

<b>Institution: University of Strathclyde</b>
<b>Unit of Assessment: 21</b>
<b>Title of case study: Impact of research on the implementation of EU Cohesion policy on the European Commission's legislative proposals for the reform of the policy</b>
<p><b>1. Summary of the impact</b></p> <p>Research on the management and implementation of EU Cohesion policy has informed the legislative proposals made in 2011 by the European Commission for the reform of Cohesion policy. It has also influenced some organisational changes within the Commission introduced in early 2013. EU Cohesion policy is the second largest area of expenditure in the EU budget, currently worth c. €347bn for the 2007-13 period, and provides funding for regional socio-economic development programmes in all EU Member States. The legislative proposals influenced by the Strathclyde research affect every national, regional and local authority in the EU benefiting from EU Structural and Cohesion Funds.</p>
<p><b>2. Underpinning research</b></p> <p><b>Context:</b> EU Cohesion policy accounts for over a third of the EU budget, with funding of around €347 billion (£294 billion) over the 2007-13 period. Allocated to 363 regional socio-economic development programmes in all EU Member States, Cohesion policy is the main form of EU support for poorer countries and regions and finances a major share of government investment in many Central and Eastern European countries. However, the effectiveness of the policy has been criticised, especially by richer countries keen to reduce their EU budget contributions. The 'quality of spending' was therefore a central issue for the debate on reforming Cohesion policy during the 2007-11 period and in the subsequent European Council negotiations in 2011-13 on the EU's Multiannual Financial Framework for 2014-20), as in the previous budget negotiation [reference 1].</p> <p>This debate has a wide resonance. Under so-called 'shared management', the implementation of the Structural and Cohesion Funds is largely decentralised to national and regional authorities, with decisions on the allocation of funding to projects also involving local authorities, development agencies, NGOs and other bodies [reference 2]. Consequently, a large number of organisations throughout Europe have a vested interest in EU-level decisions on how, where and under what conditions Cohesion policy resources have to be spent [reference 3].</p> <p>John Bachtler, as Director (since 1995) of the European Policies Research Centre (EPRC) in the School of Government &amp; Public Policy, leads a research programme on the governance and performance of EU Cohesion policy. Established in 1996, the programme involves comparative research on the management and implementation of Structural and Cohesion Funds across all 28 EU Member States, at national and regional levels. It has generated insights on how an EU policy area, subject to shared management and with a common regulatory framework, is implemented in different countries and regions. The methodological approach has involved bottom-up research on the individual administrative functions (e.g. programming, project selection, financial management, monitoring, evaluation, and audit) and institutional arrangements used in each Member State, and the relationship between governance and policy performance. The programme also involves research over time, to understand the evolution of Cohesion policy implementation over successive 'programme periods' (1989-93, 1994-99, 2000-06, 2007-13). The programme involves both academic research, with important contributions to the political science, public administration and regional studies literatures (see Section 3 below), and policy research.</p> <p>Key findings from this ongoing research (1996-2013) have produced a better understanding of:</p> <ol style="list-style-type: none"> <li>the relative influence and interaction of European, national and sub-national levels in the implementation of EU Cohesion policy in different jurisdictions, and how the influence/interaction has evolved over time [references 2 and 3];</li> <li>the ways in which the organisation of specific administrative processes influence the performance (effectiveness, efficiency, accountability) of Cohesion policy [reference 6];</li> <li>the role of administrative capacity in determining the extent to which Cohesion policy</li> </ol>

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objectives and priorities can be achieved in practice, and the variation in specific capacity factors (structures, human resources, systems and tools) between countries/regions [reference 5]; and

- d) the quantitative and qualitative achievements (outputs, impacts, perceived 'added value') of Cohesion policy and the constraints on effective performance measurement [reference 4].

The insights derived on these four issues have been seminal to the policymaker and academic debates on the reform of EU Cohesion policy over the 2007-13 period.

**Key researchers at Strathclyde:** John Bachtler was appointed as Lecturer in 1983 and Professor in 1996, and is also Director of European Policies Research Centre (EPRC) in School of Government and Public Policy. Other key contributors were contract researchers in EPRC: Dr Laura Polverari (2000-present), Dr Carlos Mendez (2003-present), Dr Martin Ferry (2002-present), Dr Irene McMaster (2000-present) and Rona Michie (1989-present).

### 3. References to the research

1. Bachtler J., Mendez C. and Wishlade F. (2013) *EU Cohesion Policy and European Integration: The Dynamics of EU Budget and Regional Policy Reform*, Ashgate: Aldershot.

2. Bachtler J. and Mendez C. (2007) Who Governs Cohesion Policy? Deconstructing Reforms of the Structural Funds, *Journal of Common Market Studies*, **45**(3), pp. 535-564. DOI: 10.1111/j.1468-5965.2007.00724.x.

