

## Agenda item 7A

### Cohesion Policy 2014-2020

#### An assessment of issues with a metropolitan dimension

This assessment takes extracts from the Winter 2011/2012 DG Regio publication "Cohesion Policy 2014-2020" - Investing in Europe's regions - from which to make an informed judgment about the those aspects of future Cohesion Policy that have a metropolitan dimension on which METREX might take a position. Such aspects are highlighted in **bold text** with an **orange text reference** to the relevant METREX sources.

**A METREX Position Statement on Cohesion Policy 2014-2020 will be considered by the METREX Managing Committee at its Meeting in Marseille on Wednesday 30 May 2012. It will be drawn from this assessment.**

## Cohesion Policy 2014-2020

### An assessment of issues with a metropolitan dimension - Summary

#### Aims and objectives

A primary objective of the new approach is to consolidate cohesion policy as the main investment strategy for the Europe 2020 Strategy.

#### Key changes

- Reinforcing territorial cohesion (**Metropolitan Dimension**)

#### Delivering Europe 2020 - Thematic Concentration

- Shift towards a low carbon economy (**ReMAC**)
- Sustainable transport and removing bottlenecks in key network infrastructure (**ReMAc and ETVF**)
- Institutional capacity building and efficient public administrations (**Metropolitan governance**)

#### A simplified framework: two priority goals – three regional categories

- Investment in Growth and Jobs
- European Territorial Cooperation (**Metropolitan Dimension and ETVF**).

#### Region categories (*reflects ETVF but needs a metropolitan analysis (ESPON MEGA etc.)*)

#### Europe and Grouping of Territorial Cooperation (EGTC) (*PolyMETREXplus and RINA - Representative Inter-regional Networking Activities*)

#### Europe and Territorial Cooperation

- Cohesion policy goal, allowing national, regional and local actors from different Member States to exchange experience and carry out joint actions to find common solutions to shared problems (**METREX activities and initiatives**)
- Transnational cooperation can support development and implementation of macro-regional strategies (**PolyMETREXplus and RINA - Representative Inter-regional Networking Activities**)

#### Smart investment

Common Strategic Framework (CSF), Partnership Contracts and a list of thematic objectives translating the Europe 2020

- Energy efficiency and renewable energy (**ReMAC**)

#### Performance Framework for Smart Investment

- Contracts based on national assessments of the regional development needs and priorities of each Member State. (**PolyMETREXplus and the need for an updated ESPON MEGA assessment**)

## Investing in transport and environment

- In addition to supporting the development of trans-European transport networks (TEN-T), the Cohesion Fund will also help channel investment into low-carbon transport systems and urban transport. ([PolyMETREXplus Framework and ReMAC](#))

## Streamlining delivery

- Cohesion policy, rural development and maritime and fisheries policy ([URMA](#))
- Easier application system for 'major projects' ([METREX projects](#))

## Sustainable territorial development

The proposals place a greater focus on sustainable urban development. Considering the role that cities can play in job creation and growth, some 5 % of ERDF resources will be set aside for sustainable urban development. The facilitation of networking opportunities between cities and the exchange of experience in urban policy is also foreseen through the creation of a new Urban Development Platform. ([Metropolitan Dimension](#))

## Sustainable urban development ([ReMAC](#))

- Focus on sustainable urban development: each Member State to earmark a minimum 5 % of ERDF to 'integrated actions' (combining investment from different priorities and programmes, and managed by cities). ([Issue of definition of cities - Metropolitan Dimension](#))
- Urban Development Platform, building on the experience of URBACT – a European programme promoting sustainable urban development – will be created to promote capacity building and exchange of experience within the EU.
- The Commission also proposes allocating part of the budget (0.2 % of the ERDF allocation) to finance innovative actions in urban areas.

## Next steps

The cohesion policy proposals are now being examined by the Council and Parliament, with a view to adoption by the end of 2012 and implementation in 2014. ([METREX Position Statement for May 2012](#))

In early 2012, the Commission will propose a draft on the CSF, fully aligned with Europe 2020 and translating its objectives into key actions.

