



MINISTERIAL MEETING
of the Visegrad Group of countries and Bulgaria, Croatia,
Romania and Slovenia

**Cohesion Policy – challenges of the
current implementation and future
perspective post 2020**

KEY OUTPUTS

CZ V4 PRES

23 – 24 June 2016, Ostrava, Czech Republic

Foreword

Ministers and government representatives of the Visegrad Group (V₄) countries in charge of Cohesion Policy (CP) gathered on Thursday, 23 June 2016 in Ostrava, area of Dolní Vítkovice in the Czech Republic, together with partners from Romania, Bulgaria, Croatia, and Slovenia (V₄+4). The meeting followed up on the informal ministerial meeting which was held in Prague in the same format in January 2016. The result thereof was a signed Joint Statement of the V₄+4 countries on the future of Cohesion Policy.

The aim of the Ostrava meeting was to develop particular topics raised by the Joint Statement and to discuss issues that will be crucial as regards the setting of the future architecture of CP. The discussion focused on key topics of CP, such as its simplification, shared management, CP in the context of Multiannual Financial Framework (MFF) budgeting and visibility of its outputs.

Overall crucial outputs

CP is an essential part of EU policies. It complements a wide range of various instruments, contributes to competitiveness and helps less developed areas to cope with their challenges.

The long-term need for a strong CP was emphasised also for the future by all V₄+4 countries. According to the ministers, Cohesion Policy is a necessary EU tool for the current, but also future investments. It should be further promoted rather as a broader concept (e.g. for all regions with stricter rules, EAC etc.) than as a policy with limited sources dedicated only to less-developed regions and only to chosen priorities.

The ministers agreed that there is no need to change the entire implementation system which is now in place for CP; instead the changes should concentrate on particular aspects / issues only. At the same time it was emphasised that learning from the experience of the current programming period is a must as well as ensuring timeliness of information and instructions provided by the Commission in the future.

Ministers agreed to continue in the V₄+ format in discussions and setting the priorities of the V₄+ countries (both for the programming periods 2014-2020 and post 2020), which can then be presented to the Commission and other relevant EU institutions as it is envisaged in the Joint Statement and upon which concrete proposals could be delivered.

Simplification

“Fundamental changes should happen post 2020, openness to reasonable amendments leading to immediate effects prevailed”

- ⇒ Process of simplification should improve and streamline implementation of CP. However, main resources of challenges should be identified; detailed measures for simplification prepared and then, changes of rules might be proposed selectively, with a view to beneficiaries’ needs. Such proposals should have immediate effects and must not destabilise the system. The need for stability of rules, especially for managing authorities, is essential in order to ensure stable and predictable environment.

- ⇒ Simple aspects, such as unified interpretation of rules and legislation, including the State Aid rules, and their alignment with centrally managed EU instruments (e.g. Horizon 2020), less controls or wider use of simplified cost options or flat rates also in infrastructure projects might be a key to simplification from the perspective of beneficiaries, Member States, but also the Commission.
- ⇒ Major challenges remain overregulation and goldplating which ensue from uncertain legal environment, including guidelines and auditing.

Shared management

„Shared management makes Cohesion Policy special and must be maintained. However, challenges in auditing and control prevail“

