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## Position Paper of the Greens/EFA group on the future of Cohesion policy post-2020

1. The Greens/EFA are in favour of a strong, autonomous and targeted cohesion policy. The main objective of cohesion policy is strengthening economic, social and territorial cohesion by reducing regional disparities both within and between Member States, improving the well-being of EU citizens and providing them with equal opportunities regardless of their place of residence. Cohesion policy should remain an expression of solidarity and make a meaningful contribution to the future of Europe. It should promote sustainable and balanced territorial development embedded in an ecosystem-based approach which takes account of the EU's international responsibility in the fight against climate change.
2. Cohesion policy has arrived at a decisive moment sparking important debates about its future. While ex-post evaluations of the 2007-2013 programming cycle attest to the importance of European Structural and Investment Funds (ESI Funds) as a key source of public investment in several Member States, the implementation of programmes in the period 2014-2020 leaves much to be desired. A particularly late and slow start has raised doubts as to the dynamics and efficiency of cohesion policy, which is seemingly hampered by excessive bureaucracy and rigid rules. The Greens/EFA call on the Commission and the Member States to prevent delays in programme implementation, ensure a smooth transition from one programming period to the next, and overcome any negative side effects of the cyclical nature of cohesion policy on local economies.
3. Meanwhile, the European Fund for Strategic Investment (the EFSI) has been set up as a new, market-driven investment tool without burdensome criteria and conditions to be fulfilled, thereby seriously undermining cohesion policy achievements. The additionality of EFSI-financed projects has not been sufficiently proven so far and EFSI has hardly benefitted to countries most in needs. Furthermore, the cohesion policy budget has been cut and resources diverted towards the Structural Reform Support Programme in order to finance measures which fall outside the scope of cohesion policy and which are even at odds with cohesion policy objectives.
4. Cohesion policy has played an important role in tackling the financial, economic and social crisis of the past years by providing much-needed opportunities for public investment. In the case of Greece, this took extraordinary effort: cohesion policy offered a tailor-made response to the crisis in the form of specific funding measures (simplified conditions), but could of course go no further than to alleviate the devastating social and economic consequences of the crisis. Measures that had to be implemented as a counterpart to the financial assistance never took into account the potential contribution of the cohesion policy to move towards a more robust, sustainable and fiscally sound economy. Conclusions should be drawn with a view to shaping cohesion policy so as to make Member States, regions, local authorities and their economies, societies and environment more resilient to sudden shocks and crises without jeopardising the long-term nature of cohesion policy.

5. In its multiannual financial framework (MFF) review and the accompanying Omnibus regulation, the Commission proposed far-reaching changes to the on-going funding period without prior assessment of strengths and weaknesses of current cohesion policy implementation. The review focuses on boosting the use of financial instruments and facilitating the combination of ESI Funds with the EFSI. The Greens/EFA do not consider the proposed measures appropriate, strongly oppose the idea of allowing Member States to transfer ESI Funds to the EFSI, and express serious concerns about the negative impact those proposals may have on cohesion policy by further diluting investment in the real economy and eroding the integrated approach.

6. Through the Council conclusions of November 2016 on results and new elements of cohesion policy, the Member States spoke out in favour of differentiation in post-2020 cohesion policy. This looks to be a move away from the Community approach, on which cohesion policy has been based since its inception, towards a more national approach. The Greens/EFA oppose any attempt to renationalise cohesion policy.

7. The Greens/EFA take note of the Commission priorities for cohesion policy post-2020, namely simplification, flexibility, performance and stronger links with economic governance. We consider this a technocratic approach, yet the current circumstances necessitate a focus on the importance of cohesion policy for European integration and solidarity and on its genuine mission.

8. Binding cohesion policy programming to quantifiable Europe 2020 targets, such as the reduction of poverty and greenhouse gas emissions, the increased use of renewables and improved energy efficiency, was one of the main achievements of the 2014-2020 programming period. Cohesion policy should continue to combine the specific needs of a territory with European main priorities and objectives taking thereby into account the diversity of EU regions. The Greens/EFA welcome the fact that national authorities have based their current funding programmes on the EU's sustainable development objectives for 2020 and support the development of more ambitious targets for the most important areas, such as resource and energy efficiency and social issues. Contributing to economic, social and territorial cohesion in the EU should be the main objective of a Europe post-2020 strategy, based on the adopted international Sustainable Development Goals (SDGs - Agenda 2030) that the whole EU subscribed to.

