



CONCLUSIONS

by Fabrizio Barca*

I. General punch-line of the Conference.

This Conference, carefully organised and supported by two *Issue Papers* and several committed presentations, clearly shows a convergence on three messages:

- 1) The draft Regulation represents a turning point in the attempt to adopt an integrated, territorial and place-based approach (in short, from now on, “integrated approach”) to development policy.
- 2) The “special tools” for integration disseminated in the Regulation can be helpful in boosting the integrated approach.

But:

- 3) Important revisions need to be introduced, especially in the ordinary programming *filiera* of the Regulation (Common Strategic Framework, Partnership principles, Partnership Contracts, Operational Programmes, Result Indicators and Performance Reserve) if:
 - we want to avoid “integration” - or, worst, its segments (urban, rural, urban-rural linkages and “areas with particular territorial features”) – becoming just a sectoral niche (as Mr. Jan Olbrycht put it) or a compartment (as Mr. Jacek Zaucha put it) and the special tools looking like “disconnected meteors”,
 - and rather we want to make “integration”/place-basedness/territoriality an inseparable component of ordinary mainstream programming, as mandated by the art. 174 of the Treaty.

Therefore, in this conclusion, I will try to translate some ideas presented at the Conference into preliminary suggestions for revising the Regulation. First, I will consider the programming *filiera*. Then, I will make a few points on the special tools.

II. Ideas on the programming filiere.

Common Strategic Framework (art. 11)

The consistent adoption of an integrated approach in cohesion policy very much relies on how sharply point b) of art. 11 will set the mandate for the Commission in negotiating Partnership Contracts and Operational Programmes for all Funds.

The debate has made clear that point b) of art. 11 should go far beyond the identification of “key territorial challenges” and should rather provide a methodology on how to design integrated strategies dealing with them and accounting for linkages among territories (including urban-rural), such as Mr. Philip McCann has suggested with his “box”, Mr. Jacek Zaucha has suggested with his “framework of territorial keys” and several presentations have argued with reference to specific places. How could points b) and c) of art. 14 on Partnership Contract be implemented without this clear mandate to the Commission?

More precisely, point b) should provide for the Common strategic framework to give guidelines on:

1. “how to implement an integrated approach by tailoring objectives and actions to the different mix of territorial challenges”;

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2. “when, why and how to use the Regulation’s special tools of articles ...” - for example on Community-led-local-development (how to identify the “sub-regional areas?”), and on the 5% reserve for Integrated urban projects (how to select the list?);

and, in my personal view - the Conference expressed different views on this point - also:

3. “how territorial cooperation contributes to the selected priorities”.

Partnership (art. 5)

The words “conflict” and “partnership” have been repeatedly advocated. During the Conference. And rightly so, in my view. They are the initial and final step of any place-based policy process whereby:

- *first*, it is recognised that many different views exist on what to do and that conflicts of interests (rural-urban, rich urban-poor urban, urban-urban) exist as well as conflicts of values and ideas on how any given interest should be dealt with, and on whether synergies between those interests are achievable or not, and how;
- *then*, these conflicts are turned into an evidence-based and public debate, instead of following any dogma (urban-centric or rural-oriented);
- *finally*, this debate leads to decisions through an appropriate governance, whereby conflicting actors become partners.

As it has been stressed, in the logic of Partnership Contract, partnership takes place first of all within Member States: a) between private actors and between private and public actors within each place, b) between policy-makers at different level of government. The important change compared to the past is that this partnership will now be governed by a “European code of conduct” whose writing is delegated to the Commission. It is clear from the Conference that this code should be widely debated and should include suggestions for a better representation and working of Monitory Committees (see below).

Partnership Contract (art. 14)

Once the Common strategic framework were to be strengthened as the Conference suggested, provisos b) and c) of article 14 defining the Partnership contract would not look as an appendix, but would have a strong base, and, in my view, the strategy for territorial cooperation could be introduced in the Partnership Contract.

Operational Programmes (art. 24, and 87 for ERDF)

It has been widely stressed that the integration approach should apply to all objectives and spending typologies. Coherently with the logic of the Common strategic framework and Partnership contract, a reference to the integrated approach should be made in article 24, setting the content for all Funds, whose specific Regulations should elaborate on.

Furthermore, the Conference has stressed that the integrated approach does not apply to specific components of programmes, “contributing” to the general strategy, but that it is an horizontal feature of programmes: therefore in article 87, point c), operational programmes should not be asked to show a “contribution” to the integrated approach, but should rather show that they are “coherent with it”.

