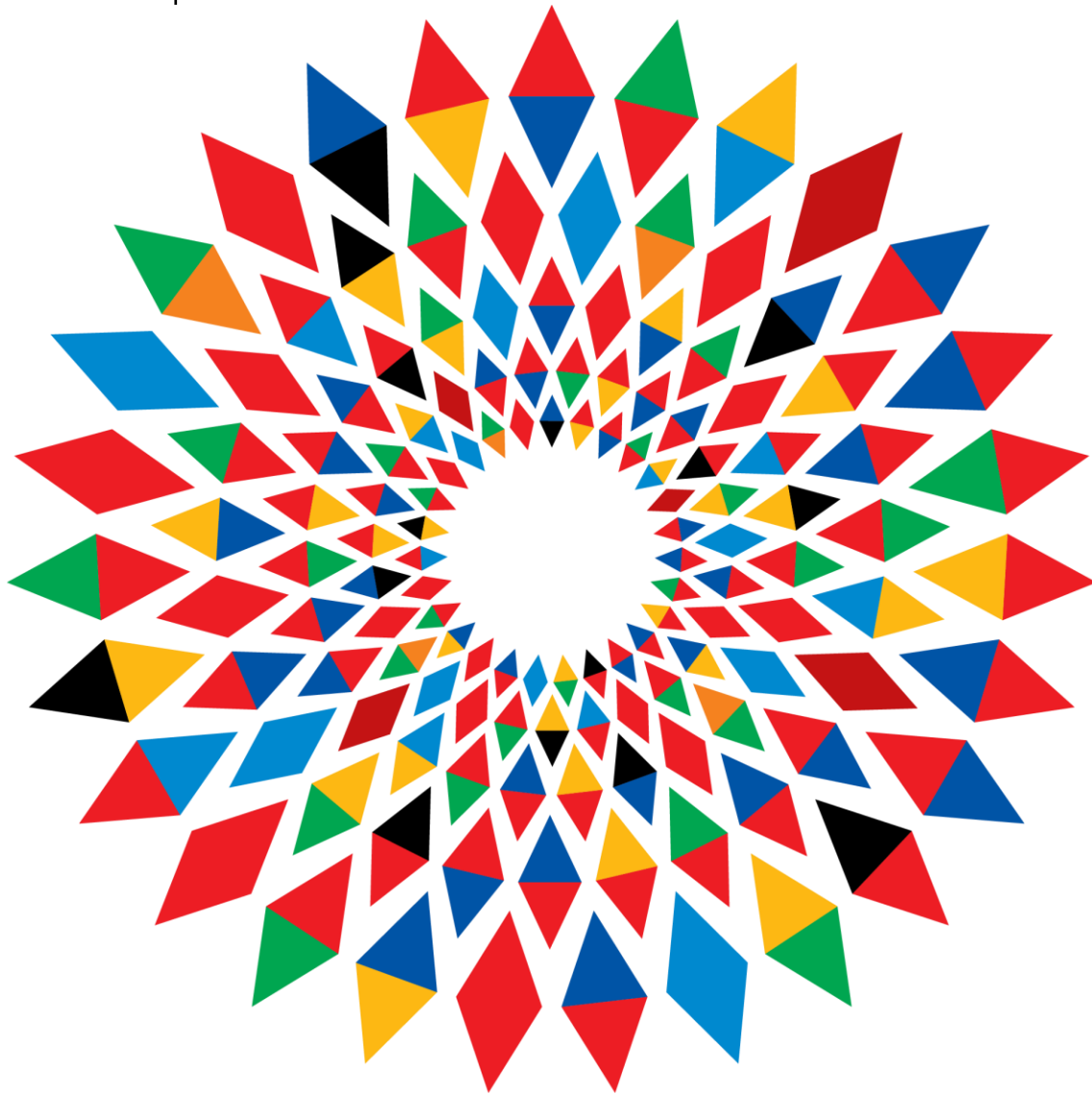


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Czech Presidency of the Council
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Briefing Note

Expert Meeting

Cohesion Policy & New Instruments: From Co-existence to Synergies

Prague, Czech Republic

8 July 2022



COHESION POLICY & NEW INSTRUMENTS: FROM CO-EXISTENCE TO SYNERGIES

BRIEFING NOTE FOR THE EXPERT MEETING

1. Introduction

Among the challenges for Cohesion Policy (CP) in the 2021-27 period is the need **to manage interactions with new EU instruments**, most notably National Recovery and Resilience Plans (NRRPs) under the Recovery and Resilience Facility (RRF). The conclusions of the recent General Affairs Council of 2 June 2022 emphasised the longer term importance of strengthening complementarities and synergies with other relevant European policies.

