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What Future for EU Structural Fund Programmes?

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Everyone is Talking About the 'CSF'

A new programming period for the EU Structural Funds begins in 2014. The draft regulations, showing in broad terms how the EU Commission sees the way ahead over the next six years, were published in October 2011. However, the regulations are currently going through a process of discussion and negotiation, both in the Council and the European Parliament, from which they may emerge with considerable changes. One aspect of particular interest is the call for strategic focus and greater 'coherence' between the activities of the five funds (the European Agricultural Fund for Rural Development [EAFRD], the European Regional Development Fund [ERDF], the European Social Fund [ESF], the Cohesion Fund, and the European Maritime and Fisheries Fund [EMFF]). In this issue of Nordregio News, we take a closer look at aspects of this reform as well as the current progress in the Nordic countries towards new programmes for 2014 and onwards.

The Common Strategic Framework (CSF) and Partnership Agreements (PAs) were first outlined in the Fifth Cohesion Report in 2010. Since then, they have been taking shape in the draft Common Provisions Regulation and subsequently in a Commission Staff Working Document 'Elements for a Common Strategic Framework

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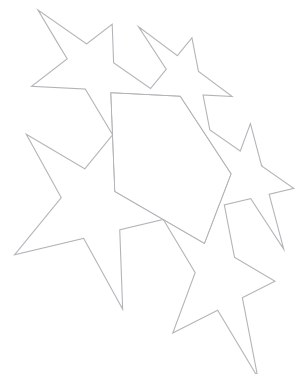
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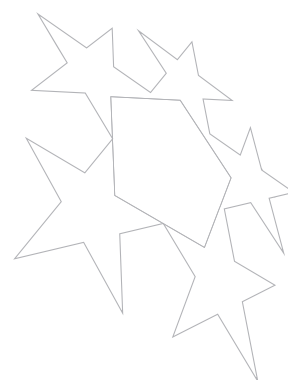
2014–2020’. The CSF presents a set of common Thematic Objectives and key actions, derived principally from the Europe 2020 strategy, which all five of the EU development funds will pursue. It also specifies mechanisms for co-ordination among the funds (options for programming and administration), and some new fund implementation instruments to ensure coherence and consistency. The following are the Thematic Objectives set out by the Commission.

1. Strengthening research, technological development and innovation.
2. Enhancing access to, and use and quality of, information and communication technologies.
3. Enhancing the competitiveness of SMEs, the agricultural sector, and the fisheries and aquaculture sector.
4. Supporting the shift towards a low-carbon economy in all sectors.
5. Promoting climate change adaptation and risk prevention and management.
6. Protecting the environment and promoting resource efficiency.
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures.
8. Promoting employment and supporting labour mobility.
9. Promoting social inclusion and combating poverty.
10. Investing in education, skills and lifelong learning.
11. Enhancing institutional capacity and ensuring an efficient public administration.

Based on these Thematic Objectives, the Commission has recently circulated country-specific position papers about the development of the PAs in each member state. These PAs will be agreements between the member states and the Commission that translate CSF objectives and targets into national ones, specify the ‘conditionalities’ attached to EU funding, and set out the procedures for monitoring and evaluation. Based on these recommendations and national ambitions, the countries are now working to draft the overall structures as well as individual programmes for the coming period. As we will see in this issue of Nordregio News, there are many aspects of the reform to take into consideration. Interestingly enough, there are also some differences in how the Nordic states are handling this.

In the first article of this issue, **Which Way Forward for Cohesion Policy Programmes in 2014–2020?**, John Bachtler analyses and reflects on various aspects of this reform, looking into the strategic and thematic content, the way performance can be thought of and the overall ambition of an integrated approach to territorial development.

In the second article, **Preparations for the Structural Funds Programming Period 2014–2020 in Mainland Finland**, Riikka-Maria Turkia gives us an insight into the preparations for the Structural Funds programming period 2014–2020 in Finland.



The final article, **Getting Their Act Together – or Just More Alphabet Soup?**, by Andrew Copus, Ole Damsgaard and myself, is a further insight into the new mechanisms for handling co-ordination and coherence between the funds within the CSF. We also offer some initial insights into the process of devising these programmes in the Nordic member states.

We hope you enjoy reading Nordregio News!



