Simplification under Polycrisis: Risks and Opportunities for Cohesion Policy

1. Introduction: Simplification in an Era of Permanent Crisis

European public policy is increasingly shaped by overlapping systemic shocks, such as health crises, geopolitical instability, energy disruptions, fragile supply chains and climate emergencies. This 'polycrisis' environment challenges economic systems and institutional architectures alike. Against this backdrop, the European Union introduced unparalleled simplification and flexibility measures within its Cohesion Policy during the 2014–2020 programming period, notably through the CRII/CRII+ initiative, REACT-EU, CARE/FAST-CARE and SAFE.

Traditionally, Cohesion Policy is structured as a long-term, rule-based investment framework oriented towards programming and grounded in predictability, thematic concentration and shared management. Its regulatory architecture reflects a balance between accountability, strategic orientation and territorial subsidiarity. However, crisis-driven amendments introduced significant derogations: These include 100% co-financing rates, a wider use of financial instruments, retroactive eligibility, simplified cost options and accelerated programme modifications.

This paper examines simplification as a structural phenomenon rather than a purely procedural adjustment. Drawing on the findings of Work Package 12 on crisis response of the Ex Post Evaluation of Cohesion Policy 2014–2020, it analyses how these measures altered efficiency, governance dynamics, and strategic coherence. It asks:

- Does simplification enhance institutional resilience in times of polycrisis?
- What trade-offs emerge between speed, accountability, and long-term cohesion objectives?
- Can crisis-induced simplification be made permanent without undermining the identity of the policy?

2. Conceptual Framework: Flexibility, Institutional Resilience and Governance Trade-Offs

The analysis builds on three conceptual strands.

2.1 Institutional Resilience

Institutional resilience is the ability of governance systems to withstand shocks, adapt to changing environments, and maintain their core functions. In multi-level systems such as the EU, resilience depends on more than just resource availability; procedural flexibility and administrative capacity are also key factors.

The Cohesion Policy's shared management model constitutes a layered institutional system with accumulated procedural knowledge, established delivery mechanisms, and decentralised implementation structures. These characteristics may enhance adaptive capacity under stress.

2.2 Policy Flexibility

The evaluation identifies three dimensions of flexibility.

- Executive flexibility: simplification of delivery and implementation procedures.
- Extraordinary flexibility: crisis-driven regulatory derogations that allow for rapid reallocation and simplified processes.
- Extended flexibility: reorienting funds towards new EU priorities.

These dimensions correspond to different governance logics: procedural simplification, emergency activation and strategic redirection.

2.3 Trade-Off Theory in Public Administration

Simplification inherently involves trade-offs. Reducing procedural constraints may increase speed, but could potentially weaken safeguards. The literature on crisis governance emphasises the tension between urgency and deliberation, centralisation and subsidiarity, and flexibility and predictability.

Therefore, the analysis interprets simplification as a rebalancing of governance principles rather than a technical reform.

3. Empirical Basis and Methodology

The paper draws on the findings of the cross-crisis evaluation of WP12, which covers the effects of the pandemic, the refugee crisis and the energy shock. The analysis integrates:

programme amendment data.

- survey responses from managing authorities.
- Interviews with stakeholders.
- Comparative analysis of crisis response instruments.

The focus is on Section 3.3 (Efficiency) and Chapter 4 (Lessons Learnt), which examine the processes involved in reprogramming, the administrative burden and the systemic implications of flexibility measures.

4. Opportunities: Simplification as Adaptive Capacity

4.1 Speed and Responsiveness

One of the central findings is that reprogramming worked and allowed rapid adjustment of funding allocations. The ability to build on existing delivery systems enabled swift mobilisation compared to centrally managed instruments. Established shared-management structures avoided the need to create new governance mechanisms under pressure.

100% EU co-financing was widely perceived as a highly effective simplification, relieving pressure on national budgets and accelerating uptake. The widened use of financial instruments and retroactive eligibility further enhanced responsiveness.

4.2 Place-Based Adaptation

Unlike purely centralised instruments, Cohesion Policy maintained local and regional involvement. Simplification did not eliminate shared management but operated within it.

This allowed responses tailored to territorial needs, reinforcing subsidiarity and local ownership even under emergency conditions.

In governance terms, simplification enhanced **adaptive resilience**: the system adjusted rules without dismantling its institutional foundations.

4.3 Learning Effects

Crisis flexibilities generated unintended positive effects. Increased use of financial instruments improved administrative proficiency in some Member States. Simplified cost options and faster amendment procedures provided practical lessons on how procedures could be streamlined beyond crisis contexts.

