



SWG RRD Seminar:
Accession to European Union in the Field of
Agricultural and Rural Policies
Mokra gora, June 7-10, 2010

EU Cohesion policy - introduction

Luka Juvančič

University of Ljubljana, Biotechnical faculty





Contents

- EU Cohesion Policy:
 - What?
 - Why?
 - How?
- Implementation of Cohesion Policy 2007-2013 – illustration
- EU Cohesion Policy after 2013 – likely prospects



Treaty on European Union:

- **Art. 2:** to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, in particular through the strengthening of economic and social cohesion
- **Article 158:** "In order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion. In particular, the Community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas".
- **Article 160:** "The European Regional Development Fund is intended to help to redress the main regional imbalances in the Community through participation in the development and structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions".



Lisbon Treaty

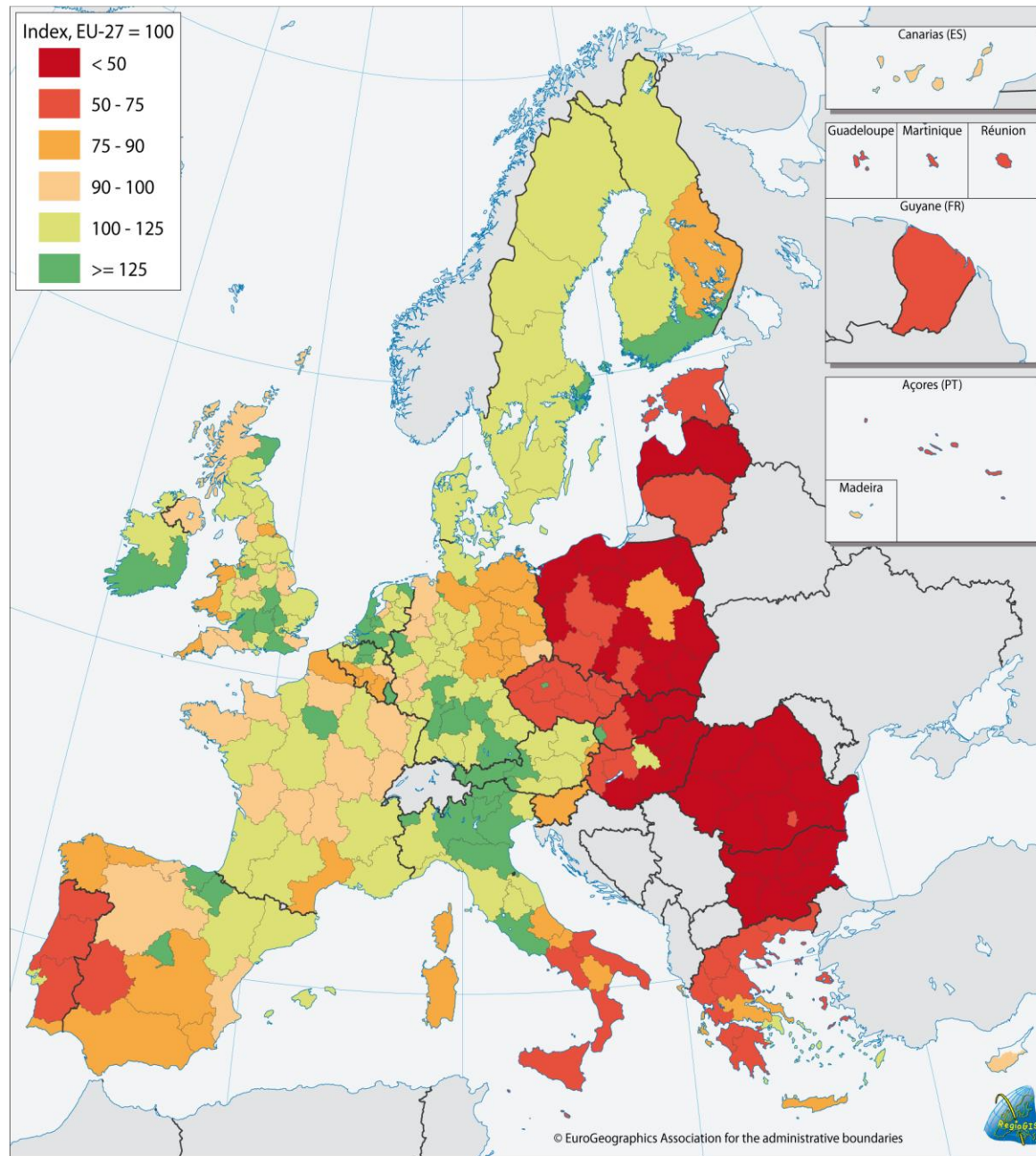
- Art. 2: It shall promote economic, social and territorial cohesion, and solidarity among Member States.
- Article 158 : “Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.”.



State interventions

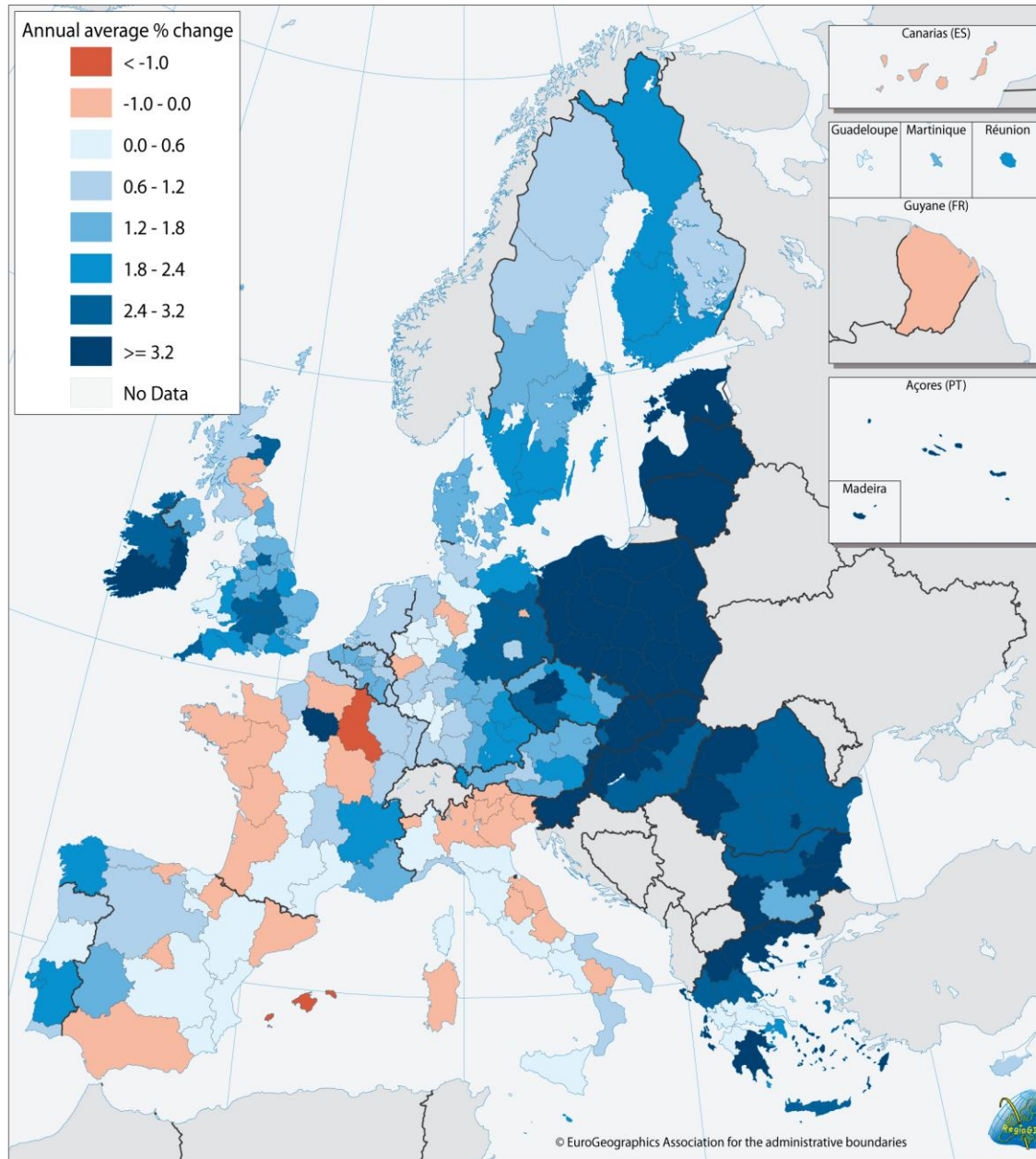
- Role of the State:
 - Stabilising role
 - Allocational (efficiency Vs. Equity)
- Market failures:
 - non-perfect markets (monopoly structures,..., transaction costs, asymmetrical information, uncertainty, co-ordination,...)
 - externalities
 - public goods
 -

