



**ΠΡΟΟΠΤΙΚΕΣ ΤΩΝ ΕΥΡΩΠΑΙΚΩΝ  
ΠΟΛΙΤΙΚΩΝ ΣΥΝΟΧΗΣ ΚΑΙ  
ΧΡΗΜΑΤΟΔΟΤΙΚΩΝ ΜΕΣΩΝ ΤΗΣ Ε.Ε.**

***Εμπειρίες, Επιτυχίες και Προκλήσεις  
για τους Ευρωπαϊκούς Στόχους και  
τους Πολυετείς Δημοσιονομικούς  
Προϋπολογισμούς  
2021-2027 & 2028-2034.***

Ελευθέριος Σταυρόπουλος  
Βρυξέλλες 4 Μαρτίου 2024

# Introduction

- There is a gap between **over-ambitious announcements by the European Council** and the financial means allocated for them had become unbridgeable
- The traditional invisible **rooftop of 1% GNI has been exceeded** due to COVID and energy crisis. A rise to 2% of the legal ceiling of resources has been proposed. In fact, if we add the New Generation EU 750 bn and the SURE programme 100 bn, a total extra amount of 850 bn was put in place
- **Temporary or not?**
- **Cohesion Policy's role in addressing complex issues** such as Brexit, the COVID-19 pandemic and geopolitical crises once again underline its adaptability and responsiveness to unforeseen challenges.
- Concerns regarding CP be diverted from its core mission of reducing regional disparities
- As the debate around Cohesion Policy expands, **questions rise about its alignment with the Single Market objectives and whether Cohesion Policy can contribute to large EU strategic priorities and ensure that regional and social disparities are being addressed.** This debate underscores the evolving relationship between Cohesion Policy and the Single Market, prompting considerations about their shared objectives, cohesiveness and impact on the future of the European project.

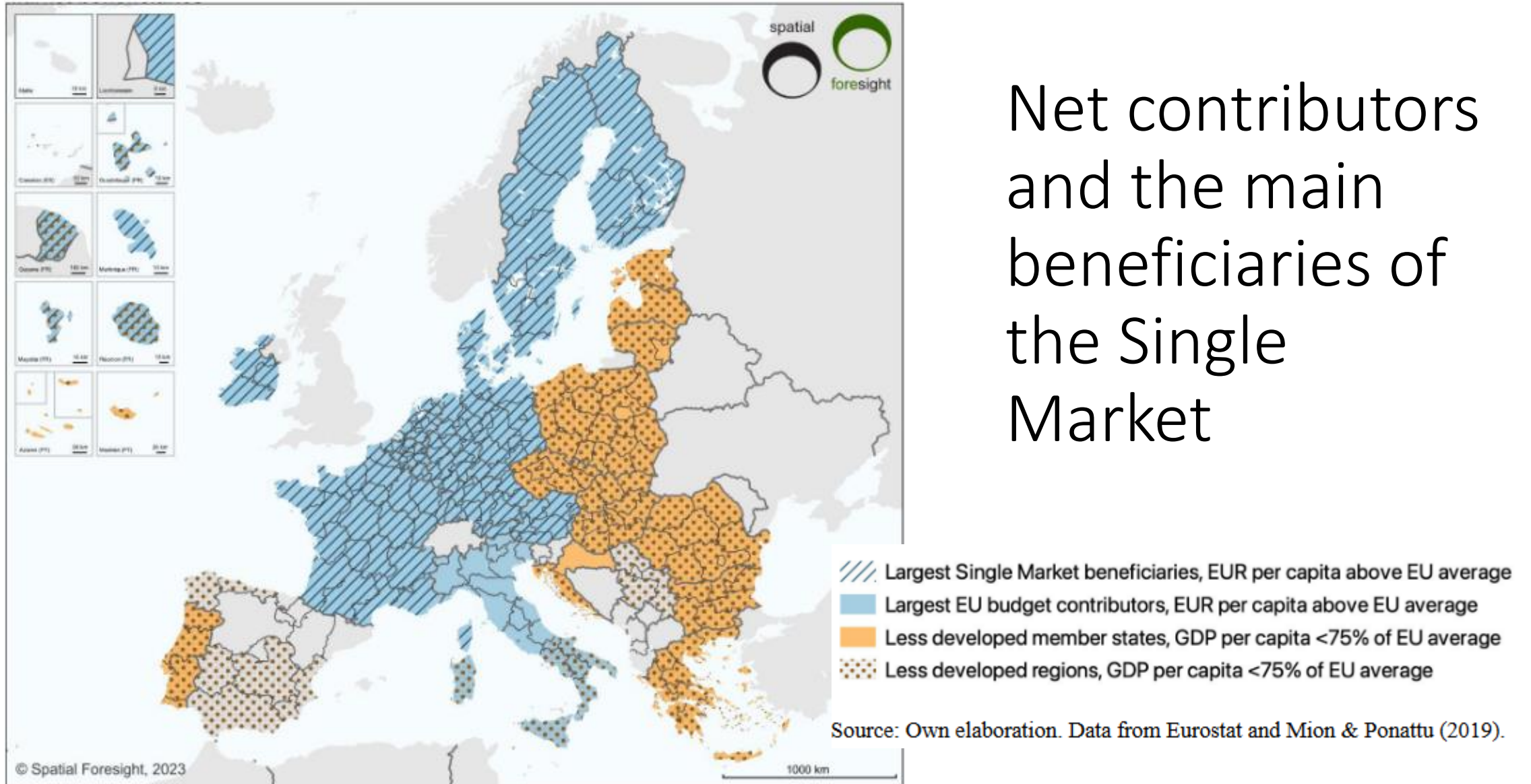
# Cohesion Policy impact on Single Market

- has improved access to goods and services through physical and digital infrastructure, increasing connectivity and fostering cooperation.



- has boosted local economies and attractiveness by improving innovation and entrepreneurship through support for SMEs, as well as reinforcing human capital with training and education, improving growth and competitiveness.
- enables EU cities and regions to realise their potential and increase competitiveness
- foster research, development and technology transfer.
- supported good governance, cooperation and administrative efficiency to ensure smooth facilitation of the Single Market and fair competition across all regions.
- Initiatives like the European Green Deal and the Digital Single Market Strategy are reshaping the Single Market 's approach signalling a departure from its earlier focus on liberalization to a stronger focus on industrial policy and strategic autonomy
- Cohesion Policy spending creates economic and non-economic spill overs

# Net contributors and the main beneficiaries of the Single Market



Data source: Eurostat, "Gross domestic product (GDP) at current market prices by NUTS 2 regions", [nama\_10r\_2gdp] (2021).  
Administrative boundaries: Eurostat GISCO. NUTS 2 (2016).



