



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL POLICY

Working document of
Directorate-General Regional Policy
summarising the results of the public consultation on the
Community Strategic Guidelines for Cohesion, 2007-2013

7 October 2005

EXECUTIVE SUMMARY

On 6 July 2005, the Commission published the draft Community Strategic Guidelines entitled “Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013”. Following its adoption, the Commission launched a public consultation on 7 July to gather views on the priorities for the new generation of cohesion policy programmes.

The results of the public consultation confirm the following:

- (1) cohesion policy is intrinsically linked to the overall competitiveness of the European Union and should support the growth and jobs agenda;
- (2) by developing synergies and complementarities with other Community policies, cohesion policy can further contribute to the Lisbon agenda;
- (3) the emphasis on innovation and the knowledge economy were widely supported; the need to strengthen action in support of research, education and training was confirmed;
- (4) concentration on a limited number of priorities should help to maximize the impact and added value of cohesion policy programmes;
- (5) the inclusion of more novel elements, such as the emphasis on access to finance and financial engineering, public-private partnerships, investment in health to foster competitiveness and productivity, and administrative capacity-building were widely welcomed and encouraged;
- (6) the Guidelines should allow Member States and regions the flexibility needed to select an appropriate mix of priorities and actions that are appropriate in responding to its own developmental requirements;
- (7) that the territorial dimension of cohesion policy should be emphasized in the Guidelines, not as a trade-off between territorial cohesion on the one hand and competitiveness on the other, but rather as complementary notions. The role of cities as major contributors to the growth and jobs agenda and the need for the economic diversification of rural areas were repeatedly mentioned as important areas to be strengthened in the Guidelines.
- (8) that the emphasis on competitiveness and innovation should take account of the social agenda and that future cohesion policy should continue the balanced approach to reach the objectives of higher economic growth and more and better jobs;
- (9) the Guidelines should formally recognise the vital role of regions and cities as well as the non-governmental sector in the planning, design, delivery, implementation and evaluation of cohesion policy programmes;

Finally, the results of the public consultation reflect broad concern about the need to secure agreement on the financing of cohesion policy (2007-2013) as soon as possible to ensure that future cohesion policy programmes should not suffer from any delays in the programming and implementation phases.

1. INTRODUCTION

As a first step in launching the discussion on the priorities for the new generation of cohesion policy programmes, the Commission published on 6 July 2005 draft Community Strategic Guidelines entitled “Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013”¹. The Guidelines set out a framework for new programmes which will be supported by the European Regional Development Funds (ERDF), the European Social Fund (ESF) and the Cohesion Fund².

These programmes aim to promote balanced, harmonious and sustainable development throughout the EU and improve the quality of life of Europe’s citizens. The key test for programmes in future will be that of their contribution to growth and jobs in line with the renewed Lisbon agenda, which was agreed by the Member States meeting at the Spring Council in March 2005.

The public consultation on the Community Strategic Guidelines for Cohesion, 2007-2013 is part of a broader consultation process that began with the Commission’s legislative proposals for cohesion policy, 2007-2013. Over the course of 2003 and 2004, the Commission engaged in a wide consultation with European regional and local authorities and their associations as well as other interested parties in the debate over the future of cohesion policy, 2007-2013. These first steps are summed up in the impact assessment which accompanied the Commission’s legislative proposals in July 2004³. Thus, this public consultation is intended to involve the general public and facilitate the exchange of views on the strategic dimension of cohesion policy, 2007-2013.

The results of the consultation exercise will help to shape the final version of the Guidelines to be communicated by the Commission to the Council and the European Parliament. The Commission therefore invited all relevant stakeholders to participate in this consultation exercise before the deadline of 30 September 2005.

This report provides a summary of the results of the public consultation. Given the lengthy nature of some of the contributions, the report is limited to those aspects which directly relate to the Community Strategic Guidelines for Cohesion, 2007-2013.