Gunnar Lindberg
Senior Research Fellow
and the **Editorial Board of Nordregio News**

Which Way Forward for Cohesion Policy Programmes in 2014–2020?

By John Bachtler

Despite the failure of Member States to agree the financial framework for 2014-20, and the associated delay in finalising the regulations for Cohesion policy, Member States are hard at work on their Partnership Agreements and Operational Programmes (OP). During November and December 2012, the Commission has been presenting its 'Position Papers' on the programming of resources, especially its assessment of development challenges and the priorities for each Member State. This article considers how some of the key elements of the proposed regulatory framework (relating to strategic coherence and programming, thematic concentration, performance, and the integrated approach to territorial development) are being translated into practice.

Strategic coherence

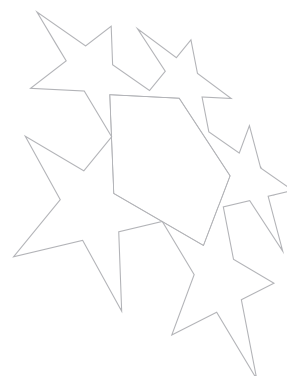
The strategic planning framework will be upgraded for 2014-20 involving a more co-ordinated approach across EU Funds and policies and a strong focus on the Europe 2020 objectives for smart, sustainable and inclusive growth. The Common Strategic Framework (CSF) has been drawn up with the aim of increasing coherence between policy commitments made in the context of Europe 2020 and investment on the ground. The intention is to encourage integration by setting out how the Funds can work together and provide a source of strategic direction to be translated by Member States and regions into the programming of the CSF Funds in the context of their specific needs.

To a certain extent, the CSF is fulfilling its intended goal. There is evidence that the CSF is influencing the choice of strategic and specific objectives and encouraging a more integrated approach through better national-level co-ordination of the Funds and their application to territorial challenges. This includes the possible use of co-ordinating committees for all Funds, joint managing authorities for different Operational Programmes (OPs) and - in some Member States - a greater use of national programmes. Although most Member States apparently intend to continue implementing the Funds through a mix of national and regional OPs, with many continuing the current



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system of one OP per Fund, several Member States are planning to use a single OP for all Cohesion Policy funds (ERDF, ESF, Cohesion Fund) to achieve a more integrated approach to strategic planning and implementation.

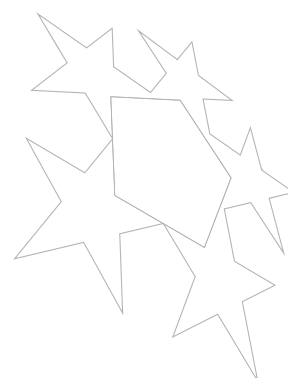
One concern is that co-ordination arrangements may become more formalised, bureaucratic and complex than in the 2007-13 period. Other challenges noted by Member States include finding an appropriate balance between high-level strategic direction and scope for fine-tuning at OP level and creating effective co-ordination arrangements between national and sub-national levels, especially where integrated local development initiatives are likely to be used.

Thematic concentration

The regulatory framework foresees thematic concentration of expenditure on a limited number of objectives and investment priorities in order to maximise the contribution of Cohesion policy to Europe 2020 priorities and achieve a critical mass of support. The rationale for thematic concentration is widely acknowledged by Member States, although there are concerns about the prescriptive requirements to focus minimum amounts of expenditure on specified themes.

For the most part, national and regional investment priorities for 2014-20 have yet to be decided. Insofar as Member States are able to identify likely trends, they anticipate a greater proportion of spending on energy-related themes (energy efficiency, renewables and low-carbon economy), RTDI (research, technological development and innovation), ICT (Information and Communication Technology), education/human capital, social inclusion and health. In line with shifts in the current period, there is also likely to be less support for 'hard' infrastructure, such as transport. In some Member States, there will be no significant shifts, mainly because current priorities are already broadly in line with the proposed requirements for 2014-20.

Changes to resource allocation are being driven not just by the proposed regulations on thematic concentration, but also by the strategic objectives of national development plans, regional development policies and sectoral strategies. Decisions on future priorities will also be shaped by the results achieved during the current period and the challenging financial and economic context. Thus, many Member States advocate greater flexibility in the thematic concentration requirements to reflect national and regional development challenges and needs. There are also some concerns about smaller programmes being able to provide the critical mass under each selected thematic objective.