# Why do we need a strong cohesion policy and what is the link with political developments in EU



- Political impact of disparities, unequal quality of life and unequal opportunities for individual European citizens.
- The feeling of being left behind – or “***geography of discontent***”
- A new dimension to understand Eurosceptic voting: the **regional development trap**.
- Where future Cohesion Policy should invest ?

[https://ec.europa.eu/regional\\_policy/whats-new/newsroom/06-12-2023-geography-of-discontent-regional-development-traps-lead-to-less-support-for-european-integration-and-values\\_en](https://ec.europa.eu/regional_policy/whats-new/newsroom/06-12-2023-geography-of-discontent-regional-development-traps-lead-to-less-support-for-european-integration-and-values_en)

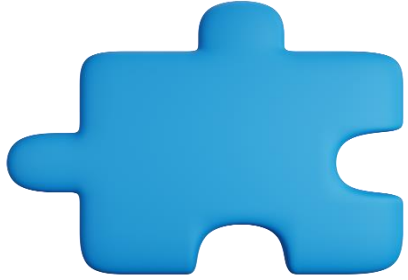
## Listen to the citizens

- According to a study conducted by researchers from the University of Mannheim, the Jacques Delors Centre in Berlin and Aarhus University which is based on a survey of **2.4 million respondents** in the EU, on how cohesion policy affected income inequality between 1989 and 2017 in 231 European regions.
- While it is successful in its aim to reduce cross-regional inequality, cohesion policy – the EU’s place-based regional policy worth one-third of the total EU budget – **fails to reach the most “left-behind people” and actually increases inequality within European regions**
- Cohesion policy helps increase labour income for the highly educated and richest income groups in eligible regions, while **effects on poorer households are close to zero**.
- EU could **modify the eligibility criteria** to make sure more people, especially the poorest, can benefit from cohesion funds.
- A “more radical reform,” moving **from place-based policies to more people-based policies** at the EU level, so that funds reach the most vulnerable people.

## Post 2027 pieces of







[https://ec.europa.eu/regional\\_policy/policy/how/future-cohesion-policy\\_en](https://ec.europa.eu/regional_policy/policy/how/future-cohesion-policy_en)

As many as 60 million European citizens currently live in regions where GDP per capita is lower than in 2000, while a further 75 million reside in places where annual GDP per capita growth has only been marginally above 0% since the turn of the century.

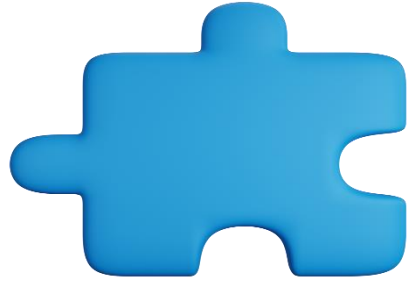
Risks from regions in “development traps” since they are predominantly located in rural or deindustrialised areas — the same places where anti-EU sentiment is “particularly pronounced”.



# Main messages from the HLG

- No other policies is designed to address the increasing disparities across the Union.
- The *raison d'être* of Cohesion Policy is still relevant.
- The EU needs a pro-active policy that strengthens the resilience of economic, social, and institutional ecosystems in EU regions instead of a plaster policy, conveniently tapped into when a new crisis or political priority arise.
- Cohesion Policy is part of the DNA of European projects, it should remain a **long-term policy**, essential to ensure resilience in view of future shocks and evolutions of the Union. This should be reflected throughout EU policies and **with a budget that meets the ambitions**.
- **Partnership principle, multi-level governance, integrated and place-based development** are essential principles ensuring that money invested actually answers the most pressing needs of European regions. should be strengthened and embedded into other EU policies.
- The **Partnership Principle** in particular, should be strengthened and extended to other EU policies, particularly the EU Semester.
- Cohesion Policy 2028-2034 should provide a **simpler framework with fewer different initiatives and funds, greater local flexibility, and a single set of rules for beneficiaries.**
- Cohesion Policy should **strengthen local and regional public services and investments** through a mandatory thematic concentration and earmark dedicated to local and regional governments.

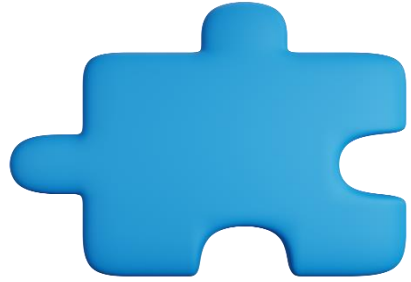
- be more **place-based**, with future-oriented investments tailored to the unique strengths, challenges, and needs of each region;
- promote a **holistic approach** for social policy by **investing more in human capital development and social integration** to prevent and reduce inequalities in all territories;
- **utilise local capabilities and potential** to develop future opportunities for inclusive and sustainable growth through diversification and collaboration;
- **build better national and regional institutions** by putting capacity-building and innovation on par with investment in infrastructure as well as productive capital;
- deliver **more effective and inclusive development strategies** by using the principles of strong partnership and shared management, bringing together stakeholders from different levels of government and civil society;
- follow a more “**performance-based**” approach to cohesion measures, also urging for red tape to be cut.
- **connect regions to harness global opportunities** and to deliver more sustainable and resilient innovation;
- become more **performance-based**, blending this approach with its territorial dimension;
- be **better embedded in the economic governance system**;
- **streamline its administrative procedures** and adopt more efficient, user-friendly approaches to simplify processes; and
- remain focused on its **original mission of driving sustainable development and boosting competitiveness**, while maintaining flexibility to address urgent challenges.
- remain a **long-term policy**, essential to ensure resilience in view of future shocks and evolutions of the Union. This should be reflected throughout EU policies and with a budget that meets the ambitions.



# GAC conclusions for future cohesion policy

[pdf \(europa.eu\)](#)

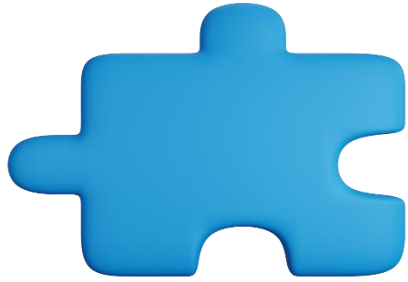
- Nov 2023 There was broad agreement that cohesion policy support for the EU's strategic autonomy objectives should **remain compatible with the policy's core objective of supporting harmonious regional development across the EU**, with a focus on the specific needs of individual regions.
- The conclusions emphasise that cohesion policy must remain a **key pillar of the EU** and, to this end, must maintain as its sole objective the **strengthening of the EU's economic, social and territorial cohesion** and the reduction of regional disparities.
- While cohesion policy is a **policy for all EU regions**, more targeted and adaptable support should be ensured for the **less-developed regions**. Particular attention should be paid to the needs of **rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps**, such as the northernmost sparsely populated regions, as well as island, cross-border and mountain regions.
- The Commission is invited to systematically consider the needs of the **outermost regions** and the impact of its legislative proposals on those regions. The Council also highlights the need to measure and evaluate the **specific needs of the different territories**, and to address the problem of the **regions in the development trap**..



