Minutes
Eighth meeting of the group of high-level specialists on the future of Cohesion Policy – Revisiting the Cohesion Policy Delivery Mode

13-14 November 2023, Brussels

1. Nature of the meeting

The eighth meeting of the group of high-level specialists on the future of Cohesion Policy took place on 13 and 14 November 2023. The first day of the meeting included public and non-public discussions between members. The recording of the public and web streamed session of the meeting is available at https://ec.europa.eu/regional_policy/policy/how/future-cohesion-policy_en. The second day saw a non-public discussion between group members focused on elaborating the group's final report.

On the first day 11 members attended the meeting in person, on the second day 16 did.

The Commission was represented by Elisa Ferreira, Commissioner for Cohesion and Reforms; Themis Christophidou, Director-General and Peter Berkowitz, Director from the Directorate-General Regional and Urban Policy; Andriana Sukova, Deputy Director-General and Ruth Paserman, Director from the Directorate-General Employment, Social Affairs and Inclusion accompanied by staff from the Directorates-General.

2. Points discussed

A. Opening remarks

Themis Christophidou, Director-General for Regional and Urban Policy offered opening remarks and the Chair, Andrés Rodríguez-Pose introduced the meeting's topic.

Opening and welcome by Director-General for Regional and Urban Policy, Themis Christophidou

The Director-General welcomed all participants and thanked them for participating in the eighth meeting of the group. She introduced the topic of the meeting: the Cohesion Policy delivery mode, of significant interest to many stakeholders. Because the delivery mode of Cohesion Policy was already perceived as too complex, simplification of Cohesion Policy was a key objective while preparing the regulatory framework for the 2021-2027 programming period. Many of the 72 simplification measures that were adopted concerned the delivery mode. Further flexibility and simplification were introduced later on to respond to successive crises, namely COVID-19 and Russia's war on Ukraine (most prominent amendments including the CRII/CRII+, REACT-EU, CARE/CARE+, FAST-CARE, REPowerEU and SAFE initiatives). Cohesion Policy has shown its adaptability, but in future even more agility will be needed. New lessons from other instruments need to be considered, including from the Recovery and Resilience Facility (RRF). The RRF experience can be useful regarding its reform-based approach, emphasizing the link between investments and reforms.

Four further considerations can be put forward in reflecting about the future of the policy: 1/ how to enhance the place-based approach and partnerships, 2/ how to adapt the delivery system

by enhancing links between investments and reforms, 3/ how to increase the focus on performance, simpler delivery and management, 4/ how to encourage the use of financial instruments when appropriate, in particular in combination with grants, and 5/ how to find a balance between the necessary stability of the programming, achieving long-term development goals, and the need to cope with emerging challenges and unexpected crises.

In addition, she welcomed the speakers: Jonathan Zeitlin – Emeritus Professor, University of Amsterdam as well as David Bokhorst, Edgars Eihmanis Edgars, Laura Polverari, Annemie Turtelboom and Céline Gauer.

Welcome and introduction by Andrés Rodriguez-Pose

The Chair of the group, Andrés Rodríguez-Pose, welcomed all participants and introduced the topic. He mentioned that when meeting practitioners, the main complaint is about the complexity of Cohesion Policy. This complexity often undermines the capacity to implement the funds, which may negatively impact long-term development strategies supported by Cohesion Policy. He introduced the agenda of the two-day meeting with the first day including inputs from academics and institutional representatives and the second day focusing on internal discussion between group members.

B - Academic Inputs

The Academic Inputs session involved two presentations, each followed by a discussion.

Jonathan Zeitlin (University of Amsterdam), **David Bokhorst** (European University Institute) and **Edgars Eihmanis** (University of Tartu):

Rethinking the Governance and Delivery of the Cohesion Policy Funds:
Is the Recovery and Resilience Facility (RRF) a Model?

Despite multiple reforms, Cohesion Policy Funds (CPF) have faced continuous criticism of their effectiveness in reaching performance objectives while advancing broader EU policy goals. On other hand, the performance-based financing model of RRF, where payment is based on fulfilling milestones and targets rather than reimbursing eligible costs, is sometimes presented as a superior alternative to CPF. It is important to understand how the two models differ and how the RRF has been working in practice, to draw lessons for the future of CPF.

