

# Cohesion Policy

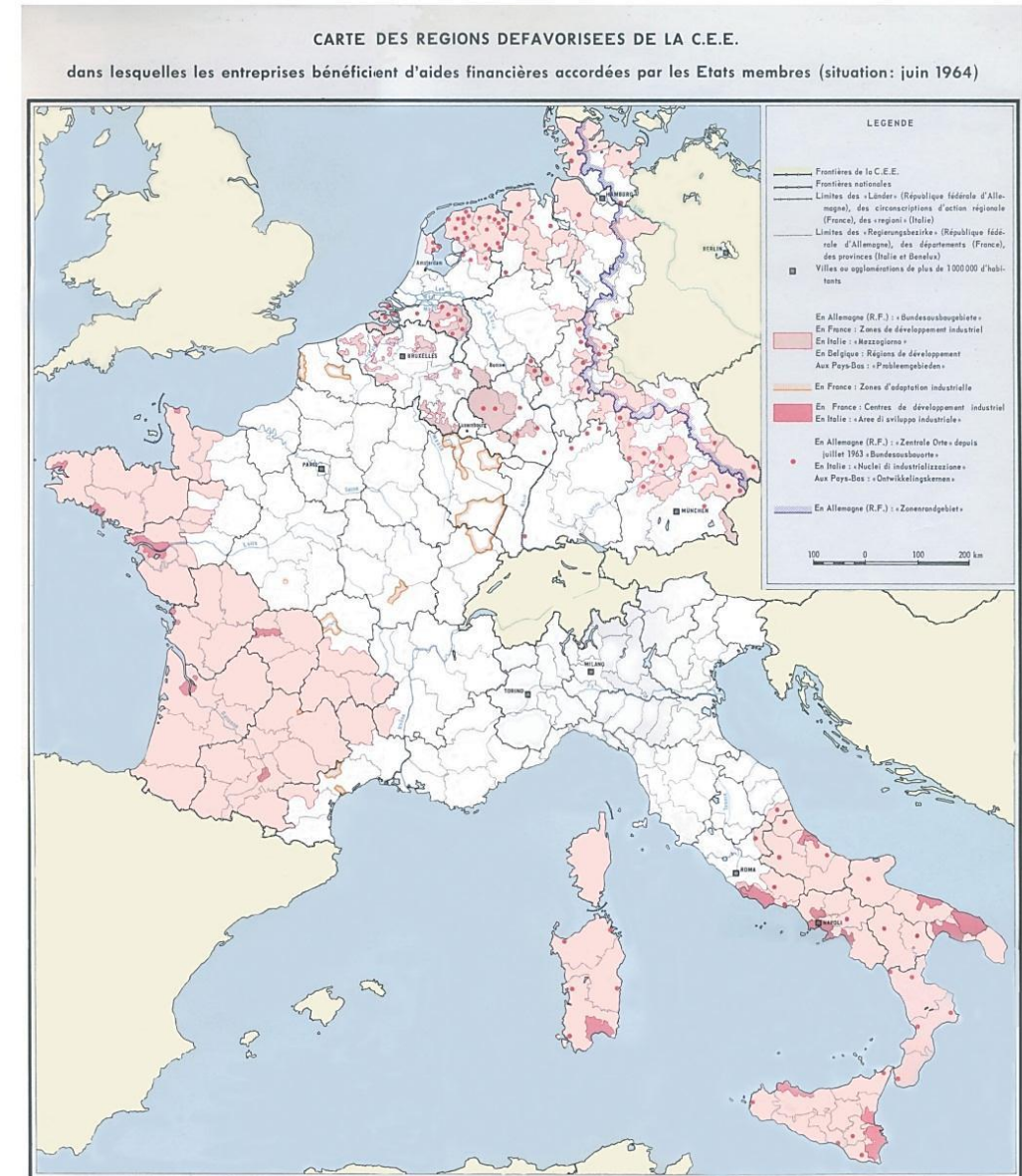
- MENDELU
- Faculty of Forestry
- and Wood
- Technology

# Historical development

- Since the Rome Treaty of 1957, one of the main tasks of the Community has been to promote an 'harmonious development of economic activities'.
- The need for a coordinated community solution to regional problems and the correction of regional imbalances was also recognised in Commission reports, a first communication (1964) and a subsequent recommendation (1969).
- The Assembly (today's EP) expressed its support in resolutions during the 1960s.
- The first enlargement (IR, DK, UK) and the objective of an Economic and Monetary Union, made the Heads of State and Government decide in October 1972 to create a Regional Development Fund.
- Based on art. 235 of the Treaty (today's art. 308), the Council agreed unanimously on the **first ERDF regulation** in December 1974.

## Map of less favoured regions

European Community, 1964



# Historical development

- On 18 march 1975, the first ERDF regulation entered into force. Following a Council debate in Paris in December 1974, a budget of 1.4 billion "units of accounts" (the then budget's "currency") for the years 1975 to 1977 representing some 4% of the budget's had been split between the then nine Member States.
- Three actions were defined as eligible up to 50% of public expenditure, and preferably to be carried out in national state aid areas:
  - investments in small enterprises creating at least 10 new jobs;
  - investments in infrastructure related to point 1, and
  - infrastructure investments in mountainous areas, which had to be eligible to the agriculture guidance fund, too.
- Member States had to apply for ERDF support at project level. Decisions were then taken in a committee of Member States based on Commission proposals.