2. STRUCTURE OF CONSULTATION

The consultation asked the following questions:

Bearing in mind the limited resources available for cohesion policy programmes in the Member States and regions, the consultation is intended to help find a response to the following questions:

¹ COM(2005) 299, 5.7.2005

² COM(2004) 492, 14.7.2004

³ SEC(2004) 924, 14.7.2004

- to what extent should new elements, if any, be incorporated into cohesion policy to support the growth and jobs agenda and the Lisbon process?
- which elements do you consider to be top priority in pursuit of the growth and jobs agenda and which elements do you consider to be less important or marginal to this agenda?
- how can cohesion policy help to achieve more balanced development, including building sustainable communities in urban and rural areas?
- to what extent can the territorial dimension play an important role in cohesion policy and its support for the growth and jobs agenda?

The consultation was launched on **7 July 2005** and concluded **30 September 2005**.

3. RESULTS OF CONSULTATION

In reply to this public consultation, 197 valid contributions were received. More detailed information can be found in the annex to this report.

4. QUESTION 1

To what extent should new elements, if any, be incorporated into cohesion policy to support the growth and jobs agenda and the Lisbon process?

The vast majority of contributions agree that cohesion policy is intrinsically linked to the overall competitiveness of the European Union and should directly contribute to the growth and jobs agenda. Furthermore, most respondents agreed that by developing synergies and complementarities with other Community policies, cohesion policy can further contribute to the Lisbon agenda. More specifically, most respondents agreed that no new elements should be incorporated into the Guidelines since the concentration of financial resources on a limited number of priorities would have greater political, economic and social impact. Thus, the degree to which the Guidelines are concentrated on a limited number of priorities was something to which most contributions responded favourably.

Those respondents who called for the inclusion of another priority in the Guidelines stressed that the cohesion policy programmes should assist Member States in delivering the Community's environmental priorities, not just in complying with existing environmental legislation but also in the effective implementation of the measures provided in the legislation. It should be noted however, that this group was composed almost exclusively of environmental NGOs and the request to include the environmental dimension as an additional one was not shared by the vast majority of other respondents.

Most respondents believe the Guidelines must allow Member States flexibility to select an appropriate mix of priorities and actions that are appropriate in responding to its own developmental aspirations. There was wide disagreement among respondents on the extent to which the Guidelines should provide an indicative menu from which priorities can be selected or a prescriptive list of priorities to which Member States should adhere to in designing their cohesion policy programmes for 2007-2013. Some respondents indicated the need to ensure concentration by being more prescriptive. Furthermore, some

respondents highlighted a potential risk that cohesion policy be re-nationalized and stressed that all three priorities of the Lisbon strategy be given equal importance.

Although the Guidelines make clear that there is deliberately no analysis by Fund, some respondents felt that more emphasis was needed on priorities under the “Regional Competitiveness and Employment” Objective in addition to the existing emphasis on the “Convergence” objective. Some respondents also felt that the guidelines should address the challenges currently facing the EU in a global context, particularly in light of competition from the US, India and China. This would involve placing the strategic priorities in the context of the global economy, rather than in isolation.

5. QUESTION 2

Which elements do you consider to be top priority in pursuit of the growth and jobs agenda and which elements do you consider to be less important or marginal to this agenda?

The answers to this question in the contributions varied widely by the affiliation of the respondents.

On **territorial cohesion**, the following preliminary conclusions can be drawn from the contributions:

- While Community and national priorities must be reflected in the programmes after 2007-2013, there should sufficient flexibility to include actions that can address local and regional specificities and challenges;
- A polycentric model of economic development should be maintained within the Guidelines.
- A majority of the contributions focused on territorial cooperation as one of the priorities for future cohesion policy programmes.
- The emphasis on the Growth and Jobs agenda should be seen in the context of the original objectives set out by cohesion policy in terms of fostering convergence across the EU’s territory.

On the **social dimension**, the following preliminary conclusions can be drawn from the contributions:

- there is concern that the Guidelines will send a message to the Member States to prioritise the economic at the expense of the social agenda. Future cohesion policy should maintain a balanced approach in pursuit of the objectives of “growth” and “employment”;
- there is concern that compared to the Indicative Guidelines drawn up by the Commission for the 2000-2006 programming period⁴, the Guidelines no longer have a

⁴ COM(1999) 344, 1.7.1999, revised COM(2003) 499, 25.8.2003

balanced commitment to economic, social and sustainable development but rather overemphasize the economic dimension.