9. Of the numerous challenges the European regions will face in the coming years, the following are of particular relevance to cohesion policy:

- globalisation
- industrial and technological change (including digitalisation and automation)
- climate change
- energy supply and transition
- rising inequalities both between and within regions as well as among citizens leading to injustice and the unfair distribution of resources in society
- social inclusion and poverty
- gender equality
- demography, migration and depopulation of certain areas
- the expected slowdown of economic growth

10. Other EU policies could have a negative impact on cohesion policy, such as requirements deriving from economic governance leading to mechanisms such as macroeconomic conditionality, constraints imposed by the Stability and Growth Pact, international free trade agreements with an impact on the right to regulate of local and regional authorities, and a Commission approach driven by austerity.

11. In that respect, the Greens/EFA continue to reject macro-economic conditionality in cohesion policy or any kind of sanction mechanism based on economic governance arrangements which punishes EU regions and beneficiaries for decisions taken at central government level. All provisions to that effect should therefore be abolished in post-2020 cohesion policy. Links with economic governance should only be limited to National Reform Programmes. Incentives might be introduced to strengthen synergies with National Reform Programmes where applicable.

12. Suspending ESI Funds for Member States which systematically violate the fundamental values of the EU should only intervene at a last resort. In case the European Parliament, the Commission or one third of the Member States have serious doubts about a possible breach of EU fundamental values by a given Member State, the Commission should be entitled to strictly monitor the use of ESI Funds in that Member State so as to ensure that any co-financed project is fully compliant with both EU primary and secondary law. If needed, the principle of shared management could be temporarily suspended so that ESI Funds in that given Member State would be directly managed by the European Commission. In case the given Member State persists in breaching EU values, ESI Funds might be suspended according to paragraph 1 of article 7 of the Treaty on European Union.

13. The impact of Brexit on cohesion policy is not yet known, but it will undoubtedly have financial implications which could lead to a more fundamental debate on cohesion policy post-2020. The Greens/EFA consider that cohesion policy should be the catalyst for ensuring continued cooperation with UK regions, maintaining contacts and working together towards commonly goals.

### **Five horizontal principles for the future Cohesion policy post-2020**

14. The general principles of multi-level governance, a bottom-up and integrated approach, equal opportunities, climate mainstreaming and the horizontal integration of environmental protection requirements, result orientation and additionality have proven their importance and play an essential role to better targeting ESI Funds spending to sustainable development, inclusive societies and fair procedures. The Greens/EFA see five key horizontal principles to be upheld and reinforced in cohesion policy post-2020:

- Multi-level governance and partnership: the effective participation of local and regional stakeholders and all relevant, representative and most concerned partners is key to better aligning ESI Funds with citizens' demands and territorial needs. The Greens/EFA therefore call for further decentralisation, the sub-delegation of competences, participatory governance and budgetary appropriations (for example, via global grants) in the management and implementation of cohesion policy. The participation of regional and local authorities, economic and social partners and partners representing civil society should also be ensured and reinforced in all stages of Partnership Agreements and programme implementation, including during the preparation phase. The European Code of Conduct on Partnership should be reviewed to include a clear definition of the partnership principle and legally binding provisions on its implementation. These binding requirements should include specific criteria to ensure that partners do participate effectively at all programming stages and set out ambitious minimum standards, including with regard to gender equality bodies. The Commission should provide clear guidance and carry out effective monitoring to ensure the full application of those binding requirements on the ground. Technical assistance should be made available for all relevant partners in the preparation and implementation of programmes, in particular in the field of capacity building, networking and communication on cohesion policy. Reporting obligations based on existing practice in rural development

programmes should be introduced, requiring the disclosure of partner contributions to the development of Partnership Agreements and Operational Programmes, and whether/how they have been considered by the managing authorities. Limitations on partnership involvement should be avoided and abolished, where necessary. Both the partners most directly involved and those most representative should be admissible. Partners shall be given voting rights in monitoring committees. Furthermore, Member States should be encouraged to implement the European Charter of Local Self Government and respective recommendations of the Congress of Local and Regional Authorities of the Council of Europe as the guidelines of good governance, adequate competences, funding and practical decentralisation.