RRF is administered through direct management by the Commission, with the Member-States as beneficiaries. This centralises authority in the hands of national governments, to ensure efficient implementation of NRRPs and promises tighter integration of investments & reforms. In contrast to RRF, CPF are administered under shared management: Member States set their own specific goals and investment priorities in Partnership Agreements (PAs) & Programmes (Ps) negotiated with the Commission, within a common EU strategic and regulatory framework.

CPF governance and delivery has advantages over the RRF in terms of stakeholder participation and flexibility. The partnership principle ensures that local and regional authorities (LRAs), as well as social partners and civil society, are involved in preparation, implementation, and evaluation of Programmes, overseen by joint Monitoring Committees (MCs). While shared governance promotes ownership and inclusion, it is challenging to demonstrate CPF's effective contribution to EU and national level goals. In response, cost-based financing has been

increasingly supplemented by monitoring against performance indicators, with conditionalities added to align spending with EU priorities and country-specific recommendations (CSRs). Effectiveness of these measures has been critically evaluated by Court of Auditors (ECA). Latest CPF Regulations standardize performance indicators and include a mid-term review that allows the Commission to demand reprogramming in case of weak performance in addressing EU priorities. Nonetheless, CPF continue to suffer from a serious reputational problem.

Two questions retained Prof. Zeitlin's attention: (1) How far has the RRF model lived up in practice to the purposes for which it was designed? And (2) To what extent have direct management and performance-based financing fulfilled their promises of creating a more goal-directed, efficient, and effective system for steering and monitoring the timely implementation of ambitious national investment and reform plans financed by the EU budget?

Based on the findings of an in-depth comparative study of the drafting, implementation, and monitoring of NRRPs in 11 MS (BE, HR, EE, IT, LV, SK, ES, PT + AT, DE, NL), key findings stand as such:

- There is considerable variation in level of ambition of NRRPs, between frontrunners like PT, ES, HR, and plans that offer little beyond what was in the policy pipeline, e.g., NL & DE
- The Commission played a strong role in shaping and steering national plans, especially on reforms.
- Within the Member States, the setting up of the plans has centralized authority in the hands of national governments, with weak input from other stakeholders.
- RRF has enhanced leverage for governments in pushing through reforms & amplifying effects through complementary investments, but these positive effects may wear off over time.
- A major drawback of the RRF is the rigidity and bureaucratization of the monitoring process.
- Assessment of milestones and targets based on formal document verification leads to legalistic compliance and goal displacement, sapping ownership and hampering implementation.
- It is difficult and burdensome to revise plans when underlying circumstances change or unanticipated problems emerge in a model where milestones and targets are fixed for a six-year period.

Lessons learned can then be presented as follows:

- While RRF governance is still a work in progress, it does not currently live up to the promise of lean monitoring based on "results and not receipts".
- The CPF governance and delivery model also have advantages over the RRF in terms of stakeholder participation and flexibility.
- In the absence of substantial additional resources, it is unlikely that a strict performance-based model for the CPF would boost national ownership over current arrangements.
- While NRRPs ensure a better link to CSRs, there are under-utilized ways to strengthen reform requirements within the CPF framework.
- Adopting the RRF performance-based model would be even more difficult for the CPF, because of the large number of projects and programmes, many of which operate at a local or regional level.

- To advance the performance orientation of EU funding, what is missing in both models is a robust multi-tier monitoring system, which could be used by national authorities and the Commission to oversee whether EU-funded projects are making good progress towards their intended targets, and if not to initiate timely corrective action, including where necessary revisions of the original plan.