# Historical development - outline

- The 1957 Treaty of Rome - little regional dimension
- Enlargement in 1973 - creation of “ERDF” (European Regional Development Fund), a specific instrument
- The 1986 Single Act - The “Internal Market” objective and the accompanying policies, concerning economic and social cohesion policies serviced by the “Structural Funds”
- The 1992 Treaty on the European Union and the pillars of Community construction concerning economic and social cohesion.
- The 1999 agreement and the preparation for enlargement.

# The Treaty of Rome (1957)

- Community Mission
  - Internal Market
  - Promoting the harmonious development of economic communities in the entire Community
- Methods
  - Elimination of customs laws
  - Common customs tariff
  - **Common Agricultural Policy (CAP)**
  - To not distort competition
  - **Creation of a European Social Fund (ESF)** - promoting employment possibilities by professional training and employment support
  - **Founding of European Investment Bank (EIB)** - the improvement of less developed regions by the modernisation/conversion of enterprises, common interest projects for more MS
  - Association of non-member countries
- The accompanying instruments:
  - Framework of STATE AIDS to not distort competition aid with general aim
- Sectorial (and non-regional) policies
  - a success: the CAP and its financial instrument EAGGF
  - a failure: transport (“harmonious development in the whole Community”)

# 1973 Enlargement

- Particular situation of the UK with regard to the European budget:
  - “receipts of the EEC budget” side: UK a traditional importer from non-member countries
  - “expenses of the EEC budget” side: UK a minor partner of the CAP
- Consequence:
  - creation of **ERDF: European Regional Development Fund**...a “budgetary” instrument of regional policy
- Characteristics of the 1st ERDF
  - budgetary redistribution : (“quotas”, subsidies)
  - 2 missions
  - regions lagging behind (i.e. IT)
  - industrial regions in decline (i.e. U.K.)
  - 2 interventions
  - Infrastructures
  - production investments

# 1986 Single Act

- The major objective: THE INTERNAL MARKET (to be completed by 1993)
- Abolition of obstacles to the free circulation of
  - goods
  - people
  - services
  - capital
- The accompanying policies
  - Monetary capacity
  - Social Policy
  - **Economic and social cohesion** (Reduce the gap between different regions and the lagging behind of less prosperous regions via “Structural Funds” (EAGGF – Guidance, ESF, ERDF) and the EIB and other existing instruments, Four basic principles: Concentration, Partnership, Programming, Additionality)
  - Research and technical development
  - Environment

# 1992 European Union Treaty

- Promotion of balanced and harmonious development of activities in the whole of the Community, of durable growth ...etc...of economic and social cohesion and solidarity between the member states.
- Methods
  - Common Market
  - Economic and Monetary Union
  - Common policies and actions of which, the reinforcement of economic and social cohesion
- Funds with a structural purpose
  - a new Fund: the Cohesion Fund
  - a **new institution: the Committee of the Regions**
  - a monitor : the triennial cohesion report
- Structural Funds 1994 - 1999
  - 141 billion ECU's of which 96.35 billion Ecus = 1/3 of the EEC budget
- Cohesion Funds 1993 – 1999
  - 15.15 billion Ecus



# 1999 reform and the preparation for Enlargement

- The financial perspectives: 2000-2006
  - Structural Funds: 195 billion Euro
  - Cohesion Fund: 18 billion Euro
  - Preaccession instruments
  - Phare: 10.9 billion (institutional building)
  - SAPARD: 3.6 billion (rural development)
  - ISPA: 7.3 billion (env. + tren.)