- Sustainable development and climate spending: the EU has confirmed its commitment to tackling climate change on several occasions, most notably with the adoption of the Paris Climate Agreement at the COP21. Cohesion policy is key to ensuring that targets agreed are met, as the sectors which receive the most cohesion policy support (transport, energy and construction for example) are major sources of greenhouse gas emissions in Europe. Action beyond business as usual is required as a matter of urgency. The current 20% climate spending commitment must be increased significantly and replaced by a legally binding obligation. This necessitates an appropriate tracking methodology (improved Rio markers for instance), better impact and result indicators, and the promotion of tools such as NECATER/CO2MPARE to facilitate project selection, local and regional carbon accounting and carbon footprint measurement. Cohesion policy post-2020 should contribute to achieve the EU's current 2030 climate and energy targets on greenhouse gas emission reductions, on the energy savings and the share of renewables. ESI Funds should actively contribute to the financing of Member States' integrated energy and climate plans for 2030.- Transparency and fundamental rights: every citizen should have equal access to information on ESI Funds, including with regard to the allocation of funds to beneficiaries. In that connection, work on concepts such as 'simple language' should be intensified. The use of integrity pacts should be promoted more actively and an appropriate response should be sought to transparency concerns arising in all aspects of cohesion policy implementation, including conflicts of interest and project selection. In the same vein, the Commission should provide the European Parliament with annual information on major projects and co-funded transport projects. Experience suggests that greater consideration should be given to respect for fundamental rights in the implementation of ESI Funds programmes. The Greens/EFA believe that fundamental rights can only be guaranteed when appropriate principles are established and accompanied by effective follow-up action, including ex-ante conditionalities.
- Gender mainstreaming and gender budgeting: analysis of a number of good practices reveals that certain factors are necessary for the successful implementation of gender mainstreaming and budgeting across all ESI Funds: gender-based statistics as a precondition for the monitoring of gender-related developments; gender impact assessments of the use of ESI funds; the obligatory representation of bodies/partners responsible for promoting equality between men and women on monitoring committees; gender board on the level of the monitoring committee; technical assistance for gender training in the regions and municipalities. We strongly recommend including all these factors in the Partnership Agreements to be a prerequisite for future funding, along with the development of a gender impact assessment as part of the gender equality ex-ante conditionality. Local initiatives such as the European Charter of Equality of Women and Men in Local Life should be further encouraged.

- The forerunner principle: the highest possible standards for project implementation should be identified through the exchange of good practices and should subsequently be applied to all comparable projects. The forerunner principle should be implemented on the basis of the development of local experiments and through networking. It is particularly important for sustainable infrastructure projects, climate-friendly modes of transport, intermodalities in the field of energy efficiency in the housing sector, and implementation procedures, such as the partnership principle.

### **A future Cohesion policy for all EU territories in their diversities**

15. The Greens/EFA remain firmly committed to the principle that all EU regions should benefit from cohesion policy. However, funding should be concentrated in the regions identified as particularly disadvantaged and vulnerable. The real impact of cohesion policy spending shall be assessed on a continuous base, paying special attention to cases where the disparities in social and economic development within and between regions remain unchanged for significant periods of time and where long-term deterioration in key indicators can be observed. The impact of the Commission's 'Lagging Regions' initiative, launched in June 2015 and taking examples of regions in Poland and Romania for instance, should be closely monitored and its successful elements used as the basis for targeted assistance methodology.

16. The bulk of the cohesion budget line still go towards less developed regions, and the remainder should be allocated to transition and more developed regions, in decreasing order, and territorial cooperation programmes. Given its positive contribution to strengthening cross-border links and addressing the needs of peripheral regions, an increased proportion of the cohesion policy budget should be dedicated to European Territorial Cooperation.

17. The Greens/EFA stress that GDP should remain one of the main criteria for determining eligibility for Structural Funds assistance but that it must be complemented by other indicators for the identification of the most vulnerable regions. GDP alone cannot provide a comprehensive picture of regional and territorial development as it fails to take account of relevant social and environmental factors. In preparation for post-2020, the Commission must put forward an appropriate proposal for the addition of one or more indicator based on a robust methodology and the availability of data.

18. Regions eligible for cohesion policy support should continue to be identified at NUTS 2 level. In addition, regions facing many different challenges should be identified at sub-regional level, so that funding can be dedicated to pockets of poverty, segregated communities and deprived neighbourhoods with an overrepresentation of marginalised groups such as the Roma. A common methodology should be applied, based on differences in key welfare, education, environmental, gender equality and entrepreneurship indicators of substantial geographical areas and populations, not smaller than NUTS V units.