To strengthen the CPF's performance orientation, the EU should draw inspiration from international best practices of managing innovative investment and complex reform projects under uncertainty, e.g., through a multi-tiered system of diagnostic monitoring. The more innovative and complex a project, the less plausible that its goals and steps to achieve them can be fully specified in advance. Under such conditions, leading private businesses do not use the RRF's complete contracting approach, but set broad common goals for the project and establish joint governance to oversee it. Underlying such joint governance systems are 'diagnostic monitoring' arrangements for ongoing supervision and review of projects by stakeholders, which are aimed at identifying problems encountered in realising initial plans as they occur, devising effective methods for improving their implementation where possible, and revising original goals where necessary. Given the informational and staffing limitations of the EU institutions, adopting this approach to the CPF would need to rely on a multi-tiered system, based on more robust national monitoring arrangements, overseen by independent domestic authorities & subject to periodic review by the European Commission. To ensure local expertise, the role of multi-stakeholder Monitoring Committees should also be enhanced: such a multi-tiered system of diagnostic monitoring could provide a welcome solution to the longstanding performance weaknesses of the CPF, while preserving the advantages of their participatory, place-based governance and delivery model. This stimulates effective methods to improve implementation where possible and revise original goals where necessary.

Key issues discussed

The discussion involved Pervenche Berès, Alva Finn, Joaquim Oliveira Martins, Petr Osvald, Ruth Paserman, Andrés Rodríguez-Pose and Andreea-Alexandra Scrioșteanu.

The discussion started by highlighting a key difference that Cohesion Policy is a structural policy, while RRF is a stimulus policy. The discussion then focused on diagnostic monitoring and implications it may have for Monitoring Committees. The idea that Cohesion Policy becomes more performance-based while keeping the participatory and place-based approach was discussed. Several members insisted on the importance to guarantee monitoring committees that are indeed transparent and do respect the requirements in terms of variety of stakeholders.

Zeitlin stressed that he did not recommend that the CP adopts the delivery model of the RRF as such, but insisted on the similarities that exist in terms of goal and objectives (improve the growth potential, address the recommendations of the European Semester, undertake institutional reforms). The introduction of performance-based financing models takes time, and there are some advantages in the current system of CP: a) the importance of partnership; b) the relevance of the place-based approach; and c) its flexibility in a disciplined way to revise programmes during the implementation process. The 'Multi system territorial monitoring' he advocates for would focus on the goals of the projects themselves and rely on monitoring committees that meet more frequently and are more active.

A stronger performance orientation could fit with the purposes of CPF, without losing the participatory and place-based approach, though. Mr Bohorst explained that enthusiasm around the RRF also draws from the momentum around its time of creation, and its strong emphasis on 'delivering on time', which subsided over time, during the implementation phase.

Another issue raised was the existence of several funds, which create a big challenge for stakeholders. The Chair insisted on the issues of governance and adaptability, questioning the possibility to have one single fund combining vertical governance + horizontal partnership principle, to be adapted considering the MS's level of centralisation. The issue of how the partnership principle is established differently in individual member states was also discussed.

Prof. Zeitlin underlined the importance of local authorities and stakeholders, but not necessarily in the execution, which can create mismatches when complex policies are implemented by different levels. One advantage of the RRF to this respect is to have a 'national coordination body'. He concluded highlighting that the interviewed Managing Authorities welcomed the Commission's role in the negotiations of the RRF.

Prof. Zeitlin put forward three final recommendations for the future of Cohesion: (1) do not adopt ex-ante contracting performance-based financing system, (2) strengthen the goals and performance orientation of the policy while maintaining and reinforcing the partnership and participatory dimension and (3) adopt a multitiered diagnostic system.

Laura Polverari (Università degli Studi di Padova):

How to better support administrative capacity to improve the effectiveness of Cohesion Policy

Professor Polverari focused her presentation on how to better support administrative capacity to improve the effectiveness of Cohesion Policy. Is there an administrative capacity gap and what are the consequences of this for the performance of EU Cohesion Policy? Why is there an administrative capacity gap? What have been the weaknesses of past capacity building initiatives? What can be done under Cohesion Policy to improve administrative capacity?