## GAC conclusions for future cohesion policy under BE Presidency

- Recalling the crucial role of cohesion policy in addressing recent crises, the Council considers that cohesion policy should be able to adapt to **new developments and unexpected events**, while preserving its **long-term transformational nature and structural objectives**
- The Commission is asked to develop options to better help regions manage **various new challenges**, including demographic trends, migration, and the green and digital transition, and to further channel investments towards **growth-enhancing reforms**.
- The Council also recalls the importance of **shared management** and of the **partnership principle** for cohesion policy, as well as ensuring a **place-based approach** in its design and programming.
- It encourages efforts to further **simplify the management** of cohesion policy, while guaranteeing high standards for the prevention of and the fight against fraud and corruption.
- The Commission is also asked to further **ensure complementarities** between cohesion policy and other relevant European policies and initiatives from their design phase, and to **facilitate operational coordination** between the programmes that support cooperation between regions.
- European Ministers responsible for cohesion policy will meet again in **Luxembourg on 18 June to adopt the conclusions on the 9th Cohesion Report**.





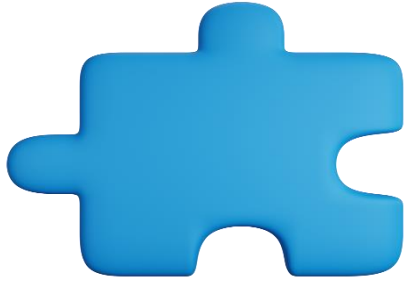
# Opinion of the European Economic and Social Committee (EESC) on the future of cohesion policy

[The Recovery and Resilience Facility and cohesion policy: towards cohesion policy 2.0 | EESC \(europa.eu\)](#) - Adopted in plenary in September 2023.

- fundamental principle of cohesion policy, "**no one should be left behind**", remains sound and valid,
- wishes to stress that **inequality of opportunity can have a detrimental effect on long-term growth and competitiveness at regional, national and EU level.**
- believes that the range of instruments and approaches should be broadened, modernised or revised to **build a strong, effective, flexible and renewed cohesion policy**, focusing more on capacity, interregional links, effectiveness of results and opportunities for beneficiaries;
- considers that the use of **funds from the Recovery and Resilience Facility (RRF) is fully compatible with the implementation of the future cohesion policy** and that investments and programmes already launched under the RRF are not put on hold;
- particular attention should be paid to categories of **people with lower employment rates** (women, young people, immigrants, those with lower levels of education), for whom specific training, reskilling and support programmes are needed on the ground;
- continue **protecting SMEs** and their sustainability and at the same time to find ways **of financing the large companies** which is an important factor for convergence, especially as regards strategic technologies through the new STEP (Strategic Technologies for Europe Platform);

# Opinion of the European Economic and Social Committee (EESC) on the future of cohesion policy

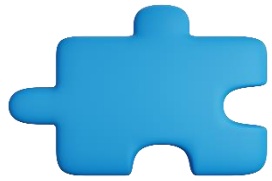
- importance of creating new types of **economic prospects for less developed, peripheral, sparsely populated rural areas, EU islands and outermost regions**
- necessary to **address the gaps between rural areas, urban areas and city centres**;
- believes that **diversification and specialisation should be further differentiated** in terms of financial support, support arrangements, budget management, objectives and investment and considers particularly important to call on the EU Member States and regions to involve the social partners and other civil society organisations as broadly and genuinely as possible;
- is convinced that **cohesion policy should remain the EU's key investment policy** to support European regional policy on adapting to climate goals, with the aim of creating a carbon-neutral society and achieving transition;
- believes that cohesion policy needs to **strengthen digital investments** in existing programmes aimed at bridging the digital divide, as the digital transition entails a risk of creating social and territorial gaps and considers that cohesion policy must ensure that the benefits of digitalisation are distributed in an effective and equitable manner;
- considers it essential to streamline cohesion policy for beneficiaries through **simplification and flexibility** in the implementation of the funds, which should be used to achieve their objectives.



# Opinion of the Committee of the Regions (CoR) on the future of cohesion policy

[Opinion Factsheet \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/infographic-122221.pdf)-Adopted in plenary November 2023

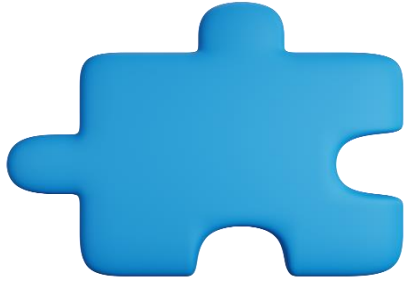
- Investment in **innovation and digitalisation** could help bridge and eliminate existing regional disparities and support overall sustainable growth.
- At the same time, EU regions will need to prepare for future challenges such as impact of **demographic and climate change**, especially in less developed regions.
- **macroeconomic conditionality** should be eliminated because structural funds cannot be held hostage to national decisions;
- **all European regions should remain eligible** for funding in the future;
- **the shared-management model**, multi-level governance and the partnership principle should be kept as guiding principles of Cohesion Policy post-2027;
- the objective of **territorial cohesion must be binding for all other European policies**;
- the overall **funding architecture should be simplified** because of the presence of multiple funds directly or indirectly intended for cohesion;
- the creation of a mechanism for the **flexible use of funds in the event of exceptional crises**, without hampering long-term investments.



## Council of European Municipalities and Regions (CEMR) position paper on the reform of Cohesion Policy

- **Ambitious budgetary allocation** of at least one-third of the EU's budget, ensuring the continued success and impact of this cornerstone policy.
- **Strengthening cohesion principles** of partnership, multi-level governance, integrated and place-based development. CEMR calls for the reinforcement and **integration of these principles into other EU policies**, emphasizing the enduring nature of Cohesion Policy as a **long-term strategy**.
- **Empowering Partnerships**: in particular, the Partnership Principle deserves greater prominence and extension to other EU policies, such as the EU Semester.
- **Addressing Administrative Challenges**: the creation of new funds should be approached cautiously to prevent unnecessary administrative burdens.
- **Simplifying framework and enhancing flexibility**: looking ahead to Cohesion Policy 2028-2034, CEMR proposes a simpler framework with fewer initiatives and funds.
- **Supporting local and regional investments**: CEMR advocates for a mandatory thematic concentration and earmark dedicated to local and regional governments, ensuring a targeted and impactful allocation of resources.
- In conclusion, CEMR envisions a Cohesion Policy that not only reflects the DNA of European projects but also adapts to the evolving landscape. 📖 [Read the full document.](#)



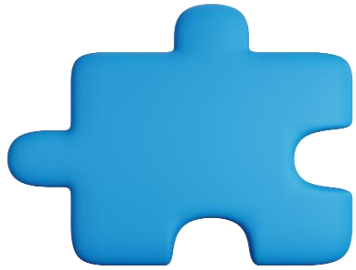


<https://cor.europa.eu/en/summits/2024/Pages/homepage.aspx>

### **Cohesion, well-being and sustainability**

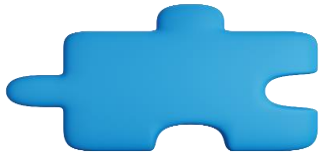
People and planet first: this is the approach we need to build a sustainable future.

