



EUROPEAN COMMISSION  
Regulatory Scrutiny Board

Brussels,  
D(2016)

## Opinion

**Title**                    **DG REGIO – Ex post evaluation of the ERDF and Cohesion Fund 2007-13**  
**(draft version of 29 June 2016)\***

### **(A) Context**

EU cohesion policy aims at promoting economic, social and territorial cohesion across regions and countries of the EU. It is implemented through three funds: the European Regional Development Fund, the Cohesion Fund and the European Social Fund. This evaluation covers 75% of the budget supporting 320 programmes co-funded under the first two Funds for the period 2007 – 2013.

The evaluation was divided into 14 working packages, most of them thematic in nature, which are summarised in the Staff Working Document that was submitted to the Regulatory Scrutiny Board for examination.

### **(B) Overall opinion**

**The Board considers that the draft SWD is very limited in its scope, does not draw sufficiently on the findings of the associated individual evaluations (the Work Packages) and barely goes beyond the mere description of the use of the ERDF and Cohesion funds. The Board considers therefore that the draft SWD is more akin to an activity report than to a rigorous evaluation and is of the view that, as such, it does not provide a sufficient basis to inform impact assessment work of future initiatives under the next Multiannual Financial Framework.**

**The Board recommends substantive improvement, in particular in the following key areas:**

- (1) An explanation of the scope of the evaluation should be added together with a description of where elements that are not covered by this report can be found.**
- (2) The report should transparently describe the evidence base (and its limitations) and integrate more extensively the findings of the Work Packages and the lessons drawn in the corresponding Synthesis Report, including the more critical findings and recommendations.**
- (3) The report should go beyond presenting merely outputs, by strengthening its evaluative elements. In particular, it should further develop the Commission services' own conclusions and responses to the contractors' work and better**

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\* Note that this opinion concerns a draft evaluation report which may differ from the one adopted

**highlight the key lessons learned from this exercise for policy making, explaining how it feeds into broader discussions on the effectiveness and efficiency of the cohesion policy.**

**The lead DG shall ensure that the report is adjusted accordingly prior to launching the inter-service consultation.**

### **(C) Main recommendations for improvements**

**(1) Scope.** The rationale for defining the scope of the report (initiated before the launch of the Better Regulation package) should be further explained. Its thematic focus implies that several horizontal issues are not or only superficially addressed. Such elements include the overall effect of the cohesion policy on convergence between and within countries, the quality of programming, the absorption capacity of local beneficiaries, the ability of the funds to leverage private investment, more details on the experience with the use of financial instruments or the targeting of funds to specific convergence or competitiveness regions. The report should in particular provide an assessment of the innovations introduced in the regulation for the period 2007-2013. If these elements remain out of the scope, the report should refer the reader to the documents where such issues are addressed in depth (e.g. Cohesion reports).

**(2) Evidence base and selection of findings from the contractor.** The report should more transparently describe how the results from the different Work Packages, the corresponding Synthesis Report and other information sources such as reports from the Court of Auditors fed into the Staff Working Document to present a balanced evaluation of the two funds. Regarding SMEs for instance, elements like the beneficial countercyclical effect of the ERDF, on which the contractor's report acknowledges the lack of strong conclusive evidence, seems to be given more prominence than other critical issues raised such as the additionality and sustainability of funds, i.e. whether ERDF triggered positive effects that would not have materialised without it, or whether it may have opposed or postponed a restructuring process by artificially keeping ailing SMEs alive. Similarly, findings indicating that the impacts of the cohesion policy subsidies are insignificant or inexistent for large firms should be assessed against the fact that such firms continue to benefit from a significant part of total direct support to enterprises. The thematic review should also shed light on the synergy between ERDF funding and implementation of EU sectoral policies systematically as it is done for instance for environment. Bringing more transparency on the way the report extracted representative elements from the contractor's work and bringing in key elements from the findings of the Work packages and the lessons drawn in the Synthesis Report would strengthen the added value of the SWD as an instrument to inform policy making.

**(3) Evaluation dimension.** The report should further build on descriptive findings and output indicators on how the funds were used to make a critical analysis of the performance of the European Regional Development Fund and the Cohesion Fund. For instance, the sectorial elements tend to present case studies and lessons learned but should include, as intermediary step, a discussion on the overall performance and impacts of the funds in each area (possibly comparing their efficiency with other EU policy instruments) and how they contributed to meeting the policy objectives, which could then support choices on future orientations and priorities. In view of informing future impact assessments, the report should further describe the problems encountered (including those still to be resolved for the period after 2020) and critically assess where and how

funds could be used better, identifying areas that should be further prioritised, maintained and/or phased out.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the evaluation report.*

**(D) Procedure and presentation**

A section or an annex highlighting what can be found in specific work packages or in other documents and reports would address some of the concerns expressed regarding the limited scope of this evaluation.

**(E) RSB scrutiny process**

Reference number	2016/REGIO/001
External expertise used	No
Date of RSB meeting	20 July 2016