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FROM RESOURCES TO RESULTS: PUBLIC CAPABILITY, TERRITORIAL INNOVATION AND THE FUTURE OF EUROPEAN COHESION

Paulo Neto

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UMPP - Unidade de Monitorização de Políticas Públicas / Public Policy Monitoring Unit

Universidade de Évora / University of Évora

Casa Cordovil, Sala 138, Rua Dom Augusto Eduardo Nunes, nº7

7000-651 Évora - Portugal

e-mail: umpp@uevora.pt

www.umpp.uevora.pt

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APRESENTAÇÃO DA UMPP / UMPP PRESENTATION

A Unidade de Monitorização de Políticas Públicas (UMPP) da Universidade de Évora é uma estrutura técnica e científica dedicada à produção de conhecimento e informação sobre conceção, monitorização e avaliação de políticas públicas.

A UMPP foi criada com o apoio do Programa Operacional Regional do Alentejo 2007-2013 (INALENTEJO) e tem como objetivo principal promover a avaliação e monitorização das políticas públicas implementadas ou em processo de implementação na unidade territorial NUTS II do Alentejo, em Portugal e na União Europeia, bem como assegurar a ampla disseminação desse conhecimento neste âmbito territorial.

A competitividade dos países, das regiões e das empresas está cada vez mais dependente das condições em que uns e outras tomam decisões e as concretizam de forma eficiente e eficaz. Neste sentido, a capacidade e competência na definição e implementação de políticas públicas por parte do Estado e a assertividade na concretização de estratégias e iniciativas bem sucedidas por parte das demais organizações são hoje fatores decisivos para o desempenho das sociedades em que se inserem.

A relevância, pertinência, coerência e valor acrescentado das políticas públicas são hoje aspetos absolutamente cruciais para as condições de desenvolvimento dos países, dos territórios, das organizações e dos indivíduos. Desde logo, em função dos contextos regulamentares e de enquadramento que estabelecem, dos mecanismos de incentivo e estímulo em que assentam, dos paradigmas e visão de futuro para que apontam, do nível de sofisticação e inovação que lhe está associado e da intencionalidade estratégica que imprimem e transmitem, numa perspetiva de médio e longo prazo, aos setores e atividades a que se destinam.

Num momento em que é cada vez maior o nível de exigência técnica e científica associado ao processo de planeamento da economia, da sociedade e dos territórios, e à construção e salvaguarda das suas condições de competitividade e de desenvolvimento, a Universidade de Évora entendeu criar uma Unidade de Monitorização de Políticas Públicas dedicada à produção de conhecimento e à avaliação e monitorização de políticas públicas aplicadas, ou em processo de aplicação nesta região.

A UMPP pauta a sua atividade por princípios de rigor, isenção, transparência e responsabilidade, e uma preocupação constante de auscultação e colaboração com as entidades e agentes da região Alentejo, mas também relativamente às de âmbito nacional e internacional.

Convidamo-lo(a) a conhecer o trabalho que fazemos.

The Public Policy Monitoring Unit (UMPP) of the University of Évora is a technical and scientific unit dedicated to producing knowledge and information on the design, monitoring, and evaluation of public policies.

UMPP was established with the support of the Alentejo Regional Operational Programme 2007-2013 (INALENTEJO). Its main mission is to promote the monitoring and evaluation of public policies that have been implemented, or are currently being implemented, in the NUTS II region of Alentejo, in Portugal and the European Union while also ensuring the broad dissemination of knowledge in this field across the territory.

The competitiveness of countries, regions, and organisations increasingly depends on the conditions under which decisions are made and translated into effective and efficient action. In this context, the State's capacity to design and implement public policies, together with the ability of other organisations to deliver successful strategies and initiatives, has become a decisive factor in the performance of the societies in which they operate.

The relevance, consistency, coherence, and added value of public policies are now crucial to the development prospects of countries, territories, organisations, and individuals. This is reflected in the regulatory and institutional frameworks they establish, the incentive mechanisms on which they are built, the paradigms and future visions they promote, the degree of sophistication and innovation they embody, and the strategic direction they provide to the sectors and activities they are intended to support over the medium and long term.

At a time when the technical and scientific demands associated with planning the economy, society, and territories – and with strengthening and safeguarding their competitiveness and development – are becoming ever more complex, the University of Évora created UMPP as a dedicated unit for the production of knowledge and for the monitoring and evaluation of public policies applied, or in the process of being applied, in the region.

UMPP carries out its work in accordance with the principles of rigour, impartiality, transparency, and responsibility, while maintaining an ongoing commitment to dialogue and collaboration with institutions and stakeholders in the Alentejo region, as well as with partners at national and international level.

We invite you to explore our work.