- more emphasis should be placed on mechanisms and actions to target disadvantaged groups. Discrimination extends beyond the male/female discrimination currently highlighted in the Guidelines.
- More emphasis should be placed on mainstreaming the principles of the EQUAL initiative and its experience in fighting discrimination and social exclusion.
- Quote: “*growth without social responsibility has historically exacerbated poverty and inequality*”.

On partnership:

- The Guidelines should recognise the importance of strengthening the role of the non-governmental sector in the planning, design, delivery, implementation and evaluation of the Structural Funds.
- The Guidelines should recognise the importance of the role of cities and regions within the framework of implementing European cohesion policy. The Guidelines should be more than a “framework which Member States and regions are invited to use when developing national and regional programmes” (p. 13) since this would not compel Member States to consult local and regional partners in developing the future cohesion policy programmes.
- Overall, there is a general sense that the Guidelines should grant a formal role to regions, cities and other partners in the implementation of cohesion policy. Without this formal recognition, many respondents felt that they would be excluded for any partnership arrangements.
- Many respondents welcomed the emphasis placed in the Guidelines on public-private partnerships but some respondents called for greater clarity in how these partnerships would operate under the financing of the Structural Funds.

On governance:

- Respondents largely welcomed the new priority on institutional capacity building, with an emphasis on 'smart administration' leading to a reform of public services and administration.
- Many NGOs felt that equal importance should be given to strengthening the role of the non-governmental sector in the planning, design, delivery, implementation and evaluation of cohesion policy programmes, in particular that the direct costs incurred by the partners in these tasks be covered through Technical Assistance.
- The Guidelines should also emphasize the ‘value for money’ dimension of the impact of cohesion policy, particularly since it is difficult to identify which cohesion policy-funded actions can contribute most successfully to the growth and jobs agenda. Without introducing added administrative requirements or requirements, more effort should be placed on better and more systematic use of economic assessments, regional foresight, labour market information, and regional competitiveness indicators.

On **health**:

- Over 15% of all contributions dealt exclusively with health as a priority action. It should be noted that these contributions were mostly from health-related business or industry associations.
- the guidelines should more explicitly encourage Member States to implement community-based health programmes as part of their efforts to reduce health inequalities, promote social cohesion, and stimulate economic growth and employment;
- investment in health promotion and disease prevention were widely seen as having direct effects on competitiveness and productivity but the link between the two should be made more explicit in the Guidelines;
- the Structural Funds should be used as incentives to invest in health and in raising awareness about the gaps, inequalities and needs in health prevention.

On **access to finance**:

- the emphasis on non-grant instruments as alternative forms of financing was highly welcomed, particularly in innovative or research-oriented projects, where risks are divided between private entrepreneurs and venture capital funds, partly financed by the Structural Funds, European Investment Bank, and European Investment Fund.
- the list of non-grant instruments and mechanisms should be extended to include quasi equity loans (0% interest rate) and loans with participating rights, as well as mentoring schemes to assist entrepreneurs in accessing suitable financing.
- there was no clear consensus among contributors on whether the use of non-grant instruments as alternative forms of financing should be limited to research, technological development and start-ups and to the specific groups mentioned in the Guidelines (young or female entrepreneurs or those from disadvantaged groups) or for all areas covered by the cohesion policy.

On the **environment**, the contributions suggest the following changes to the Community Strategic Guidelines. As indicated above, this group was composed almost exclusively of environmental NGOs and the request to reinforce the environmental dimension was notably absent in the vast majority of other respondents.

- In drafting the new Guidelines and in discussions with Member States, to give greater priority to environmental investments;
- Add Natura 2000 and the Water Framework Directive to the list of priority environmental investments in general;
- The Structural Funds should fill the financing gaps left by rural development funding in the form of the EAFRD (European Agricultural Fund for Rural Development).
- Ensure that Strategic Environmental Assessment is applied in a proper and timely fashion to all draft National Strategic Reference Frameworks and operational programmes and its results – impact of policy proposals, screening of delivery mechanisms and public participation – are fed into the operational programmes.

- Quote: “*improved economic performance is no substitute for sustainable development.*”

6. QUESTION 3

How can cohesion policy help to achieve more balanced development, including building sustainable communities in urban and rural areas?