GDP per head (PPS), 2004



CP: Why?

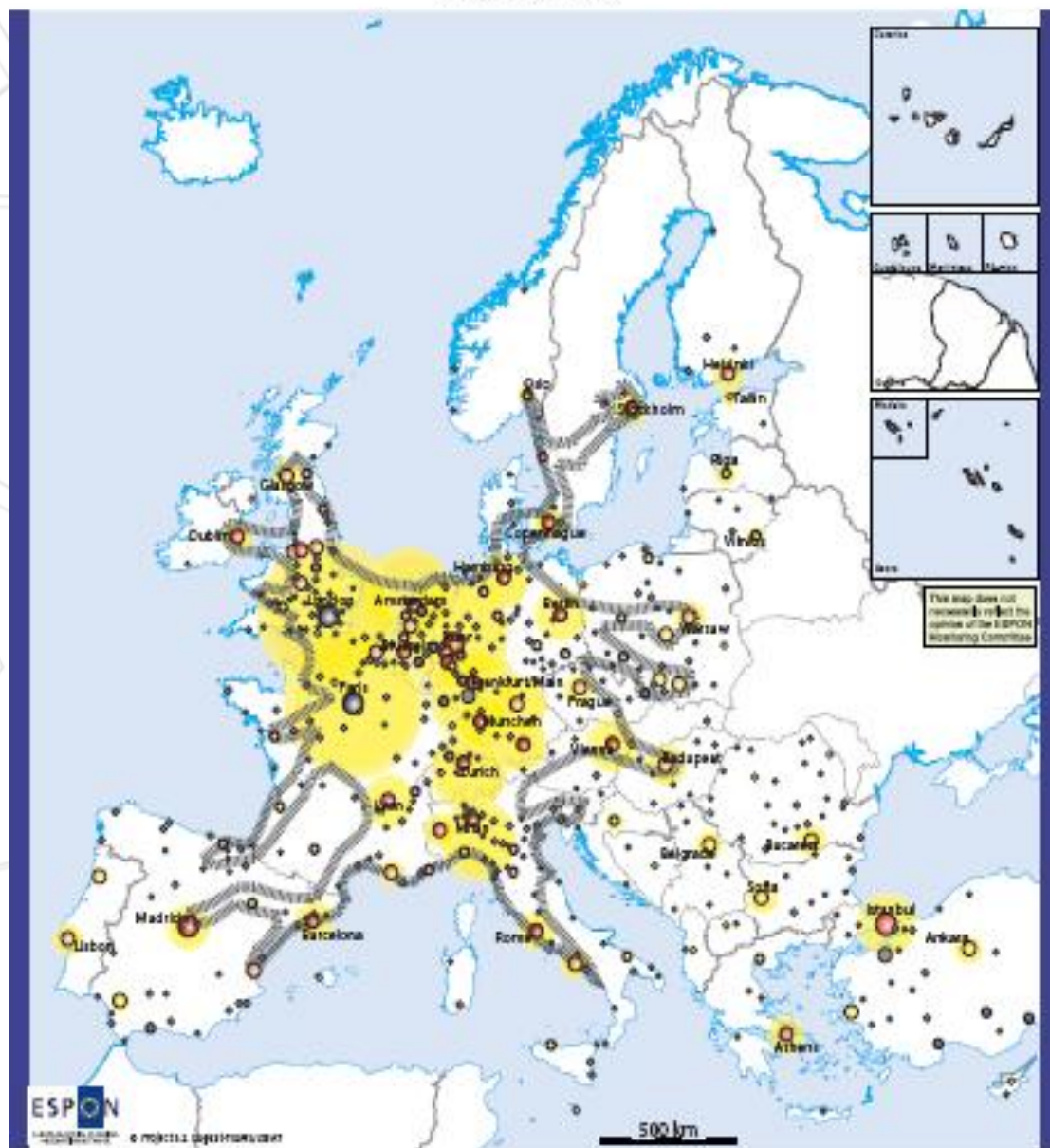
Growth of GDP/person employed (Euro), 1995-2004



CP: Why ?



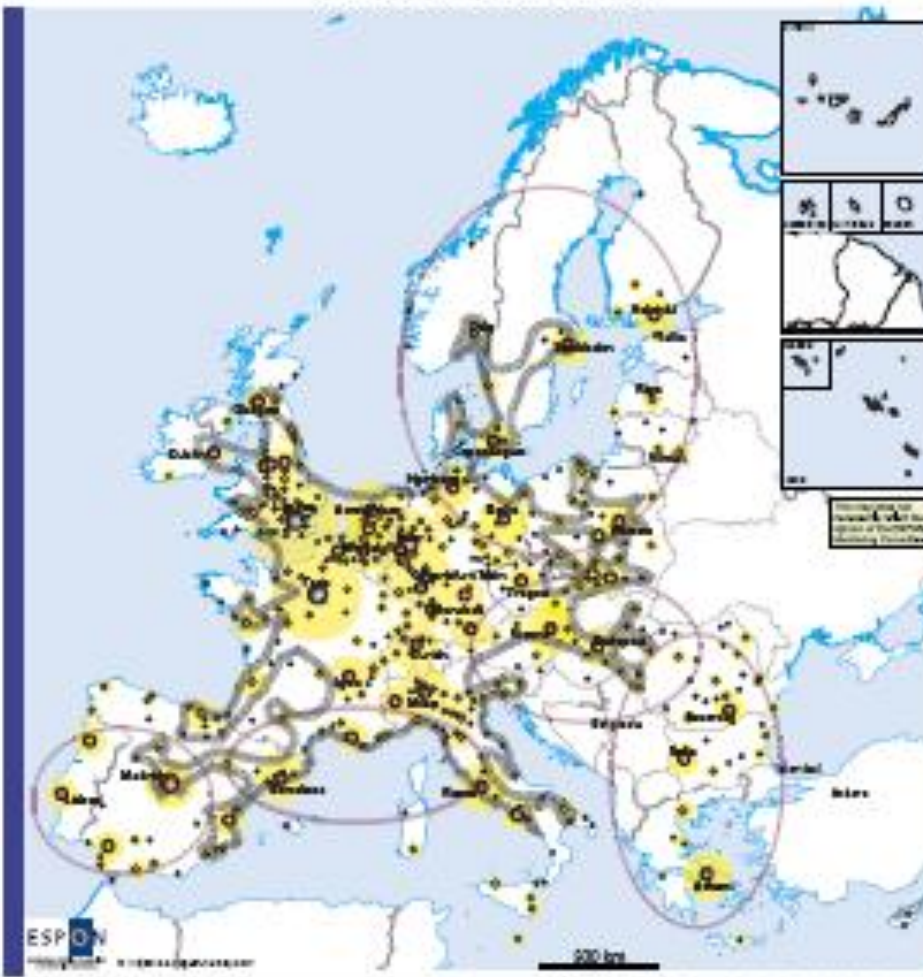
Europe in 2030: ESPON 3.2.