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# 1989 - 1993

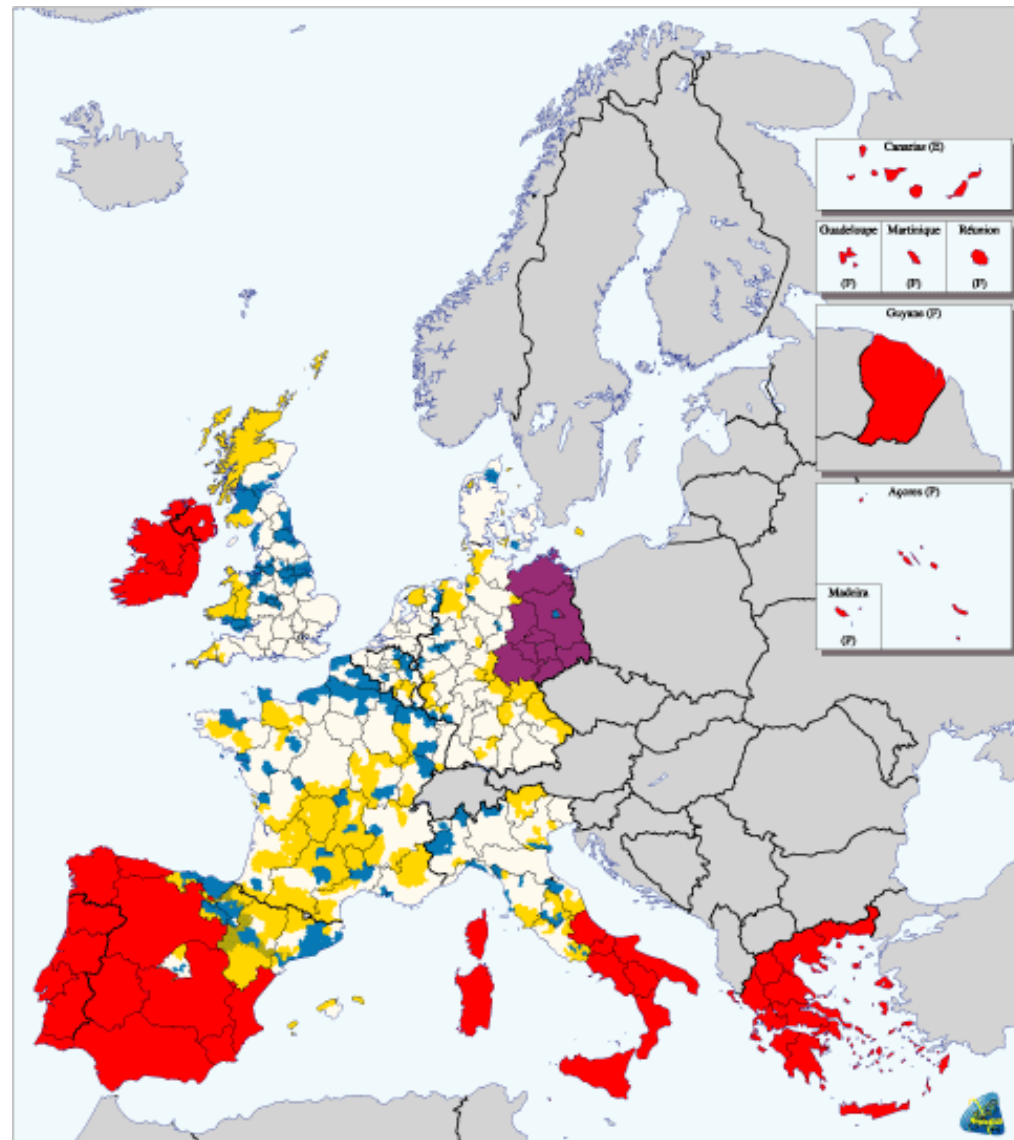
Integration of the structural funds

5 common objectives

Standardised administration rules

Decentralised management

Increase of the structural funds' budget up to 14 bn ECU p.a.  
(ca. 20% of EU-Budget)