A broad consultation procedure will be launched and open to all: Member States, regions, cities, EU institutions, economic and social partners, civil society organisations, academics and citizens. ([METREX Position Statement May 2012](#))

## Common Strategic Framework (CSF)

- Greater emphasis on an integrated territorial approach ([Metropolitan Dimension](#))
- The territorial challenges to be addressed ([PolyMETREXplus/MEGA assessment updated?](#))

## Urban Policy 2014 -2020

### The Commission supports Sustainable Development

With the Lisbon Treaty, territorial cohesion has become a new and important objective of the European Union. This is reflected in the strong territorial and urban dimension of the Commission's proposals for a cohesion policy regulation post-2013, which is fully aligned to the Europe 2020 Strategy for smart, sustainable and inclusive growth. To increase its effectiveness, investments will be concentrated on issues that can make a significant contribution to achieving the Strategy's goals.

These investment priorities include low-carbon strategies for urban areas, sustainable urban transport, actions to improve the urban environment, and the physical and economic regeneration of deprived urban areas, including housing. [\(ReMAC\)](#)

### Integrated approach

Cities need to adopt holistic approaches to tackle the economic, environmental, climatic and social challenges they face and implement urban development actions through integrated strategies.

To ensure that these resources coming from different priorities are coordinated in an integrated manner at the appropriate level, they should be carried out through Integrated Territorial Investments with its management delegated to cities.

To make sure that the cities concerned are properly involved in the programming process and in the implementation of the operational programmes, the Commission proposes that Member States identify those cities carrying out integrated actions for sustainable urban development by establishing a list of cities in the Partnership Contract. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)

### Exchange and learning

Challenges faced by cities increasingly cut across national and regional boundaries and require joint, cooperative actions. This is why the Commission proposes not only to continue with the cooperation programme for cities, but to enlarge its scope by establishing an urban development platform for a limited number of cities that implement integrated actions and undertake innovative actions at the initiative of the Commission. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)

### Enhancing innovation and supporting tools for cities

In order to foster innovation at a local level, the Commission may initiate support for cities to implement actions in the field of sustainable urban development. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)

## Cohesion Policy 2014-2020

### An assessment of issues with a metropolitan dimension

#### The Investment Policy for Future EU Growth and Competitiveness

Proposals for a new approach to EU cohesion policy for 2014-2020 were unveiled by the European Commission on 6 October 2011. They aim to modernise the operation of cohesion policy funds, and closely align the channeling of regional resources to job creation and smart, sustainable, inclusive growth, which are the objectives of the 'Europe 2020 Strategy'.

The proposed budget for 2014-20 programmes is EUR 336 billion (compared to EUR 350 billion for the current 2007-2013 period). This is more than 30% of the total EU budget. Investment in less developed regions will represent almost half of this amount – more than EUR 160 billion. At least EUR 84 billion will be available from the European Social Fund (ESF) to stimulate employment opportunities, and promote lifelong learning and social inclusion.

In addition, a new **Connecting Europe Facility (CEF)** will be established to accelerate the development of priority infrastructure in transport, energy and information technologies. The CEF has a proposed budget of EUR 40 billion, with an additional EUR 10 billion ring fenced inside the Cohesion Fund.

#### Why a new approach?

In the face of the economic crisis it is necessary to do more without increasing our budget. This means implementing ambitious policies that are more effective, with stronger governance and a streamlined delivery system to substantially reduce bureaucracy for beneficiaries.

To achieve this, resources have to be concentrated and better targeted with clearer objectives. In this way they will have more impact and even better results. By spending wisely, the cohesion policy instruments can achieve more with the same amount.

#### Aims and objectives

**A primary objective of the new approach is to consolidate cohesion policy as the main investment strategy for the Europe 2020 Strategy.**

#### Key changes

The Commission has proposed a number of important changes to the way cohesion policy is designed and implemented.

- Concentration on Europe 2020 targets
- Rewarding performance
- Supporting integrated programming (combining investments)
- Focusing on results and closer monitoring of progress
- **Reinforcing territorial cohesion (Metropolitan Dimension)**
- Streamlining delivery

## Delivering Europe 2020 - Thematic Concentration

Cohesion policy will help deliver Europe 2020 goals by targeting investment.