Europe in 2030: ESPON 3.2.

Cohesion-Oriented Scenario



Competitiveness-Oriented Scenario

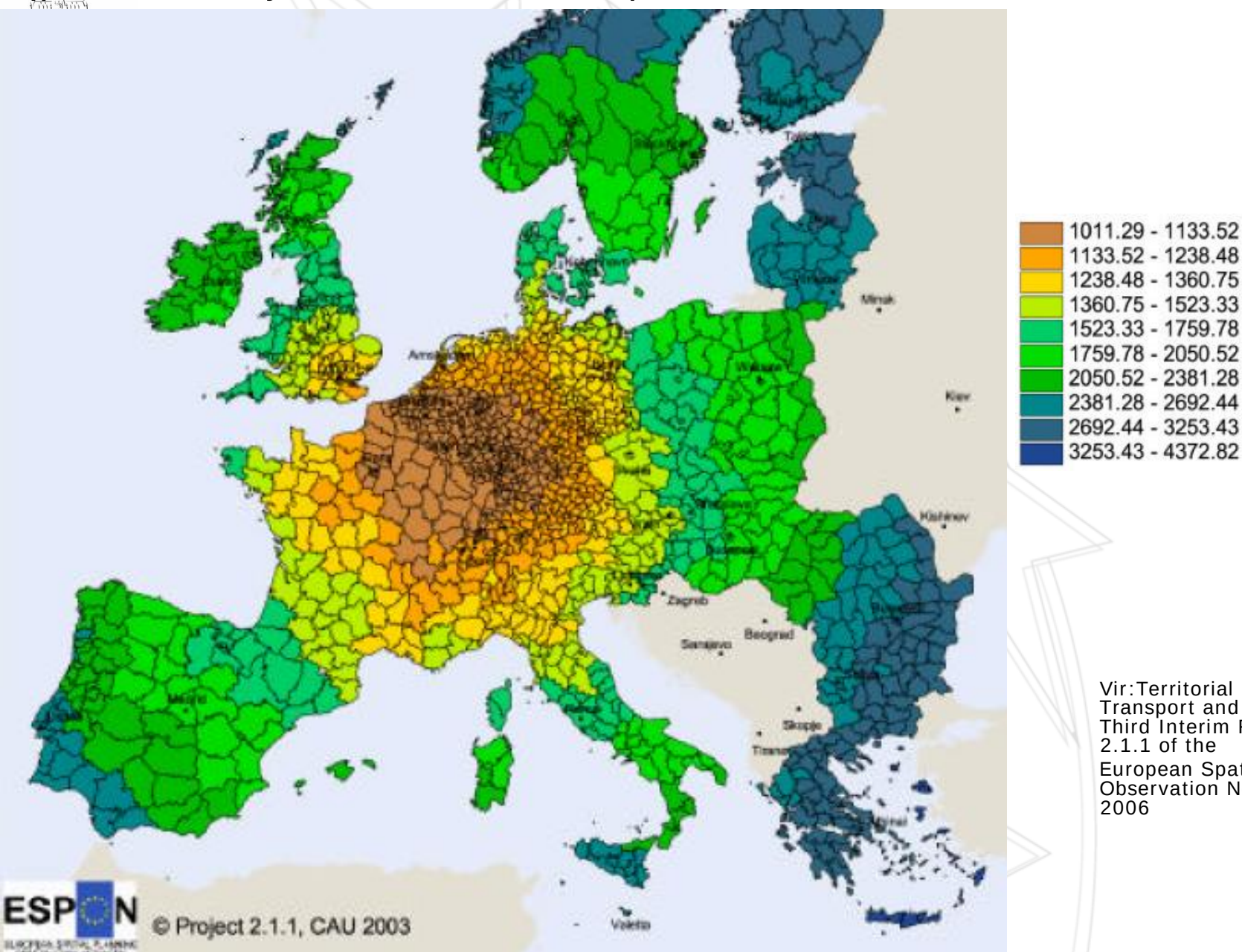




Cohesion policy...because:

- Solidarity
- Incentives for further integration & strengthening of Common European market
 - Integration brings more benefits to the “central” areas
 - Market liberalization brings overall benefits, but also (localized, temporary) losses (restructuring)

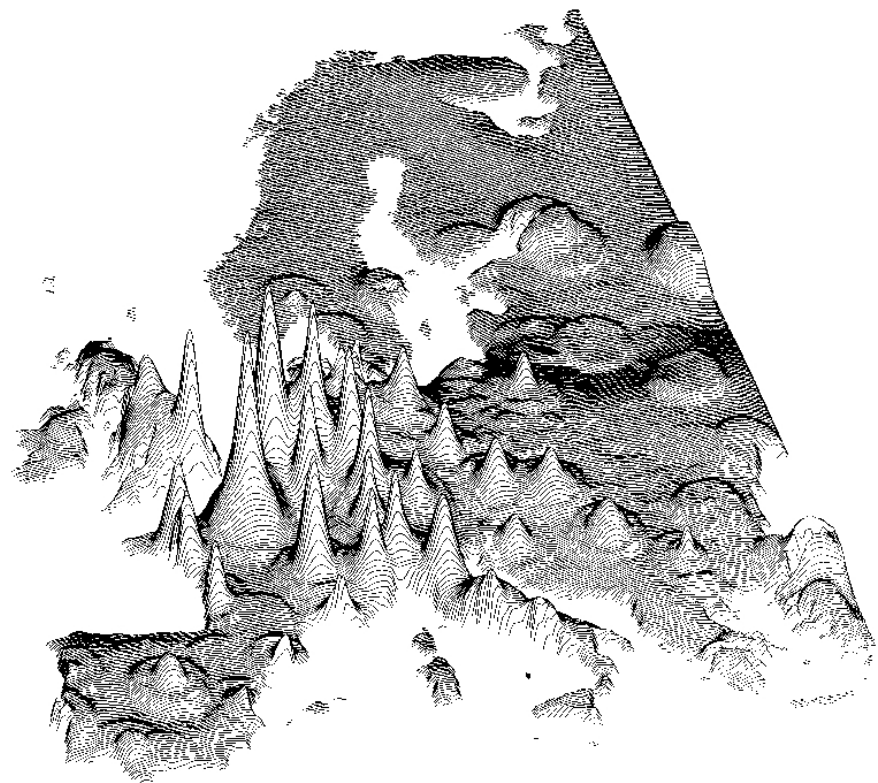
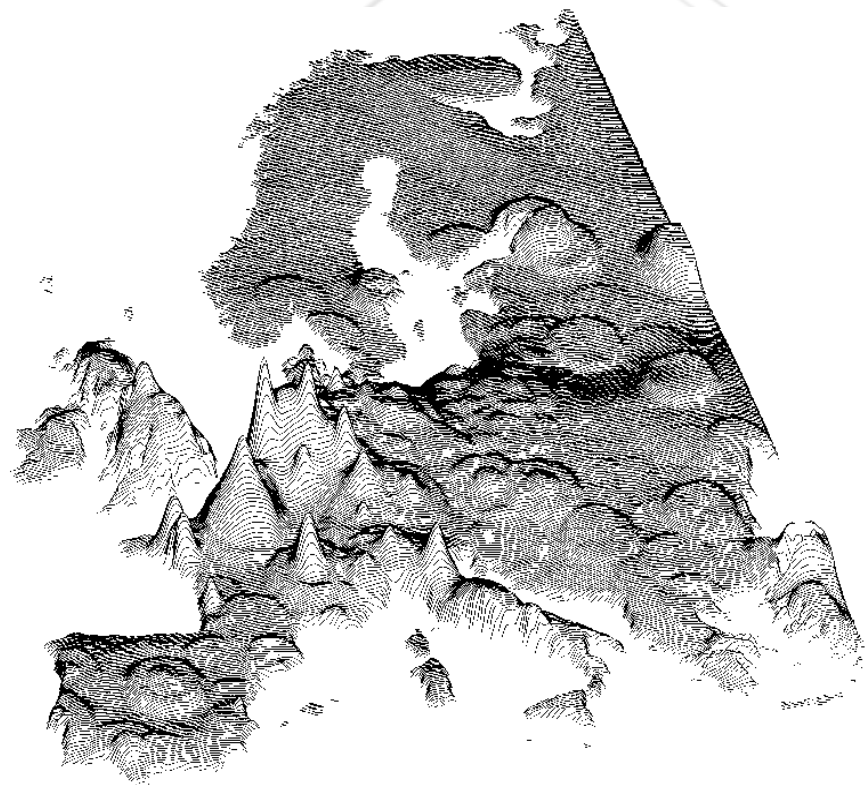
Illustration: elapsed time of products to reach markets (pondered by GDP; in minutes)