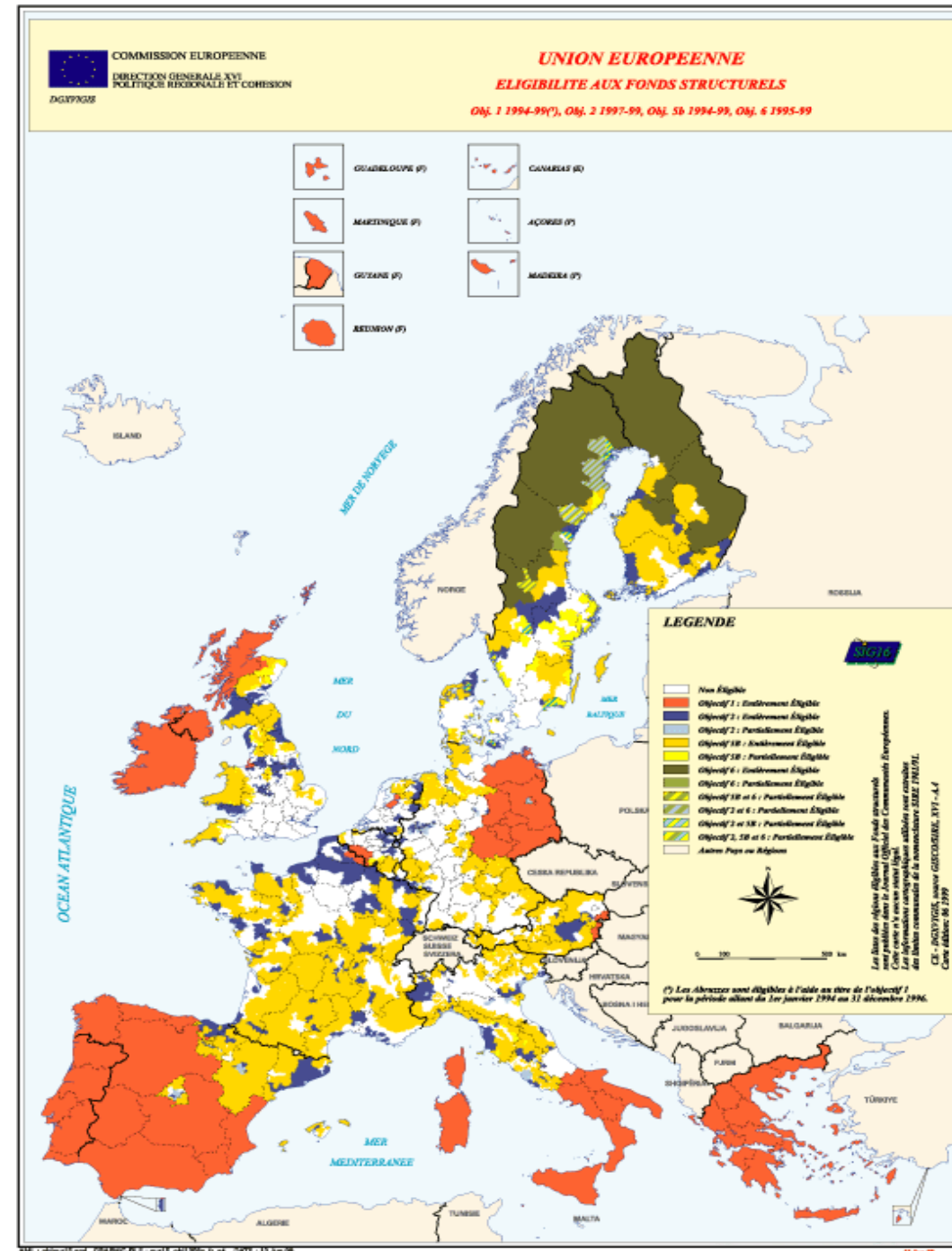


**Zones éligibles aux Fonds Structurels 1989-1993**



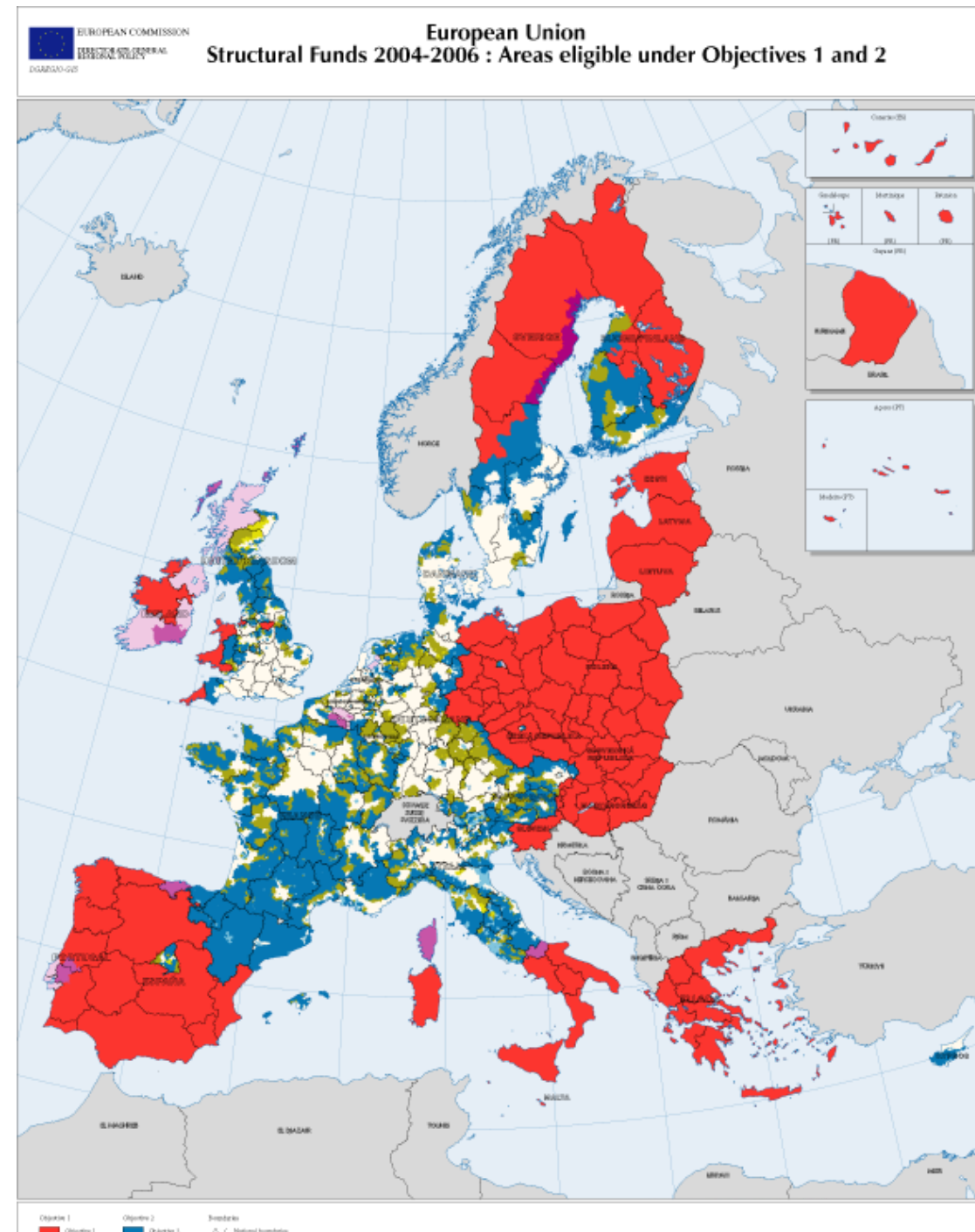
# 1994 - 1999

- Introduction of a new objective 4
- Simplification of procedures
- New: Cohesion Fund and fisheries instruments
- Increase of the structural funds' budget up to 32 bn ECU p.a.
- (ca. 30% of EU budget)