Cohesion Policy has led to diverse outcomes in different parts of the EU – this is uncontested. Many causes can explain it: mix of policy tools, nationalisation v. devolution, exogenous challenges ('permacrisis'), overambition and goal congestion, existing stock of social capital. Administrative capacity is a key factor impacting the economic performance and growth of regions. Quality of domestic institutions is crucial, leading to the question of administrative capacity, which is a key factor. In addition, it affects absorption capacity, regularity, and effectiveness. For CP, administrative capacity is particularly important due to its intrinsic characteristics (shared management, multi-level governance, delivery principles). Effective capacity building requires careful diagnosis – but first we must address the lack of understanding of what administrative capacity is. Even when administrative capacity is in the focus, we often observe it as intended as human resources related types of investments. Weaknesses of past Administrative Capacity Building (ACB) initiatives can be explained by a mix of lack of strategic thinking, lack of evidence-base analysis, pendulum approach, unresolved tension between subsidiarity and directionality, lack of involvement of recipients. The 2021-2027 regulatory changes introduced strengthening administrative measures linked to investments (art. 3(4), ERDF and Cohesion Fund regulation) and the use of technical assistance

not linked to costs (art. 37) – but it is too soon to judge, and the usefulness of these measures is not always clear, particularly for the latter.

Can Cohesion Policy learn from the RRF? Moving to payment by results would require even more administrative capacity and ownership. This could be unsuitable for all Member States.

Administrative capacity building should be based on well-founded strategies, reorienting support from salaries to a mix of HR, organisational reforms and provision of efficient systems and tools that match the needs of all involved (through their involvement in the design of such strategies). These strategies should support the entire Cohesion Policy management ecosystem and be better coordinated with domestic administrative reforms and with the different EU funds and tools towards administrative strengthening, including the TSI. Cohesion Policy support can only go so far without more effective public administration. It is important to identify pathways to ensure Member States enact reforms when needed. A possible way forward could be a further differentiation between Member States and regions. This could involve more flexibility for well-functioning public authorities with payment by results and a more hands-on approach for those with recommendations on administrative strengthening under the European Semester, matched with dedicated financial resources. Finally, strengthening public administration should be a Cohesion Policy priority (e.g., "a better functioning Europe"), not just a condition for funding or instrumental support to implement other priorities. To achieve this, two preconditions are necessary: 1) better define administrative capacity, that is clearly differentiated from concepts such as institutional quality, quality of government, good governance. 2) identify suitable indicators to measure administrative capacity, in order to find meaningful and workable targets.

Key issues discussed

The discussion involved Commissioner Elisa Ferreira, László Andor, Pervenche Berès, Aleksandra Dulkiewicz, Joaquim Oliveira Martins, Petr Osvald and Andrés Rodríguez-Pose.

Commissioner Elisa Ferreira emphasised that the quality of public administration is at the core of the effectiveness of Cohesion Policy, thus a specific line was created in DG REFORM to support the technical quality of public administration. She also mentioned ComPAct (Enhancing the European Administrative Space) which provides support to public administration and an 'Erasmus' for civil servants.

The first issue raised concerned the budget for capacity building in the next period: even though consistent funding will be needed; it is only its effective allocation that really matters. Members also discussed the idea of capacity building tailored to territories. A third topic is the approach to administrative capacity building in the light of future Union's enlargements. It is time to consider capacity building as part of the acquis Communautaire. Technical staff needs to be trained, also with experts onsite, replicating it to candidate countries. Lastly, there were two suggestions to improve the capacity of organisations. Firstly, it is important to reform organisations internally to operate better and secondly, stable funding is required.

Laura Polverari's recommendations for the future of Cohesion Policy were: (1) investing more in technical capacity, (2) funding it, if you believe in it, and (3) making sure that Cohesion Policy is well known, and stakeholders want to engage in it.

C - Institutional Input

The public session also included presentations by Annemie Turtelboom (European Court of Auditors) and Céline Gauer (EC, SG RECOVER).