- Research and innovation
- Information and Communication Technologies (ICT's)
- Competitiveness and Small and Medium sized Enterprises (SME's)
- **Shift towards a low carbon economy (ReMAC)**
- Climate change adaptation and risk prevention and management
- Environmental protection and resource efficiency
- **Sustainable transport and removing bottlenecks in key network infrastructure (ReMAc and ETVF)**
- Employment and support for labour mobility
- Social inclusion and combating poverty
- Education, skills and lifelong learning
- **Institutional capacity building and efficient public administrations (Metropolitan governance)**

### A simplified framework: two priority goals – three regional categories

For the period 2014-2020, the Commission has proposed a simplified framework with two goals, namely **Investment in Growth and Jobs** in Member States and regions and **European Territorial Cooperation (Metropolitan Dimension and ETVF)**.

This reflects the alignment with Europe 2020 where all regions contribute to the overall goal of investing in jobs and growth, but the means and scope of intervention is differentiated according to the level of economic development.

### Region categories (reflects ETVF but needs a metropolitan analysis (ESPON MEGA etc.))

A new category of funding is envisaged for regions with a GDP per capita between 75 % and 90 % of the EU average. These 'transition' regions will benefit from particular support in meeting Europe 2020 targets on energy efficiency, innovation and competitiveness.

The three defined categories will be eligible for investment as follows.

- **Less developed** regions, whose GDP per capita is below 75 % of the EU average, will continue to be the top priority for the policy. The maximum co-financing rate is set at 75-85 % in less developed and outermost regions;
- **Transition** regions, whose GDP per capita is between 75 % and 90 % of the EU average, will have a co-financing rate of 60 %; and
- **More developed** regions, whose GDP per capita is above 90 % of the average. The co-financing rate will be 50 %.

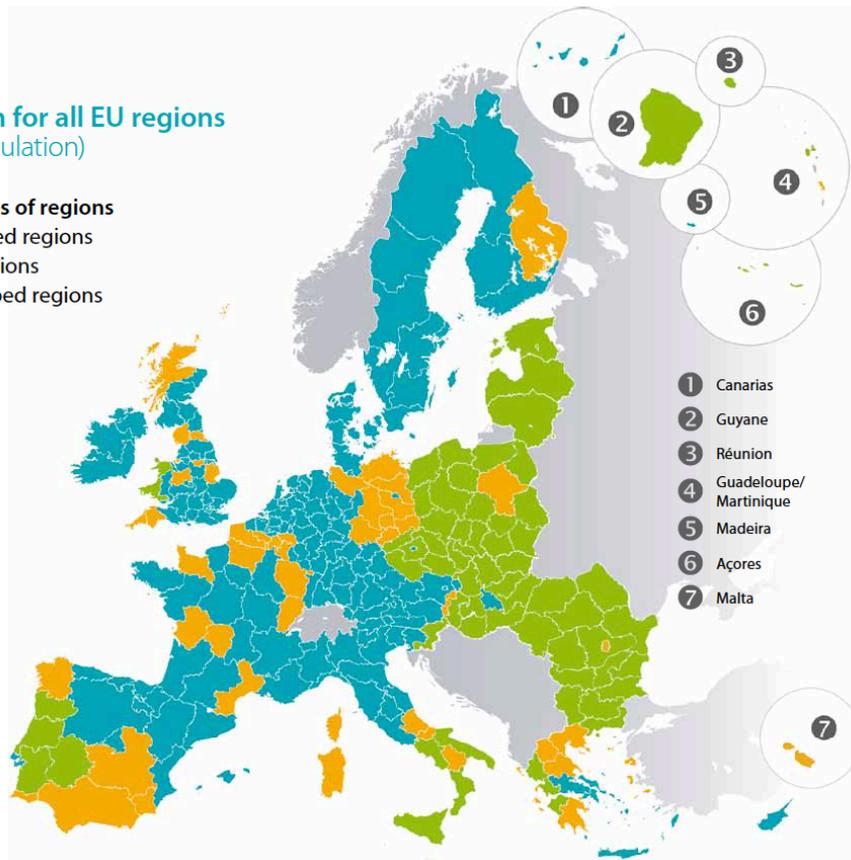
The objective of the new 'transition' category – which is expected to cover 51 regions and more than 72 million people, estimated on the basis of current data – is to give an extra boost to regions that have become more competitive in recent years, but still need targeted investment.

