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International regulation in city-planning and environmental protection.

Urban Dimension in Cohesion Policy of EU

Problems and perspectives of the Cohesion Policy

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Problems and perspectives of the Cohesion Policy

The European Union's cohesion policy faces many challenges over the coming years, the most obvious one being that of the dramatic increase in social and economic disparities between Member States and regions after enlargement.

Boosting administrative capacity

The capacity of Member States to manage European Structural and Investment Funds effectively is one of the key factors contributing to the success of Cohesion Policy. The Commission helps to strengthen the administrative capacity of national and regional administrations, through improvements to structures, human resources, systems and tools. As well as investing in capacity to manage the Funds, Cohesion Policy funding in 2014-2020 supports efficient public administration more generally through funding for institutional capacity-building and reform.



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Integrity Pacts

The Directorate General for Regional and Urban Policy of the European Commission is committed to look for and test new ways of safeguarding EU funds from the risks of mismanagement, fraud and corruption and increasing transparency in how the funds are used. As one of the initiatives in this field, we have launched a pilot project "Integrity Pacts - Civil Control Mechanism for Safeguarding EU Funds Against Fraud and Corruption". The project is implemented in co-operation with Transparency International and seeks to pilot Integrity Pacts in a number of projects co-financed by the EU Structural and Cohesion Funds in the Member States.



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Training for experts on rules and regulations

The Commission provides training for the managing, certifying and audit authorities dealing with the European Regional Development Fund, the European Social Fund and the Cohesion Fund. The training focuses on the key new elements in the EU cohesion policy legislative framework for 2014-2020 and is organised in two modules:

programming and implementation

financial management and control issues.



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Studies on the integration of new regulatory elements in the programming process

The purpose of these studies is to take stock of how the new regulatory elements of the reformed policy have been integrated into the programming process. In addition, the last study provides information on the scope of project sizes in the 2007-2013 period.

They provide evidence and an analytical basis for the debate on the design of the policy post 2020 and related impact assessments.



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EU Competency framework for management and implementation of the ERDF and Cohesion Fund

The Commission is making available an EU Competency Framework and an accompanying Self-Assessment Tool for national coordinating bodies, managing, certifying and audit authorities, joint secretariats and intermediate bodies. These instruments will support administrations in their efforts to improve their administrative capacity for management of the funds by helping them to identify and address potential competency gaps.



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The political and budgetary questions are the prior, vital condition to understand the discussions now ongoing regarding the cohesion policy. This represents around one third of the Union's present budget and it is normal for it to be under pressure given the development and reform of the latter.

It is true that with each budgetary negotiation the cohesion policy comes under challenge. Its supporters and critics fight it out. However, this time round the stakes are higher.

At the start of the informal discussions in 2020 some were tempted to give up completely on this instrument, as mentioned for example in the 4th scenario of the White Paper on the future of Europe.



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The European Commission's proposals put forward a cohesion policy, which, as of 2021, will have to adapt to a reduced budgetary envelope and at the same time provide for new priorities, such as the integration of migrants and increased support to structural reform.

If the upkeep of this policy is already a first success, it is difficult however to conceal the concern that these new texts cause since they put forward many innovations that might gradually lead the cohesion policy away from its territorial, integrated approach, challenge the definition of development priorities and weaken concrete results in the field.

The first criticism is directed at the reduction in the budgetary envelope. The European Parliament is particularly against any drastic cut that will negatively affect the nature and goals of this policy, such as the reductions put forward for the Cohesion Fund (45%) and the European Agricultural Fund for Rural Development (over 25%). In this context, it questions the justification of the proposal that aims to reduce the European Social Fund by 6% despite its broader scope of implementation and the integration of the initiative for youth employment.



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These cuts will not be uniformly implemented and amongst the factors that will affect the present balance we can point to the introduction of a delta of 75%-100% regarding the eligibility of the European regions in transition, the weight of indicators in addition to the GDP and the increase in the level of national co-financing.

A second cause for concern is that "[...] the cohesion policy is increasingly being called upon to support the economic reform process ongoing in the Member States." Indeed, the Commission is planning many novelties in this area.

Firstly, alongside the annual per country recommendations, a new tool, the "specific per investment guidelines", is being added, which will be implemented early on and mid-term in the programming process, "[...] the aim being to provide a clear roadmap for investments in vital reforms for a prosperous future".



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Secondly, there is the clarification that "the detailed analysis of the challenges to which the Member States have to rise made during the European Semester will serve as a programming base for the structural funds at the beginning and midway through the next period." And the role given to the National Reform Programme, responsible for ensuring "[...] the coordination and complementarity of financing emanating from the funds for the cohesion and the new Support Programme to Structural Reforms".

The maintenance of macroeconomic conditionality[16] simply accentuates this trend and confirms that full attention was not paid to the call made by the various parties involved in support of its elimination.

There is a danger of having structural funds that are fully integrated into the tools used to enhance the Economic and Monetary Union. Because it is an area of State competence that significantly reduces the regions' room to manoeuvre. This situation might steer the cohesion policy increasingly towards a top down approach, with priorities granted to Brussels and mainly introduced at national level in the wake of a development that has been increasing over the last few years. In this context the Member States might point to the need of having more in the way of structural funds so that they can follow-up on the specific per country recommendations.



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The range of the reform is extremely vast and there are other factors that will probably influence this policy's new look: the reform of ex ante conditionalities, the steps made towards simplification, the new auditing rules, the individuation of the right balance between subsidies and financial instruments. Another major issue is the reduction of the budget allocated to European Territorial Cooperation (ETC) with the maritime cross-border component which could be drastically reduced.

As far as the cohesion policy is concerned several points of discussion are still open, some of which are highly critical. These are the details to which particular attention will have to be paid during the negotiations and which we have to try and modify, as far as possible, in order to balance a trend that is a threat to the territories of Europe.



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