Annemie Turtelboom (European Court of Auditors, Member) recalled that CP represents 40% of the European budget and focused her presentation on the outcome of the ECA Special Report on 'EU financing through cohesion policy and the Recovery and Resilience Facility: A comparative analysis'. How can we make sure that CP triggers development? How can we adapt the strategic framework? The presentation concentrated on the issue of ensuring that Cohesion Policy triggers development and not a permanent dependency on funding. The capacity to catch up with more developed regions depends on multiple factors. Cohesion Policy can support regional development but cannot deliver it. Despite many financial transfers some regions still cannot catch up. To avoid regions becoming permanently dependent on EU funding, it is necessary to have a robust intervention logic for cohesion funding, thus keeping the requirement of co-financing and the European added value of Cohesion Policy programmes. This could be done through stronger conditionality and better links between funding for programmes and results defined in regional development strategies.

CP has been increasingly used to implement high level objectives and sectoral investments. Are we not expecting too much from the CP? When we look at the performance framework, such as the smart specialisation strategies and their intervention logics, often these documents are valid on paper but do not pass the reality check on the ground. Should CP financing be better linked with other programmes and funds?

On the performance framework: results are hard to predict. Requirements for the regions to justify their spending priorities should be reinforced better than weakened. Structural reforms do not fit well with Cohesion Policy as almost all reforms are programmed at the national level. In addition, it is difficult to define the actual cost of reforms. These conditionalities specify different requirements so payments can be made from the European budget with the enabling conditions. Ex ante conditionalities are innovative instruments, and stand as a step to the right direction, but they cannot turn into additional bureaucratic instrument.

Reforms could be funded by the RRF, which is a key difference between the two instruments. However, payments for reforms may be political and problematic as outcomes may differ from targets and may be reversed or not implemented. But we lack evidence on under what conditions these mechanisms have been effective. How milestones and targets have been identified also plays a role: more care should be taken to specify the right milestones and targets.

A differentiated approach to shared management conditionalities or structural reforms between Member States would ensure better implementation of Cohesion Policy. Cohesion Policy already allows differentiation, which could be increased with diverse delivery models for funding individual programmes. Technical Assistance can be effective only if it is tailored to specific regional needs.

Cohesion Policy does not always deliver. Performance reserve has not been effective in the delivery of results. The financing not linked to costs (FNLC) model, which is an option for Member States in the framework of the policy, could be suitable for many areas of CP and we need to be proactive on where this approach should be applied.

Despite recent simplifications, Cohesion Policy is still very complex, especially for different types of funding (grants, loans and guarantees), combining different funds, increasing conditionalities and the audit explosion. The recommendations are to rationalise the number of funds and funding rules, more explicit guidance from the European Commission and increase the use of simplified cost options (SCO) and financing not linked to costs (FNLC) for example.

Key issues discussed

The discussion involved John Bachtler, Joaquim Oliveira Martins, Andrés Rodríguez-Pose and Jonathan Zeitlin.

The first topic raised was the need to specify milestones and targets in advance and in detail. The consistency of milestones and targets was also highlighted. The second issue concerned legislation that doesn't allow a more flexible audit approach. Ms Turtelboom emphasised the necessity to maintain flexibility in plans and programmes to ensure that national / regional authorities do not find themselves disadvantaged by changes out of their control. Challenges concerning RRF were identified such as the late introduction of common indicators and the focus on outcomes rather than results.

Annemie Turtelboom's recommendations for the future of Cohesion Policy were: (1) define clear criteria for member States and regions, (2) better coordination between European, national and regional levels and (3) further simplification.

Céline Gauer (EC, SG RECOVER) recalled that the RRF was created during the pandemic, not as a crisis instrument (to buy masks of support short insurance schemes) but to recover and to build resilience from reforms and instruments, to 'build back better'. RRF is a live experiment and Cohesion Policy could learn from it.

The scope of the RRF is extremely close to the one for Cohesion Policy. The delivery mechanism differs: the RRF has a single centralised programming and system of identification of measures; mandatory digital and green targets; strong link to the European Semester (reform agenda); and payments solely based on performance (compliance with milestones and targets). The partnership principle (i.e., involvement of regions) is encouraged under the RRF, but is indeed not mandatory in the same way as for Cohesion Policy.

