

REINFORCING CONVERGENCE IN IMPLEMENTING EU'S NEW COHESION POLICY OBJECTIVE: „EUROPE CLOSER TO CITIZENS”

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Abstract: *At the core of EU's complex agenda stands the Cohesion Policy, which has been renewed for the following stage, namely 2021-2027. The new cohesion policy places great focus on the territorial sustainable development, particularly for cities, by introducing a supplementary objective titled “Europe closer to Citizens”. The present article offers an analysis of the main elements of this renewed agenda on sustainable development of the cities and the instruments to reinforce convergence of its implementation, across European local communities.*

Key words: cohesion policy, convergence, community-led local development.

1. Cohesion Policy in context: main societal contemporary phenomena

Looking at the current context in which our societies are required to strive and evolve, the view that one gets is more than intricate, unsettling and, yet, paradoxical. On the one hand the disrupting events unfolding at a global scale, from the pandemic, the fast climate changes to the military conflicts with thousands of victims and displaced people moving to or through Europe may seem unsurmountable. On the other hand, the efforts to surpass these difficulties and rebuild stability and resilience have been remarkable and seem to bring about new mentalities and solutions.

The past ten years have been quite unpredictable and highlighted the necessity to profoundly transform our ways of envisioning the various systems that stay at the foundation of our societies. New citizen centric models of approaching governance and economic and social growth have to be created and applied. There is a consensus that without robust and extensive local collaborations involving the citizens, business community, relevant public local administration and government agencies, complex concerns cannot be resolved. Cities are taking a vital part in bridging the divide between people and public institutions. There is a strong necessity to implement innovative governance models that include promoting collaboration between rural and urban

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regions and between stakeholders across various fields, as well as improved policy formulation to attract citizens in the whole policy-making process (Fioretti, Pertoldi, Busti and Van Heerden, (eds.), 2020, p. 5).

The European Union expressed its determination to upgrade its „special model” of social market economy to meet the new goals of contemporary societies, while also connecting people together to accomplish these goals (European Commission, 2023a, p. 2). Within this framework, the cohesion policy plays a pivotal role in all European regions, by adopting a territorial or place-based strategy and, while, at the same time, intensifying its focus on the „twin transitions”, green and digital. Although offering enormous advantages and possibilities, the major structural changes envisioned by the twin transitions run the danger of escalating already-existing inequities or generating new ones. This scenario can get even more complex if we also take into consideration the negative population trends and growing skill shortages.

To assist the regions in embracing change and supporting them in fostering economic, social, and territorial convergence, cohesion policy will use the capacities and tools it has developed over the last several decades. Additionally, it will benefit from the role played by more advanced regions that will make the EU more resilient to outside shocks.

The European Commission expressed its will to make cohesion policy a major tool of development, by stating that the policy has to return to its key mission of increasing everyone's quality of life and lessen inequities across the European regions (European Commission, 2023, p. 4). To continue to do so, it will assist corporate competitiveness, will contribute to skilling and re-skilling, quality job creation, youth employment, and will help vulnerable groups. At the same time, it will keep up with socioeconomic shifts, deal with the effects of the energy crisis and rising costs, assist in meeting the needs of the sizable population of war refugees, boost European industry's competitiveness, and facilitate the quick transition to climate neutrality. The application of investments and reforms is going to pave the way to competently address the main issues, the success of this approach depending also on the ways in which the many partners and stakeholders will be involved and consulted.

2. Cohesion Policy - a new objective: „Europe closer to Citizens”

The EU's primary funding source for social and economic growth inside the Union is cohesion policy (Dijkstra (ed.), 2022, p. 268). Over time, cohesion policy has been adapted to reflect the shifting socioeconomic landscape and the EU's policy aims, which, in recent years, have expanded to include the goal of creating a smart, digital and green Europe. In the last three years, cohesion policy has proved itself to be „flexible, quickly adjustable and operational”, as the EU „responded with record-breaking speed” (European Commission, 2023, p. 4), to ensure extra financial support to member states and a simplification of procedures (mainly because of the effects of the pandemic, the economic recession and war in Ukraine).