19. Future cohesion policy should be based on a territorial approach, which has proven effective in addressing local development challenges. As social, environmental and economic processes and challenges do not necessarily correspond with administrative borders, functional areas should be considered, since they make it possible to look beyond fixed borders and implement tailor-made solutions targeted to the needs of the territory. A territorial approach unites public authorities, civil society and enterprises into cross-sectorial local action groups (LAGs).

The local development approach is a horizontal concept that would include EU support for the urban agenda, rural areas, urban-rural links and functional areas. We are opposed to a metropolitan approach that would concentrate on big cities to the disadvantage of smaller cities and towns.

A common framework for local development approaches would allow for complementarities and synergies between existing funds, enabling the LAGs to combine funds from multiple sources with a territorial focus and make better use of global grants. Under future cohesion policy, at least one third of all funding should be distributed via LAGs. The LAGs should be empowered to develop an integrated strategy for local services, markets and employment opportunities. This strategy should be based on bottom-up, public participation, integrated and place-based approaches, such as the Community-Led Local Development (CLLD) approach, which has already generated substantial added value already by addressing the specific challenges of and opportunities for sustainable development in different regions. Adequate funding should be made available to enable LAGs to carry out their own capacity building. Furthermore, the role of local and regional authorities (LRAs) in the LAGs should be strengthened, since the LRAs possesses the administrative and financial capacity to implement initiatives pursued by the LAGs.

The CLLD approach, which involves local actors in the preparation and implementation of their development plans for territories ranging from below NUTS 2 level down to the smallest territorial administrative unit with political representation, should become an obligatory element of cohesion policy post-2020. Funding local development should deliver results in the fields of economic, social and environmental sustainability.

20. For the Greens/EFA, cohesion policy should be developed in conjunction with the urban areas, not just for them. The EU Urban Agenda, adopted in 2016, represented a starting point for the integration of authorities and partners at all levels in the process of setting out a common agenda. Urban problems, whether related to environmental degradation or social exclusion, necessitate a tailor-made response and the active involvement of the level of government directly concerned. This bottom-up approach should also apply to measures focused on deprived areas, in order to reduce disparities, tackle poverty within communities and support measures to promote gender equality. Local actors should be given more responsibility to prepare and implement the measures necessary. The principle of sustainable local and regional development should be upheld, especially in the infrastructure, public education and healthcare, and public procurement sectors. In the context of the fight against climate change, particular attention should be paid to energy efficiency in housing and construction and sustainable urban mobility. In this regard, the Smart City Concept should be seen as a means to tap the potential of digital technologies with a view to promoting citizens' engagement, providing better public services, improving the use of resources and reducing the environmental impact. Funding should be conditional on the adoption of an integrated approach and integrated sustainable urban mobility plans (SUMP) should also be taken into account. In the field of sustainable urban development, it is not sufficient to give urban authorities the power to select projects. Instead, they should be given full responsibility for the preparation and implementation of urban and, in case of non-urban municipalities, other municipal development schemes.

21. In order to take full account of the diversity of territorial situations in Europe and ensure balanced territorial cohesion, we should not overlook non-urban areas. In particular, the discussion on urban-rural partnerships should be reenergised and the partnerships themselves established as a key element of the integrated implementation of EAFRD and Structural Funds in rural and peri-urban areas.

## A future Cohesion policy that works for the climate and the environment

22. Spending should be concentrated on priorities which fulfil the Treaty mission and respond to relevant local and regional development challenges:

- green innovations, local economies and promotion of the use of local resources
- promotion of entrepreneurship including comprehensive SME support
- access to labour market, education and training
- gender equality
- social inclusion, including active integration of marginalised communities
- mitigation of climate change
- biodiversity, green infrastructure
- access to services of general interest
- sustainable low-carbon mobility
- avoiding or minimising negative externalities (excluding the co-funding of projects that generate negative externalities to a value greater than the amount co-funded)
- energy efficiency, renewable energies and energy supply (smart, decentralised energy infrastructure, electricity interconnection), decarbonising the economy and community based renewable energy projects
- fight against energy poverty
- catalysing the Just Transition<sup>1</sup> of regions in economic restructuring
- resource efficiency (in particular waste and water)
- cultural heritage and diversity

Thematic concentration should be pursued and further focused on sustainable investment.

The only projects eligible for ESI funding are those that do not cause conflict between priorities. The monitoring committees should provide for sustainable solutions to conflicts of interest.

