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"More performance-oriented Cohesion Policy.

Political context of the debate"

Conference - Evidence Based Cohesion Policy

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So here I am again to see how Pomorze and Trojmiasto flourish. Of course this is to a large extent thanks to the investment opportunities offered by European regional policy. But we all know how important the role of local and regional authorities is in exploiting these opportunities.

I am very pleased to be here in Gdansk and to manifest my strong support to the cohesion policy and to your commitment to moving more decisively toward effectiveness and result-oriented cohesion policy.

Some of you have come here with curiosity and expectations, others are committed experts that want to share with others what they have already developed to make cohesion policy work better. Today we have a good understanding of what works and what does not work.

I feel I am old enough to say with responsibility that cohesion policy is one of the most important EU policies and its importance grows in difficult times. Cohesion policy can ensure that investment continues even in times of budgetary constraints. But in this climate, it is even more important that we invest in the "right" things in the most effective and efficient way. And to help make these choices, it is important that we have evidence and that we use

this evidence. It is of vital importance to see that available resources are used in the most efficient and effective way. And let me express my hope that this time around we will have regulatory frameworks that are flexible enough to cope with both ordinary situations and special cases.

The Commission has last week made its proposals for the future multiannual budget of the EU. I am pleased to see that Cohesion policy retains its central importance, given the successful contribution it has clearly made over the years. I am also pleased to see the emphasis on the alignment with the EU2020 objectives, on concentration, and on a focus on results. What we have received is an excellent basis for negotiation.

The European Parliament adopted its position on the next Multiannual Financial Framework a couple of weeks ago. We are pleased to see that many of our concerns have been taken into account in the proposal of the Commission. The Regional Development Committee of the European Parliament has worked very closely with the Commission and subsequent Council presidencies and I trust our positions are close enough to have smooth and rather short negotiations.

Cohesion Policy is the most evaluated EU policy. These evaluations deliver real evidence, so the subsequent reforms of the policy can take it on board; they can be debated and discussed. This conference and the background paper for it are "evidence" of this.

This means that cohesion policy is a policy which is constantly renewing and improving itself. It is a learning policy. Other EU policies should follow the example set by cohesion policy. But of course this never-ending effort to further improve the way the policy is organised and managed leads to frequent changes which can increase the cost of policy implementation.

We know that while caring for absorption of resources and financial control, we must ensure delivering real benefits for EU citizens. Our objective is not to spend money - it is about investment with a view to change things for the

better but also be able to show that this is happening. I very much welcome the messages of the Commission's budget review paper, of the 5th Cohesion report as well the communication on the new MFF which focuses our attention on results.

But let me go back for a moment to 2004 when we faced the challenge of integrating ten new member states into a policy framework that by definition requires a certain amount of rules, structures, and controls. Of course, results mattered strongly, but the real challenge was to build the capacity to absorb. Today we are at a different stage. We are obliged to move more boldly towards building comparative advantages of regions.

What does a 'result-orientation' really mean? I believe that it should be present at each policy stage: starting from formulating strategies and objectives, programme design and various implementation stages to impacts on citizens. It is crucial - if we want to be effective - that we are clear about our objectives and target our resources closely on those objectives. The challenge is double: achieving results but also having the capacity to demonstrate them. We have to plan how to demonstrate the effectiveness - the "results" - of the policy. During implementation, it is necessary to collect data and monitor the progress made by programmes as well as to carry out evaluations of the effects of the policy. I can tell you that all these aspects will be very important points for the European Parliament in the negotiations on the future budget and the future regulations to govern cohesion policy. But, even if a 'result-orientation' is fully embedded in legal documents, what is really needed is a strong political commitment across the EU and openness to learning, translated into administrative routines. But let me say the result focus should become every bit as much a priority for the policy as absorption and financial control.

While the evidence available demonstrates convincingly how much cohesion policy delivers, clearly we can always improve. I support the Commission's view that a clearer articulation of what we are trying to achieve and greater concentration towards these objectives can only strengthen the effectiveness

of the policy. This is even more important in a time of crisis, coming out of the crisis. We must put our economies on the track of productivity gains, competitiveness and creating capacity to generate sustainable jobs.

In our reflections today, we focus on what cohesion policy should do in the future after 2013, but it is equally important to see the extent to which we can already adopt this new attitude in the delivery of the current cohesion policy. There is enough evidence which should influence how we invest cohesion policy resources now. The report developed by the Polish presidency makes many interesting suggestions in this regard. We can look at the systems in place and fine tune them to ensure that we can demonstrate the impact and added value of our current programmes. There are strong arguments to convince the doubters that cohesion policy should continue to invest a significant proportion of the EU budget in the future.

I personally strongly support this further shift towards a result-oriented approach within the cohesion policy because this policy has always had the ambition to be ahead of others. The new philosophy of MFF is based on what cohesion policy has innovated. Of course it goes without saying that to get this result-oriented approach work for the good of the policy we must get it right. Mishandling this reform can lead to limiting the new focus on indicators only without really addressing the problems.

Of course you as practitioners know best that cohesion policy today works in a very complex and complicated environment, that many diverse and quickly changing factors have impacts on the way it works, that those factors that bring innovation to the policy bring also often high level of risks. And there is no openness to risk in the tradition of the EU budget. The road will be difficult and bumpy - but at the end of a smooth road there is usually nothing interesting.

I hope you would agree with me that a decisive and effective shift towards result oriented approach requires a mental change among those in charge, both in the Commission and on the ground in the member states, regions,

towns and cities. Somebody said that it is part of European institutions' culture to be rules-bound and compliance-focused. This is particularly the case when you are responsible for the sound financial management and protection of EU budget. That justifies a strong focus on monitoring and controlling of the process through which policy is delivered, but this requires a dramatic change if we want to move to result oriented policy. Is the Commission prepared for such a shift and will the Parliament accept it?

To conclude, the challenge for all actors of shared management is therefore to find the shortest and the most effective way to move from A to B where A would be the focus on policy process and B the focus on policy result. This is not only about the right choice of indicators, this is about thinking differently and, also, about managing the policy differently. But it is worth doing and cohesion policy must champion this shift.

Without a strong commitment from all levels and stakeholders of shared management, this shift to orientation on results will not materialize. This is not about a new administrative effort, but it is about an effort. The change will not just occur. It will have to be done.

Now our challenge is to find the best ways and means to motivate all those involved in the policy to move in a carefully orchestrated way towards result-based approach.

But I believe we are not starting from scratch. Such already well-established features of cohesion policy management system as strategic approach, as bottom-up mechanisms of involvement, as availability of incentives, as huge progress in monitoring and evaluation plus the enthusiasm of all stakeholders which always surprises me - all that facilitates the move toward result-oriented policy. Our reflexion on future policy, then our work on regulatory framework, then the process of designing programmes and projects - all those stages of policy development have to be fully exploited to build in into the new edition of cohesion policy a result oriented way of thinking and delivering. And I must say - and this will be my last word - I am confident that we will make it.