Along its evolution, cohesion policy has acknowledged and paid more and more attention to the role and progress of the cities that are at the frontline of local governance and development. This approach is in agreement with the “integrated local

governance and local development framework” promoted by UNDP (UNDP, 2016) which makes efforts to provide support to all local governments in attaining the sustainable development goals (adopted in 2015). Local governments “play a vital role in improving the human development of their citizens” and are “key actors to fulfill the sustainable development goals” (UNDP, 2022, p. 1). During its 2014-2020 programming stage, cohesion policy included Sustainable Urban Development (SUD) and transformed it into a requisite element, whereas reiterating its strategic, integrative and inclusive approach (Fioretti, Pertoldi, Busti and Van Heerden, (eds.), 2020, p. 8). Furthermore, community-led local development (CLLD) and integrated territorial investment (ITI) are two new territorial instruments that have been established to execute policies in metropolitan areas, highlighting both the significance of interacting with the community and of integrating multiple funding. To ensure their consolidation and continuity of implementation, these two essential instruments of sustainable urban development will continue to be used in the next programming stage of 2021–2027.

For this new stage, a characteristic feature of cohesion policy is going to be an „integrated and place-based approach to territorial development, where integration entails multi-sectoral policy, multi-level and multi-stakeholder governance, and multi-territorial and community-led strategy”, which will be used to enhance the development policies in urban areas (Fioretti, Pertoldi, Busti and Van Heerden, (eds.), 2020, p. 8). It becomes very clear that the strategic dimension of sustainable urban development is given even more weight in the post-2020 EU legislation and policies. Moreover, strategic planning is one of the three fundamental components that make up the OECD Principles of Urban Policy, together with size and stakeholders (OECD, 2019). To emphasize the potential that integrated strategies bring for the city of the future and its residents, a new Policy Objective 5 (PO5), „Europe closer to citizens” is inscribed from now on as a constitutive part of cohesion policy.

To bring this new objective into fruition, a crucial topic from the standpoint of European policy is to find ways to assist local governments in developing plans that contribute to “structural transformation”. According to the European Commission (2011), strategic planning has to be based on collaborative planning procedures and establish customized goals, in order to successfully impact the development of the cities. Likewise, an important step has been made towards setting in place a different adaptive approach, including “a more radical strategic spatial planning” that “needs to be adaptive to changing circumstances and need to evolve ...with changing contextual conditions” (Albrechts, 2015, p. 512). This evolution of strategic planning has been spurred by the “need for transformative change” and has embraced a “creative effort” which replaced set or fixed plans and solutions (Albrechts, Balducci and Hillier, 2017, p. 17-20). Sustainable urban development (SUD) strategies are also adaptive or “creative”, in the sense that they provide transformational roadmaps with key players including people, businesses, and umbrella organizations, and they offer a novel method of working amongst administrative levels within a multi-level governance system which is specific to the administration of all member states (Fioretti, Pertoldi, Busti and Van Heerden, (eds.), 2020, p. 12).

The main benefit of cohesion policy is that it has contributed positively by decreasing economic, social, and geographical disparities, within the span of the last twenty years. However, the current significant changes in the ecological, digital, and demographic domains might lead to the emergence of renewed inequalities, increase the burden on state and municipal governments, amplify public dissatisfaction and anxieties, and negatively impact European democracies (Dijkstra (ed.), 2022, p. xxvi). The EU will be able to progressively solve these difficulties through the cohesion policy, if the measures it takes will respond to the citizens' concerns in an appropriate, convincing manner.