Three years on, it is a good moment to draw preliminary lessons on 1) the combination of reforms and investments and 2) the performance approach (milestones and targets). RRF has already delivered very tangible results:

- In some cases linking reforms to RRF payments triggered reforms which have been debated for long but not implemented (e.g. the definition of conflicts of interest in Czechia).
- Anti-corruption reforms can have very tangible results, also in terms of administrative capacity (for instance in Bulgaria, Romania and Hungary).
- Some other reforms are critical for the implementation of investments: the 'permitting reforms' (e.g. support to accelerate the roll out of investments in Greece). Or the reforms of the pensions system in Belgium and of the labour market in Spain. National reforms benefit local and regional reforms. An example is digitalising public administration which is hard to finance locally, but possible at national level.

The second element is the performance-based approach with recovery and resilience plans acting as contracts. Some advantages have not materialised because of mixed funding. The coexistence of different types of funding needs to be reviewed. At the same time, payments on fulfilling of targets and milestones have accelerated implementation.

Ms Gauer stressed that a high level of scrutiny is needed, considering the amount of public money at stake.

She also emphasised that the partnership principle, that is so central to Cohesion Policy, has a merit. There is room of manoeuvre to reflect on the role of local and regional representatives when negotiating the plans.

Ms Gauer concluded stressing that reforms are to be a central part of any future instrument. She insisted on the necessity to move to performance based and to invest a lot upfront, particularly on the design of targets, milestones, and costing of reforms, also to both reconcile better stakeholders with the timeline and to find a way to adapt to regional needs.

Key issues discussed

The discussion involved John Bachtler, Alva Finn, Joaquim Oliveira Martins, Petr Osvald, Andrés Rodríguez-Pose, Andreea-Alexandra Scrioșteanu and Helga Trüpel.

The discussion started by highlighting the importance of deadlines to accelerate reforms across the EU.

A few members insisted on having better linkages between Cohesion Policy and CSRs. Ms Gauer explained that complementarities between funds in the framework of the European Semester is the way forward. She further insisted on RRF's stimulus purpose, to ensure recovery on the long term, explaining also why some milestones have a bigger coefficient than others, reflecting each Member State's situation. Some reforms must be implemented 'no matter what' (those critical for the implementation of the EU budget).

She also explained the procedure for non-achievement of milestones. If milestones are not achieved but there is a valid explanation, the regulations permit adjustment of the milestone. In the absence of such valid explanations, payments have to be suspended.

The importance of involving local and regional levels in rethinking the instrument was recognised. In addition, the lack of communication concerning RRF was identified as an issue.

Ms Gauer's recommendations for the future of Cohesion Policy were: (1) reforms should be central to any future instrument, (2) move towards a performance-based approach, and (3) reconcile stakeholder involvement with the timeline of effective implementation.

E - Key discussion points of the internal session

The internal session evolved into an open discussion addressing (a) institutional capacity building as key to Cohesion Policy; (b) the next Cohesion Report; and (c) main points for the high-level group report addressing the why, what and how of Cohesion Policy for the future.

The next Cohesion Report will be adopted in about 4 to 5 months. It will be shorter and focus more on supporting policy discussions than previous Cohesion Reports. It will address economic, social and territorial cohesion, transition challenges and governance.

While the Cohesion Report illustrates the state of play of cohesion, the Final Report of the group will recommend how to strengthen and improve Cohesion Policy.

The final report will be readable with nontechnical language, brief and snappy. It will be realistic but bold, implementable, and political, going beyond the remit of DG REGIO reports.

The target is 30 pages, structured around three questions: Why does Europe need cohesion? What should Cohesion Policy cover? How should Cohesion Policy be delivered? In addition, a summary should present the overall narrative and key messages.

3. Conclusions/recommendations/opinions

Cohesion Policy is, according to the experts consulted, currently facing a reputation problem, mainly due to its perceived inability to consistently deliver value for money. This situation is exacerbated by the lack of financial consequences when regions fail to achieve results. Seen as a policy on the decline, Cohesion Policy is often considered less effective than newer policies with different governance and financing systems, such as the RRF. The RRF employs a performance-based financing model and a more centralized governance system, aiming to avoid the costs and delays associated with stakeholders' involvement. However, global evaluations, including those by the World Bank and the OECD, have shown that performance-based financing arrangements are often disappointing, largely due to governance issues like inadequate stakeholders' participation.