With cohesion at the heart, regions and cities work every day to make sure no communities are left behind.



**Participation is upon invitation only.** However, the Forum will be livestreamed. Additionally, recordings of all sessions will be available in English on this website

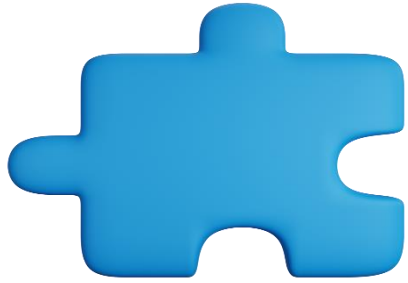
[https://ec.europa.eu/regional\\_policy/whats-new/conferences/9th-cohesion-forum\\_en](https://ec.europa.eu/regional_policy/whats-new/conferences/9th-cohesion-forum_en)



**Structured survey questionnaires to all relevant Commission DGs** in January 2024, with a deadline for replies in April 2024.



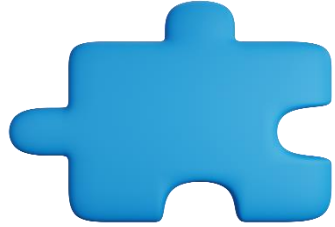
**Impact assessment by the European Commission:** Guidance from Commission headquarters on impact assessment is expected in summer 2024. Work has already started in autumn 2023 to identify the key inputs to the impact assessment. Work is expected to intensify following the publication of the 9th Cohesion Report (after April 2024). The planned impact assessment will pave the way for the adoption of the Commission's legislative proposals for cohesion policy beyond 2027.



## Elaboration of EU studies and ex-post evaluations for impact assessment

- Several studies are expected in 2024 on the impact of challenges, administrative capacity building, cooperation and complementarity between the Funds. Also, most deliverables of ex-post evaluations are expected to be available for consideration for the impact assessment.
- **The study "Challenges for cohesion: looking ahead to 2035"** analyses *the* possible future impacts of three challenges in terms of regional disparities and growth potential in the EU: globalisation and technological change, demographic change and the transition to a climate-neutral and resilient economy

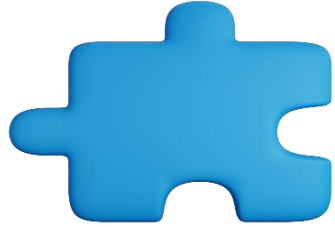
2025



- **Proposal on new Regulation on the Multiannual Financial Framework (MFF) 2028-2035: A proposal for a new Regulation for the MFF 2028-2035** is expected from the Commission.
- **Proposals for new Structural Funds Regulations governing expenditure rules for the funding period 2028-2035**
- **Mid-term review of 2021-2027 cohesion policy programmes:** It will determine whether changes to programmes are needed for the last two years of the funding period, based on possible new priorities/challenges, programme performance and the latest country-specific recommendations in the context of the European Semester. (The amounts allocated to each programme for the last two years – 2026 and 2027 – cannot be programmed or used before the mid-term review and will be definitively allocated after it).



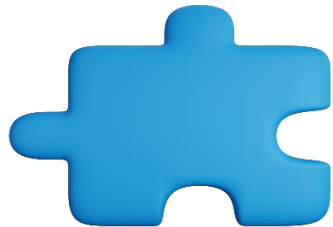
2026



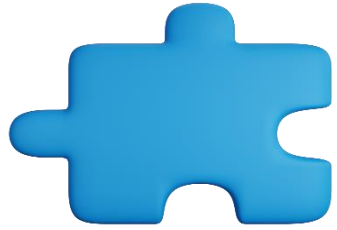
**Negotiations** at technical level by the competent WP of the Council and interinstitutional negotiations between co-legislators (trilogues) regarding **the proposal for a new Regulation on the MFF 2028-2035.**

**Negotiations** at technical level by the competent WP of the Council and interinstitutional negotiations between co-legislators (trilogues) regarding **the proposals of the new Regulations**, governing the spending rules for the funding period of cohesion policy 2028-2035.

2027

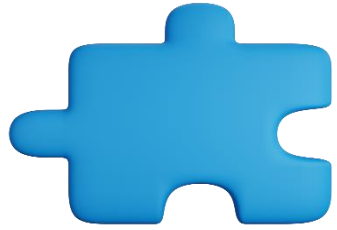


**Adoption of the new MFF Regulations 2028-2035 and the cohesion policy of the 2028-2035 programming period by summer 2027**, so that Member States can prepare and program the new Partnership Agreements and the new Structural Funds programmes for the period 2028-2035 in a timely manner.



## Bundesrat opinion [adopted 1038th meeting on 24 November 2023]

- The Bundesrat recalls that borrowing by the European Commission is, in principle, **not an admissible means to finance the budget**. In their view, the **liability risks to the EU budget** resulting from financial support provided by the European Union in the form of loans should also be kept in mind.
- cohesion policy is **not a crisis instrument**, even if it has proven in the past that it can also respond to socio-economic crises in a need-based and flexible manner due to the established structures and procedures.
- Need for **a clear separation between cohesion policy and crisis intervention instruments** and a sufficient budget of its own, which should not lead to the detriment of cohesion policy
- Cohesion policy should, focus on its EU Treaty enshrined tasks, to strengthen economic, territorial and social cohesion, to reduce differences in the level of development of different regions, and to support investments in employment and growth in all regions.
- **“A Europe closer to citizens” needs to be pursued** - promoting integrated territorial development and strengthening the integrated territorial approach as well as keeping all possible options open to local implementation.
- strengthen functional spatial interdependencies, in particular urban-rural relations.



## The Letta report on the future of the Single Market

- The European Council of 30 June 2023 called “for an independent High-Level Report on the future of the Single Market to be presented at its meeting of March 2024 and invites the incoming presidencies of the Council and the Commission to take this work forward, in consultation with the Member States”.
- Both countries and the Commission would like to find in it concrete and ambitious recommendations and asked the former Italian head of government, **Enrico Letta**, to write this report.
- Enrico Letta is notably responsible for collecting the opinions of various European and national bodies, the employers' and trade union world as well as civil society associations.