Vir: Territorial Impact of EU Transport and TEN Policies; Third Interim Report of Action 2.1.1 of the European Spatial Planning Observation Network ESPON 2006



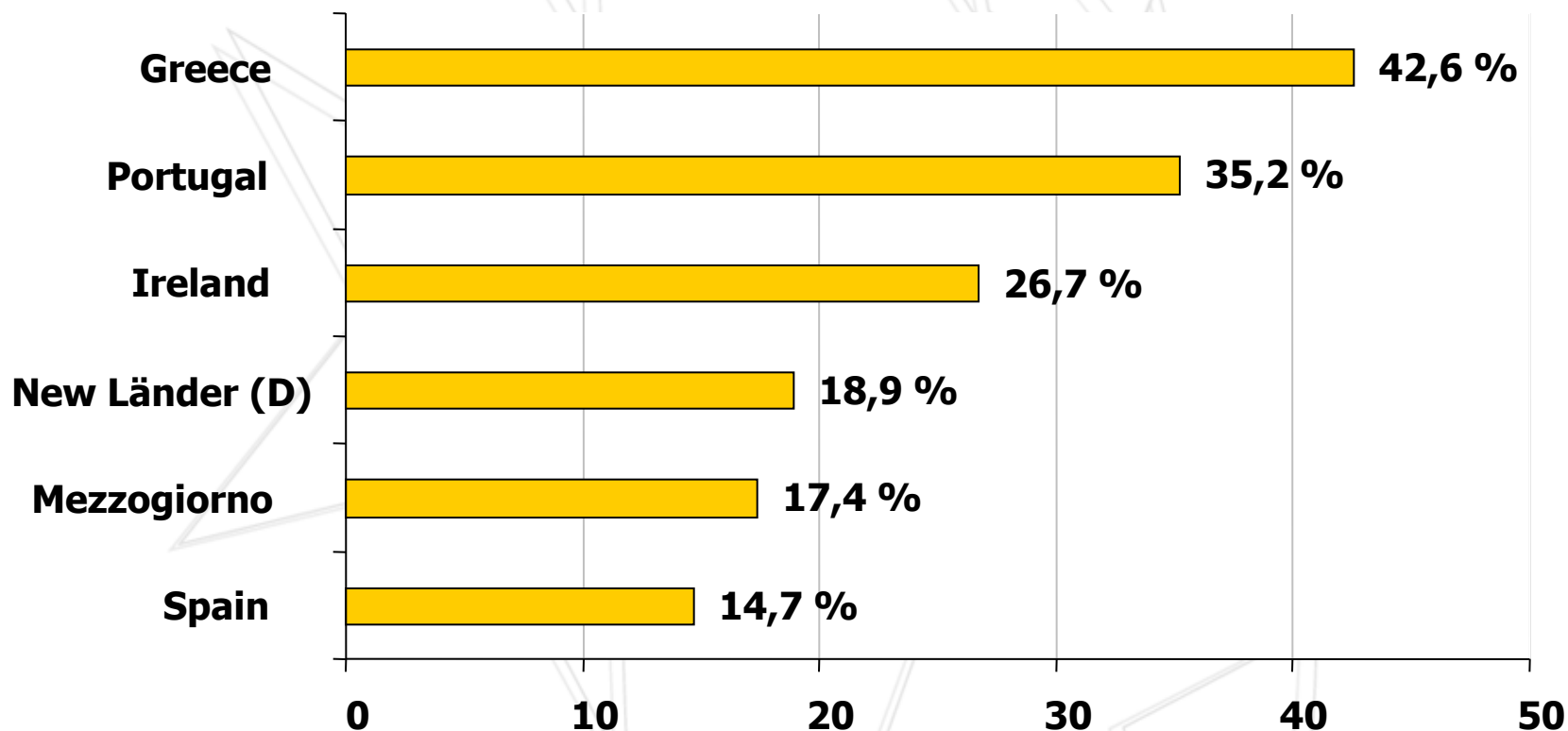
Daily accessibility by train; 1993 and 2010





