultations of stakeholders for the purposes of preparing the strategy. In addition, ESIF support for CLLD covers animation of the CLLD strategy in order to facilitate exchange between stakeholders to provide information and to promote the strategy and to support potential beneficiaries with a view to developing operations and preparing applications. Involvement of stakeholders (such as universities and other higher education institutions, industry and social partners), via an entrepreneurial discovery process, is also foreseen in the context of developing national and/or regional smart specialisation strategies (Common Strategic Framework 4.3 (2)).


Some examples (based on European Parliamentary Research Service (2017) op. cit.) include, among others:

- Eurocities: March 2017, statement on the future of CP (the partnership principle is one of the cornerstones of a framework that empowers and supports cities; future Cohesion policy should be based on this principle in order to maximise its potential) (https://www.contexte.com/medias/pdf/medias-documents/2017/03/EUROCITIESstmtfutureofcohesionpolicyfinal.pdf).
- European Parliament: May 2017, report on building blocks for the future of Cohesion policy; although the partnership principle has led to closer cooperation with regional and local authorities in some MSs, there is still room for improvement in order to ensure the real and early involvement of all stakeholders. (http://www.europarl.europa.eu/doceo/document/A-8-2017-0202_EN.html?redirect).

57 E.g. CoR (2018a) op. cit.
60 E.g. IETM in their statement on ‘Citizen-oriented Cohesion Policy with a prominent place for culture’ (https://www.ietm.org/en/citizen-oriented-cohesion-policy-with-a-prominent-place-for-culture) stress that ‘...in order to enable people to benefit from the European project, the Cohesion Policy must adopt a citizen-oriented approach as an overall principle, aimed at supporting community-led development and fostering active citizenship. This would potentially nurture the sense of involvement and ownership by communities and individuals’.

A 2019 study (**), reviewing the current and emerging issues for CP to support the work of the EP’s Committee on Regional Development during its new mandate for 2019-24, recommended among the principal issues to consider an increased focus on citizen engagement: ‘There is an opportunity ... for the EP to champion a more citizen-focused approach of the policy at programme level, to encourage imaginative and effective ways of involving citizens, and to give people a more direct voice in the second-most important policy area of EU spending’.

62 Annex (D) to the Country Reports under the European Semester process
63 all Member States except Bulgaria, Czech Republic, Malta, Slovakia and the UK.
64 Bulgaria, Czech Republic, Italy.
Among other things, Social Platform’s position on MFF 2021-27 (https://www.socialplatform.org/wp-content/uploads/2018/12/MFF-position-paper_FINAL.pdf) reads: ‘The proposal for the CPR makes an important step towards including civil society in all its diversity and strengthens bottom-up approaches by fostering community-led local development (CLLD). These provisions need to be maintained in the final agreement on cohesion policy, setting a solid basis for an effective and inclusive multi-level governance.’

A relevant article of COM regulatory proposals for 2021-27 with regards to ESF+ specifically (COM(2018) 382 final) includes Art 13 ‘Innovative actions’. It reads: ‘Member States shall support actions of social innovation and social experimentations, or strengthen bottom-up approaches based on partnerships involving public authorities, the private sector, and civil society such as the Local Action Groups designing and implementing community-led local development strategies’.

In Austria, the model of Sozialpartnerschaft (meaning broadly ‘social partnership’) was developed in the 1960s and 1970s and defines the cooperative relation between associations of employers and associations of employees. Its scope is to find consensus-based solutions in the case of conflicting interests. It is an informal model of political decision-making which involves representatives of different interest groups in society (e.g. industry, trade unions). It serves to achieve non-parliamentary consensus on economic and social questions.