There was widespread agreement that cohesion helps to increase competitiveness. Some contributors said that cohesion also implies "social cohesion", and not just economic and territorial cohesion".

Many respondents noted that improving competitiveness requires the efficient utilization of the human and economic potential in both competitive regions and regions that are in varying phases of development. There was a general consensus that balanced development can only be achieved if each region can build on its existing assets and unlocked potential. The most appropriate interventions to ensure growth are very different in urban than in rural areas.

From Member States such as France, Germany, the Netherlands, and the United Kingdom, there was broad agreement that even in the wealthier Member States, there are wide-ranging disparities between different regions and even the more prosperous regions face problems relating to social exclusion. In particular, many respondents stressed that uneven regional development can hamper growth potential not just within individual Member States but across the Union.

7. QUESTION 4

To what extent can the territorial dimension play an important role in cohesion policy and its support for the growth and jobs agenda?

Although most respondents agreed that future cohesion policy programmes should be aligned with the Lisbon priorities, some respondents stressed that the focus on growth and jobs had taken priority over harmonious balanced regional development. Contributions also focused on the need for exchange of knowledge and experience within the framework of territorial cooperation to reinforce the global competitive capacity of the EU.

More specifically, most local authorities or associations that submitted contributions highlighted the role that cities can play in the growth and jobs agenda. In particular, they stressed the need to include in the Guidelines the development of cities and their links to a European network of urban growth centres as major contributors to Europe's competitiveness. It should be noted that the contributions did not call for housing construction to be included as part of urban regeneration initiatives. On the other hand, some contributions were firmly against the inclusion of housing construction in future programmes. In those contributions which focused on the rural dimension, many sought more clarity in how the guidelines address the unlocking of potential in rural areas.

A small number of respondents would like to see greater clarity on how the experience of EQUAL in transnational cooperation and good practices and outcomes could be mainstreamed.

8. NEXT STEPS

Following an agreement on the Financial Perspectives (2007-2013), the negotiations on the regulations for the Structural and Cohesion Funds need to be concluded as soon as possible in order to allow maximum preparation time for the new programmes. At that point, the Commission will provide the final version of the Community Strategic Guidelines for Cohesion to the Council and the European Parliament for approval in accordance with Article 24 of the draft General Regulation. The results of the consultation exercise will help to shape the final version of the Guidelines to be communicated by the Commission to the Council and the European Parliament.

The Strategic Guidelines are the basis for the National Strategic Reference Frameworks, which in turn determine the priorities set out in the Operational Programmes in accordance with Article 25 of the draft General Regulation.

It is essential, therefore, to abide by the timetable for the adoption of the regulations for the Structural and Cohesion Funds 2007-2013 in order to allow sufficient time for the programming phase in 2006.

ANNEX

1. TOTAL NUMBER OF CONTRIBUTIONS

In reply to this public consultation, 197 valid contributions were received which are distributed as follows:

	N° of Replies	% of Total
From individual members of the public	10	5%
On behalf of an Organisations or Institutions	187	95%

2. IDENTIFICATION OF RESPONDENT

2.1. By gender

	N° of Replies	% of Total
Female	93	47%
Male	104	53%

2.2. By affiliation

	N° of Replies	% of Total
NGO	63	32%
Industry/trade union	44	22%
Regional public authority or association	32	16%
Local public authority or association	24	12%
Business Organisation	19	10%
Academic Institution (university, ...)	10	5%
Other	5	3%
Total	197	100%

2.3. By country

	N° of Replies	% of Total
EU - EU-wide	56	28%
UK - United Kingdom	41	21%
DE - Germany	24	12%
FR - France	16	8%
IT - Italy	14	7%
ES - Spain	10	5%
NL - Netherlands	6	3%
CZ - Czech Republic	3	2%
HU - Hungary	3	2%
PL – Poland	3	2%
SE - Sweden	3	2%
SI - Slovenia	3	2%
RO - Romania	3	2%
AT - Austria	2	1%
BE - Belgium	2	1%
EL - Greece	2	1%
SK – Slovakia	2	1%
EE - Estonia	1	1%
FI - Finland	1	1%
PT - Portugal	1	1%
Other	1	1%
Total	197	100