3. Bachtler J. and McMaster I. (2008) EU Cohesion Policy and the Role of the Regions: Investigating the Influence of Structural Funds in the New Member States, *Environment and Planning C*, **26**(2), pp.398-427. DOI: 10.1068/c0662.

4. Bachtler J. and Gorzelak G. (2007) Reforming EU Cohesion Policy: A Reappraisal of the Performance of the Structural Funds, *Policy Studies*, **28**(4), pp.309-318. DOI: 10.1080/01442870701640682.

5. Bachtler J., Mendez C. and Oraže H. (2013) From Conditionality to Europeanization in Central and Eastern Europe: Administrative Performance and Capacity in Cohesion Policy, *European Planning Studies*, online at: <http://www.tandfonline.com/doi/pdf/> DOI: 10.1080/09654313.2013.772744.

6. Bachtler J. and Ferry M. (2013) Conditionalities and the Performance of European Structural Funds: A Principal-Agent Analysis of Control Mechanisms in European Union Cohesion Policy, *Regional Studies*, online at <http://www.tandfonline.com/doi/abs/10.1080/00343404.2013.821572?journalCode=cres20> DOI: 10.1080/00343404.2013.821572.

**Note on quality: References 1, 5 and 6 are included in the REF2 submission for UoA 21.**

All articles have been through thorough peer review process. Reference 2 was awarded 'Best Article' Prize by the *Journal of Common Market Studies* in 2008.

**Funding:** Part of the research has been funded by a consortium of government authorities from 16 Member States (known as IQ-Net, established in 1996 and managed by EPRC), which finances research and knowledge exchange on the management and implementation of Cohesion policy and has produced over 50 policy papers. Funding has also been obtained from the European Union (FP7, European Commission, European Parliament, Committee of the Regions, European Investment Bank) for evaluation research and studies on the performance of Cohesion policy, using a range of quantitative and qualitative methods, at EU and national levels.

### 4. Details of the impact

**Process from research to impact:**

The EPRC research on the governance of Cohesion policy made a distinct, material contribution to

the debate in 2007-13 on the reform of the policy for the 2014+ period. It informed or influenced specific elements of the Commission's draft legislative package, evident in the use of EPRC research in key policy documents, published mainly by the European Commission, as follows.

**1. The 'Barca Report' on the Future of Cohesion Policy** [source 1] commissioned by the EU Commissioner for Regional Policy, Professor Danuta Hübner. On the basis of the above research on the governance and performance of Cohesion policy over the 1995-2007 period, John Bachtler was appointed in 2007 by the Director-General of DG Regio, Dr Dirk Ahner, to work with Dr Fabrizio Barca (Director-General of the Italian Ministry of Economy & Finance) on an independent report on the future of EU Cohesion policy. As stated by Dr Ahner [Source 7]:

*"We wanted to put together a top level research team to undertake a critical and independent assessment of the EU's Cohesion Policy (CP) and its governance...we looked for candidates who had an excellent academic reputation in the field of regional development as well as the CP and its governance, from a theoretical as well as a practical point of view, and who had a good overview of the situation in the different Member States of the EU. In particular as far as the governance aspect is concerned, the EPRC came out of our search as one of the best – if not the best - competence centre in Europe".*

This is reinforced by the assessment of Dr Barca [Source 9]: *"The perceived academic credibility of EPRC was based, in particular, on their record of published research in leading academic journals which demonstrated important insights into the interaction of EU, national and regional levels in the implementation of Cohesion policy and the factors which influenced the variable performance of the policy across the EU."*

During the drafting of the Barca Report over the 2007-9 period, Bachtler contributed to the analysis, led meetings with senior national government officials from 27 Member States and co-authored the Report's recommendations. The research of Bachtler – and EPRC colleagues Mendez, Ferry, McMaster and Polverari – is extensively cited in the report [Source 1, especially preface (iii) and section II.4]. The Report was published online in 2009. DG Regio webmaster figures estimate c.25,000 downloads over the 2009-13 period and, in 2009, it was among the top 100 downloaded European Commission documents [Source 8]. Its recommendations set the terms of the debate on reforming Cohesion policy and provided a reference point for the Commission's subsequent proposals.

**2. Evaluation study on the management and implementation of Cohesion policy.** Again on the basis of the above research, EPRC was awarded the largest single research contract by DG Regio (in 2008) to evaluate the management of Cohesion policy in 2000-06 and make recommendations for the post-2013 period [Sources 2 and 7]. The study, which was published online in 2010 (recording c.1,700 downloads), concluded with specific recommendations relating to improvements in performance management, stronger leadership, a greater effort to promote organisational learning and more investment in institutional capacity [Sources 3 and 8].