These experiences suggest that simplification can catalyse institutional learning and administrative modernisation.

5. Risks: Strategic Drift and Administrative Overload

While simplification enhanced responsiveness, it also revealed structural tensions.

5.1 Strategic Dilution

Exemptions from thematic concentration and reallocation of funds risked weakening alignment with long-term EU priorities, particularly climate and structural transformation objectives. The shift toward working capital and short-term emergency measures temporarily redirected resources away from investment-oriented programming.

Extraordinary flexibility, though effective in crisis management, sparked debate about whether repeated derogations could undermine the long-term strategic orientation of the policy.

5.2 Administrative Burden and Overstretch

Despite simplification measures, managing authorities faced substantial administrative strain. Crisis response coincided with ongoing programme implementation and preparation for the 2021–2027 period. Reporting flexibility reduced some constraints but did not eliminate procedural workload.

Moreover, rapid decision-making under uncertainty sometimes led to suboptimal targeting or design mismatches. Simplification may reduce ex-ante procedural barriers but increase ex-post correction risks.

5.3 Centralisation Tendencies

In some contexts, crisis management coincided with increased centralisation of decision-making. Although place-based governance was largely preserved, urgency occasionally strengthened national-level coordination at the expense of regional autonomy.

This reflects a classic crisis governance dynamic: emergencies can temporarily rebalance authority toward central actors.

6. The Polycrisis Dilemma: Emergency Governance versus Structural Policy

The polycrisis environment raises a deeper institutional question: is extraordinary flexibility becoming normalised?

Cohesion Policy was designed as a stable, predictable investment framework. Crisis-induced simplification introduces a more fluid governance model characterised by:

- Frequent amendments,
- Rapid reallocations,
- Temporary derogations.

If such flexibility becomes recurrent, the boundary between emergency governance and structural programming may blur. This risks generating regulatory uncertainty and weakening long-term investment signals.

At the same time, refusing flexibility would reduce responsiveness and political legitimacy.

The dilemma is therefore structural rather than procedural.

7. Lessons for Institutional Design

The evaluation identifies several lessons relevant for future programming cycles:

1. **Prepared flexibility**: Crisis-response mechanisms should be pre-defined and embedded in regulatory frameworks, allowing activation without repeated ad hoc amendments.
2. **Balanced simplification**: Streamlining reporting and audit procedures should not compromise transparency and accountability.
3. **Monitoring adaptation**: Standard indicator systems proved partially unsuitable for capturing crisis-driven interventions. Monitoring frameworks need to integrate flexibility-compatible indicators.
4. **Administrative capacity investment**: Simplification is effective only if administrative systems possess sufficient absorptive capacity.

Rather than viewing simplification as temporary deregulation, it should be conceptualised as strategic regulatory adaptation.

8. Theoretical Implications

The findings contribute to broader debates in regional governance:

- **Resilience theory**: Simplification enhances absorptive and adaptive resilience but must be aligned with transformative objectives.
- **Multi-level governance**: Institutional layering and accumulated procedural knowledge enable flexibility without dismantling decentralised governance.
- **Public administration trade-offs**: Crisis governance highlights inherent tensions between speed, legitimacy and accountability.

Cohesion Policy’s experience suggests that long-term programming systems can incorporate emergency responsiveness without losing structural coherence—provided flexibility is institutionalised carefully.

9. Implications for Post-2027 Cohesion Policy

As systemic uncertainty becomes structural, Cohesion Policy may need to integrate resilience as a core design principle. This implies:

- Embedding crisis triggers in the Common Provisions Regulation;
- Harmonising rules to reduce baseline complexity;
- Digitalising administrative processes;
- Maintaining thematic safeguards to preserve strategic orientation.

The objective is not permanent deregulation but intelligent regulatory design.

10. Conclusion

Simplification under polycrisis conditions revealed both the strengths and vulnerabilities of Cohesion Policy's governance architecture. Crisis-driven flexibilities enhanced speed, responsiveness and territorial adaptation. At the same time, they exposed trade-offs concerning strategic coherence, administrative sustainability and institutional identity.

The experience demonstrates that flexibility is not inherently destabilising. When anchored in established governance structures, it can strengthen institutional resilience. However, repeated reliance on extraordinary derogations risks eroding predictability and long-term orientation.

The challenge for the next programming period is therefore to institutionalise preparedness without normalising emergency governance. Simplification must evolve from reactive adjustment to structural design principle—balancing adaptability with cohesion, and urgency with strategy.

In a polycrisis era, the future of Cohesion Policy may depend less on the volume of funding and more on the quality of its institutional flexibility.