Stress-testing cohesion policy: Lessons from the ERDF crisis responses 2014-2020

The past few years have seen Europe experience a series of shocks that no policy could reasonably have anticipated. The pandemic, refugee crisis and energy crisis in the wake of Russia's war on Ukraine exposed deep dependencies, all of which collided within a remarkably short period. These overlapping stressors tested the resilience of Europe's regions, institutions, and governance systems.

Much can be learnt from how EU policies and funding instruments responded. The ex post evaluation of ERDF crisis responses provides valuable insights into how to enhance preparedness and resilience in the event of future crises.

When reflecting on the EU's response, particularly through ERDF crisis instruments, it is tempting to focus on the tools themselves. However, the true story lies elsewhere. These crises acted like a territorial X-ray, revealing where governance systems were robust enough to respond, where they were under strain, and what must change if Europe is to cope with the next wave of disruptions.

Crisis as a mirror — and a warning

Each crisis followed its own geographical pattern. For example, the health shock hit Lombardy and parts of Spain with exceptional force, while other regions weathered it more lightly. The socioeconomic fallout was harsher in places dependent on tourism, personal services, or fragile SMEs. The refugee crisis initially overwhelmed regions in close proximity to Ukraine that were already under administrative strain. The energy crisis, meanwhile, challenged Member States whose infrastructure or fuel mix left them exposed to external shocks.

Different crises, different maps — but a common message: vulnerability and resilience are both territorial. Crises magnify the strengths and weaknesses underlying normal-day governance. They push the system to reveal its true capabilities. In many cases, the outcome was mixed.

The ERDF crisis instruments — CRII/CRII+, REACT-EU, CARE/CARE+, FAST-CARE and SAFE — provided vital support. However, their effectiveness did not stem solely from their design. Rather, it came from something more fundamental: they were integrated into existing systems.

Programme authorities, regional administrations, intermediate bodies and partnerships knew how to work together. They had established routines, networks and relationships of trust. They could amend programmes within weeks because the machinery was already in place. The delivery system of cohesion policy — often criticised for its administrative layers — turned out to be a strength in times of upheaval.

One of the clearest lessons is that resilience cannot be improvised in a crisis; it must be built in advance through functioning institutions, coordination mechanisms and shared management structures. Where these were strong, crisis instruments were activated quickly. Where they were weak, even flexible tools could achieve little.

Another lesson is that speed mattered. ERDF funding did not represent the majority of crisis spending — far from it. National governments mobilised hundreds of billions of EUR for hospitals, households and businesses. However, the ERDF played a strategic role precisely because it could act quickly and in a targeted way. It helped to purchase PPE when global supply chains were overwhelmed. It enabled hospitals to reorganise their services. It provided SMEs with working capital when liquidity vanished overnight. Later, it supported municipalities hosting refugees by financing temporary accommodation, local services, and integration measures. The ERDF was rarely the hero of the story, but it often acted as an accelerator, enabling action when national mechanisms were still gathering pace.

Furthermore, flexibility became the real currency of cohesion policy during these crises. Retroactive eligibility enabled the financing of actions taken during the chaotic early days. The option of 100% EU co-financing relieved pressure on national budgets. Shifting funds between priorities helped programmes adapt to rapidly changing circumstances. In essence, the ERDF was able to adapt — and this proved far more important than the headline figures of available funding.

Where things fell short

However, the evaluation also emphasises why not everything worked equally well. Some mechanisms arrived too late to address the phase of the crisis they were designed for. For example, CARE and CARE+ were introduced early in the refugee crisis, i.e. 41–47 days after the invasion, but still not early enough to support the initial emergency responses at the borders. By the time they became operational, municipalities had already absorbed much of the initial shock using their own resources or national funds. SAFE arrived after energy prices had already peaked (i.e. 368 days after the invasion), limiting its immediate relevance, although it proved useful for subsequent mitigation measures.