## A fair system for all EU regions (eligibility simulation)

### Three categories of regions

- Less developed regions
- Transition regions
- More developed regions

GDP/capita\*  
■ < 75% of EU average  
■ 75-90%  
■ > 90%  
\*Index EU27=100



## Europe and Grouping of Territorial Cooperation (EGTC) (PolyMETREXplus and RINA - Representative Inter-regional Networking Activities)

The Commission proposes changes to the following aspects of current EGTC Regulation.

- Easier establishment of EGTCs
- Reviewing scope of activity
- Opening EGTCs to non-EU regions
- Clearer operating rules on staff recruitment spending and protecting creditors
- Practical cooperation in providing public and local services;
- More flexibility in membership
- Non-EU members possible
- Simplified rules
- Criteria for approval or rejection of EGTCs by national authorities specified
- Time limit for examination and decision

A separate regulation is proposed for European territorial cooperation (cross-border, transnational and interregional) and the functioning of the European grouping of territorial cooperation (EGTC).

### Europe and Territorial Cooperation

- **Cohesion policy goal, allowing national, regional and local actors from different Member States to exchange experience and carry out joint actions to find common solutions to shared problems (METREX activities and initiatives)**
- Important contribution to fostering the new Lisbon Treaty objective of territorial cohesion
- Proposed regulation takes better account of the multi-country context of programmes, making more specific provisions for cooperation
- Simplified rules
- Thematic concentration applies
- **Transnational cooperation can support development and implementation of macro-regional strategies (PolyMETREXplus and RINA - Representative Inter-regional Networking Activities)**

## Smart investment

To further enhance the capacity of cohesion policy to deliver EU priorities, the Commission proposes a framework for strategic and smart investment. This will involve the introduction of a **Common Strategic Framework** (CSF), Partnership Contracts and a list of thematic objectives translating the Europe 2020 targets into concrete action. The Commission is proposing a more integrated approach to regional investment, including common eligibility rules and the introduction of the option of multi-fund programmes for ERDF, ESF and the Cohesion Fund.

Concentration on EU priorities through the ERDF is ensured by a focus on.

- **Energy efficiency and renewable energy (ReMAC)**
- Research and innovation
- Competitiveness of SMEs

Less developed regions will have a broader range of investment priorities to choose from, reflecting their wider development needs; while more developed and 'transition' regions will be expected to dedicate 80 % of their ERDF resources to energy efficiency and renewables, research, innovation and SME competitiveness.

## Performance Framework for Smart Investment

- The Common Strategic Framework (replacing the Community Strategic Guidelines)– translating top EU priorities into action – will apply to all Funds, including rural development and fisheries and maritime policy, and ensure a better coordination of EU investment.
- Partnership Contracts, agreed at the outset between the Commission and Member States will set out the overall contribution, at national level, to the thematic objectives and the commitments to concrete actions to deliver Europe 2020 objectives. Clear and measurable targets will be defined in a performance framework.
- **Contracts based on national assessments of the regional development needs and priorities of each Member State.** Agreed performance markers or milestones will be agreed and reached to qualify for investment. **(PolyMETREXplus and the need for an updated ESPON MEGA assessment)**

## Investing in transport and environment

For Member States with a Gross National Income (GNI) per capita below 90 % of the EU average, the Cohesion Fund will invest in the priority area of environment (for example in projects relating to climate change adaptation and risk prevention, water and waste management infrastructure). Investment in energy efficiency and renewables are also eligible.

**In addition to supporting the development of trans-European transport networks (TEN-T), the Cohesion Fund will also help channel investment into low-carbon transport systems and urban transport. (PolyMETREXplus Framework and ReMAC)**

## Streamlining delivery

The new approach to EU cohesion policy is focused on streamlining delivery and cutting red tape.