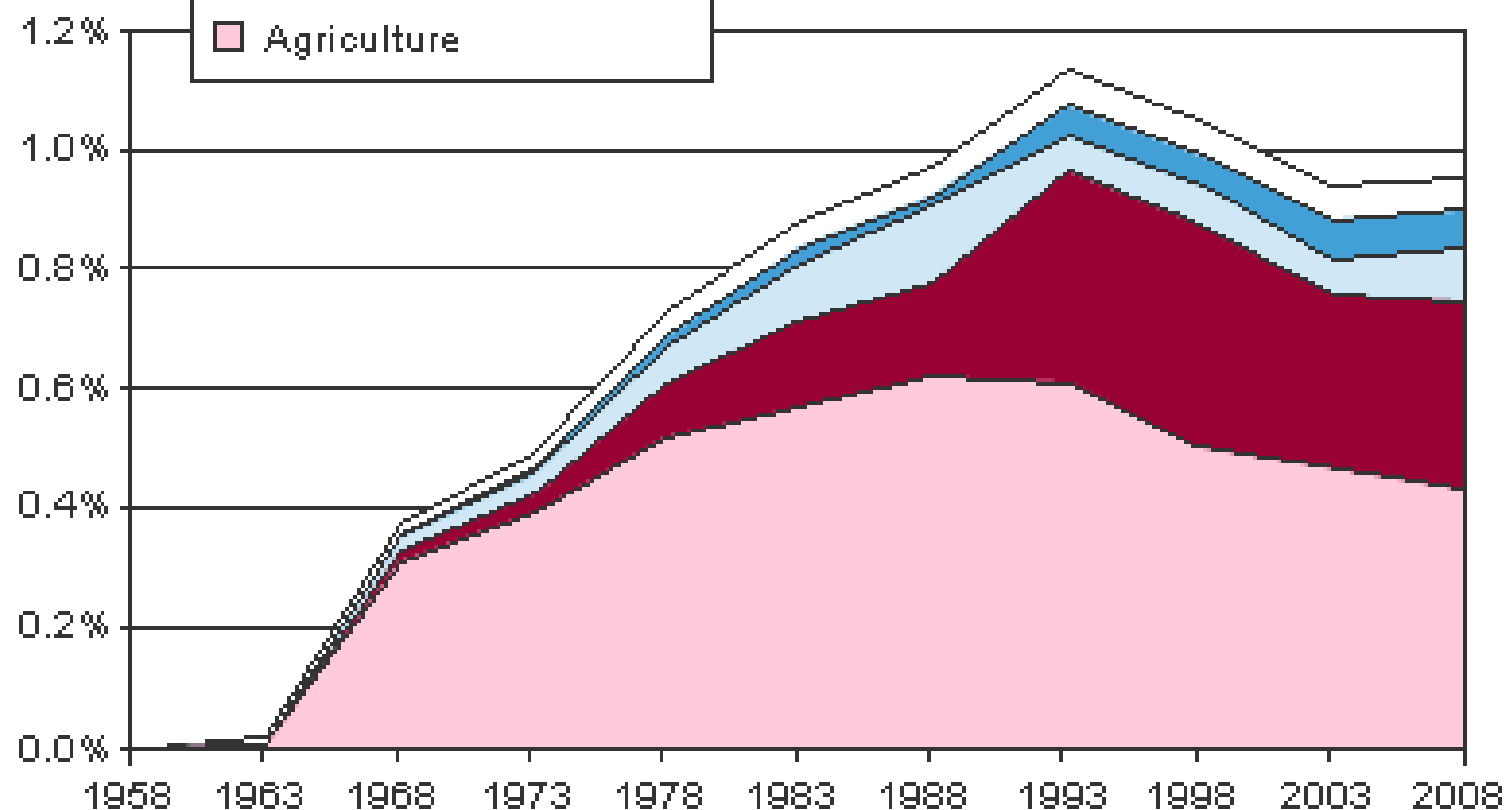
- **Economic motives**

- 15 to 40% expenditure returns to the payers
- Positive knock-on effects (increased demand)





EU budget expenditure 1958-2008 (in % of EU GNI)





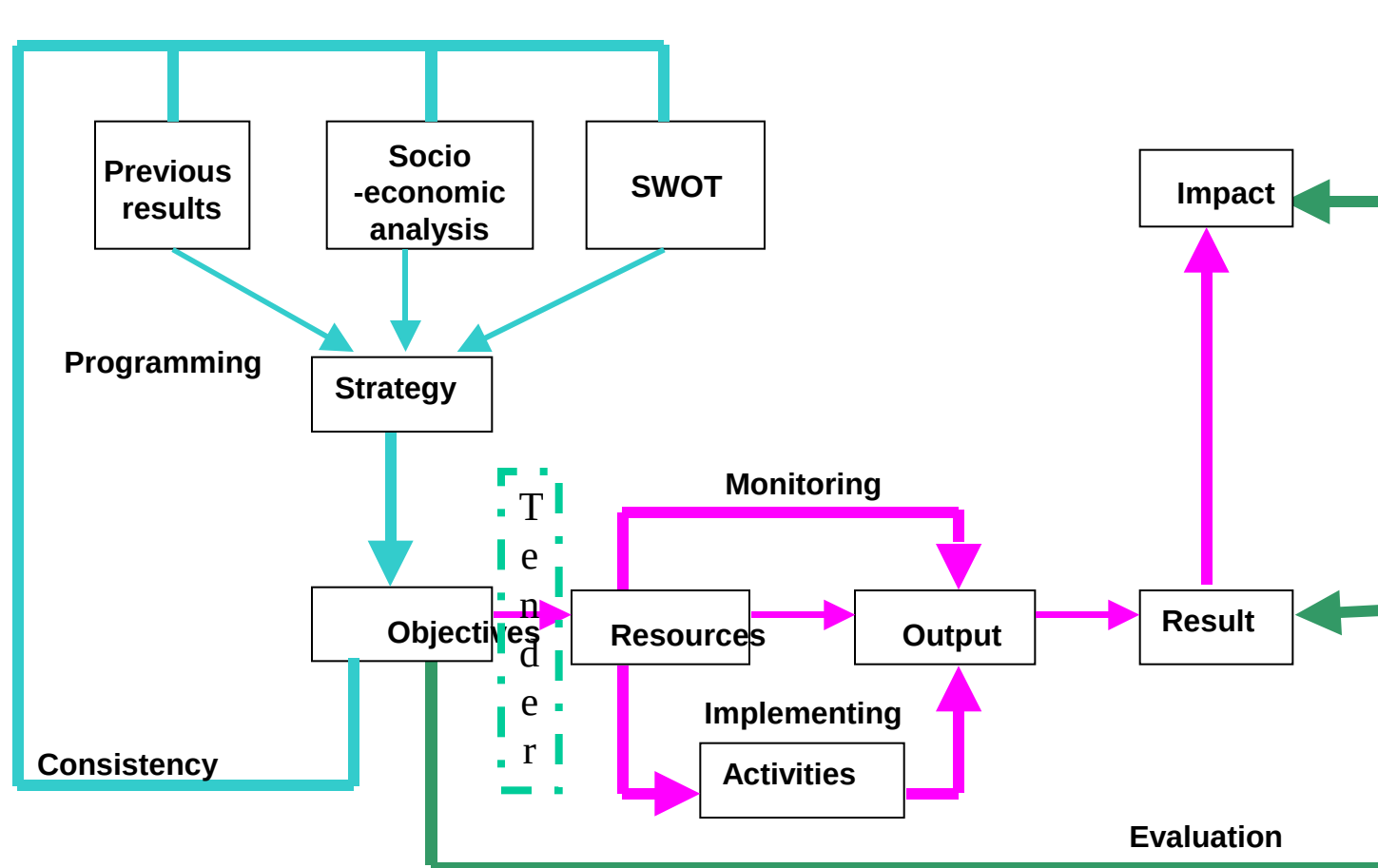
Incentive types – How?

- National envelope
 - Co-financing of projects (n+2)
 - Payment in-return, based on financial claims (all scales)
 - If you don't spend, you lose
 - *Cohesion Policy, Rural Development Policy*