Furthermore, investments should be made in line with the new EU Circular Economy Action Plan framework. Cohesion policy should be recognised as providing the best tools for the implementation of the Circular Economy. The main principles of Circular Economy, such as resource efficiency and the production of local renewable energy, are there to strengthen economies and improve the resilience of our regions and local municipalities, while ensuring local employment and a clean environment. Through the implementation of the Circular Economy Action Plan, we can support the implementation of macro-regional strategies and revitalise multilevel governance.

23. The list of eligible expenditure should be established according to the priorities mentioned in the paragraph above. In any case, funding should be geared toward sustainable investment (such as in green technology, eco-entrepreneurs, green innovations, green jobs, smart, decentralised energy infrastructure), which brings with it long-term societal and environmental benefits. Clear definitions are therefore required, in particular in the fields of risk prevention, transport and mobility, and adaptation to climate change. Categories linked to local/regional programming and implementation

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<sup>1</sup> The concept of ‘Just Transition’ has been developed merely by trade unions to engage in a transition towards a low-carbon economy that is not only sustainable but also fair on those who might lose out because of this transition, especially workers in high carbon industries and regions. The ‘Just Transition’ puts emphasis on the need for strong social dialogue, re-skilling and retraining policies, investments in low-carbon and job-rich sectors and technologies, and new local economic diversification plans to create high-quality Green jobs and increase the resilience of local economies. See for instance the International Labour Organisation’s [“Guidelines on a Just Transition towards environmentally-sustainable economics and societies for all”](#).

should be enforced, such as capacity building (administration, beneficiaries and partners), decentralisation and good governance, training and empowering of ‘actors of change’, as well as cross-border connections.

24. Certain categories of expenditure should be phased-out. The current negative scope of expenditure for ERDF should be extended so as to cover the following areas:

- the decommissioning or the construction of nuclear power plants;
- investments to achieve the reduction of greenhouse gas emissions from energy and mineral production and processing activities listed in Annex 1 to Directive 2003/87/EC;
- airports;
- motorways;
- fossil fuels infrastructure;
- investment in defence sector;
- investment in dual-use projects, unless civil use is clearly documented and demonstrated from the outset;
- the manufacturing, processing and marketing of tobacco and tobacco products;

### **Towards a more efficient and effective cohesion policy**

25. With regard to the legislative architecture of future cohesion policy, the Commission intends to establish a single rule book on all funds. However, the Greens/EFA would urge that each fund be governed under its own rules, taking account of sector-specific characteristics, diverse territorial needs and different target groups, in order to provide for a funding environment tailored to specific circumstances. A limited set of common rules would help beneficiaries to access the funds, promote synergies between funds and programmes, and act as incentives for integrated approaches. There has been steps in the right direction during the current programming period, such as the smart specialisation tool and the Seal of excellence initiative. There is however a great potential for European regions to use the cohesion policy as a stairway to excellence when it comes to research and innovation. This will help Europe to tackle our societal challenges but as well bridging the differences between Europe’s regions. In order to further promote synergies between funds and programmes, the Commission should harmonise and simplify state aid rules, which apply for instance to the ESI Funds but not to Horizon2020.

The Cohesion Fund could be phased-out and integrated into the ERDF.

26. Reducing inequality is the key driver of cohesion policy and investing in the fight against poverty is essential. The European Social Fund (ESF) is the main fund to invest in more social justice and equal opportunities. The Greens/EFA believe that the ESF share must be increased: at least 30% of the total combined ESI funds resources at EU level should be allocated to the ESF in each Member State. A minimum of 5 percentage points should be added for Member States with unemployment rates significantly higher than EU average. Member States should keep aiming higher; the ESF share should not be reduced. The earmarking for poverty and social inclusion in the ESF funding should continue, at least as long as inequalities are not decreasing in the EU.

27. Successful cohesion policy that delivers significant results requires adequate financial resources, an appropriate period of time for effective implementation and adequate administrative capacities. The Greens/EFA also emphasise the added value of a cross-sectorial approach and oppose the creation of new sectorial funds, such as the EFSI, which jeopardise the integrated approach. Instead, we call for increased synergies between funds and programmes.

28. The Greens/EFA consider the principle of co-financing necessary to establish ownership of the projects selected for funding and to maintain a sufficient degree of responsibility for investment choices. Contributions from national (including regional and local) sources could be minimised temporarily, but only under exceptional circumstances.

