

Response NL government to the public consultation of the ex-post evaluation of the European Fund of Regional Development (ERDF) and the Cohesion fund 2014 - 2020

Experience with the ERDF and the Cohesion fund

This input from the Dutch government is based on the experience as overall coordination body of the Dutch ERDF and Interreg programmes:

- 4 ERDF programmes: North, East, South, West.
- 4 Interreg A programmes: Flanders-Netherlands, Germany-Netherlands, Maas Rijn, Two Seas
- 4 Interreg B&C programmes: North Sea Region, North-West Europe, Europe and Interact

2. Evaluation of the effects of the ERDF

2.1. Effectiveness

For the Netherlands it is essential that **cohesion policy remains as focussed as possible**, both geographically and thematically. Geographically, this means that the Netherlands believes that most support should be directed towards those regions that need it most. Thematically, cohesion policy should primarily be focused at structural reforms and investments in the following priorities:

- **Innovation**
- **Digitalisation**
- **Climate Action**
- **Skills**

These matters are not only the biggest common challenges, but also offer the greatest opportunities for all European regions. Structural investments that prepare EU regions for a green and digital future, will have the potential to contribute most to the resilience and strength of their regional economies. This will in turn benefit the European internal market as a whole, for example by stimulating socioeconomic convergence, but also by contributing to the EU's open strategic autonomy.

The Netherlands **supports the RIS3** as a tool to focus the priorities of all regional programmes in a certain region. The Netherlands believes that the innovative approach that is carried out with the RIS3 serves all regions, by providing them with opportunities to leverage on their competitive advantages. Through its partnership and bottom-up approach, smart specialization brings together local authorities, academia, businesses and the civil society, to work together to implement long-term growth strategies. This partnership approach also enhances collaboration between the different levels of government within a country. A good next step in cohesion policy could be to better connect regions based on their RIS3, and have those regions with matching RIS3 profiles to collaborate under cohesion policy. One good example of this in the 2021-2027 programming period are the interregional innovation investments (I3). In this programme, cross-border cooperation is based on similarities in RIS3, which makes for optimised cooperation schemes between regions.

Cohesion policy is most effective when it goes hand in hand with governance- and economic reforms. The Netherlands would like to underline in that respect **the importance of the rule of law**. Therefore, as already called for in the Council's conclusions on the 8th Cohesion Report¹, all EU investments should be done in accordance with the EU charter of Fundamental Rights. Economic reforms can help economies to better prepare for cohesion policy investments which will then yield more returns. This way, cohesion policy investments can contribute to address the economic vulnerabilities mentioned in the country specific recommendations of the European Semester, in order to strengthen the resilience of the regions and the European Union as a whole.

In conclusion, the Netherlands would like to underline the good work that has been done within the RIS3 framework and calls for continued efforts to gather evidence on how to use the RIS3 for the development of regional economies. Focus, both geographically and thematically, is paramount.

¹ Council Conclusions (8980/22) on the Communication on the 8th Cohesion report "Cohesion in Europe towards 2050"

2.2. Efficiency

A survey in a report by the Netherlands Court of Audit², showed that recipients of EU funding were concerned about the administrative burden of applying for EU funding. Approximately two thirds of all interviewees had contracted a third party to apply for funding. The Netherlands therefore wants to reiterate the **importance of simplification** of all cohesion policy funding options, while maintaining sound financial management.

In the 2014-2020 period, considerable efforts were made to explore and work with simplified costs options. The Netherlands welcomes the fact that good experiences resulted in a (regulatory) framework that further promotes and facilitates the use of simplified costs options. The Netherlands encourages the European Commission to continue those efforts, including ways of **promoting financing not linked to costs and approaches of result-based financing**.

Nevertheless, The Netherlands would like to underline that simplification goes beyond the use of simplified cost options. Other administrative requirements can result in unnecessarily high administrative burden. This includes for example the considerable amount of administrative data that needs to be provided. While the Netherlands acknowledges that some administrative requirements from the 2014-2020 period were dropped or simplified (such as the role of the certifying authority), other requirements were maintained or even added (such as data collection on ultimate beneficial owners and publicity requirements).

In some instances, we also see considerable discrepancies between requirements for programmes under direct/indirect management and shared management. To further enhance synergies between different funding streams and to alleviate the administrative burden of beneficiaries, it is important to mainstream those administrative processes and requirements as much as possible. In this regard we note positively that the combination of funds under the common provisions regulation in the 21-27 period has harmonised funds under shared management. We encourage the Commission to continue this process of harmonisation in order to **enhance possibilities for synergies** between funds.

Both the internal and external coordination and the final approval of the partnership agreement proved to be an intensive process. Despite efforts to improve the process for the 2021-2027 period, we consider that more steps can be taken to simplify the procedure. The Netherlands would therefore invite the Commission to critically examine how the partnership agreements have actually contributed to more coherence between funding, especially for Member States with smaller national budgetary envelopes, in order to possibly alleviate some of this administrative burden in the future.

2.3. Coherence/synergies

For the Netherlands, it is very important that **overlap between European funding is avoided** as much as possible. Different funds should have distinctive goals without running the risk to compete with each other. In line with this, the MFF should be kept simple. In the 2014-2020 MFF, but even more so in the current MFF, several instruments (e.g. RRF, BAR, JTF) have been established that overlap to a certain extent with the ERDF and the Cohesion fund. The lack of a clear view of different instruments creates unwanted competition instead of synergy. Also, a plethora of funds and programmes makes it more difficult for applicants to find and access the funding they need. Therefore **completely new instruments, both under and outside Cohesion policy, should be avoided**. The use of existing instruments, like was done in the case of the Covid pandemic with REACT-EU is to be preferred.

Furthermore, we notice that the regulatory requirements for Interreg as an instrument under ERDF are not always well adapted to the diverging (multi-country) governance structures and setup of those programmes. One example are the ill-fitting indicators in the 2014-20 period. We have seen improvements with the 2021-27 programming period but encourage the European Commission to further progress in this regard.

The Netherlands welcomes the earmarking of Cohesion policy funds within other programmes with significant EU added value, such as is currently the case for the earmarked funding from the Cohesion Fund within the Connecting Europe Facility. The Netherlands would in light of the above invite the European Commission to **focus part of its evaluation on the extent to which investments from the ERDF and the Cohesion fund are complementary to other European**

² [Added Value of EU Grants in the Netherlands | Report | Netherlands Court of Audit \(rekenkamer.nl\)](#)

funds, and where there is overlap. More synergies between EU programmes is a prerequisite for a better functioning EU research and innovation landscape. Synergies happen often only on an ad-hoc basis and the Netherlands believes that if administrative practices of funds under shared and (in)direct management are better aligned, much more could be achieved in this respect.

We have experienced numerous crises hitting our continent, of which covid-19 and the Russian aggression against Ukraine were the latest. This has resulted in cohesion funding (especially at the end of the 2014-2020 period) being used as a crisis instrument. One example is the creation of the "Coronavirus Response Investment Initiative (CRII)". The Netherlands did not make use of CRII, because of the limited amount of funds available, which were at that time already committed to a large extent. The Netherlands underlines EU solidarity, especially in these exceptional circumstances, and sees the ability of cohesion policy to quickly respond to crises. However, the Netherlands believes cohesion policy should keep its focus on the long term impact. Flexibility measures must always be of exceptional and temporary nature and preferably contribute to the feasibility of cohesion policy. **Therefore we invite the Commission to continuously examine the effects on regional development of using cohesion policies for crises.**