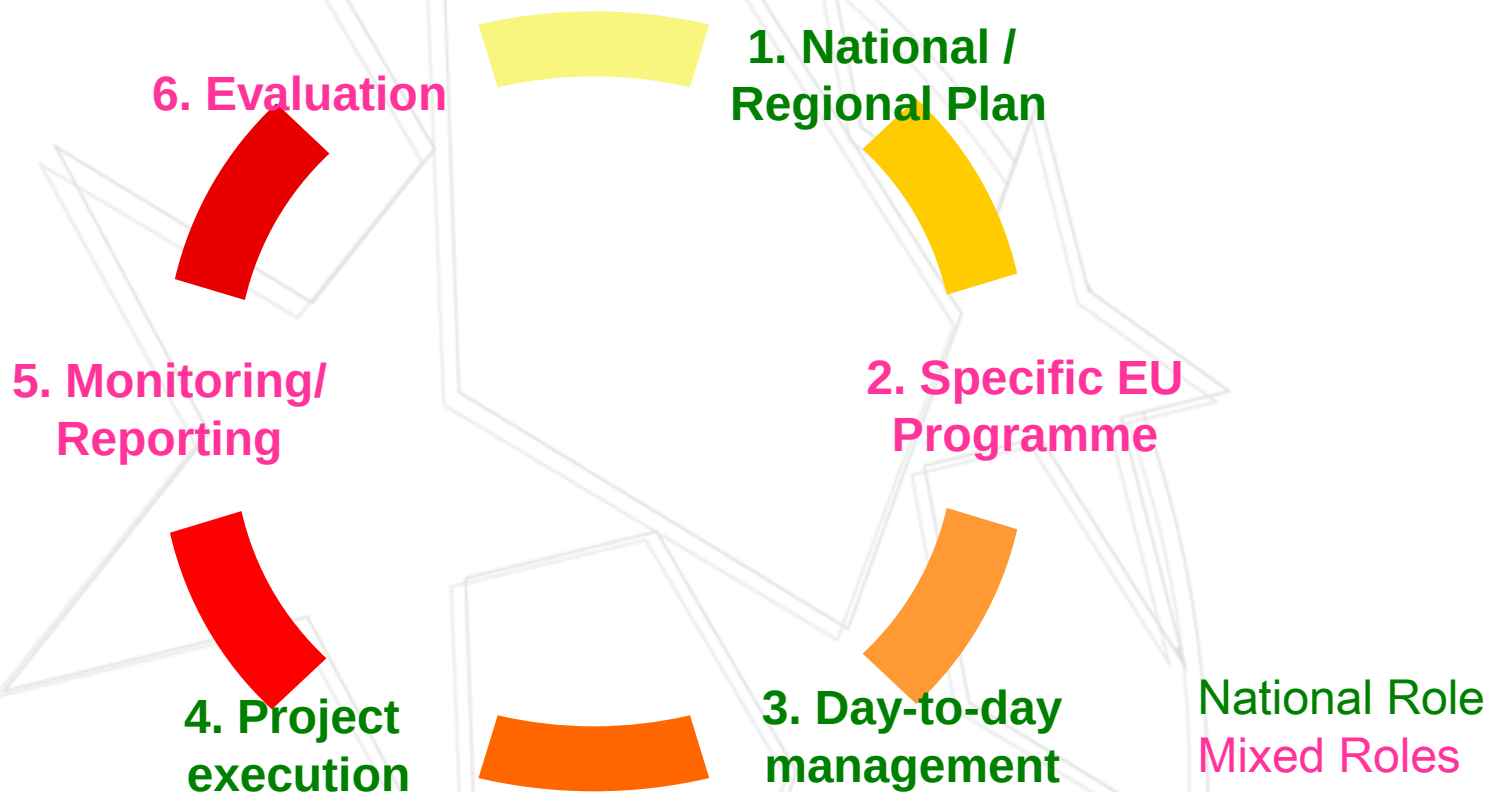
EU financial instruments: Programming logic

Legal base





Programme cycle





Absorption capacity ?!

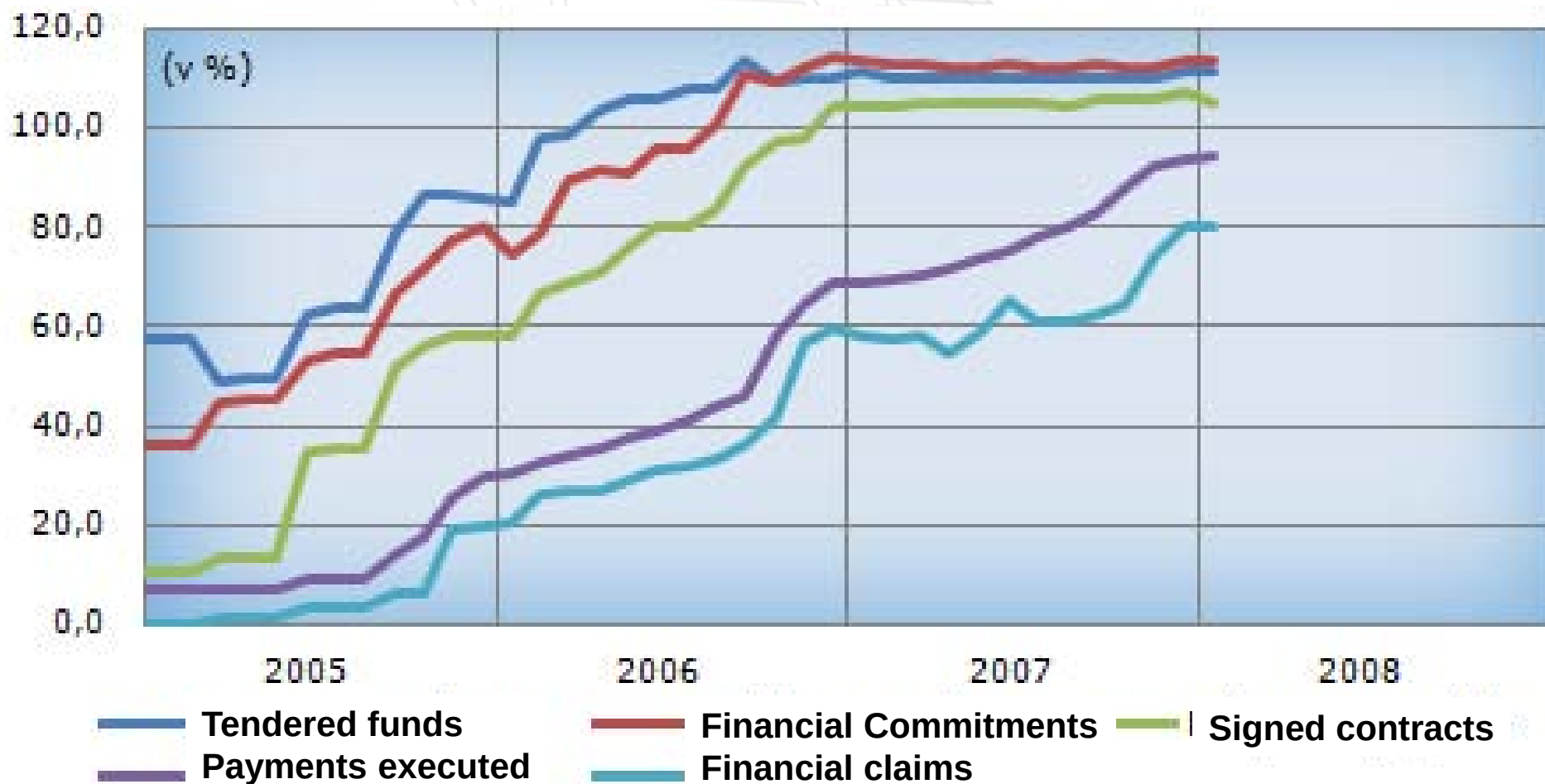
(Self-) evaluation of actual and trend (middle-term Absorption capacity)

	Actual (2008-2010)	Trend (2010-)
Real absorption capacity		
- Incentive & ability to invest		
- Production factor availability		
Financial absorption capacity		
- Co-financing: final recipients		
- Co-financing: the Member/Candidate State		
Programs / project absorption capacity		
- Adequate programming documents		
- Adequate implementation capacity (not only accredited measures..)		
- Readiness of project documentation		
Administrative absorption capacity		
- Capacity of final recipients		
- Capacity of support (administration, consultation)		



Lag in absorption

(illustration: Slovenia, cohesion policy, 2004-06)



(V mio EUR – cenah iz leta 2004)

[illegible]