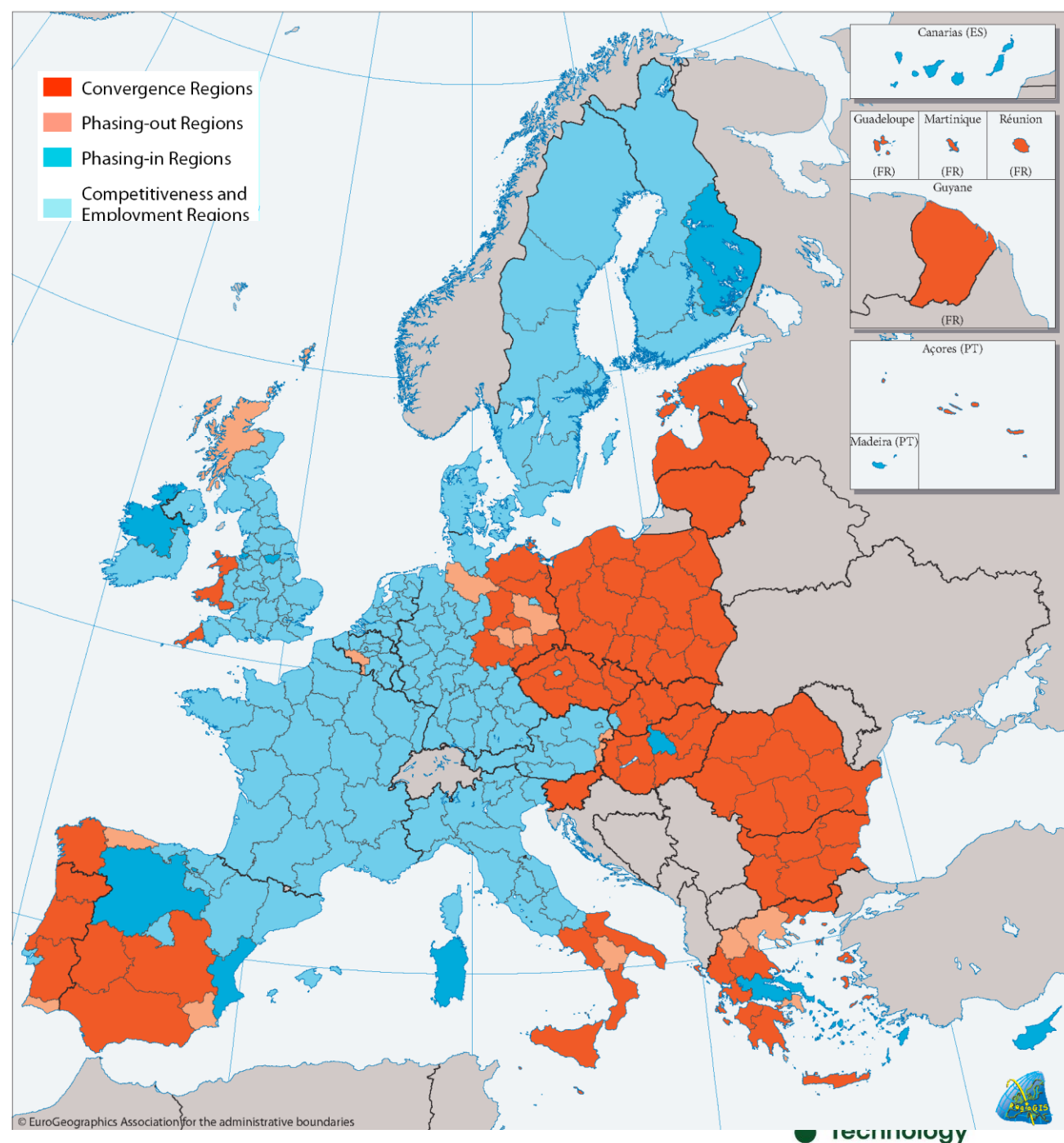
# 2000 - 2006

- 40% to 49,9% of EU population (155→224 Mio.) in eligible areas (Obj. 1&2)
- phasing-out for some objective 1,2 and 5b regions
- 3 common objectives
- Introduction of pre-accession instruments for candidates (ISPA)
- Increase of the structural funds' budget up to 38 bn Euro p.a.
- (ca. 33% of EU budget)