29. The introduction of ex-ante conditionalities has led to improvements in programme preparation and implementation. Coherence and consistency with EU sectorial (e.g. in the fields of environment, transport, energy) and horizontal (e.g. linked to public procurement, State aid, sustainable development) regulation must be checked and improved when necessary before ESI funding is invested, thus contributing to more effective spending and the prevention of misallocation. The Greens/EFA are of the opinion that the proper implementation and monitoring of ex-ante conditionalities is a smart and inclusive way of ensuring the performance of ESI Funds and programmes. Ex-ante conditionalities should be maintained. The criteria for the fulfilment of ex-ante conditionalities should be updated and strengthened, and the Commission should continue to play a strong and supportive role in ensuring both the applicability and the fulfilment of the criteria. Partners should be involved both in the design and implementation of action plans. Respect for fundamental rights should be included as part of the general ex-ante conditionalities.

30. Monitoring and evaluation activities should be strengthened in order to better orient cohesion policy towards results through the use of clearly defined indicators and targets, and to prevent weak implementation. Funding for technical assistance should be optimised and used to this end. Funding should also be focused to a greater extent on capacity building in the administration and among partners.

31. Given the key goals of cohesion policy, any assessment of the efficiency of cohesion policy measures should focus primarily on the real impact of projects implemented, the achievement of cohesion goals within the region concerned and improvements in key development indicators, rather than being solely on strict adherence to administrative rules.

32. The Greens/EFA wish to reduce the bureaucratic burden for beneficiaries in the implementation process and insist on the application of the single-audit principle. Audits should focus on results and verify proper programme functioning. Access to EU funding should also be improved. To do so, the Commission could consider setting up one-stop shops in all EU Member States (for example, as part of Europe Direct) in order to provide holistic advice to citizens and communities wishing to participate in EU funding programmes. This new service could also handle complaints about the implementation of cohesion policy on the ground and tackle problems of policy coherence (for example, with EU environmental and climate policy), and thereby help to prevent the misuse of funds and reduce the error rate in cohesion policy.

33. The Greens/EFA put a strong emphasis on combating corruption in cohesion policy. Of particular concern is large-scale institutionalised corruption. The embezzlement of ESI Funds by political elites has a particularly negative impact on the credibility of democratic institutions and EU policies and potentially leads to more subtle ways of limiting competition and rigging procurement procedures in favour of politically connected groups, which results in inflated costs.

For example, building and construction project budgets could be checked against a properly maintained database of relevant average unit costs. Use of high quality and internationally recognised standards, such as ISO 20400, should be encouraged and promoted. The analysis of construction budgets for overpricing risks could to a large extent be automated using suitable IT applications. For

exceptionally large EU-funded projects with high corruption risks, special management structures should be put in place to bypass local power structures and enforce standards independently.

Imposing further bureaucratic controls is not the solution, as the focus of the current administrative framework on procedural and financial compliance is ineffective in preventing elite-driven “legal” corruption. Audits and reviews more focused on output quality, input cost and actual competition intensity would be more likely to uncover and curb corruption. Along with improved procedures, tools like ANTICORRP could provide practical guidance on good public procurement practices. Furthermore, the Arachne risk-scoring tool could support the identification of recurrent contract winners. In addition to the tracking of the ownership structure of contract-winning companies, it facilitates the detection of the channelling of ESI Funds to closed networks linked to political elites. The emergence of tight networks winning disproportionate shares of contract value should be monitored to supplement the use of Arachne.

In relation to elite-driven corruption, the Greens/EFA regard it as a cause of concern that foreseeably not all Member States will participate in the establishment of the European Public Prosecutors Office, which will enjoy a degree of independence from the political elites of Member States not necessarily enjoyed by national prosecutorial authorities, and whose responsibility will include the prosecution of offences that harm the EU’s financial interest. The principle of the shared responsibility for the management and oversight of the programmes funded from ESI Funds may imply variable ways of dividing competences among the players involved. Leaving in place a structure similar to the current one, which gives the bulk of management and oversight competences to the national authorities of the recipient Member States, could be made conditional on participation in the establishment of the EPPO, and alternative structures, providing for stronger controls at the EU level, and for more direct involvement of sub-national and non-political players bypassing national level power structures could be applied otherwise, especially if the indicators of the risk of institutionalised corruption signal that such a shift is necessary.