The best way to approach these concerns would have to carefully consider the following three essential aspects at once (Dijkstra (ed.), 2022, p. xxvi), namely: enabling a positive economic perspective for citizen's local community, alleviating citizens' worries regarding social inclusion, employment opportunities, and quality of life, and guaranteeing a fair distribution of the costs and rewards associated with new problems and disparities.

These engagements may be achieved by determining the most effective tools to deal with the new disparity drivers, to enhance the role of regions, and account for the territorial effects of EU policies that are implemented horizontally, in agreement with the fundamental objective of upward convergence stated by the European Pillar of Social Rights. Within this context, one significant measure will be the simplification of procedures, that has to be carried out by the EU's institutions and bodies responsible with the implementation of the cohesion policy in the current stage. Simplifying the procedures and the ways in which cohesion policy will reach its beneficiaries will be further expanded, together with building on the flexibility and simplifications that have been already implemented during the present programming term. Simultaneously, it will be imperative to reaffirm the fundamental principles of place-based and participatory delivery, within the framework of multi-level governance and cooperation. Boosting the efficiency of policies that are place-based is better targeted through the new PO5, "Europe closer to citizens", since place-based policies are considered more and more necessary to supplement structural policies that apply to the entire territory of a country (Dijkstra (ed.), 2022, p. xxviii). The role of "smart specialization" is also acknowledged and used in this process to secure gathering and building on local resources to boost competitiveness and sustain the innovation ecosystem. Furthermore, it is important to make full use of the integrated territorial development strategy and the specific policy goal of bringing "Europe closer to citizens".

EU's complementary mission within the present stage of cohesion policy is to develop the necessary tools to implement its goals by 2050 and strengthen its role. In order to do so, new ways of enforcing convergence are searched for and put in place. For instance, there is great concern for enhancing the ways that EU programs complement one another. There are several new policy domains that may be especially important to cohesion policy, such as social climate policy, European Industrial Alliances, and strategic interdependencies, and these sectors require a particular regional attention. EU calls attention to the necessity to improve territorial impact assessments and "rural proofing" in order to better address the unique requirements of various EU regions. Formulating the principle "do no harm to cohesion", according to which no action should impede the

process of convergence or increase regional imbalances, EU is committed to prove how it would be beneficial to expand upon and include this principle into policy-making (Dijkstra (ed.), 2022, p. xxix). This approach is also sustained by various other specialists in the field (Fioretti, Pertoldi, Busti and Van Heerden, (eds.), 2020, p. 5), who claim that innovative governance models and improved policy making to include people at the level of their communities are obligatory in the next stages.

3. Towards Consolidated Convergence in Implementing Cohesion Policy

The concept of convergence may be found throughout the entire EU's legislative work and political action and it may be viewed as one of the fundamental values of the European integration. The concept is enshrined in the two fundamental EU Treaties, The European Union Treaty (TEU) and the TFEU (Patrascu, 2021, p. 64). The necessity of a uniform and constant implementation of legislative rules and principles, as well as policy objectives, stays at the foundation of the EU's institutional system.

To make sure that its regulations are enforced, and at the same time to enable convergence in achieving its policy objectives, the European Union is always looking for innovative methods to do this. At present, the EU uses both „public” (“centralized”) enforcement and „decentralized” or „private” enforcement procedures (European Commission, 2013). Over the past twenty years, these methods have been also adjusted to include complementary and alternative enforcement mechanisms. The notion of cooperation between the EU and its member states, which includes the so-called “ex ante enforcement” procedures wherein the Commission offers advice and support to Member States in order to avoid non-compliance, is one such important alternative tool (Anzini, Jeney, de Moncuit and Ramírez-Cárdenas, 2021, p. 3).

Since both decentralized and centralized enforcement tools have their limits, the European Commission itself has supported a range of “alternative” approaches to enhance adherence to EU law and policies. These mechanisms consist in transferring resources (human, material, and expertise) to member states in an effort to lower the risk of non-compliance. As a result, the Commission has developed a number of instruments for consultation, discussion, and negotiation to aid Member States in accurately transposing, applying, and implementing EU regulations. These instruments consist of expert groups, guidance papers, implementation plans, and explanatory documents. They also comprise training, workshop planning and package meetings (Anzini, Jeney, de Moncuit and Ramírez-Cárdenas, 2021, p. 7).