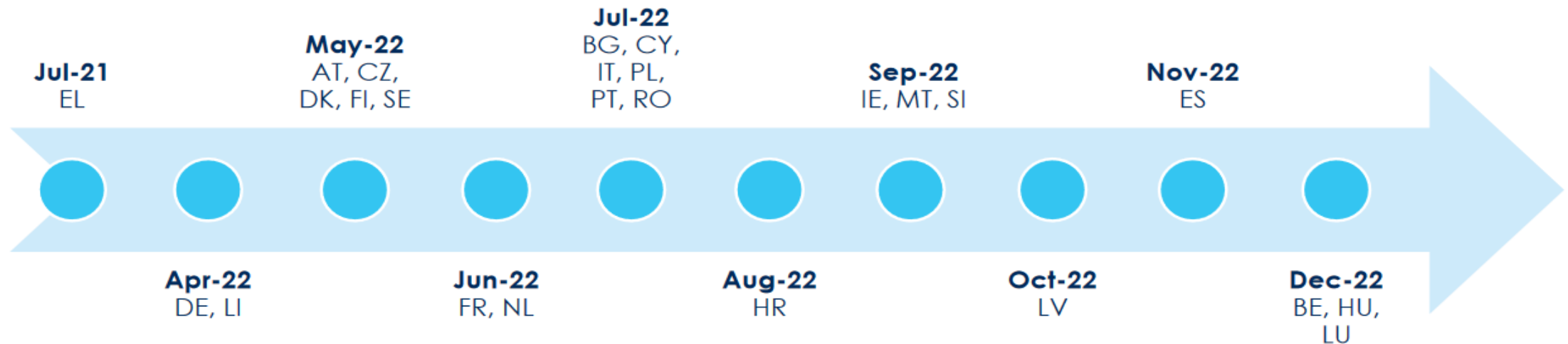
# Challenges for budget and for future Cohesion Policy





# Late adoption of PAs of Cohesion Policy and absorption

Figure 1: Timeline of the approval of Partnership Agreements

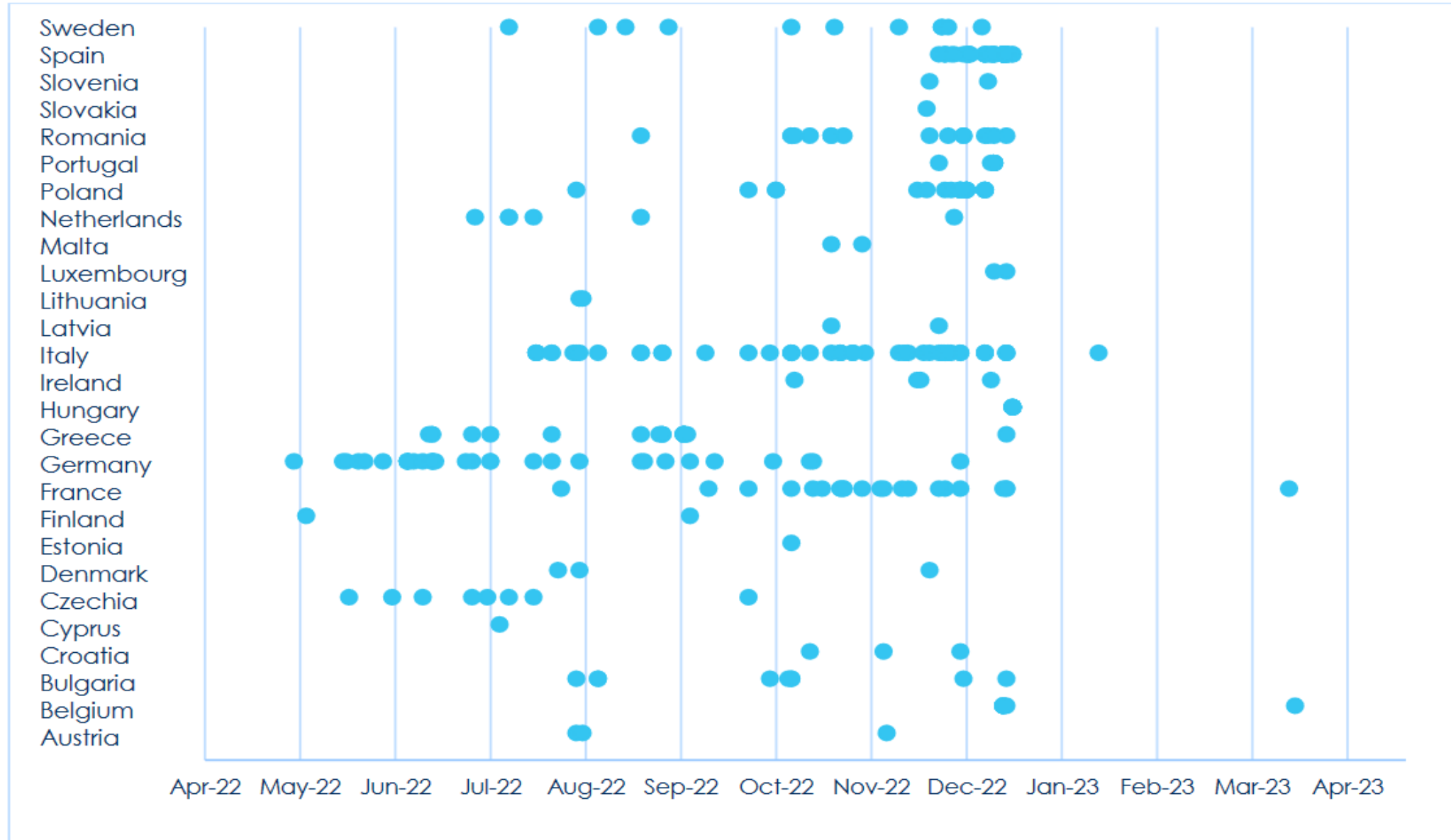


See EPRC study on reasons of delay [https://eprc-strath.org/wp-content/uploads/2023/11/Cohesion-Policy-EoRPA-report-23\\_3-updated-Final.pdf](https://eprc-strath.org/wp-content/uploads/2023/11/Cohesion-Policy-EoRPA-report-23_3-updated-Final.pdf)

See data on absorption <https://cohesiondata.ec.europa.eu/stories/s/2jj-66bt>



**Figure 2: Timeline of the approval of 2021-27 Operational Programmes (ERDF, CF, ESF+, JTF)**



Note: Excludes ETC

## Net contributors financial situation

- DE in stagnation
- New Net contributors IT, IE etc

## Net beneficiaries financial situation

- Their economic situation thanks to cohesion policy is better and thus they are entitled to less funding