The aim of the Expert Workshop is to share Member State experiences and develop practical recommendations to strengthen complementarity between Cohesion Policy and new EU instruments in the pursuit of cohesion. Based on EU-level perspectives and contributions from Member States, the Workshop will discuss the most pressing challenges, exchange knowledge and good practice, and identify principles for ensuring positive interaction between Cohesion Policy and new EU instruments contributing to the objective of cohesion in 2021-2027 and beyond.

2. Challenges for Cohesion Policy

Cohesion is a fundamental objective of the European Union but is currently challenged by growing economic, social and territorial divisions. These result from the effects of globalisation, the lasting influence of the global financial crisis, the territorial impact of Covid-19 and the current war in Ukraine. Further challenges are associated with the varied territorial impacts of the green and digital transitions and demographic change.

Cohesion Policy has a key role to play in addressing these challenges. It is the principal EU instrument for delivering the strategic EU objective of reducing territorial disparities, pursuing a territorial vision based on multi-level governance, integrated 'place-based' strategies, and being flexible in responding to crises and emergencies.

However, Cohesion Policy is not acting in isolation. New EU instruments have the potential to support it; equally, the priorities and funding of CP programmes may be diverted to support the objectives of new instruments. The most important of these instruments is the **RRF**, created to mitigate the economic and social impact of the Covid-19 emergency. Others include the funding for climate action under the **Modernisation Fund** supporting energy security in lower-income Member States as part of the EU's green transition agenda. Within CP, there is the **Just Transition Fund** for alleviating the impacts of transition to climate neutrality in territories most affected.

The Commission has highlighted the scope for complementary actions between Cohesion Policy and these instruments. Potential benefits include: **effectiveness** gains from articulating more



coherent strategies and coordinating investments; **efficiency** gains from sharing capacities, resources and knowledge across funding bodies; and strengthened **transparency** and **accountability** in establishing a more visible link between EU policies and needs at national and regional levels.

In practice, there has been mixed progress in achieving potential benefits, with fragmented coherence across instruments, Funds and levels of governance.

- The simultaneous programming of CP Partnership Agreements/Operational Programmes and new EU instruments under direct and indirect management has complicated coordination and overloaded administrative capacity.
- Whereas some Member States are using the same authorities to manage both Cohesion Policy and NRRPs (enabling interventions to be coordinated), other Member States have separate governance structures for the two funding streams with limited coordination.
- The territorial dimension of new EU instruments is inconsistent and not necessarily aligned with Cohesion Policy in terms of geographical targeting and resource allocation.
- The involvement of local and regional authorities in the governance of new instruments varies greatly, with minimal involvement under many NRRPs for example.
- Thematic overlap between instruments entails a risk of duplication and rivalry with Cohesion Policy, particularly where new EU instruments are perceived as offering stronger incentives for beneficiaries (e.g. in terms of timescale, aid intensity, financial management). Where measures or projects are funded under NRRPs rather than Cohesion Policy, this may have significant implications for absorption of CP funds.

3. Seeking complementarities and synergies

In principle, complementarities and synergies between Cohesion Policy and new EU instruments should be facilitated by integrating support from multiple EU sources, sharing of capacities, resource and knowledge across funding bodies and establishing a more visible link between EU policies and needs and realities at national and regional levels. Looking to the longer term, the 8th Cohesion Report advocates the principle of “do no harm to cohesion”, meaning that no policy action ‘should hamper the convergence process or contribute to regional disparities’

In the current period, the evidence from Partnership Agreements and other sources is that Member State efforts to address the above challenges and seek synergies are emerging at different levels and comprise the following dimensions:

- **strategic frameworks** - developing strategies and plans to build consensus, demarcate fields and identify shared objectives;
- **governance mechanisms** - coordination among relevant authorities to share knowledge, agree priorities and avoid compartmentalisation and possible conflict;



- **implementation processes** - coordinated operations and investments, shared monitoring and evaluation; and
- **financial complementarities** – coordinating financial management systems, use of cross-instrument transfers, cumulated funding or integrated funding.

4. Questions for discussion

In the above context, the proposed questions for discussion in the three sessions of the Expert Workshop are as follows:

(a) Cohesion Policy and the increasing complexity of EU funding

- What are the challenges and opportunities of interactions between CP and new EU instruments?
- Is the mutual reinforcement of CP and new EU instruments intended by the Commission being achieved so far?

(b) Achieving complementarities and synergies in practice

- What are the main motivations for Cohesion Policy authorities in pursuing complementarity – avoid overlap or seek synergies?
- What strategic, governance, implementation or financial mechanisms are being used to manage interactions?

(c) Longer term implications for Cohesion Policy from new EU instruments

- Does the increasing complexity of EU funding create risks for CP?
- In the context of multiple funds, how can CP preserve its strategic focus on objectives of convergence and reduction of regional disparities, its territorial dimension and system of multi-level governance?
- Are there lessons that can be drawn from the experience of new EU instruments? Would it be practical and desirable to adopt some of the features of the RRF implementation system in CP?