The EPRC contributions via these reports are included in three important Commission policy documents:

- a) an orientations paper published in December 2009 by EU Commissioner for Regional Policy, Pawel Samecki [Source 4, see especially pp. 2 and 6];
- b) the European Commission's Fifth Cohesion Report published in October 2010 [Source 5, see especially pp. 244 and 266]; and
- c) the European Commission's obligatory Impact Assessment, published in October 2011, of its draft legislative package on Cohesion policy 2014-2020 [Source 6, see especially pp. 21, 43, 68 and list of studies in Annex 5].

### **Types of impact (2009-13)**

**Influence on policy:** Specific examples of policy recommendations in the Barca Report that were taken up in the Commission's reform proposals are:

- (i) the creation of a strategic territorial framework with common strategic objectives and priorities and consistent guidelines [Source 1, section V.1, p.163], which was introduced as a 'Common

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Strategic Framework' in the Commission proposals;  
 (ii) the use of a new type of contractual arrangement between the Commission and Member States, focusing on performance [Source 1, section V.2, p. 163 and V.3, p.166] – introduced in the Commission proposals as 'Partnership Contracts', agreed in Council as 'Partnership Agreements';  
 (iii) performance monitoring of core priorities [Source 1, section V.4, p.173], introduced in the Commission proposals as a performance framework.

EPRC also played an important role in providing credibility for these recommendations: *"its long-standing academic research on the performance of cohesion policy also provided the ground for breaking into several prejudices with which Member States and experts approached the new ideas launched during the preparation and discussion of the Report"* [Source 9].

**Shaping institutional change:** An example of the direct link between the above research and institutional change is the proposal made in the Barca Report [Source 1, section V.8, pp. 183-4] and in the EPRC study recommendations [Source 3, section 7.5, p.162] for the establishment of a 'competence centre' in DG Regio with the remit to improve administrative capacity - identified as a major factor explaining the variable performance of Cohesion policy. A centre of competence was subsequently established by DG Regio in Spring 2012 [Source 7].

Overall, therefore, in the words of former EU Commissioner, Danuta Hübner: *"I regard the research undertaken by Professor Bachtler and his EPRC colleagues to have made a significant policy impact on the reform of Cohesion policy during the formative period 2008-11 when proposals for change were conceptualized and drawn up the European Commission"* [Source 2].

#### 5. Sources to corroborate the impact

1. Barca, F. (2009) 'An Agenda for a Reformed Cohesion Policy: A place-based approach to meeting European Union challenges and expectations', Independent Report prepared at the request of Danuta Hübner, April 2009 (the Barca Report), [http://ec.europa.eu/regional\\_policy/archive/policy/future/pdf/report\\_barca\\_v0306.pdf](http://ec.europa.eu/regional_policy/archive/policy/future/pdf/report_barca_v0306.pdf)
2. Statement from Professor Danuta Hübner, Member of the European Parliament and Chair of the European Parliament's Regional Development (REGI) Committee (formerly EU Commissioner for Regional Policy, 2004-2008).
3. Bachtler J., Polverari, L., Oraže, H., Clement, K. and Tödting-Schönhofer, H. with Gross, F., McMaster, I. and Naylor, I. (2009) 'Ex Post Evaluation of Cohesion Policy Programmes 2000-2006 co-financed by the ERDF (Objective 1 and 2): Management and Implementation Systems for Cohesion Policy', Report to the European Commission (DG Regio). [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2006/wp11\\_final\\_report\\_26082009.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2006/wp11_final_report_26082009.pdf)
4. Samecki, P. (2009) 'Orientation paper on Future Cohesion Policy', December 2009, [http://ec.europa.eu/regional\\_policy/archive/newsroom/pdf/pawel\\_samecki\\_orientation\\_paper.pdf](http://ec.europa.eu/regional_policy/archive/newsroom/pdf/pawel_samecki_orientation_paper.pdf)
5. European Commission (2010) 'Investing in Europe's future. Fifth report on economic, social and territorial cohesion', Report from the European Commission, November 2010 (Luxembourg: Publications Office of the European Union), [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/cohesion5/pdf/5cr\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion5/pdf/5cr_en.pdf)
6. European Commission (2011) 'Commission Staff Working Paper. Impact Assessment', SEC(2011) 1141, 6<sup>th</sup> October 2011. Copy available at: <http://www.ipex.eu/IPEXL-WEB/dossier/document.do?code=SEC&year=2011&number=1141&extension=null>
7. Statement from Dr Dirk Ahner, Director-General of the Directorate-General of Regional & Urban Policy, European Commission (2007-12 – retired Jan 2012).
8. Statement from Alain Vanden Borre, Unit 02 Communication & Information, Directorate-General of Regional & Urban Policy, European Commission.
9. Statement from Dr Fabrizio Barca Director-General of the Italian Ministry of Economy and Finance (2006-11 and 2013-present) and Minister for Territorial Cohesion, Government of Italy, 2011-13.