

**Paweł SAMECKI**

European Commissioner responsible for Regional Policy

**"The cohesion policy – thoughts for today and tomorrow"**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Conference on the occasion of the fifth anniversary of Poland's accession to the EU

**Brussels, 4 November 2009**

Dear Minister and Ambassador, Dear Presidents of the Regions,

Ladies and Gentlemen,

Taking the title of this conference as an invitation, let me share with you a few thoughts on how I see the mission of the European cohesion policy and its prime objectives.

## **Mission**

Let me start by stressing the point President Barroso made in the recording we have just seen: the political and economic rationale of the cohesion policy is stronger now than it was 20 years ago. This is far from obvious. The original political vision, which gave rise to cohesion policy, is today often forgotten. It should be remembered that the European cohesion policy was created on the basis of a firm conviction: a strong Union needs a policy ensuring that everyone, not only the strongest, can benefit from integration.

After the enlargements of 2004 and 2007 we have a much more, not less, economically and socially diverse Union. Therefore, in order to sustain integration, we need, today and for the years to come, a strong development policy aimed at promoting long-term sustainable growth and prosperity in European regions. Cohesion policy should contribute to faster economic and social integration as well as to greater connectivity in the Single Market. To this end, through the provision of public goods and services, it should continue to address market failures.

What is the added value of European support as compared to national and regional policies and financing? It is threefold. This policy focuses on the reorientation of public and private investment towards Community priorities and enhances the exchange of best practice. Cohesion policy is a lever for change and it mobilises regional and local actors around EU priorities. At the same time it ensures that the benefits of European public goods and services such as research and innovation are broadly shared.

## **Territorial dimension**

The cohesion policy is the primary instrument at EU level for addressing problems faced by territories and it helps unleash their growth potential. It encourages a blend of different sectoral and horizontal policies in a mix that is well-suited to energise a region and foster its development.

This territorial dimension of the policy is recognised in the Lisbon Treaty. It clearly states that harmonious development of the Union requires not only economic or social cohesion, but also territorial cohesion.

The focus of the policy on territory is also seen in the unique and modern governance system it offers. It values and exploits local and regional knowledge and preferences. It combines this knowledge with strategic direction. It coordinates interventions between levels of government. And it is one of the few Community policies which has the capacity to mobilise actors across all EU boundaries. In addition, it invests in improving the capacity of national and regional administrations.

## Goals

In pursuing its development goals, the cohesion policy must focus on three main challenges:

- The failure of certain lagging regions to achieve their development potential and fully integrate in the Single Market;
- The need to enhance regional competitiveness and employment in the context of globalisation and the low-carbon economy;
- The importance of addressing cross-border barriers to integration.

First, removing barriers to growth in the lagging regions of the EU must remain a primary priority of the cohesion policy. These regions represent underutilised resources that could be contributing to the overall growth of the EU. The development gap is very visible in transport, ICT, environment, or energy infrastructure, human capital, education and research. Its elimination is costly. To create the conditions for growth, these regions need EU support.

Second, looking from a wider perspective, regions throughout the EU are and will be confronted with the problem of adjusting to important challenges with a strong territorial dimension. These challenges will have a very differentiated impact across Europe. It will often result in losses of competitiveness, employment and social cohesion. You know the list: globalisation resulting in fiercer competition coming from outside the EU, ageing societies, the necessity to incur higher investment outlays to limit CO<sub>2</sub> emissions or to diversify energy supplies to ensure energy sustainability.

In such cases, the EU should provide regions with assistance in order to trigger development again. However, addressing these wide-ranging challenges will require adequate budgetary resources from the Union for the cohesion policy.

And the third, cross-border, goal. I believe that many challenges cut across administrative boundaries, inside the Union as well as externally. They call for common solutions to shared problems. Adjacent border territories offer untapped development potential that may be freed thanks to stronger cross-border cooperation.

Getting this policy strand off the ground will require a reinforcement in scale and a shift in the nature of territorial cooperation. We are looking with hope to a new approach towards territorial cooperation based on strategies for what we call 'functional macro-regions'. And the Commission is also seeing how we can better co-operate in the field of regional development with our neighbours, such as Russia or Ukraine.

## Areas for reform

This mission and the objectives of the cohesion policy can only be achieved if the policy continues to be reformed. President Barroso mentioned briefly a few areas where change is indeed necessary. Let me explain how I see them in a more detailed way.

First, we need to concentrate our resources on a limited number of narrowly defined core priorities. Without pre-determining them, one can mention, as examples only, innovation or promoting employment and social inclusion. Such a concentration would create a European-wide critical mass of interventions on agreed priorities, and focus political and public attention on clear objectives.

Second, there is a need to focus more on performance, in other words on the results of the policy. This will require an efficient system of incentives and conditions, stronger monitoring and evaluation culture.

Third, performance should not be reported to and debated with the Commission only. The focus on performance will be conducive for the regions and Member States to learn from each other. To this end, we should consider introducing a high-level political peer review mechanism for discussing the policy outcomes. It would allow us to identify common problems, solutions and good practice. It would also enable us to strengthen the strategic dimension of the cohesion policy and better coordinate policies and instruments at EU level.

Fourth, we need to put stronger emphasis on developing effective institutions. Experience has shown that tailor-made institutional arrangements are those which are most likely to take root. In addition, there is a strong link between the quality of institutions and economic performance.

Fifth, the delivery system needs to become simpler and more efficient. We have already reformed the management and control system. The shift to the new system has required significant efforts, both from the Member States and the Commission, but I am convinced that this will bear fruit in the coming years. These reforms should reduce the annual error rate and simplify the closure of programmes.

We must reduce the administrative burden for implementing bodies and beneficiaries while ensuring effective and proper use of the EU budget. Rules and procedures need to be kept to a minimum to achieve the desired policy objectives. But they also need to ensure the legality and regularity of expenditure. Reinforcing the proportionality of strictness of procedures in relation to underlying risk could be a way forward.

Finally, we should make both the cohesion policy budget and spending rules more flexible to accommodate new needs or to help generate new ideas and approaches, which we so desperately need. This would also encourage risk-taking and experimentation, which we clearly lack in Europe.

Ladies and gentlemen,

The cohesion policy has a special relevance for European citizens. Whether through the creation of new jobs and support for innovation, the building of new railways, or the provision of clean water supplies, I have seen for myself that this policy makes a real difference across the Union. And long may it continue to!

Thank you for your attention.