- ⇒ Shared management has a very important role and an important spill-over effect, be it on the European level to other EU policies, or on the national level to the system of governance of public affairs, strategic approach to public funding or integration of European and national policies. Nevertheless, some challenges prevail, such as negative perception in, namely, net payers' countries or lack of cooperation across all levels, including the services of the Commission.
- ⇒ An appropriate degree of flexibility and proportionality of Cohesion Policy in relation to allocation is desirable. Applying a simpler set of rules might go along with stricter ex-post controls and possible higher corrections. Decision on the approach and which to choose might be at the discretion of a Member State.
- ⇒ Improving shared management can be grouped around clear specification of what needs to be achieved within Cohesion Policy and what is the role of respective layers (including the Commission). Refining administrative components of Cohesion Policy, clear definition of responsibilities at all levels, as well as audits, and the like is needed. Micromanagement on the level of the Commission should be replaced by strategic approach and the principle of subsidiarity could be more respected.
- ⇒ Prevention should become a key element of activities focused on the protection of EU financial interests. At the moment there is limited relation between preventive and corrective measures, with corrective measures being put to the fore. Corrective measures should be used as a last option.
- ⇒ The role of preventive measures is imperative for better legal certainty, also in order to decrease the costs of administration. Audit work, its accountability and role in setting the guidelines, was the biggest issue strongly discussed. In that respect it was proposed e.g. alteration of the audit system or signing some kind of "Memorandum of Understanding" between auditors and MA, or revocability of decisions of audit bodies. It was also suggested to set a joint audit system in order to define processes, procedures or findings in a unified manner or to identify redundant processes and procedures and contribute to drafting guidelines based on preventive audits.
- ⇒ For the shared management to function effectively and smoothly, trust between auditors, Member States and Commission was accentuated as a fundamental precondition for success.

- ⇒ Sharing experience should be based on gathering and analysing errors and findings, especially the repetitive ones, in order to propose possible solutions.

CP in the context of MFF

„Stable budget for Cohesion policy and proportionate approach is needed“

- ⇒ Cohesion Policy should remain strong budgetary policy which will continue to contribute to convergence in the EU, higher economic growth and job creation while respecting the needs of the regions and Member states.
- ⇒ The future Cohesion Policy should continue to be focused on the development of all EU regions and Member States, not only the less developed ones.
- ⇒ The future budget for Cohesion Policy will be considered in the context of other challenges the EU is facing. However, lower allocation for the Cohesion Policy would have a negative effect on the EU as a whole, especially if taking into account its spill-over effect or fulfilling the common integration goals such as the internal market completion.
- ⇒ Flexibility of Cohesion Policy should be, in the light of current developments in the EU, further discussed while taking into account the need for stable environment ensuring funding of long-term strategic priorities of the EU. The debate about increasing flexibility of the EU budget should be linked to the overall consolidation and simplification of the flexibility mechanisms.
- ⇒ The proposals for shortening of the programming period would not go in line with the implementation of the multiannual programmes focusing on strategic goals.
- ⇒ The EU has to work on the definition of long-term priorities beyond 2020 which should be incorporated into the debates on the future of Cohesion Policy.

Visibility of the results

“Visibility of Cohesion policy needs to be made more direct, comprehensible and closer to target groups.”

- ⇒ Visibility of results of Cohesion Policy is not sufficient and must be more promoted. It brings value not only to Cohesion countries, but also to the whole EU. The Commission must play a more pro-active role in this respect.
- ⇒ Promotion of results of Cohesion Policy should become a political issue at the level of the Commission, Member States, the regions or cities. Clearly defined European added value of investments made via Cohesion Policy would help. The target groups differ and the information campaigns should reflect on that.
- ⇒ Re-considering the publicity measures at the level of the Commission is a must. In order to achieve this, greater cooperation among the Commission services, Managing Authorities, intermediate bodies and beneficiaries is supported.
- ⇒ In order to find positive stories, cooperation of the V4+4 countries is desirable to share good practice, e.g. via various innovative PR projects. Data collection and arguments

and their interpretation in a positive manner should be used to enhance the positives of Cohesion Policy.

- ⇒ CP results must be better and more efficiently communicated to the citizens in a non-technical language and through different channels, including the digital media, product placement or social networks.
- ⇒ Negative media coverage of Cohesion Policy has to be balanced by proactive presentation of positive stories. Example being e.g. the area of Dolní Vítkovice where the EU funds have been successfully invested in a synergic way.
- ⇒ Ministers proposed to prepare a common communication strategy on the benefits of results of Cohesion Policy which would be targeted to their countries, other Member States, EU institutions and other stakeholders. Delivering common messages, arguments and stories would be a core to it.