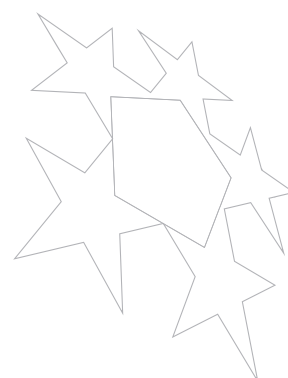


Performance

The new regulatory framework envisages a stronger focus on performance. An important element is the use of ex-ante conditionalities to ensure that the conditions for effective Cohesion Policy investments are in place prior to the launch of programmes. For example, if a Member State is proposing to allocate EU funds to innovation, it must ensure that there is a national or regional research and innovation strategy in place. Many Member States recognise that conditionalities have the potential to enhance the quality of spending by encouraging more rigorous, timely and co-ordinated programming and by supporting a more result-oriented approach. Several stress the importance of implementing conditionalities in line with the spirit of the partial general agreement achieved in the Council, implying that the selected conditionalities are directly linked to programme objectives, negotiated consensually and that the principles of subsidiarity and proportionality are respected (i.e. that conditionalities are negotiated and take account of the scale of funding). Also, there is a concern in some Member States about the additional administrative and co-ordination effort needed to agree and oversee the implementation of conditionalities.

There are mixed views among Member States on the proposed performance reserve. Some are sceptical due to previous experiences in 2000-06 when the obligatory reserve proved difficult to implement in a manner that was practical, objective and results-oriented. It is also recognised that performance management is a complex, time-consuming and long-term exercise, which requires changes in systems and behaviour. Nevertheless, the Member States that used a performance reserve voluntarily in the current period argue that the experience was beneficial overall. There are also positive experiences reported with outcome-based payments in the current period under the ESF, EARDF and at the level of specific interventions in other countries.

A further central element of the performance framework is the emphasis on setting the right targets and identifying appropriate indicators to ensure effective monitoring, evaluation and reporting on the performance of the policy. This will require the development of guidance, expert support, evaluations of current arrangements and consultations. Member States recognise that indicators will need to be relevant, coherent and streamlined, and there is considerable work underway on the use of indicators in the next period, as well as the necessary adaptations to monitoring and evaluation systems to report on progress against the milestones and targets. Some Member States



emphasise that assessing causal impact requires a broad range of tools - such as impact evaluation, case studies, benchmarking, surveys and robust statistical techniques - and note the difficulty of demonstrating results where small sums of funding are involved.

Integrated approach to territorial development

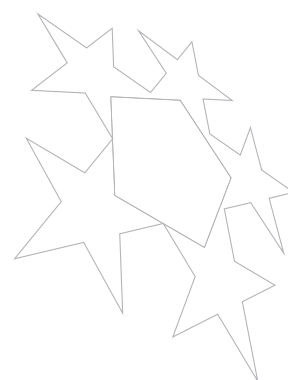
Taking account of the territorial cohesion objective, the new regulatory framework highlights the importance of an integrated approach to territorial development, including through Community-led Local Development, Integrated Territorial Investments (ITIs) and sustainable urban development. Partnership Agreements will be required to describe how different types of territories and the integrated approach will be supported.

The territorial dimension is widely supported by Member States as an asset of Cohesion Policy compared to a sectoral approach, ensuring sensitivity to territorial specificities and a bottom-up approach to development. It is recognised that the new regulatory framework provides Member States with opportunities to promote a more integrated approach to territorial development in line with domestic needs. Some consider that the potential of the territorial dimension is not yet being fully exploited, for example via the negotiation of the CSF and the application of tools like territorial impact assessment.

In taking forward the territorial development instruments foreseen in the draft Regulations, Member States have identified a range of issues that will need to be resolved during the programming of Partnership Agreements and OPs. These include the level of demand for ITIs, the relationship with thematic concentration, the role of different Funds, strategic coherence in the treatment of territory at different scales and the level of administrative capacity at sub-regional level. While the Community-led Local Development instruments are based on the existing LEADER approach, ITIs are new and there is a lack of detail on how they can be used most effectively in practice. Finally, notwithstanding the efforts of the Commission to harmonise rules, there are concerns about the different administrative requirements for each of the Funds which could undermine an integrated approach to territorial development.