Cohesion Policy, despite these challenges, boast fundamental advantages that are crucial to its effectiveness: its governance system, its adaptability to changing conditions, and its consideration of territorial differences. Cohesion Policy:

- has a strong advantage in the field of governance and sub-national stakeholders' involvement, leading to better policies and long-term results.
- is highly adaptable, while maintaining a long-term perspective.
- is distinguished by its attention to territoriality, or the consideration of differences across various territories.

In summary, although Cohesion Policy's effectiveness varies significantly across the EU also due to differences in territorial government systems, it has greater potential to deliver structural changes in the long-term. Stakeholder participation is crucial for the development of effective public policies —a component missing in both the RRF and other European policies, potentially jeopardising the European project. Cohesion Policy, despite its imperfections, has established a system of stakeholder involvement in policymaking. This system, however, may increase coordination costs and complicate short-term fund implementation and auditing, but it could enhance the overall impact of the policy.

The success of Cohesion Policy is not just a question of funding, but fundamentally an institutional issue. In this regard, the complexity of delivery undermines returns on investment and needs simplifying.

Its growing complexity in terms of objectives, funds, and instruments, as well as by broader institutional issues, particularly those related to institutional capacity. This complexity diminishes the policy's returns, a matter that requires more significant discussion within the EU.

Building institutional and territorial capacity can lead to better returns on investment and restore the reputation of Cohesion Policy. Where Cohesion Policy results are inadequate, local, regional or national institutions often lack the capacity to formulate proper objectives and achieve them. Increasing capacity should be integral to Cohesion Policy. The added value of capacity building is to address institutional bottlenecks where nothing might happen otherwise.

The cost of enhancing administrative capacity is relatively low compared to the potential developmental returns. Focusing on administrative reform, rather than merely funding, can lead to significant improvements in institutional efficiency and effectiveness. Thus, by investing in better institutions and administrative capacities, we can not only achieve substantial development returns but also help restore the reputation of Cohesion Policy.

4. Next meetings

Ninth meeting	14-15 December 2023	Enhancing policy capacity to respond to sudden shocks and crises
Tenth meeting	23 January 2024	Discussion on the final report

List of participants - 13 November 2023

Speakers:

- Ferreira, Elisa – Commissioner for Cohesion and Reforms
- Christophiodu, Themis – Director-General for Regional and Urban Policy
- Zeitlin, Jonathan – Emeritus Professor, University of Amsterdam
- Bokhorst, David – European University Institute
- Eihmanis, Edgars – University of Tartu
- Polverari, Laura – Associate Professor of Political Science, Università degli Studi di Padova
- Turtelboom, Annemie – Member, European Court of Auditors
- Gauer, Céline – Director-General, Commission SG.RECOVER

Members of the high-level group:
In person:

- Andor, László
- Bachtler, John
- Berès, Pervenche
- Dulkiewicz, Aleksandra
- Finn, Alva
- Kratsa, Rodi
- Oliveira Martins, Joaquim
- Osvald, Petr
- Rodríguez-Pose, Andrés
- Scrioșteanu, Andreea-Alexandra
- Trüpel, Helga

List of participants – 14 November 2023

Speakers:

- Ferreira, Elisa – Commissioner for Cohesion and Reforms
- Berkowitz, Peter – Director from the Directorate-General Regional and Urban Policy

Members of the high-level group:
In person:

- Andor, László
- Bachtler, John
- Berès, Pervenche
- Crescenzi, Riccardo
- Dulkiewicz, Aleksandra
- Finn, Alva
- Kratsa, Rodi
- Krehl, Constanze
- Lambertz, Karl-Heinz
- Oliveira Martins, Joaquim
- Osvald, Petr
- Rautio, Sari
- Rodríguez-Pose, Andrés
- Roussinova, Zornitsa
- Scrioșteanu, Andreea-Alexandra
- Trüpel, Helga