It is of great significance, that besides these adaptations, which are all proof of a dynamic system, there is also the “horizontal” method (Anzini, Jeney, de Moncuit and Ramírez-Cárdenas, 2021, p. 7). Horizontal collaboration, as a method for settling possible difficulties related to the EU law and policies implementation, is a relatively recent development. The expansion of EU networks is such an example of these horizontal patterns of administrative collaboration. These networks, whose degree of formalization and intent differs from case to case, connect competent EU and member states' authorities with non-state actors, with the EU serving as a mere facilitator.

Within this framework, it is obvious that the implementation of cohesion policy is based on all these various tools, comprising the alternative methods, which, considered from a scientific perspective, offer a rich material of research and analysis. In as far as the legal basis of cohesion policy is concerned, this is represented by common provision regulation and fund-specific regulations. Implementing and delegated acts, as well as Commission decisions, complement this legal framework. Other documents entitled “Communications from the Commission” deal with specific policy problems. There are also the technical seminars and documentation aid in the administration of Funds in the member states (European Commission, 2023b).

The main common provision regulation and fund-specific regulations, issued for the 2021-2027 stage of cohesion policy, are:

- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy;
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund;
- Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund;
- Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments;
- Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013.

The Implementing Acts for the same stage are:

- Multi-annual strategy document on Interreg NEXT Strategic Programming 2021-2027, Commission Implementing decision C(2022) 5740 from 12 August 2022 setting out the multi-annual strategy document;
- Commission Implementing Decision (EU) 2021/1130 of 5 July 2021 setting out the list of regions eligible for funding from the European Regional Development Fund and the European Social Fund Plus and of Member States eligible for funding from the Cohesion Fund for the period 2021-2027 (notified under document C(2021) 4894);
- Commission Implementing Decision (EU) 2021/1129 of 5 July 2021 setting out the annual breakdown of available allocations under the Just Transition Fund per Member State (notified under document C(2021) 4872);

- Implementing act related to art 11 of ETC regulation) - Commission Implementing Decision (EU) 2022/74 of 17 January 2022 setting out the list of Interreg programmes and indicating the global amount of the total support from the European Regional Development Fund and from each external financing instrument;
- Implementing act related to art 8 of ETC regulation) - Commission Implementing Decision (EU) 2022/75 of 17 January 2022 setting out the list of Interreg programme areas to receive support from the European Regional Development Fund and external financing instruments of the Union.

The Communications from the European Commission have their own contribution to the framework of application of cohesion policy. The relevant ones for the current programming stage are the following:

- European Commission Staff Working Document. *Regional Trends for Growth and Convergence in the European Union*. SWD (2023) 173 final, Brussels, 1.6.2023;
- European Commission, *Harnessing Talent in Europe's Regions*. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM (2023) 32 final, Strasbourg, 17.1.2023;
- European Commission, ANNEX to the COMMUNICATION to the COMMISSION. Approval of the content of a draft *Commission Notice on the synergies between ERDF programs and Horizon Europe*. C (2022) 4747 final, Brussels, 5.7.2022. European Commission Staff Working Document.
- European Commission, *8th Cohesion Report: Cohesion in Europe towards 2050*. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM (2022) 34 final, Brussels, 4.2.2022.