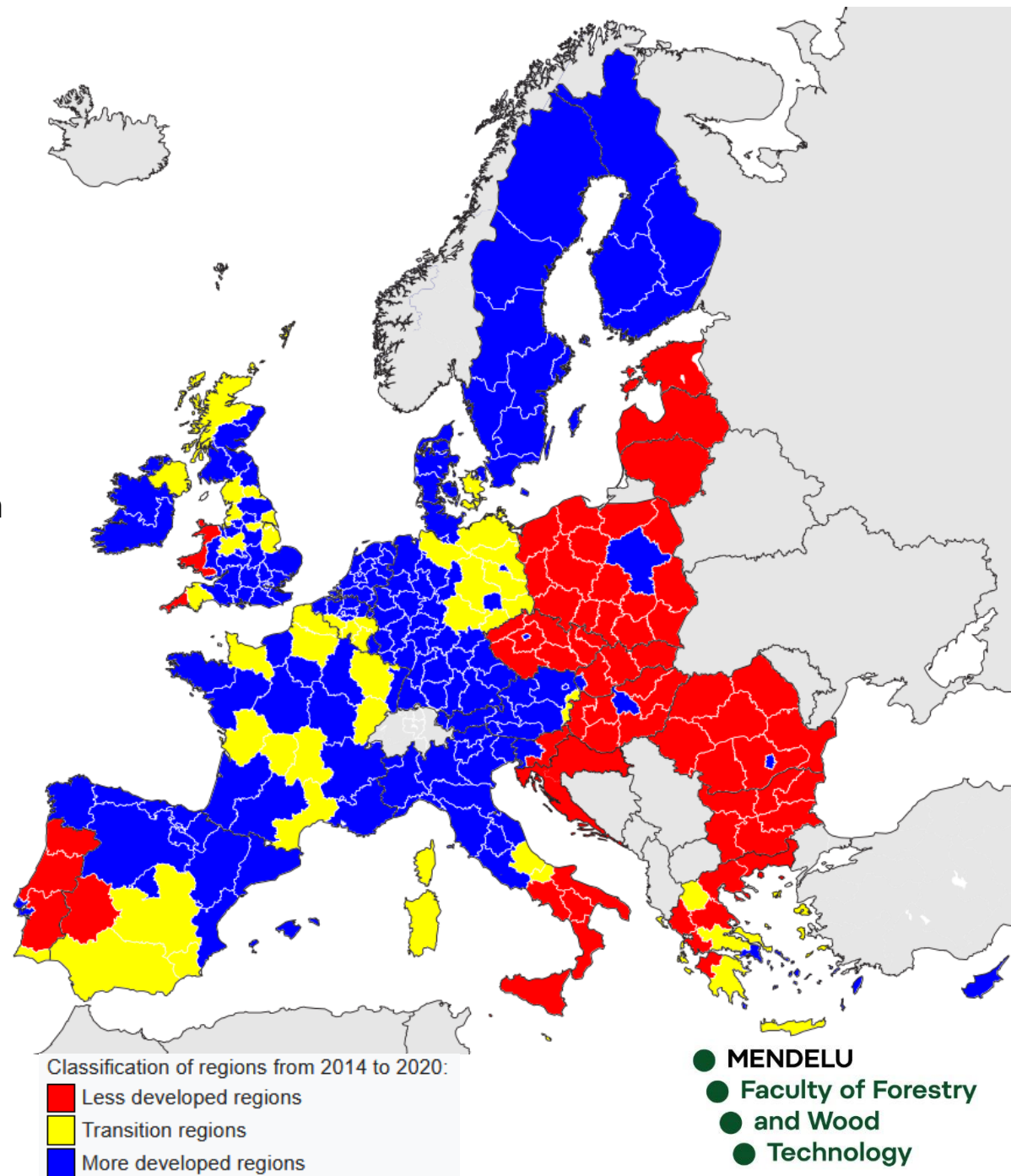
# 2007 - 2013

- 3 objectives, Community initiatives mainstreamed
- All regions eligible
- Budget increase: about Euro 50 bn p.a. (ca. 36% of the EU budget)
- Rural development and fisheries funds outside cohesion policy

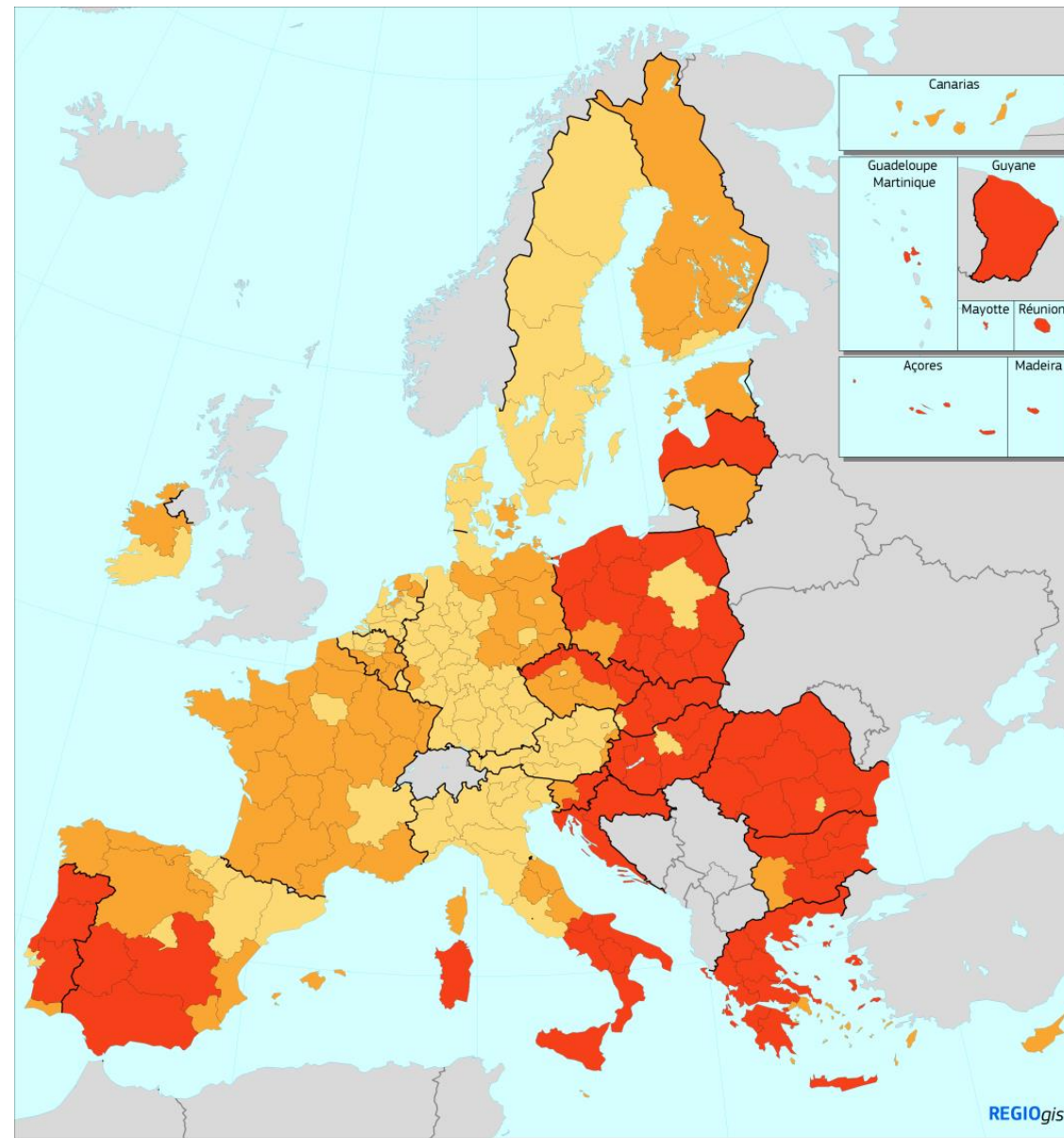


# 2014 - 2020

- Investing to meet the goals of the Europe 2020 Strategy for smart, sustainable and inclusive growth in the European Union
- Main priorities
- Harmonised rules
- Greater emphasis on social inclusion and tackling youth unemployment
- Objectives and results
- Budget: €351 billion



