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NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	Presidency note on Cohesion policy and the Europe 2020 Strategy mid-term review

1. The Presidency has prepared a Note on *Cohesion policy and the Europe 2020 Strategy mid-term review*, which is set out in the Annex to the present note. The Presidency Note has been presented at the Structural Actions Working Party on 6 November 2014. It depicts the main actions undertaken under the Italian Presidency during the second semester of 2014 in order to prepare the ground for the mid-term review of the Europe 2020 Strategy in 2015 and puts forward a number of questions for the preparation of the exchange of views at the General Affairs Council on 19 November 2014.
2. The Permanent Representatives Committee is therefore invited to give indications about the main messages that the Ministers would like to put forward during the General Affairs Council on 19 November 2014 on the basis of the *Presidency Note on Cohesion Policy and the Europe 2020 strategy mid-term review*.

Presidency note
on Cohesion policy and the Europe 2020 Strategy mid-term review

I. Europe 2020, Economic Governance and Cohesion Policy

The Europe 2020 Strategy is the EU's strategy for smart, sustainable and inclusive growth. The strategy has been introduced to address various shortcomings of the EU growth model and to create the conditions for a different type of growth that should be "smart, sustainable and inclusive".

In practical terms, the delivery of the goals and objectives of the Europe 2020 Strategy relies in particular on the new economic governance structures and processes and the sectorial policies and their financing. The strategy is implemented and monitored in the context of the European Semester, the yearly cycle of coordination of economic and budgetary policies (with its specific aspects: budgetary, macroeconomic and structural reforms). Through this process, the Commission evaluates notably whether and to what extent the commitments undertaken by the Member States allow for the delivery of the Europe 2020 objectives.

At the same time, the newly reformed cohesion policy aims to ensure that all energies and capacities are mobilised and focused on the pursuit of the strategy's priorities. Cohesion policy and its structural funds, while important in their own right, are key delivery mechanisms to achieve the priorities of smart, sustainable and inclusive growth in Member States and regions¹ through long-term investment programmes.

¹ COM(2010) 2020 final, Communication from the Commission 'Europe 2020 - A strategy for smart, sustainable and inclusive growth'.

II. The Preparation of the Europe 2020 Strategy Mid-term Review

As announced in its communication in March 2014², the Commission is preparing a review of the Europe 2020 Strategy at its mid-term. The European Council had a first discussion on the implementation of the strategy in March 2014 where it assessed the implementation of the strategy based on the Commission's Stock taking Communication³ and looked forward to the review of the strategy in 2015⁴. As a follow-up, the Commission launched, in May 2014, a public consultation, which closed at end of October 2014, to feed into its work on the mid-term review of the Europe 2020.

In this context, the Council has started as well the process of preparation of its input to the review of the strategy. The Trio Presidency (Italian, Latvian and Luxembourg Presidencies) prepared and presented in June 2014 the 18-months programme of the Council⁵, which sets out the contribution that the Council will make to the review of the strategy, which will be addressed in all relevant Council formations, each focusing on aspects under its competence. The aim of the three Presidencies is to build on the experience of the Council with implementing the Europe 2020 Strategy, the European Semester and the flagship initiatives and to work towards a review of the Strategy to be endorsed by the European Council on the basis of proposals from the Commission in 2015.

In practical terms, after the presentation of the 18-months programme, the Council discussed a roadmap for the mid-term review of the Europe 2020 growth strategy⁶. The roadmap sets out how work will be taken forward under the Italian presidency in the second semester of 2014 to prepare the ground for the review of the strategy in 2015. The objective of the roadmap is to ensure that all relevant Council formations work in a coordinated manner and to enable the General Affairs Council and COREPER to oversee the process.

² COM(2014) 130 final/2 Corrigendum, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions, 'Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth'.

³ 6713/14.

⁴ EUCO 7/14.

⁵ 11258/14.

⁶ 11645/14.

The Italian Presidency will draw together the contributions from all the ministerial debates in a summary to be endorsed at the General Affairs Council in December and thereafter presented to the December European Council. This summary will provide input to subsequent Commission work on the review of the strategy.

Following these discussions in the Council and the results of the ongoing public consultation, the Commission is expected to present proposals for the pursuit of the Europe 2020 Strategy in time for discussion at the March 2015 spring European Council.

III. Issues for debate

Cohesion policy has been contributing to a relevant extent to the delivery of the Europe 2020 Strategy since its launch, as the findings of the Sixth Report on economic, social and territorial cohesion shows. Therefore, the views of Ministers on how this contribution has actually taken place in their countries can provide useful inputs in the review process by making clear how the strategy made a difference for the design and implementation of regional development strategies and what the shortcomings to be addressed.

Cohesion policy has been considered as key driver in respect to the implementation of the Europe 2020 Strategy. However, feedbacks coming from cohesion policy were not sufficient to regularly feed the monitoring exercise of the achievements of the Europe 2020 objectives and targets. As for the way forward, considering that the Europe 2020 Strategy and the European semester are two interlinked processes, cohesion policy representatives could be more involved in the first stage of the preparation of the European Semester, to ensure that the specific realities of the policy implementation are duly taken into account. Such a greater involvement could be a significant improvement in order to make the contribution of cohesion policy to the delivery of the Europe 2020 Strategy more effective and it could be one of the main issues to be addressed in the envisaged regular debate within the cohesion dedicated session of the General Affairs Council.

In order to provide the specific inputs as far as cohesion policy is concerned to the Italian Presidency synthesis report, the Ministers are invited to express their views on the following questions:

1. Do Ministers think that the Europe 2020 strategy has made a difference and has been implemented effectively at EU, national and local levels? What were the main hurdles? Is there a need for simplification/streamlining of the process/methods and how? Did the contribution of Cohesion policy investments dedicated to regional and urban development adequately deliver in terms of achievements of the objectives of Europe 2020?
 2. How can we improve the effectiveness of policy measures to achieve the 2020 targets? How could the cohesion policy contribution more effectively deliver results within the framework of the 2014-2020 legislative package? Could a regular involvement of cohesion policy, as described above, in the European Semester be a suitable way?
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