The aforementioned examples of various acts of the EU's institutions offer but a glimpse of the vast and intricate canvas of measures, rules, principles and methods, elaborated during the previous and ongoing programming stages, to put the cohesion policy into force and consolidate its uniformity and stability. In addition, the present programming stage (2021-2027) provides a series of "enabling conditions" meant to improve convergence, as they set up measures to secure an amplified equilibrium and steadfastness of implementation, such as:

- a reduced list of policy objectives and specific objectives was set in the regulations regarding the funds. The programs are based on a "clearer intervention logic", the list of common output indicators has been improved. A new list of common result (outcome) indicators for the ERDF, CF and JTF has enhanced the investment coverage by common indicators (European Commission, 2023a, p. 19);
- a conditionality mechanism to guarantee that member states create the structures and procedures required for successful and efficient cohesion policy implementation. Four horizontal enabling criteria apply to all funds, while sixteen thematic enabling conditions apply to associated special objectives. These conditions are considered effective mechanisms that compel member states to

establish general and sectorial frameworks to ensure the efficacy of EU assistance in determining tangible policy change (European Commission, 2023a, p. 18);

- increasing “complementarities” of various EU policies, by adjusting the principle of “synergies” already existing in the budgetary area. For instance, new policy areas that might be especially significant for cohesion policy like social climate policy and strategic interdependencies require a specialized integrated approach, hence the necessity of complementarities and synergies.
- major “simplification measures” for the 2021-2027 cohesion policy, which were kept in their majority throughout the ensuing legislative process.

The framework created by the EU to set cohesion policy into force is vast, complex and requires great experience, skills, effort, volition, vision, adaptability and capacity to learn in progress, a constant pace and, if possibly, a relatively stable environment.

4. Conclusions

By adopting a new policy goal, “Europe closer to citizens”, and encouraging a place-based approach and the participation of local authorities, civic society, and citizens in solving issues of public local interest, the European Commission highlights the urban and territorial facet of cohesion policy for the 2021–2027 stage. Closely associated to this element, the Commission suggests a new European Urban Initiative to help cities with knowledge development, creative problem-solving, capacity building, policy creation, and communication. To this purpose, 6% of the whole European Regional Development Fund is now set aside for sustainable urban development.

Given its vast range and the complexities implied by the actual application of “Europe closer to citizens” as a new objective of cohesion policy, there is great attention directed towards the elaboration of a systematic and coherent conceptual and normative framework. In practice, the great variety of local planning cultures and of players engaged in its implementation makes the EU's approach to urban development to be understood and applied differently. In order to avoid inconsistencies and provide a clear and transparent framework for sustainable urban development, the “urban *acquis*” has to be analyzed and systematized, as it has already been highlighted by the European Parliament resolution of September 9, 2015, on the urban dimension of EU policies 2014/2213(INI).

To assist member states’ authorities, particularly local authorities, in a steady implementation of the “urban *acquis*”, the EU has created and promoted a series of tools that enable convergence. Besides the existing decentralized and centralized enforcement tools, the European Commission itself has supported a range of “alternative” approaches to enhance adherence to EU law and policies within this specific field of activity. In light of this, various methods have been developed, such as knowledge transfer, workshop planning and package meetings, as well as guidance papers and explanatory documents. One such instrument is the *Handbook of Sustainable Urban Development Strategies* that seeks to provide methodological assistance to enhance understanding of the use of place-based and integrated urban plans within the framework of cohesion policy. A network that facilitates the

connections between cities and urban areas across Europe was set up in 2014, known as the Urban Development Network. This network is coordinated by the European Commission and has the competence to implement strategies of sustainable urban development supported from the European Regional Development Fund, which is a component of the cohesion policy.

Important steps toward greater stability and uniformity have been also made by the establishment of the “enabling conditions” presented earlier (such as “clearer intervention logic”, increasing “complementarities” of various EU policies, development of partnerships, across all sectors, and of networks, major “simplification measures”). A coherent normative system, the knowledge transfer and guidance papers like the *Handbook* together with the “enabling conditions” are meant to contribute to a higher convergence and prevent misinterpretations and non-compliance in the implementation of the “urban acquis” related to the new “Europe closer to citizens” objective of cohesion policy.

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