# 2021 - 2027



GDP/head (PPS) by NUTS2 region, average 2014-2015-2016

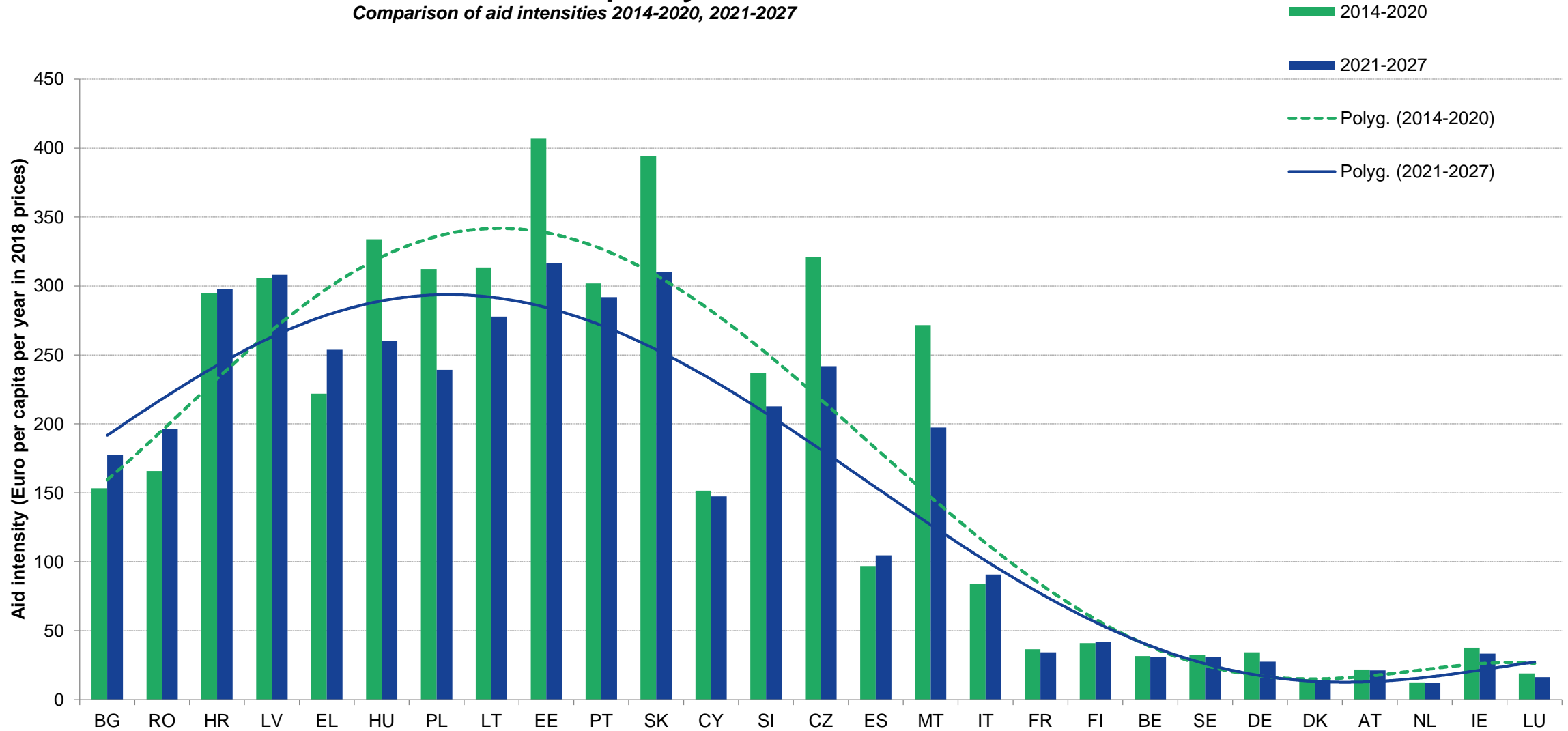
Index, EU-27 = 100

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)



# Cohesion policy

Comparison of aid intensities 2014-2020, 2021-2027



# Thematic menu

- Shorter, flexible menu of 5 policy objectives, breaking sectoral silos
- A new, place-based, cross-cutting policy objective for ERDF - PO 5
- Capacity building and cooperation with partners within and outside Member States – horizontal priorities in all specific objectives
- Additional specific objectives for Interreg
- Limits cases where integrated actions are programmed under more than one PO