FINANCIAL PERSPECTIVE 2007-2013

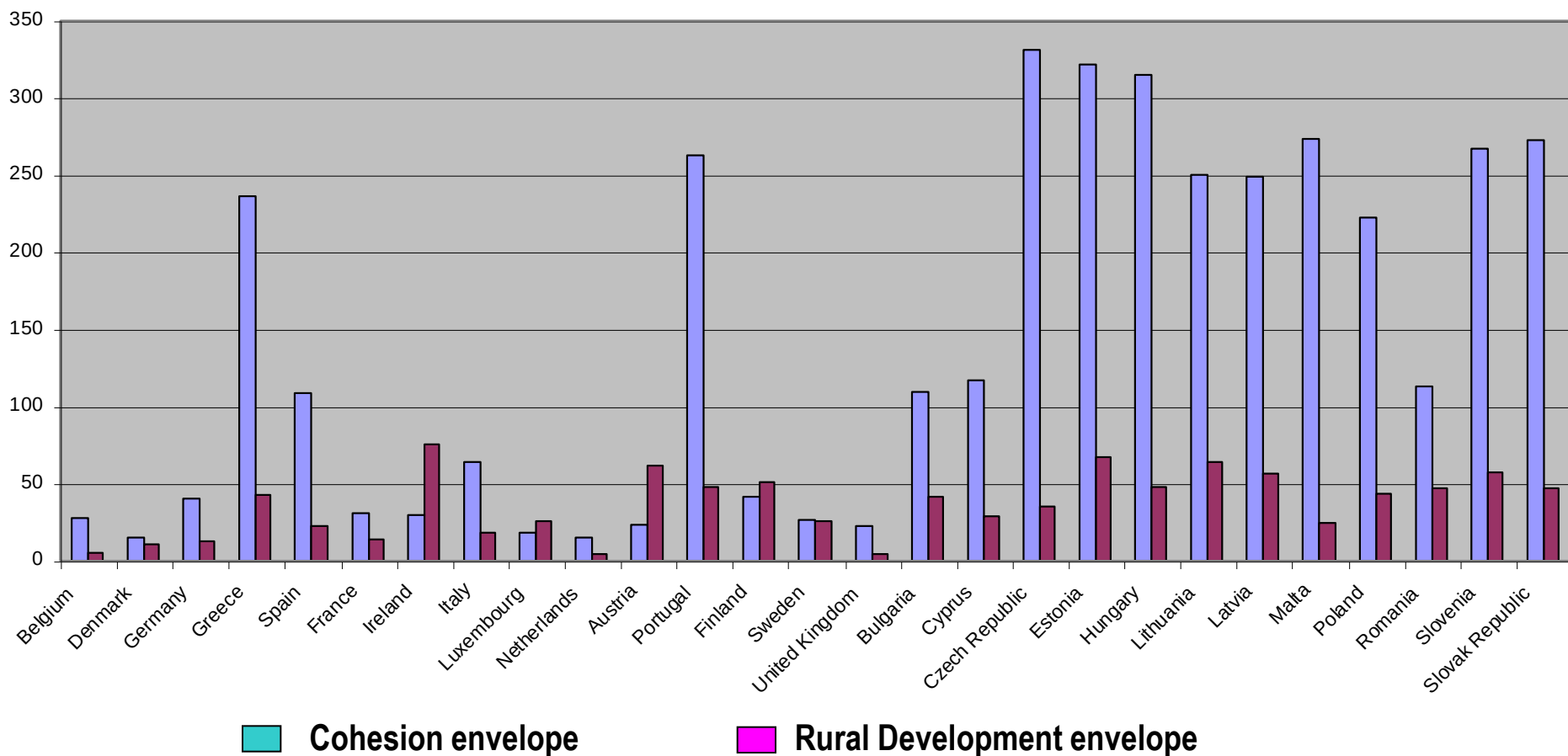
cene 2004

Poglavja NFP		2006		2007-2013	
		mio. €	%	mio. €	%
1A	Competitiveness for growth&employment	7.570	6,6	74.098	8,6
1B	Cohesion Policy	37.586	32,6	308.041	35,6
2	Preservation&manag. of natural resources	55.411	48,0	371.344	43,0
	Of which:				
	Direct payments & market measures	43.735	37,9	293.105	33,9
	Rural Development	10.544	9,1	69.750	8,1
	T O T A L	115.448	100,0	864.316	100,0



National envelopes – comparison CP, RD

National envelope (€ / capita)





Objectives, Structural Funds and instruments 2007-2013

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European territorial Cooperation	ERDF		
	infrastructure, innovation, investments etc.	vocational training, employment aids etc.	environmental and transport infrastructure, renewable energy
	all Member States and regions		Member States with a GNI/head below 90%



Structural funds allocation by type of region 2007-13

- Convergence Regions
- Phasing-out Regions
- Phasing-in Regions
- Competitiveness and Employment Regions

Total: €347.4 billion

Convergence: €199.3 bn. (57.4%)

Cohesion Fund: €69.6 bn. (20%)

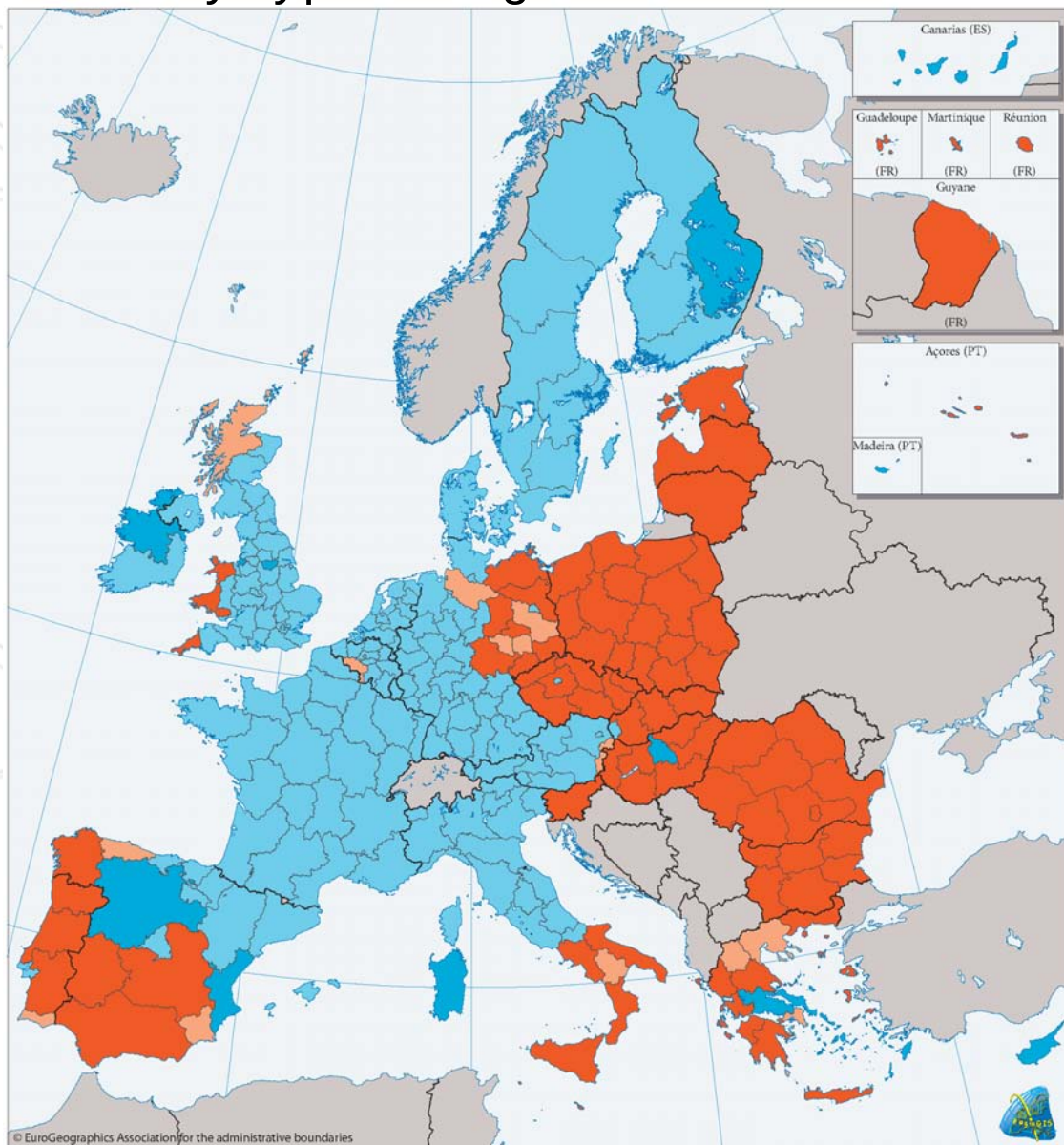
Phasing out: €13.9 bn. (4%)