## Net contributors political situation – New EP?

- Coalition on Germany unstable or difficult to reach decisions
- Net contributors like FI SE NL have more euro sceptics



Flash Eurobarometer 531

## Citizens' awareness and perception of EU regional policy

Survey requested by the European Commission,  
Directorate-General for Regional and Urban  
Policy and coordinated by the Directorate-  
General for Communication

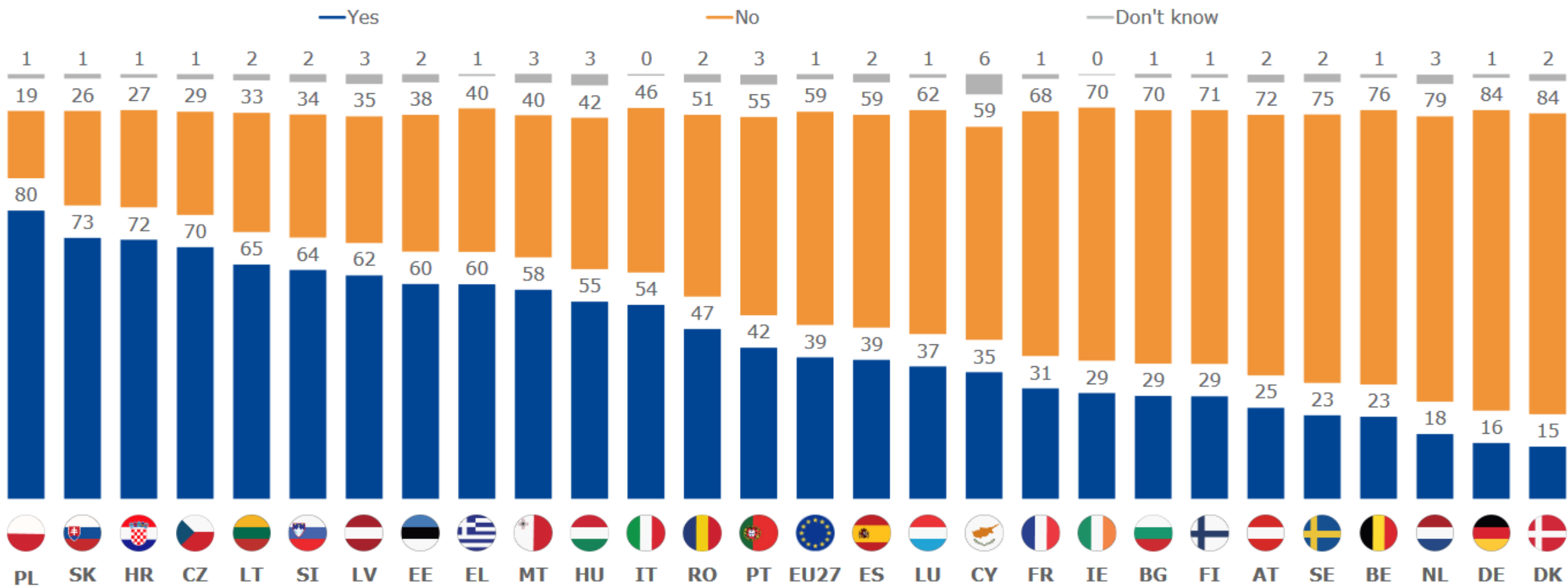
Fieldwork  
9/6 – 22/6/2023  
Fieldwork conducted by  
Ipsos European Public Affairs

<https://europa.eu/eurobarometer/surveys/detail/2970>

[https://ec.europa.eu/regional\\_policy/sources/policy/communication/webinar/fl\\_531\\_presentation\\_ipsos\\_17Oct2023.pdf](https://ec.europa.eu/regional_policy/sources/policy/communication/webinar/fl_531_presentation_ipsos_17Oct2023.pdf)

# Awareness of EU co-financed projects

Europe provides financial support to regions and cities. Have you heard about any EU co-financed projects to improve the area where you live? (%)

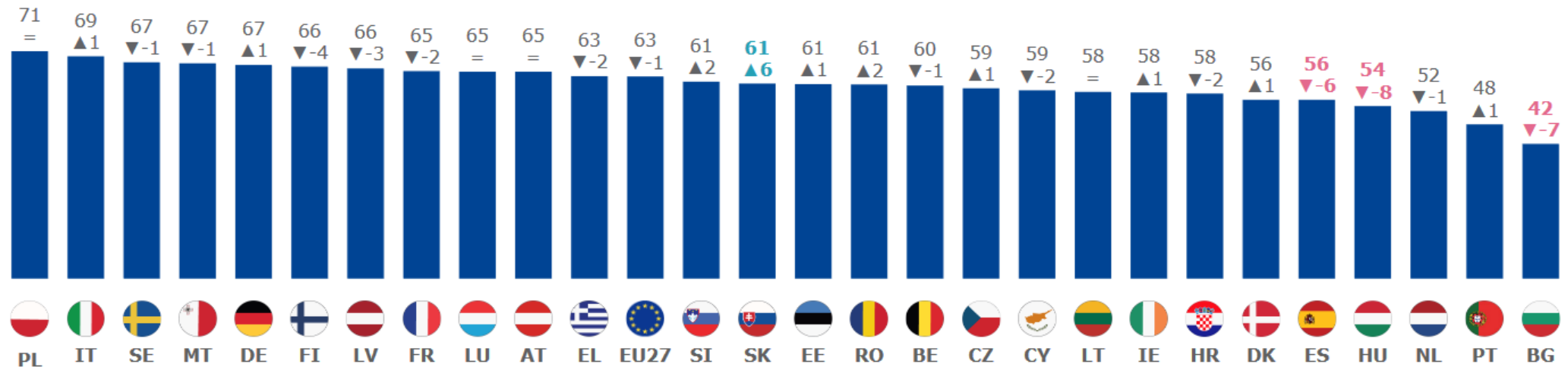


63% of citizens want the EU to invest in all its regions, regardless of wealth.

## Targeting all regions vs less developed regions

European regional policy supports economic development projects in all regions.  
 In your opinion, should the EU continue to invest in all regions or concentrate exclusively on the poorer ones?

% 'The EU should invest in all regions'







## The cost of EU enlargement



According to a study prepared by the General Secretariat of the Council of the EU, the cost of accession of all current candidate countries over seven years amounts to **€256.8 billion, €37 billion a year**. See [https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/757575/EPRS\\_BRI\(2023\)757575\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/757575/EPRS_BRI(2023)757575_EN.pdf)

According to Jacques Delors Centre calculations, in a hypothetical scenario applying the data and budgetary rules of 2021, no member state would turn from net beneficiary to net contributor if Ukraine joined. The accession of Ukraine, Moldova, Bosnia and Herzegovina, North Macedonia, Montenegro, Albania, and Serbia would result in total annual additional spending of about 19 billion Euros, i.e. a bit more than 10% of the current budget which would still lie under the EU's current own resource ceiling of 1.40 percent of EU GNI. See <https://www.delorscentre.eu/en/publications/financial-implications-of-the-next-enlargement>



## Demographic Changes.

The EU's demographic landscape is shifting, posing unique challenges to different regions. By 2050 the working age population will shrink by some 35 million.

