

# GROUP OF HIGH-LEVEL SPECIALISTS ON THE FUTURE OF COHESION POLICY

# Increasing the policy effectiveness through renewed conditionality mechanisms

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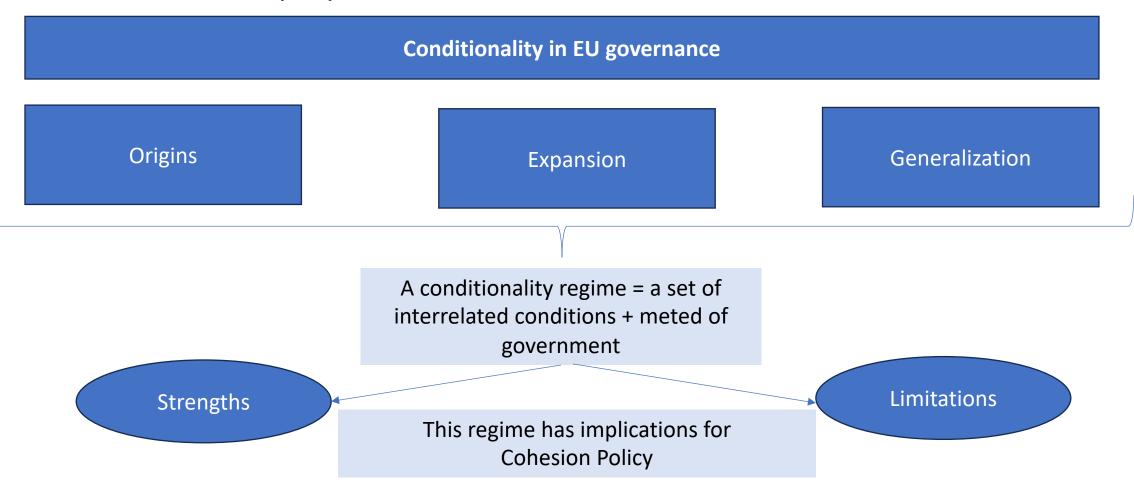
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## Focus of the paper





## The consolidation of a comprehensive conditionality regime

Table 2: the EU's comprehensive conditionality regime

Conditionality	Economic	Economic, Social and EU		
types	Governance	Territorial Cohesion		budget
	European	Recovery	Cohesion	Financial
	Semester	and	Policy	interests
		Resilience	Funds	of the
		Facility		EU
Policy		x	x	
oriented/Thematic				
Macroeconomic	X	X	X	
Spending	X	X	X	X
Negative	X	X	X	X
Ex ante		X	x	
Ex post			X	
Managerial		X		
Value-based		X	x	X





## Main questions addressed by DG Regio

• How should cohesion policy macroeconomic conditionality be further designed?

 How to increase policy effectiveness through renewed conditionality mechanisms, including enabling conditions, macro-economic conditionality and the rule of law conditionality?





## Lessons learned /to be learned

- 1. Conditionality serves several functions
- 2. Complex political process & various tensions at the top and at the bottom
- 3. Change over time: from coercion to flexibility & coordination
- 4. Democratic & legitimacy concerns
- 5. Limited outcomes in terms of policy change





## Issues to be addressed & my responses to the two questions

- 1. Macroeconomic conditionality & EU funds
- 2. Democratic concerns: from governance to a new method of government?
- 3. Coordination between the RRF & Cohesion Policy
- 4. Policy effectiveness





#### 1. Macroeconomic conditionality & EU funds

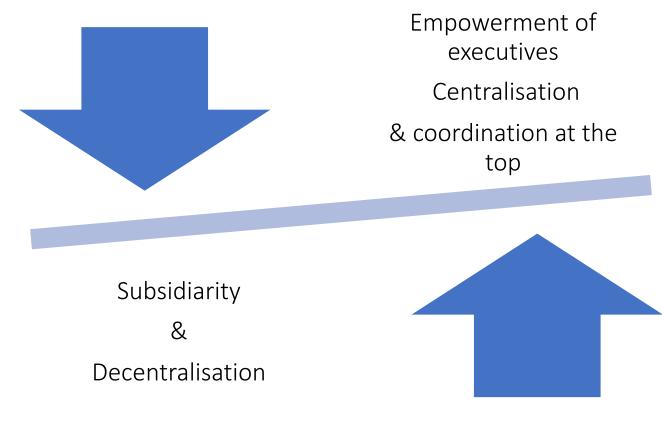
- Controversial provision, disputed but never applied
- Confusion between aims related to reduce macroeconomic imbalances & Cohesion

- Future discussion concerning the role of macroeconomic conditionality
  - in the Economic governance *tout court* leading to its suspension or revision of the SGP?
  - its role in Cohesion Policy
  - A balance between strict rules & incentives is needed as well as between conditionality & flexibility





2. Democratic concerns: from governance to a new method of government





#EUinmyregion

#### 3. Coordination between the RRF & Cohesion Policy

- Cohesion has taken centre stage in the NGUE
  - A step forward?
  - A too restrictive definition of cohesion depriving it from its specificities?
  - It is unclear how much the NRRP will help to promote social, economic, and territorial cohesion.
- If the RRF is more centralised, Cohesion is under shared management.
  - Given the political ambitions of the RRF and the capacity constraints of the Member States, there is a risk that Cohesion will be abandoned and that centralisation, which is already a key feature of the regime in place, will the increased at the expenses of the partnership principle.





#### 4. Policy effectiveness

- The conditionality regime should not be idealized
- Corruption & violation of norms and values can be resistant to conditionality
- Too many conditions can also weaken the expected outcome
- Risk of transforming the process into a too bureaucratic exercise & questions about the credibility of the assessment





#### Conclusions

Thanks to the RRF, Cohesion Policy has been strengthened in the EU.

• Yet, it is more important than ever for this policy to retain its **specificity/identity** so that it is not torn between different objectives that may be in competition, conflict or tension with each other.

If ex ante and enabling conditionalities can play a key role in Cohesion Policy, macroeconomic conditionality has proved to be superfluous.

• The articulation between conditionalities in this complex regime needs to be reconsidered.

Ultimately, it is time for attention to be paid to the national dimension, vital for the political, economic and social cohesion of the Member States.

- What is **implemented** and how matters not only for the future of EU integration but also for the state of democracy.
- Concrete **outcomes** are needed in policy areas in which EU citizens expects to see considerable improvement (Barca 2009). This conclusion of the Barca report is even stronger today after a decade of crises.





### Thank you!

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