Conclusions

Much about the programming for 2014-20 is still uncertain. Although there has been considerable investment in analysis, consultation and the preparation of Partnership Agreements, key decisions still have to be made in many Member States on the future programme architecture and the allocation of resources, some of which depend on the overall budget that will be available. As this article has shown, there

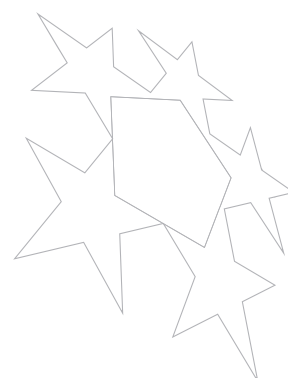


are several important aspects of the regulatory framework that need further interpretation or clarification.

A critical element of the new framework is the goal of raising the performance of the Funds with more visible results. This requires Member States to put the new ‘intervention logic’ into practice, but it is unclear whether managing authorities fully understand or support the expectations of the Commission. There appears to be a gap between the commitment of European and national politicians for better quality spending and, at least in some Member States, a perception that existing programming, monitoring and evaluation practices can be largely rolled over into 2014-20.[1] In this area, as with the implementation of strategic coherence, thematic concentration and integrated territorial development, the coming year will reveal whether the ambitions of the Commission for the new period can be realised.

This article draws on a paper produced for the Cyprus EU Presidency prepared by John Bachtler, Carlos Mendez and Stefan Kah, European Policies Research Centre, University of Strathclyde, Glasgow. The permission of the Cyprus Presidency to use the material is gratefully acknowledged. Further detail on the debates underlying each of the regulatory changes being negotiated is available in: Mendez C, Bachtler J and Wislade (2012) Cohesion policy after 2013: A critical assessment of the legislative proposals, Study for the European Parliament, Brussels.

[1] Mendez C, Kah S and Bachtler J (2012) The promise and perils of the performance turn in Cohesion policy, IQ-Net Thematic Paper 31(2), European Policies Research Centre, University of Strathclyde, Glasgow.



Preparations for the Structural Funds Programming Period 2014–2020 in Mainland Finland

By Riikka-Maria Turkia

The Managing Authority of The European Regional Development Fund (ERDF) and The European Social Fund (ESF) programmes in mainland Finland, i.e., the Ministry of Employment and the Economy, was determined to avoid the delays and problems that characterised the start of the 2007–2013 programming period. Therefore, the preparations for the next period were started soon after the publication of the **Fifth Cohesion Report**. A working group including all the relevant stakeholders was established to discuss the organisation and priorities for the future period. The initial starting point was similar to the thinking of the European Commission: management of the funds and the organisational structure both need to be simple; and funding has to be focused on fewer priorities to achieve a better impact on the policies involved.

Organisational structure of the future programme

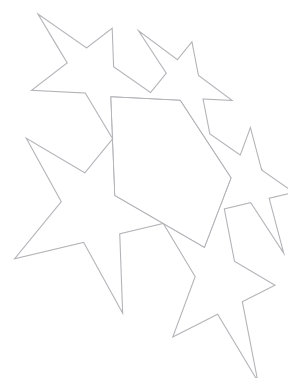
After long and sometimes heated discussions, a compromise was reached in March 2012 on how the Structural Funds' implementation would be organised in 2014–2020. With simplification as an objective, a decision was taken to have a single Operational Programme (OP) including both ERDF and ESF activities in mainland Finland. The intention was also to facilitate a better co-ordination between the funds and to improve complementarity. Instead of four regional ERDF OPs and one ESF OP with four regional sections and a national section, there will be a single programming document. This means that there will be joint reporting and just one monitoring committee. Operations will, in most cases, be selected in the regions based on their own regional plans and decision-making. A certain share of funding will, however, be reserved for the implementation of nationally important themes and development needs.

The objective to have a leaner organisational structure was not, however, reached. Regional Councils and the Centres for Economy, Transport and the Environment (ELY Centres) have both been implementing bodies of the Structural Funds in the current programming period. Regional Councils are responsible for the co-ordination of regional policy and the ELY Centres are state authorities responsible for the implementation of employment, enterprise, transportation and environment policies, as well as development activities. The initial



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intention was to change their roles so that the ELY Centres would be in charge of management and payment functions while the Regional Councils would have a role in finding good ideas for projects, and promoting the Funds. The Regional Councils did not consider their role strong enough without the possibility of funding projects themselves, which led to the decision to keep the number of implementing bodies roughly the same as in the current period.