### Common rules – CSF funds

- **Cohesion policy, rural development and maritime and fisheries policy (URMA)**
- Simplified management through better harmonisation of eligibility rules

### Option of multi-fund programmes

- ERDF, ESF and Cohesion Fund

### Streamlined and simplified delivery system

- Greater use of simplified costs
- Linking payments with results

- E-Cohesion: 'one stop shop' for beneficiaries
- Proportional approach to control
- Less authorities involved in implementation, with clearer roles defined
- Easier application system for 'major projects' (METREX projects)

### Sustainable territorial development

The proposals place a greater focus on sustainable urban development. Considering the role that cities can play in job creation and growth, some 5 % of ERDF resources will be set aside for sustainable urban development. The facilitation of networking opportunities between cities and the exchange of experience in urban policy is also foreseen through the creation of a new Urban Development Platform. ( Metropolitan Dimension)

An integrated approach to community-led local development is also set out in the proposals. This facilitates the implementation of local development strategies by community groups including local authorities, NGOs, and economic and social partners, based on the LEADER approach used for rural development. Particular attention will be paid to areas with specific natural or demographic features, such as low population density, with an additional allocation for the outermost regions.

### Sustainable urban development (ReMAC)

- Recognition of the role of cities in enhancing Europe's growth and employment.
- Focus on sustainable urban development: each Member State to earmark a minimum 5 % of ERDF to 'integrated actions' (combining investment from different priorities and programmes, and managed by cities). (Issue of definition of cities - Metropolitan Dimension)
- Urban Development Platform, building on the experience of URBACT – a European programme promoting sustainable urban development – will be created to promote capacity building and exchange of experience within the EU.
- The Commission also proposes allocating part of the budget (0.2 % of the ERDF allocation) to finance innovative actions in urban areas.
- Better coordination between fixed and human capital investment in cities will also be promoted.

### Next steps

Current regional funding programmes will run up until 2013. A new regulatory framework must be in place for programmes beginning in 2014. Since the entry into force of the Lisbon Treaty, all cohesion policy Regulations come under the ordinary legislative procedure, giving the European Parliament a stronger role as full co-legislator for the General Regulation.

The cohesion policy proposals are now being examined by the Council and Parliament, with a view to adoption by the end of 2012 and implementation in 2014. (METREX Position Statement for May 2012)

In early 2012, the Commission will propose a draft on the CSF, fully aligned with Europe 2020 and translating its objectives into key actions.

A broad consultation procedure will be launched and open to all: Member States, regions, cities, EU institutions, economic and social partners, civil society organisations, academics and citizens. (METREX Position Statement May 2012)

The Framework will guide Member States in drawing up their operational programmes and will assist national and regional authorities in setting clear, attainable and measurable goals in priority areas. Negotiations on the next Multi-annual Financial Framework will continue in parallel.

The Common Strategic Framework (CSF) responds to this fundamental need for policy synergies and translates the objectives of EU priorities for smart, sustainable and inclusive growth into key actions for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the future European Maritime and Fisheries Fund (EMFF).

## Common Strategic Framework (CSF)

The added value of the CSF is threefold. Compared with the current Community Strategic Guidelines, the CSF also covers thematic objectives and investment priorities, but also includes other elements such as.

- More effective coordination between the Funds as well as with other EU financial instruments and policies
- **Greater emphasis on an integrated territorial approach (Metropolitan Dimension)**
- Coherence and consistency with National Reform Programmes

In terms of content, the CSF establishes.

- Key areas of support;
- **The territorial challenges to be addressed (PolyMETREXplus/MEGA assessment updated?)**
- Policy objectives
- Priority areas for cooperation activities
- Coordination mechanisms, as well as mechanisms to ensure coherence and consistency with the economic policies of Member States and the EU.

## Urban Policy 2014 -2020

### The Commission supports Sustainable Development

With the Lisbon Treaty, territorial cohesion has become a new and important objective of the European Union. This is reflected in the strong territorial and urban dimension of the Commission's proposals for a cohesion policy regulation post-2013, which is fully aligned to the Europe 2020 Strategy for smart, sustainable and inclusive growth. To increase its effectiveness, investments will be concentrated on issues that can make a significant contribution to achieving the Strategy's goals.