Phasing in: €11.4 bn. (3.3%)

Competit.: €43.5 bn (12.5%)

Cooperation: €8.7 bn. (2.5%)

in current prices





Implementation of Cohesion Policy 2007-2013

(illustration: Slovenia 2007-2013)



CP Regulations

EU Strategic
Guidelines+ Lisbon

Strategy of Development of
Slovenia

*National Development Plan RS 2007-2013 &
NATIONAL STRATEGIC REFERENCE FRAMEWORK*

OP
Strengthening
of reg.
develop.
potentials

OP Human
resource
development

OP
Environmental
& transport
infrastructure

Monitoring
Committee

Public tenders

**PARTNERSHIP, SECTORAL DEVELOPMENT PROGRAMS
REGIONAL DEVELOPMENT PROGRAMS
RESOLUTION OF NATIONAL DEVELOPMENT PROJECTS**



Allocation of funds by OPs

#	Operativni program	Sklad	Sredstva EU (v €, tekoče cene)	%	%	%
1	Operativni program za krepitev regionalnih razvojnih potencialov	ESRR	1.709.749.522	40,7	41,7	63,6
2	Operativni program razvoja človeških virov	ESS	755.699.370	18,0	18,4	28,1
3	Operativni program razvoja okoljske in prometne infrastrukture	KS	1.411.569.858	33,6	34,4	
		ESRR	224.029.886	5,3	5,5	8,3
4	Čezmejni in medregionalni operativni programi	ESRR	96.941.042	2,3		
5	Transnacionalni operativni programi	ESRR	7.315.278	0,2		
	Skupaj:		4.205.304.956	100,0	100,0	100,0



Cilji Nacionalnega strateškega referenčnega okvirja		Stanje (zadnji razpoložlj. podatek)	Cilj konec obdobja	Vir
Učinek				
1	Km novozgrajenih in posodobljenih cest		215	CIS
2	Km novozgrajenih in posodobljenih žel. prog		428	CIS
Rezultat				
3	Delež inovativnih podjetij v Sloveniji	21%	44%	SURS
4	Povečanje deleža zaposlenih s krajšim delovnim časom v skupni zaposlenosti	10,1%	15%	SURS
5	Število prenovljenih javno veljavnih programov izobraževanja in usposabljanja		150	CIS/MŠŠ, MVZT
6	Število komunalno opremljenih aglomeracij (v %)	50%	95%	MOP
Vpliv				
7	Prispevek NSRO k letni rasti BDP (v odstotnih točkah glede na rast brez sredstev NSRO - povprečje obdobja)		0,75 odst. točke	Model
8	Število novo ustvarjenih neto delovnih mest kot posledice NSRO		27.500	Model
9	Število bruto ustvarjenih delovnih mest		33.900	CIS
10	Povečanje stopnja zaposlenosti kot posledice NSRO	65,9%	+ 1,7 odst. točke	Model
11	Zmanjšanje stopnje registrirane nezaposlenosti kot posledice NSRO	10,2%	- 2,2 odst. točki	Model
12	Razlika med žensko in moško stopnjo registrirane nezaposlenosti	3,6 odst. točke	- 10%	SURS/ZRSZ
13	Zaustavitev negativnega trenda povečevanja regionalnih razlik - izražen v koeficientu variacije "Indeksa razvojne ogroženosti"	34,2%		SURS/SVLR



OP Strengthening of reg. develop. potentials

Operativni program Evropskega sklada za regionalni razvoj; Raven razvojnih prioritet	Sredstva ESRR; €	%
SKUPAJ	1.709.749.522	100
1. Konkurenčnost podjetij in raziskovalna odličnost	402.133.645	23,5
2. Gospodarsko-razvojna infrastruktura	396.934.393	23,2
3. Povezovanje naravnih in kulturnih potencialov	263.235.116	15,4
4. Razvoj regij	619.442.634	36,2
5. Tehnična pomoč	28.003.734	1,6



OP Human Resource Development

Operativni program razvoja človeških virov; razvojnih prioritiet	Raven	Sredstva ESS; €	%
SKUPAJ		755.699.370	100,0
1. Spodbujanje podjetništva in prilagodljivosti		262.114.965	34,7
2. Spodbujanje zaposljivosti iskalcev dela in neaktivnih		140.018.678	18,5
3. Razvoj človeških virov in vseživljenskega učenja		164.661.965	21,8
4. Enakost možnosti in spodbujanje socialne vključenosti		63.848.517	8,4
5. Institucionalna in administrativna usposobljenost		97.051.506	12,8
6. Tehnična pomoč		28.003.739	3,7



OP Development of Environmental and transport infrastructure

Operativni program razvoja okoljske in prometne infrastrukture; prioritet	Raven razvojnih	Sredstva ESRR; €	Sredstva KS; €	Sredstva SKUPAJ; €	%
SKUPAJ		224.029.886	1.411.569.858	1.635.599.744	100,0
1. Železniška infrastruktura			449.567.581	449.567.581	27,5
2. Cestna in pomorska infrastruktura - KS			241.370.738	241.370.738	14,8
<i>Ceste</i>			<i>206.840.911</i>	<i>206.840.911</i>	
<i>Pomorstvo</i>			<i>34.529.827</i>	<i>34.529.827</i>	
3. Prometna infrastruktura - ESRR		224.029.886		224.029.886	13,7
4. Ravnanje s komunalnimi odpadki			205.568.426	205.568.426	12,6
5. Varstvo okolja - področje voda			325.483.339	325.483.339	19,9
<i>Odvajanje in čiščenje komunalnih odpadnih vod</i>			<i>102.784.212</i>	<i>102.784.212</i>	
<i>Oskrba s pitno vodo</i>			<i>148.466.085</i>	<i>148.466.085</i>	
<i>Zmanjšanje škodljivega delovanja voda</i>			<i>74.233.042</i>	<i>74.233.042</i>	
6. Trajnostna raba energije			159.886.553	159.886.553	9,8
7. Tehnična pomoč			29.693.221	29.693.221	1,8



EU Cohesion Policy after 2013 – likely prospects



...merely an informed speculation

- Contextual scope of policy - broadening or widening?
 - (some parts of) EU RD policy falling under Cohesion Policy? ('theological dispute between DGs)
- Financial scope – prospects
 - Crucially depending on budgetary negotiations – fiscal austerity
 - Likely to increase in relative terms, but most likely to remain at same nominal figures
 - Same funds, more contenders - solidarity on test...