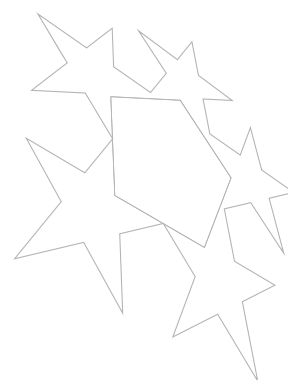
Priorities for funding

The next step was to draft the activities that would be included in the future OP. The outline of the chosen priorities was prepared as a joint effort of the different ministries involved in cohesion policy, taking into account the views of regional authorities and other partners. In principle, these priorities correspond to the Thematic Objectives of the general regulation [1]. The fund-specific regulation proposals [2] gave a fairly simple starting point: ERDF funding in a developed country such as Finland should be focused on competitiveness of small and medium-sized enterprises (SMEs), innovations and low-carbon economy; ESF funding was limited to four Thematic Objectives of which the last one (enhancing institutional capacity, etc.) was considered less relevant for Finland. The discussions on the choice of priorities were not easy either. With representatives of so many different bodies, both regional and national, and different policies, the opinions on what should be included were varied. Common language was sometimes missing and there was often disagreement on details. Finally, the ministries involved in regional development had to decide on the priorities for the Structural Funds for 2014–2020. The compromise was to include everyone's wishes into the plan.

The outline looked fine from the outside with only one exception: northern and eastern Finland would have a special priority for accessibility combining two Thematic Objectives: namely, enhancing access to and use and quality of ICT, and promoting sustainable transport. Major investments in transportation and broadband networks would not be eligible according to the Commission's initial proposal, but in the northern and eastern sparsely populated areas connections to both transportation and communication networks were considered too important to be left out.

What about thematic concentration?

Technically, the nationally set priorities would not jeopardise the application of the rules of thematic concentration. ERDF funding could be focused on three Thematic Objectives: enhancing the competitiveness of SMEs; strengthening research, technological development and innovation; and supporting the shift towards a low-carbon economy in all sectors. These were all themes that would contribute to the overall national objective to strengthen and diversify regional (and national) economies, in particular SMEs, which would also improve employment opportunities.



Focusing ESF funding on four investment priorities is slightly more difficult. However, the outline of national priorities can be linked to the following investment priorities: *Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility; Adaptation of workers, enterprises and entrepreneurs to change; Enhancing access to lifelong learning, upgrading the skills and competences of the workforce, and increasing the labour market relevance of education and training systems; Active inclusion; and Equality between men and women and reconciliation between work and private life*, which was an obligatory investment priority according to the original regulation proposal.

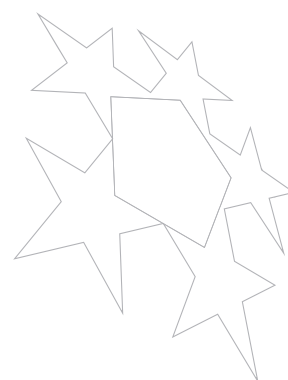
There was no formal decision taken on the choice of investment priorities. Although the outline is guiding preparation, some flexibility is needed when the regional and central plans are combined into a programme document. The Managing Authority will also need some room to manoeuvre when entering into negotiations with the Commission.

Getting ready for the negotiations with the Commission

The Commission provided some insight into their views in the position paper [3], in which the four DGs involved had reflected on the most important priorities for funding in Finland. The position paper was also presented at the launching event of the negotiations for the Partnership Agreement between Finland and the European Commission. According to the position paper, *“Finland’s most pressing challenges are related to the weakened competitiveness of businesses and the need to broaden the research and innovation base together with diversifying the economy, youth and long-term unemployment, ageing population, high energy consumption and the need to improve the sustainable management of natural resources and measures related to climate change.”*

The priorities that the Commission considers relevant to Finland mostly correspond to those selected nationally. Both the Commission and Finnish authorities agree on the importance of an innovative and competitive business and research environment. Enhancing competitiveness of SMEs and supporting their internationalisation, as well as supporting product development and commercialisation, are measures mentioned in the Finnish outline of important actions for which ERDF support is used. Enhancing transfer to a low-carbon economy is also on the national menu of actions to be included in the future Structural Funds Programme. The Commission sees climate change mitigation, protecting the environment and promoting resource efficiency as specific priorities, whereas Finnish authorities would see these rather as part of the low-carbon economy priority and sustainable development as an overarching principle.