Correspondingly, in the *ex-ante* evaluation (article 48, point 3) there should be a reference to an *ex-ante* assessment of how the integrated approach is actually assumed to be implemented.

Monitoring Committee (art. 42 and 100)

Given the relevance of partnership in implementing the integrated approach, the appropriate implementation of this approach should be explicitly mentioned among the fundamental functions of monitoring. And ongoing and ex post evaluations should also be geared to it.

As for the Commission role, Mr. Jan Olbrycht pointed out that in the draft Regulation, “the Commission is back”, not just as a supervisor but as a partner, sharing strategic responsibilities. It is therefore clear that the Commission cannot act in the monitoring Committee as an “Advisor” but should rather act with its full power and responsibility.

Result indicators (art. 24 and others) and Performance Reserve (art. 18-20 and annex I)

In a Conference previously organised by the Polish Presidency and through important pilot exercises which several Regions are conducting with the guidance of the Commission, it has been made clear that the implementation of one of the major changes of this Regulation (a clear distinction between

outputs, results and impacts and a strong focus on results' indicators and targets) is in no way in contrast with the integrated approach. And that, on the contrary, quantitative and qualitative measures are needed to focus on the intended achievements of integrated-approach-interventions and to monitor them. But the present Conference has repeatedly made clear that, for this to be the case, no EU-wide performance system must be linked to results – in the meaning now adopted by the Commission –, since this would create a powerful incentive not to be ambitious and would turn the result indicator system into an unusable tool. Coherently with this observation, the word “result” should be taken out of Annex I.

III. Ideas on the special tools.

All special tools presented in the Regulation received, on the whole, strong support in the Conference. But it was pointed out that the strategy behind their introduction is not clear. The strengthening of the programming *filiiere* summarised above would address this problem. Specific suggestions also emerged from the Conference on specific tools.

Community-led-local-development (art. 28-31)

The Community-led-local-development tool received, on the whole, strong support in the Conference and it was pointed out that it responds to several suggestions advanced by one of the Issue Papers presented to the Conference itself. The cooperation among four different DGs Commission and the effort that they put into the design of this tool was also warmly appreciated. By drawing from the experience not only of LEADER but also of several other tools implemented by cohesion policy in the past, two issues were brought to the fore which should be taken into account:

- First of all, it was pointed out that it is reasonable to expect only a small share (about 5% and no more than 10%) of Funds to be invested through this tool. If this is the case, it should be made clear that all the remaining resources should also be programmed and implemented and monitored through a mobilization of local agents. It is up to the Common strategic framework and to the European code of conduct to fill up this vacuum and to prevent Community-led-local-development from becoming a “smoke and mirror” just to satisfy the integrated, place-based and territorial label of cohesion policy. The proviso according to which the Commission should be delegated the power to define the areas where community-led-local-development takes place has also been strongly questioned, since no one can be expected to make such choice through one-size-fit-all methodology without a specific knowledge of contexts. (The place for the Commission to express its ex-ante view on how these areas should be selected is the Common strategic framework and the place to question Member States' and Region's choices is the negotiation over the Partnership Contract and the Operational Programmes)
- Furthermore, it has been pointed out that several reasons call for the Managing authorities (regional or national) to play a more active role in the governance of Community-led-local-development than what is now assumed: the need to avoid weaker or more innovative local agents to be pushed aside by stronger or more conservative agents; the need to reduce the emergence of rent-seeking; the need to ensure an appropriate role of democratically elected officials. It is the purpose of an integrated, territorial, place-based approach to development not to transfer resources to self-appointed local elites, but to intervene into the local equilibrium of agents and promote innovation. It has therefore been suggested that the governance of these tools should be carefully adjusted in order to ensure this greater role of the Managing authorities and to reduce the risk of rent-seeking (as in the proviso to give “at least 50% of the votes in selection decisions ... [to] non public sector partners”), without, on the other hand, weakening the community-based nature of the tool.

Integrated territorial investments (art. 99)

It was pointed out that, without further clarifications, this tool could be interpreted as the only way through which an integrated approach is implemented. It is up to the Common strategic framework to clarify how this tool is rather the way to implement a “strengthened” integrated approach.

The 5% ring-fencing in ERDF for urban integrated projects (art. 7.2)

The role of this tool should also be clarified by the Common strategic framework. It was also pointed out that it is up to each Operational Programme to clarify how the selection of the cities is made according to criteria which are coherent with the integrated approach described in the same document. While it is up to the Common strategic framework to discuss possible, alternative criteria.