The Commission Communication '**Harnessing Talent in Europe's Regions**' has noted the corresponding challenges, analysed risks for cohesion and identified several regions facing talent traps. The role of Cohesion Policy in addressing these challenges will need to be reinforced with mitigation and adaptation measures.

Greater integration with broader EU strategies on ageing, migration, and workforce development can lead to more effective solutions. This approach ensures that demographic challenges are met with comprehensive, well-rounded policies that consider the diverse needs of Europe's regions.



## Skills Gap.

The skills gap is a critical issue, impacting the EU's global competitiveness and internal equity. Skills must correspond to changing needs and improve innovation capacity in the EU.

Cohesion Policy's focus on education and skill development is crucial, but it gains greater significance when intertwined with EU-wide education, training, and labour market policies.

Reforms to education and training need to be accompanied by investments at all levels as well as equal access to quality education and training, including upskilling, reskilling and lifelong learning for all.

Beyond education, investment in children and young people will be crucial for long-term growth. Cohesion Policy should ensure that all regions can counteract skill shortages which could hinder their capacity to address these challenges and help support their development.



# International value chains pose new challenges

- In recent years changing international value chains have posed new challenges to many enterprises and policy makers. This is linked to issues such as globalisation, and the need for more of a strategic autonomy in critical industries.
- Cohesion Policy is a vital instrument for increasing economic resilience and supporting regional economic ecosystems. Measures include investments in economic diversification, smart specialisation strategies, research and innovation, especially in cutting-edge sectors, critical infrastructure, education and skills development. All this supports the European industrial strategy aims to ensure that European industry can lead the way as we enter this new age.

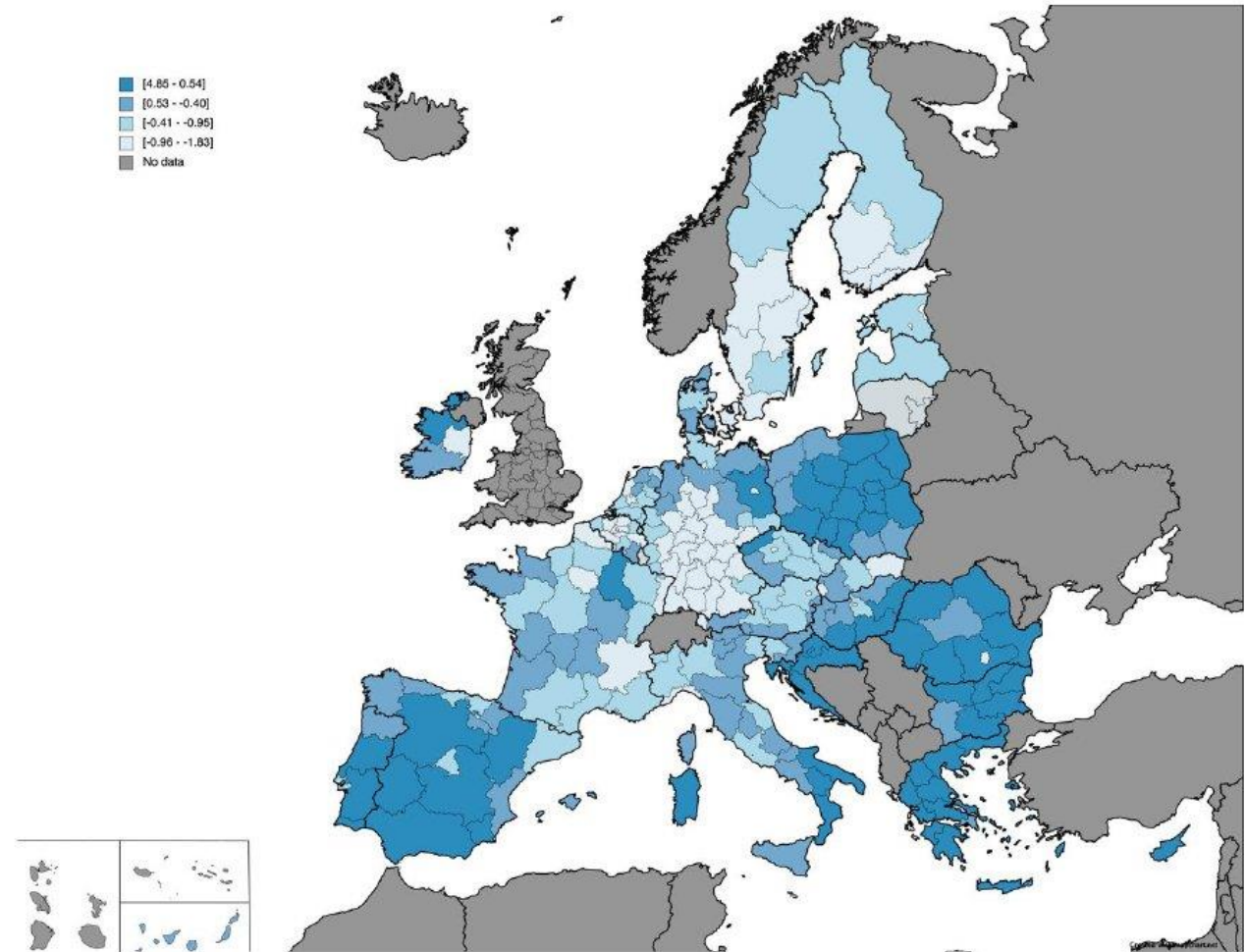


# The cost of green transition

**Extra €406bn needed annually to hit EU's 2030 climate target**

“European Climate Investment Deficit report” by the Institute for Climate Economics (I4CE), an independent think-tank chaired by Jean Pisani-Ferry, a former chief advisor to the French government

Figure 2. Regional Green Transition Vulnerability index (NUTS 2 level).







## Defence needs

- In Jan 2024, Breton said the EU [needs](#) €100 billion for defence and EDIP €3 billion, but the bloc's budget does not have those resources.
- This is therefore also likely to add [pressure](#) on the European Investment Bank (EIB), the bloc's lending arm, to become much more active in financing defence projects, taking advantage of its AAA investment rating to secure preferential rates on financial markets, which it has [until now refused](#).
- [EU leaders](#) called on the bank to be more involved in defence in December 2023.