Increasing labour market participation is also a common objective and both the Commission and Finnish authorities emphasise employment of young people and improved quality of working life



enabling longer careers. However, there are some differences as to how to approach these issues. The Finnish authorities see young people as a special target group in most of the ESF-funded priorities and do not necessarily see the need to concentrate actions under one investment priority for this particular target group. Quality of working life is seen by Finnish authorities as a fundamental part of adaptation to change. It is somewhat surprising that the Commission does not mention adaptation at all in the position paper, although structural change is an ongoing phenomenon in the Finnish economy, which is likely to continue also in the longer perspective. Change has actually become an inseparable part of economic life, and as such, requires new methods and thinking among all the actors involved: enterprises, employees and authorities. Demographic change is considered as one element requiring adaptation.

It is also interesting that the Commission's outline actually includes more Thematic Objectives and investment priorities than the Finnish authorities consider realistic and possible, taking into account the requirements of thematic concentration. It may well be that after the negotiations with the European Parliament, we are in a situation where the regulations allow for less concentrated focus. It does not, however, change the fact that Finland will most likely receive less funding than during the current programming period. Therefore, it is necessary to carefully consider where the money is allocated in the next seven-year period.

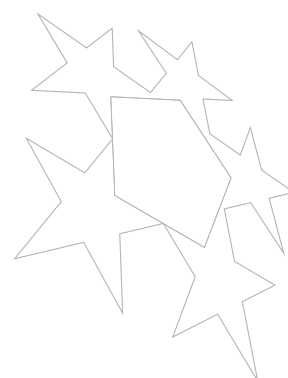
Next steps

An important challenge is to find a way to put together all the plans into a coherent, focused, and balanced programme. This means that the hardest work lies ahead. Ex ante evaluation has recently begun and the evaluators should help with the special targets, indicators, milestones, etc. Another difficult national decision should soon be made regarding the allocation of funding to different priorities and to different implementing bodies. However, if the EU-level negotiations are concluded as planned, there is a good chance that a mainland Finland OP will be ready to be submitted to the Commission by next autumn simultaneously with the Partnership Agreement.

[1] Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. 2011/0276 (COD).

[2] European Regional Development Fund, 2011/0275 (COD) & European Social Fund, 2011/0268 (COD).

[3] 'Position of the Commission Services on the development of Partnership Agreement and Programmes in Finland for the period 2014–2020', 22.10.2012.



Getting Their Act Together – or Just More Alphabet Soup?

By Andrew Copus, Ole Damsgaard and Gunnar Lindberg

One of the main goals of the coming programming period is coherence between the different EU funds. This article looks into the process and tools for a co-ordinated and integrated delivery of the so-called Common Strategic Framework (CSF) funds. We will also examine the process so far in the Nordic Member States and highlight some similarities and differences in how these countries are dealing with the implementation and architecture of the programmes.

Exploring the relationship between, and co-ordination of, different EU policies within specific territorial contexts is of course not new. As far back as the early 1980s, Integrated Development Programmes were piloted in 10 regions, including the Western Isles of Scotland. The need for an 'integrated approach' was emphasised in the 1996 Cork Declaration, and between 1994 and 1999, integration of the three funds (ERDF, EAGGF and ESF) was 'rolled out' in the context of programmes for regions designated under objectives 1 (lagging), 5b (rural), and 6 (peripheral/arctic). However, the administrative complexity of implementing multi-fund programmes soon prompted calls for 'simplification', and through the reforms of 1999, 2003 and 2004, the urban/regional activities of the ERDF became increasingly independent of the rural development interventions of CAP Pillar 2 (EAFRD). During the first decade of this century, a long-running background debate about the respective responsibilities of DG Agriculture and DG Regio eventually subsided into a discussion about 'coherence', which as future budgetary restrictions became increasingly evident, complemented the rising emphasis (in the context of the overarching EU 2020 objectives) on 'thematic concentration'. The way that coherence is envisaged in the coming programming period is set out in the management and integrated delivery of the CSF funds. We will now look a little closer at the proposed measures.