# Programming

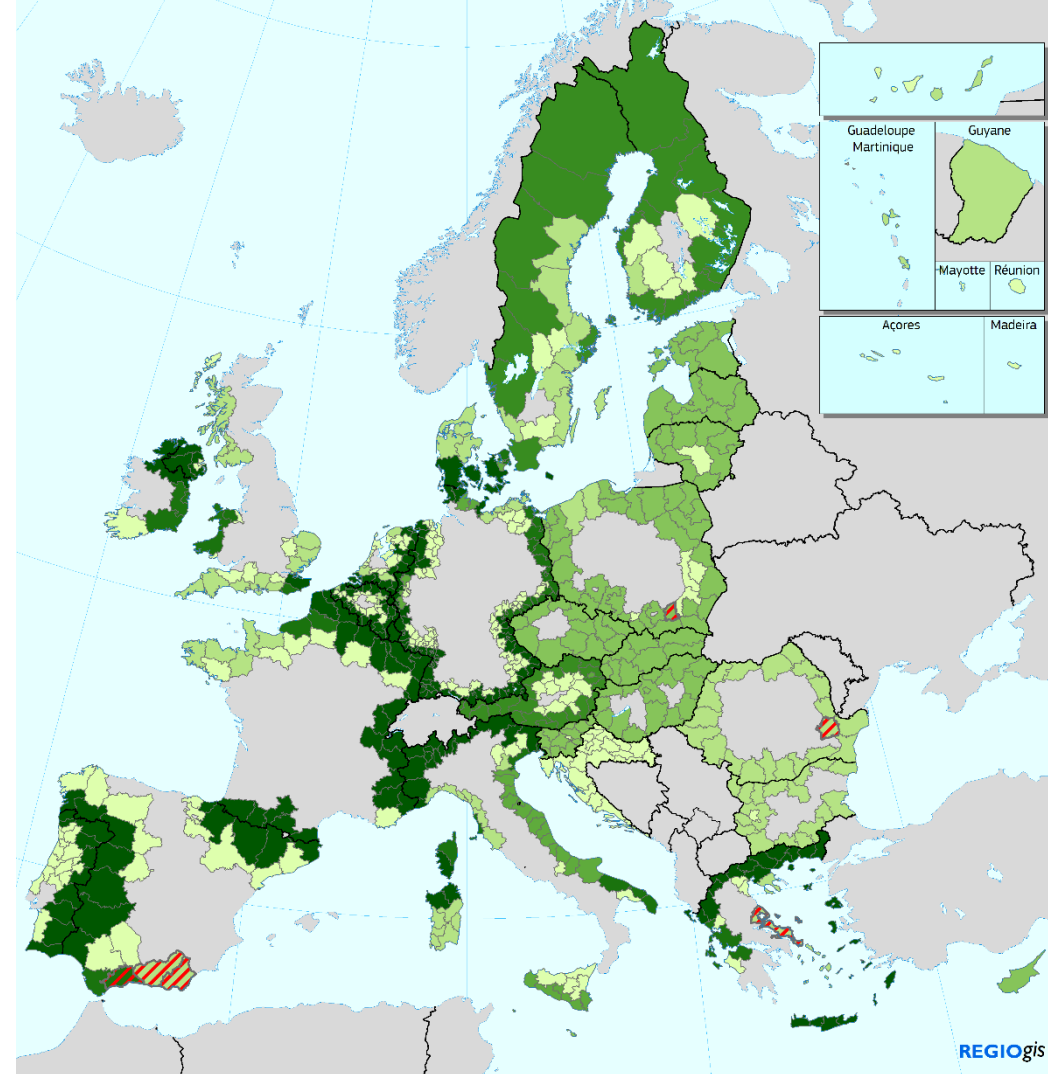
- Extended possibility to use simplified cost options and financing not linked to costs schemes
- Reduced number of controls and audits and increased cross-reliance on audits
- Reintroduction of n+2 rule and reduced level of prefinancing - faster start of the programmes and quicker implementation
- Reinforced visibility and communication provisions operations of strategic importance
- No specific rules for operations generating net revenue
- No major projects
- Performance-oriented: Mid-term review in 2025

# Coherence with other EU instruments

- 4 key examples:
  - Horizon Europe ("European excellence")  
ERDF ("regional relevance", smart specialisation, innovation diffusion) & reinforced seal of excellence mechanism
  - CEF/CF: Transfer of EUR 10 billion from the CF to the CEF; trans-European transport networks projects to be financed both through shared and direct management
  - Migration: all Cohesion Policy Funds will address long-term needs linked to integration, AMIF will focus on short term needs
  - Reform Support Programme  
European Investment Stabilisation Function

# INTERREG

- Cross-border cooperation only



**Cross-border cooperation 1989 - 2020**

**Period of participation**

- 1989 - 2020
- 1994 - 2020
- 1995 - 2020
- 2000 - 2020
- 2004 - 2020
- 2007 - 2020
- 2014 - 2020

**Participation until 2013**

- ▨ 1994\_2013
- ▨ 2000\_2013
- ▨ 2004\_2013
- ▨ 2007\_2013

NUTS3 regions as of 01/01/2008.  
Including cross-border programmes with non-EU countries

0 500 Km

# Cross-border risk management in forestry in consequence of bark beetle calamity

- Harmonized and optimized system of adaptive forest management with target to minimize the risk at cross-border regions
- Cross-border development tools for specific management and risks control in forestry enterprises
- Good-practice examples with implemented an adaptive management and preparation of cross-border manual
- Contact: Radek Pokorný, radek.pokorny [at] mendelu.cz
  
- Funded by Interreg V-A Austria-Czech Republic
- ATCZ251



# Current and Future Cohesion Policy Challenges and Opportunities

<https://www.youtube.com/watch?v=xyB7brez9b8>