The mid-term evaluation of the Pais Vasco ERDF OP has a section assessing the implementation of the partnership principle (IKEI (2019) Evaluación 2019 de los Objetivos/Resultados de los Programas Operativos FEDER del País Vasco 2014-2020, 17 Junio de 2019). The key points raised are:

- The partnership principle has been implemented by facilitating and promoting the participation of all relevant actors in the programming and implementation, notably the 4 Intermediate bodies: The Basque government, and 3 provincial councils (Alava, Bizkaia, Gipuzkoa)
- The Basque Government Intermediate body involved the different governmental departments and services through meetings and consultations in a collaborative manner with strong involvement of key partners: the Álava, Bizkaia and Gipuzkoa councils (providing a sub-regional/territorial perspective), as well as the main economic and social partners and those relating to horizontal development principles sustainable and gender equality and non-discrimination.
- The selection of partners prioritises actors representing a large number of actors including: local authorities and other competent public authorities, economic and social partners, relevant organizations representing civil society, environmental partners, non-governmental organizations, bodies responsible for promoting social inclusion, gender equality and non-discrimination.
- An example of effective partnership at the project level is the Advanced Manufacturing Centre (CFAA) project financed jointly by the Basque regional government and the Provincial Council of Bizkaia and developed in collaboration with the public University of the Basque Country and the Aeronaut Cluster (HEGAN). The objective was to promote the transfer of basic and applied research results to the productive sector. The Centre opened in 2017 and employs 7 researchers.
For instance, timely and well-defined multi-level governance processes at all programme phases are considered crucial in Croatia, as they are seen as helping reach common understanding and enhance ownership of EU policies in the programming stage, while also contributing to improved policy outcomes since stakeholder engagement facilitates implementation.

The participatory approach to the open innovation call was based on the ‘innovation procurement’ concept, which is also supported by the Commission ([https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/innovation-procurement_en](https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers/innovation-procurement_en)).


ClimateSync (Klimatsynk) is a project run by the Swedish Energy Agency in cooperation with Tillväxtverket within the national OP. The project functions as an online platform ([www.klimatsynk.se](http://www.klimatsynk.se)) with the aim of finding synergies, avoiding overlaps, and increase learning between the eight regional and one national OP within TO4.

A number of functional articulation networks have been established under the 2014-20 Partnership Agreement in Portugal, which bring together technical coordination and management structures of the ESIF in order to ensure greater consistency of Cohesion policy interventions and increased harmonisation of implementation methodologies, through information sharing and coordination of activities. These networks of functional articulation and institutional capacity building meet periodically, their activity being complementary to the competencies of the other relevant entities. The networks include: Regional Dynamics Network, Monitoring and Evaluation Network, Communication Network, Capacity-building and Qualification of Demand Network, Network for Green Growth, Incentive Schemes Network, R&D&I Support System and Smart Specialisation Strategy Network, National Rural Network, Education and Qualification Network. Within these networks, relevant stakeholders discuss and coordinate their activities, to achieve the objectives declared in the Partnership Agreement. The functional networks that link the technical coordination and management structures of the ESIF are important as drivers of institutional capacity building and more effective governance of Portugal 2020, especially in an operational framework where there is a need to ensure consistency and “transversality of results” which depend on the intervention of many entities [e.g. when it is necessary to mobilise similar typologies in several OPs or when thematic evaluations are carried out covering several MAs].

These thematic networks ensure articulation between the public agencies responsible for the sectoral policies and the thematic and regional OPs, dealing with matters related to the content of application calls when they address matters common to several OPs.

This involves for instance roadshows to introduce new OP[s] (CZ IROP), sending invitations for engagement to all stakeholders (NRW), holding strategic events to inform stakeholders and the wider public about the start of OP/PA preparation and the evolution of regulatory requirements (NRW), issuing draft PA design to inform stakeholders about the new period (EL), or regular publication of articles and newsletters about results of the MA work (Pom). In East Netherlands, an internal communication working group, preparing the strategy for 2021-27, focuses on reaching a wider audience via online channels, networks, industry associations, intermediaries and local press releases. Dedicated websites and online share points for sharing information and documents are often used to obtain a wider outreach, strengthen mutual trust and enhance the efficiency of the programming process.