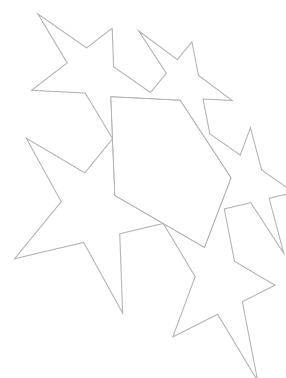
Co-ordination and integrated delivery of the CSF funds

The main way in which the activities of the CSF funds is co-ordinated is through the partnership agreements, which should provide 'a framework for close co-ordination to ensure that interventions financed



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create synergies and that streamlining leads to a reduction of administrative cost and administrative burden on the ground' (Commission Staff Working Document, 2012:61 final, p7). Ministries and managing authorities responsible for implementing the CSF programmes should work closely together on 'concrete measures' to ensure such co-ordination, through the following.

(i) Either close co-ordination of separate programmes, or multi-fund programmes in 'areas of intervention' where the CSF funds 'can work together in a complementary manner'.

(ii) Some common membership of the different CSF managing authorities.

(iii) Joint monitoring committees, or other joint management and control arrangements across the CSF fund programmes.

(iv) Joint 'e-governance solutions' – 'one stop shops' – for applicants and beneficiaries.

With respect to (i), it is interesting to note that multi-fund programmes are only envisaged between the European Regional Development Fund (ERDF) and the European Social Fund (ESF) and Cohesion Fund. EAFRD and EMFF are not mentioned in this context.

The Commission Staff Working Document highlights several ways in which integrated delivery could be organised at a local level.

(i) Community-led local development. Leader-like arrangements in which several funds participate.

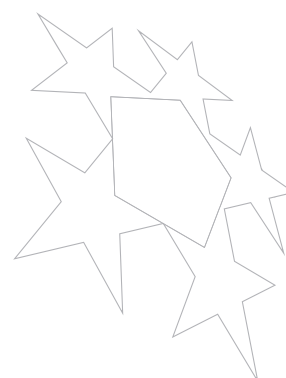
(ii) Integrated Territorial Investments (ITI). 'Funding from several priority axes and programmes can be bundled into an integrated investment strategy for a certain territory or functional area ... It allows the managing authorities to delegate the implementation of parts of different priority axes to one body (a local authority) to ensure that investments are undertaken in a complementary manner...' It is important to note that ITI arrangements seem to be an option for only three of the CSF funds (ERDF, ESF and Cohesion); i.e., they do not seem to be an option for EAFRD or EMFF.

(iii) Integrated operations are an option for beneficiaries, rather than implementation authorities. They allow a single 'operation' to receive funding from more than one CSF fund.



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(iv) Joint Action Plan is an arrangement where a group of projects may be carried out by a single beneficiary, drawing on both ESF and ERDF, 'in order to achieve specific objectives jointly agreed between the Member State and the Commission'.

The Commission also encourages the Member States to carry out co-ordinated planning, and to actively seek ways to integrate implementation of different EU policies or instruments.

How are the Nordic Member States progressing?

At the time of writing (early December 2012), the key constraint is the lack of agreement between the Member States about the overall EU budget. Without this, the CSF regulations cannot be finalised, and the entire timetable for negotiations between the Commission and the Member States is suspended. Nevertheless, the Commission has made good use of the time, and has sent each Member State a 'Position Paper', setting out its interpretation of recent economic and social statistics relating to the EU 2020 targets, and the implications for the choice of Thematic Objectives for their new CSF programmes.

The process towards the national CSF programmes and the partnership agreements for the three Nordic EU Member States [1], including the autonomic region of the Åland Islands, has until now followed only slightly different paths.

Finland started the process as early as the beginning of 2011, and in March 2012, made a formal decision concerning the programme architecture, while the process in Sweden and Denmark gained momentum only during the spring of 2012.