**German Constitutional Court**

## RRF No2?

- Can we have a NGEU in the future with RRF and REPOWER etc?
- FCC will not be equally lenient in its findings the next time an instrument such as NGEU ends up before it.
- No manifest violation of article 122 TFEU, as long as the regulation remains strictly limited to the **consequences of the pandemic**.
- It is questionable whether REPowerEU, which is [the 300 billion Euros plan](#) of the Commission to become independent from Russian energy exports and which relies heavily on NGEU funds, fulfil this criterion.



## Support and opposition for RRF 2.0

- Several EU leaders, [including French President Emmanuel Macron](#), are openly talking about the need for more joint EU debt. former Italian prime minister and ECB president **Mario Draghi**, who is preparing a **report** commissioned by the EU on how to boost the block's competitiveness, is in favour of more joint borrowing, a view that is likely to be reflected in the recommendations of the report due in June 2024
- Centre-right and national-conservative groups in the European Parliament have voiced strong opposition to a renewed joint-debt programme at the EU level, after calls for a Recovery and Resilience Facility (RRF) '2.0. The RRF was “designed as an exceptional, unique one-time instrument in a time of an unprecedented crisis”, Siegfried Mureşan, Vice Chair of centre-right EPP group in the European Parliament
- [Gentiloni said](#) at a Commission press conference on the RRF interim report last week that he doesn't think “the need for common support for common goals and common projects will end in 2026”.



## The European Commission's announcement of a new Strategic Technologies for Europe Platform (STEP) to finance innovative technology solutions by reprogramming cohesion funds

- Prospects of the recentralisation of EU funds for investment [and] reshuffling of existing funds put key objectives such as cohesion at risk,” Vasco Alves Cordeiro, president of the Committee of the Regions,
- According to John Bachtler, co-director of the European Policies Research Centre, the repurposing of cohesion funds could be “**seriously damaging.**”
- “It will help parts of the EU, but it will not help other parts and it **might increase the innovation divide and disparities between regions,**” Alison Hunter, senior advisor at the European Policy Centre (EPC),
- Transition regions which do not have the investment structure and cannot capitalise in the same way on deep tech, could fall behind.
- “The geography of innovation is increasingly linked to the geography of deep tech investment infrastructure and results in pockets of the EU in the richest states”.
- Concern that the funding could go to **large companies**, which can benefit from STEP, rather than small firms, which could potentially slow down SME development in poorer areas.

# Ideas for the future







# Reform Recovery and Resilience Facility RRF

## Link with Cohesion Policy Funds

- **RRF overlaps with the policy objectives of the Cohesion Policy.**
- The **Partnership Principle** does not apply as such to the RRF
- **RRF Management** in 19 out of 27 Member States, RRF is under supervision of a different Ministry than Cohesion Policy fund (often under Prime Minister or Ministry of Finance).
- CP could adopt the “**Financing not linked to costs**” (**FNLC**) principle from RRF **Focus shifts away from costs – be they actual or standard costs – to *achieved results*, or to use another word, ‘*performance*’.**
- FNLC scheme obviously demands **a clear and undisputable definition of the results to be achieved** and on (quantitative) indicators to enable the evaluation of the achievement of agreed milestones and targets
- Concerns by ECA on RRF - considerable **ambiguities about how to prove a result has been achieved**



## “Do no harm to cohesion”, principle -TIA

- introduced in 2022 by the European Commission’s **8th Cohesion Report** needs to become a reality At its plenary session of 24-25 May 2023, the European Committee of the Regions (CoR) adopted an opinion on " *Do no harm to cohesion - A cross-cutting principle contributing towards cohesion as an overall objective and value of the EU*“

see more on CoR opinion <https://cor.europa.eu/EN/our-work/Pages/OpinionTimeline.aspx?opId=CDR-137-2023>

- **Territorial Impact Assessments** should become compulsory - No matter how much money we invest in Cohesion Policy we will not achieve the goal of the treaty to ensure economic social and territorial cohesion



## Ideas for the future

- Serious consideration should be given to financing through **a single fund to replace the existing Structural Funds.**
- The single-fund financing of cohesion policy is a demand which was already raised during the major reform of the Structural Funds in 1988. A staunch supporter of the demand was President Delors.
- If not RRF is possible why not a EFSI The evaluation [845f248b-a306-4819-8769-79a1cefb4b14\\_en \(europa.eu\)](https://ec.europa.eu/economy_finance/evaluation-efsi-2021_en) was positive and by 31 December 2021, EUR 99.3 billion of EFSI financing had been approved which expected to mobilise EUR 524.3 billion of private and public investment, thereby exceeding the target of unlocking additional investment of at least EUR 500 billion. All that with only an EU budgetary guarantee of EUR 26 billion, complemented by the EIB Group's own contribution of EUR 7.5 billion.



## Ideas for the future

- Creation of a **technical assistance programme specifically designed for smaller municipalities and cross-border and rural areas that face new challenges such as the green transition and climate change;**
- Need to take care of the "**regionalization**" of the national **Development Plan**. Something is crucial in order to address the spatial asymmetric policies usually bring, especially considering that the Recovery Fund approach seems to favor the most developed regions. Emphasis on ITI and CLLD
- **Reforms**, which strengthen the resilience of economies
- Integration of the entire development process into a broader framework of **sharing common values**, common goals, common effort and common benefit, with the ultimate goal of promoting among European societies and European citizens the **sense of "belonging" to a single economic, geopolitical and cultural whole .**



## Ideas for the future

- reduction of thematic concentration requirements in order to allow for more flexibility to cater for local needs, following the principle of place-based policy in the EU's territorial investments; underscores that thematic concentrations should be adapted to the way regions and cities operate in practical terms, from programming and reprogramming to implementation and closure; is certain that the key principle should be a tailor-made investment approach geared to specific needs on the ground;
- In the future we could earmark funding for rural areas and regions suffering from natural or demographic handicaps in the same way as 8 % of the cohesion policy funds are earmarked for the programmes under the Urban Agenda [REGI committee EP opinion the [European Territorial Agenda 2030 \(TA2030\)](#).]



# Ideas for the future

REPORT OF THE FRANCO-GERMAN  
WORKING GROUP ON EU INSTITUTIONAL  
REFORM

## Sailing on High Seas: Reforming and Enlarging the EU for the 21<sup>st</sup> Century

Paris-Berlin - 18 September 2023

A profound reform of how the EU budget is adopted is needed, which should move towards **QMV for spending**.

In the absence of a full move to QMV, there should be more **enhanced cooperation or other forms of cooperation between even smaller groups of Member States to agree to finance policies together**.

This would simplify budgetary negotiations but also provide for the flexibility that the EU needs to enable 'coalitions of the willing' to integrate further.

A new package combining the **integration of the ESM and the Single Resolution Fund should be an integral part of the next MFF**.

<https://institutdelors.eu/wp-content/uploads/2020/11/Paper-EU-reform.pdf>