Many IQ-Net programme authorities conduct or plan to conduct various consultation exercises, particularly covering the phase of OP/PA preparation. They are pursued, inter alia, through the following forms:

- **Stakeholder engagement events.** In Scotland, stakeholder engagement events have been carried out to collect views on the design of a Shared Prosperity Fund replacing Structural Funds.
In Nordrhein-Westfalen, a strategic event in view of preparing the next OP aimed to gather feedback on stakeholders’ funding needs and priorities.

- **Civil society hearings.** In drafting the Strategy for 2030, the Portuguese Government has promoted the hearing of the civil society, including social partners, universities, territorial stakeholders and the social economy stakeholders.

- **Interviews** with experts or beneficiaries. The drafting of the Pomorskie 2030 Strategy has been based on a participatory approach, wherein the MA conducted interviews with over 60 experts on a variety of topics, to gather the widest range of ideas. In East Netherlands, an internal communication working group preparing the 2021-27 strategy has started to interview beneficiaries and include the resulting stories in online communication and annual reports. The new RIS3 in the Netherlands are informed by an external bureau that carried out c.100 interviews as part of the EDP, which will also inform the new OP.

- **Focus groups.** The MA in Vlaanderen considers to use focus groups in order to consult a broad range of stakeholders on the specific details of the draft OP.

- **Websites and online consultations.** Dedicated websites are used not only to disseminate the new development strategies, but also to promote participation in the discussion on the next programme period (e.g. Portugal 2030 website). Online consultations on the draft OP may be used by the MA in Vlaanderen.

- **Semi-open consultations.** The MA in South Netherlands is considering a semi-open consultation of the ‘80% version’ of the new OP with the stakeholders, which would also lead to higher social acceptance.

- **Targeted consultations.** For instance, business consultations can be requested by any interested party in Slovakia (OP Integrated Infrastructure), either during the OP preparation or modification.

- **Comprehensive consultation exercises** (combining multiple elements). In Wales, stakeholder engagement has been an important part of the process of developing the priorities and plans for domestic funding replacing ESIF. The Government invited all interested parties to share their views on the Regional Investment Policy Paper via an engagement exercise which ran from December 2017 to March 2018. Contributors were given the opportunity to contribute via a set of formal engagement exercise questions, a short online survey and other engagement events. In addition, priorities for future investment and a mix of national, regional and local delivery approaches have been agreed to be presented for consultation. A Regional Investment for Wales Steering Group, set up to lead on future arrangements, has agreed an engagement strategy, with expert sub-group being set up to carry out detailed development work to inform a consultation document (with formal consultation planned for early 2020).

88 Some examples include:

- **Working groups.** Relevant stakeholders are often invited to discuss particular themes foreseen or designated for support in 2021-27 in the format of working groups (e.g. CZ, SK, NL etc.). In East Netherlands, working groups, ensuring stakeholder engagement in 2014-20, will be carried forward into 2021-27. For instance stakeholders in ‘sounding boards’ or ‘mirror groups’, now involved in the preparation stages, will continue to be active in future project generation and implementation phases.

- **Policy planning / policy design teams, committees with responsibilities for OP programming.** For instance in Greece, policy design teams engaging the relevant stakeholders have been established for some OPs, and the regions will establish their own teams for policy planning. In the Czech Republic, a Preparatory Committee of IROP2 was established, including representatives of strategic/political levels of public administration and other relevant entities, which debates and approves proposals from the working groups.


The Open Doors concept of inviting citizens to visit projects has been promoted for instance by the MA in Denmark, with some open-door events attracting 50-100 participants, and this approach will be continued in the coming period.

In Croatia, the Ministry of Regional Development and EU Funds plans to establish a unit within its structure for enhancing dialogue with relevant internal and external stakeholders at all levels, including through strengthening their capacity.