The administrative burden also proved to be more significant than anticipated. Although flexibility helped, the managing authorities still had to navigate multiple funding streams — the ERDF, the ESF, REACT-EU, the RRF and national schemes — each with its own requirements. Even with simplifications, the workload increased substantially at a time when public administrations were under extreme pressure themselves. Crisis response does not erase complexity; at best, it temporarily suppresses it.

Inevitably, short-term responses created tensions with long-term cohesion goals. While redirecting funding to immediate needs is essential in a crisis, it risks delaying or reducing strategic investments. REACT-EU mitigated this trade-off by providing additional resources for recovery and resilience. However, the fundamental issue remains: how can a policy intended for long-term transformation also function as Europe's emergency mechanism?

The real takeaway: Europe needs crisis-ready territorial systems

Cohesion policy's crisis instruments demonstrated that the EU can innovate quickly when institutions are familiar with each other and rules can be adapted flexibly. However, they also demonstrated that Europe's resilience is uneven and that territorial disparities can exacerbate crises.

The evaluation provides several lessons to help increase resilience:

- **Resilience begins long before the crisis.** Integrating existing delivery mechanisms enabled a swift response, which was essential for addressing the crises. Having administrative structures, cooperation networks and delivery systems in place at all levels, from European to local, was a key strength. Capacity is not an accessory; it is a core component of crisis governance. Strengthening regional and local administrations, investing in cross-border collaboration, supporting local NGOs and maintaining well-resourced managing authorities are all long-term resilience strategies.
- **Flexibility is essential, but it must be predictable.** The ability to shift priorities, adjust co-financing rates and apply retroactive eligibility was extremely important. However, ad hoc flexibility is not a sustainable model. Future EU funding policies require pre-defined crisis clauses, clear decision pathways, and simpler procedures, so flexibilities can activate automatically, rather than being negotiated under pressure.
- **Simplification is not just a technical debate.** It is also a resilience agenda. Complexity slows down the response time, especially when crises overlap. Streamlined rules, interoperable IT systems and harmonised audit approaches are not just bureaucratic conveniences — they are essential for agility in times of crisis.
- **Foresight can no longer be optional.** Europe faces systemic risks that cut across borders and sectors, such as climate extremes, demographic shifts, cyber-attacks and supply chain dependencies. Cohesion policy must integrate territorial foresight and anticipatory governance into programming by stress-testing systems, modelling exposure and understanding interdependencies. The past few years have shown that, without anticipatory intelligence, responses arrive late and struggle to match territorial realities.
- **Crisis funding must not come at the expense of long-term cohesion.** Crises will always redirect attention and resources. However, the solution is not to pause long-term investment; rather, crisis instruments should reinforce structural objectives. Resilience comes from integrating crisis response into long-term development pathways rather than setting them aside.

Cohesion policy as Europe's resilience backbone

The evaluation ultimately highlights something more profound than the performance of instruments. It highlights the potential of cohesion policy to act as Europe's distributed resilience system — a networked governance model that can absorb shocks precisely because it is decentralised, place-based, and embedded in regional realities.

However, to fulfil this role, the policy must evolve. It must reduce unnecessary complexity, strengthen local capacity, invest in foresight, and ensure that long-term development goals remain central, even in times of crisis. It must become a policy that can adapt quickly without losing direction.

Europe will face future crises — that much is certain. What remains uncertain is whether our systems will be more resilient next time. Experience of the recent polycrisis period shows that entirely new instruments are not necessary. What we need are better-prepared territorial systems, capable institutions, trusted partnerships and delivery mechanisms that can adapt quickly.

In essence, Europe must invest in crisis-ready governance as well as crisis tools. The lesson from recent years is clear: resilience is built through everyday processes, not emergency reactions. Cohesion policy could form the backbone of that resilience — if we allow the lessons of recent crises to guide us towards a more anticipatory, simpler, and more territorially intelligent future.

All this should be taken into account when debating the next EU long-term budget and a possible National and Regional Partnership Plans.

These lessons should inform the design of the next long-term EU budget and possible National and Regional Partnership Plans, so that cohesion policy is deliberately equipped as Europe's territorial resilience backbone – not used ad hoc as a fire extinguisher.