As centres of business and entrepreneurship, research and innovation, education and training, social inclusion and cultural interaction, cities can make an important contribution to achieving the goals of the Europe 2020 Strategy. However, many urban areas show high rates of poverty, unemployment and crime, low-quality and energy-inefficient housing, and environmental degradation. Therefore, the Commission proposes specific investment priorities for urban areas that will concentrate the funding in cities on the core strategic priorities of smart, sustainable and inclusive growth and will contribute to sustainable urban development. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)

These investment priorities include low-carbon strategies for urban areas, sustainable urban transport, actions to improve the urban environment, and the physical and economic regeneration of deprived urban areas, including housing. [\(ReMAC\)](#)

#### Integrated approach

The past URBAN Community Initiatives – tackling some of the issues facing towns and cities in Member States – and the URBAN mainstreaming in the current programming period have demonstrated the value of an integrated approach to urban development.

**Cities need to adopt holistic approaches to tackle the economic, environmental, climatic and social challenges they face and implement urban development actions through integrated strategies.**

The Commission proposes to make available for cities a dedicated allocation of at least 5 % of the European Regional Development Fund (ERDF) resources of each EU Member State, which should be earmarked for integrated actions for sustainable urban development.

**To ensure that these resources coming from different priorities are coordinated in an integrated manner at the appropriate level, they should be carried out through Integrated Territorial Investments with its management delegated to cities.**

The resources for such integrated actions should be clearly identified in the operational programmes.

**To make sure that the cities concerned are properly involved in the programming process and in the implementation of the operational programmes, the Commission proposes that Member States identify those cities carrying out integrated actions for sustainable urban development by establishing a list of cities in the Partnership Contract. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)**

Moreover, the indicative annual allocation for these actions at national level should be identified.

#### Exchange and learning

Challenges faced by cities increasingly cut across national and regional boundaries and require joint, cooperative actions. This is why the Commission proposes not only to continue with the cooperation programme for cities, but to enlarge its scope by establishing an urban development platform for a limited number of cities that implement integrated actions and undertake innovative actions at the initiative of the Commission. [\(Definition of cities/LUZ/FUA/metropolitan regions and areas\)](#)

The purpose of the future networking programme for cities (currently called URBACT) under the inter-regional cooperation is to continue to provide for direct exchange of experience between cities. This concerns the identification, transfer and dissemination of good practice on sustainable urban and rural development, based on the methodology developed under the current URBACT programme. **(Definition of cities/LUZ/FUA/metropolitan regions and areas)**

The Commission will establish an urban development platform in order to stimulate a more policy-oriented dialogue on urban development between the cities at European level, to make the contribution of cities to the Europe 2020 Strategy more visible, and to capitalise on the results of integrated and innovative actions that cities undertake at the initiative of the Commission. **(Definition of cities/LUZ/FUA/metropolitan regions and areas)**

The urban development platform is innovative in the sense that the Commission will play a more active role than before: it will establish and operate the platform, adopt the list of participating cities on the basis of the list established in the Partnership Contract where integrated urban development actions are to be implemented, stimulate a more policy-oriented dialogue on urban development in direct contact with the cities, and provide specific expertise at EU level.

#### **Enhancing innovation and supporting tools for cities**

In order to foster innovation at a local level, the Commission may initiate support for cities to implement actions in the field of sustainable urban development. **(Definition of cities/LUZ/FUA/metropolitan regions and areas)**

The Innovative Actions will identify and test new solutions and approaches to urban challenges of relevance at the EU level.

The Innovative Actions will be managed directly by the Commission and the main beneficiaries will be local authorities (for example, cities, associations of cities, and metropolitan authorities). Cities undertaking Innovative Actions will also participate in the urban development platform in order to communicate and disseminate the results of their actions. **(Metropolitan dimension)**

Finally, the Commission is contributing to a joint European initiative of Member States, cities, city associations and networks aimed at developing an operational tool that can help cities to implement sustainable urban development strategies and to prepare integrated actions.

The Reference Framework for Sustainable Cities (RFSC) is a web-based instrument that provides cities with tools, applications and checklists to develop strategies and projects and to set up a monitoring system in line with the so-called Urban Acquis, a set of common principles that underpin successful urban policies. The RFSC will be available from April 2012 to all European cities for voluntary and free use. **(Definition of cities/LUZ/FUA/metropolitan regions and areas)**