Different actors involved

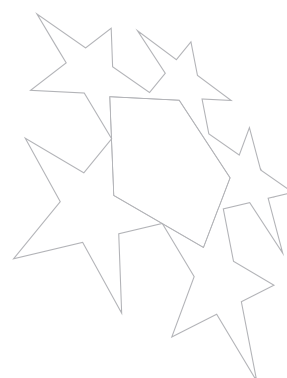
Finland, and to some extent Sweden, seems to have involved regional stakeholders broadly at an earlier stage of the process compared with Denmark. However, direct comparisons of the involvement of stakeholders can be difficult because of the differing national and regional governmental structures and power relations in the three Nordic countries.

In all three countries and the Åland Islands, the ministry responsible for the implementation of the national ERDF programmes acts as the driving force and co-ordinator for the CSF-programming, even though the ministries responsible for the ERDF have quite different portfolios. In Finland, including the Åland Islands, and Sweden, the programming takes place directly in the ministry and at a formal high level close to the minister. In Denmark, the operational work takes place in the Danish Business Authority, which is an independent entity under the Ministry of Business and Growth.



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The importance of the co-ordination function has been underlined in Sweden by the appointment of a co-ordinator with the power to operate and co-ordinate across the relevant ministries and national authorities. In the Åland Islands, a strategy group at ministerial level formally co-ordinates the work, while six different working groups led by the Ministry of Enterprise conduct the work, whereas in Finland and Denmark cross-ministerial working groups have been established but without a formal co-ordinator.

The architecture of the programmes

In all countries, the goal is to have a full draft of the CSF programmes together with the Partnership Agreement ready for consultations with the Commission in late spring or early summer 2013, dependent of course on when the final decisions concerning the EU long-term budget and EU regulations are made.

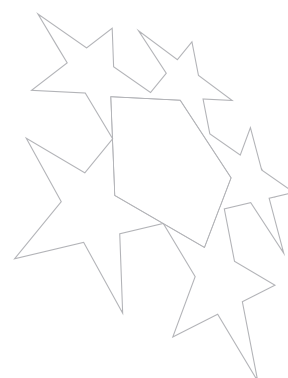
According to 'the programme architecture', Finland has decided that one national programme shall cover both the ERDF and the ESF, in contrast to the current period in which there are four ERDF operational programmes and one ESF programme.

In the other Nordic countries and the Åland Islands, no final decision has so far been made concerning the 'programme architecture'; however, it is not expected that the rural and maritime development programmes will be merged with other CSF programmes here either. It is also expected that Denmark will continue to have only one ERDF and one ESF programme as in the present programme period, and that Sweden will continue with eight ERDF and one ESF operational programmes.

Priorities

Concerning the ambitions for thematic concentration, the Member States have received the position papers from the Commission and it seems that there are possibilities for reaching a consensus on priorities in the Nordic Member States. No formal decisions have been made, however, according to **Riikka-Maria Turkia's article**; the process in Finland seems to conclude with three Thematic Objectives for the ERDF funding.

In Sweden, consultation with the regions in 2011 also indicated that it should be possible to achieve consensus for relatively few ERDF priorities. In Denmark, the present operational programme for ERDF funding only operates with four priorities, highlighting innovation and entrepreneurship, while the operational programme for the ESF operates with two priorities. Because it is to be expected that Denmark will foresee an even lower budget for the new programmes compared with the 2007–2013 period, it is unlikely that it will be spread over more than four priorities, as proposed by the EU Commission.



Conclusions

The CSF and Partnership Agreement raises a host of questions for the Nordic Member States, some of them being strategic/political, others being more practical/bureaucratic implementation issues. Most of these need to be considered and widely discussed within a rather short timescale. It is evident that these countries are well on their way to designing individual programmes and partnership agreements. What is interesting is to see how far they can, and will, go in co-operating with regional interests, involving stakeholders and different governmental bodies, and in defining new priorities within and across funds. There seems to be an ambition to meet the Commission's propositions, but it is still possible that partnership agreements will be the main outcome of the process, while individual programmes will largely be a continuation of the previous period based on narrower processes and with narrower thematic prioritising.

[1] The Nordic EU Member States are Denmark, Finland and Sweden. The Åland Islands has an autonomic status concerning, e.g., labour market policy, industry and enterprise policy including regional and rural development policy, while foreign affairs and tax policy are integrated with Finnish policy.