UMPP POLICY PAPERS

Os UMPP Policy Papers são documentos síntese elaborados sobre questões de natureza metodológica, ou de debate técnico e científico, em torno de questões avaliativas ou de monitorização de políticas públicas. Os UMPP Policy Papers abordarão, entre outros aspetos, exercícios de avaliação e análise em torno de políticas ou de instrumentos de política pública concretas, e serão concebidos com a preocupação de apresentar recomendações ou propostas de orientação futura.

Esta publicação destina-se a cumprir um dos objetivos da UMPP, nomeadamente a produção de conhecimento e de informação sobre a conceção, monitorização e avaliação das políticas públicas implementadas ou em processo de implementação na Região Alentejo, em Portugal e na União Europeia, bem como promover a disseminação dessa informação no contexto regional, nacional e europeu.

O *UMPP Policy Paper No. 13 | 2026* tem como principal objetivo analisar em que condições a Política de Coesão da União Europeia consegue transformar recursos financeiros em resultados territoriais efetivos, sustentáveis e mensuráveis. Partindo da pergunta "pode a Política de Coesão continuar a aumentar o esforço financeiro sem reforçar as capacidades públicas e territoriais necessárias para converter recursos em resultados duradouros?", o texto procura demonstrar que o desafio central do período pós-2027 não reside apenas na escala do financiamento, na distribuição territorial dos fundos ou na arquitetura regulamentar, mas sobretudo na capacidade institucional, administrativa, analítica, de coordenação, de execução e de aprendizagem dos sistemas públicos e territoriais.

O Policy Paper propõe, assim, uma leitura da eficácia da Coesão Europeia centrada na passagem dos recursos aos resultados. Para esse efeito, articula evidência territorial, indicadores de inovação regional, contexto macroeconómico e fiscal, debate sobre governação europeia e contributos anteriores da série UMPP Policy Papers sobre coesão em transição, capacidade territorial, capacidade institucional e capacidade de implementação. O objetivo final é contribuir para o debate sobre a governação da Política de Coesão pós-2027, defendendo uma abordagem mais sensível às capacidades dos territórios, mais orientada para resultados, mais exigente em matéria de avaliação e mais capaz de transformar investimento público em inovação, resiliência, convergência e desenvolvimento territorial sustentável.

The main objective of the *UMPP Policy Paper No. 13 | 2026* is to examine the conditions under which European Union Cohesion Policy is able to convert financial resources into effective, sustainable and measurable territorial results. Starting from the question "can Europe's Cohesion Policy continue to increase financial effort without strengthening the public and territorial capabilities required to transform resources into lasting results?", the paper argues that the central post-2027 challenge does not lie only in the scale of funding, the territorial allocation of resources or the regulatory architecture of the policy, but above all in the institutional, administrative, analytical, coordination, delivery and learning capacities of public and territorial systems.

The Policy Paper therefore advances an interpretation of European Cohesion effectiveness centred on the transition from resources to results. To this end, it brings together territorial evidence, regional innovation indicators, macroeconomic and fiscal context, debates on

European governance and previous contributions from the UMPP Policy Papers series on cohesion in transition, territorial capability, institutional capacity and implementation capacity. Its ultimate objective is to contribute to the debate on post-2027 Cohesion Policy governance by advocating a more capability-sensitive, results-oriented and evaluation-driven approach, capable of transforming public investment into innovation, resilience, convergence and sustainable territorial development.

FROM RESOURCES TO RESULTS: PUBLIC CAPABILITY, TERRITORIAL INNOVATION AND THE FUTURE OF EUROPEAN COHESION

Paulo Neto

University of Évora, Department of Economics, UMPP - Public Policy Monitoring Unit, CICP - Research Center on Political Science, Portugal
neto@uevora.pt , www.umpp.uevora.pt

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This Policy Paper is published by UMPP – Public Policy Monitoring Unit, University of Évora. It is intended as a contribution to the European debate on the future of EU Cohesion Policy, arguing that public capability, territorial innovation and implementation capacity should be placed at the centre of the post-2027 cohesion agenda. The paper advances the view that the effectiveness of European Cohesion Policy will depend not only on the volume of resources mobilised, but also on the capacity of public institutions and territorial systems to transform those resources into measurable, sustainable and territorially meaningful results. The views expressed are those of the author.

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Abstract

This UMPP Policy Paper examines a central challenge for post-2027 European Cohesion: how to move from financial resources to durable territorial results. The paper starts from the question – more resources, less impacts? – that could be associated with this challenge, analyzing it as a capability problem. Its argument is not that Cohesion Policy lacks achievements, nor that funding is irrelevant. It is that increasing financial and strategic effort will not reliably produce stronger outcomes unless the public and territorial capabilities required to convert resources into results are explicitly diagnosed, strengthened and governed. The paper combines Eurostat regional evidence on persistent territorial disparities, Regional Innovation Scoreboard evidence on uneven innovation capability, European Semester evidence on the growing integration of reforms, investments, fiscal sustainability and territorial cohesion, OECD evidence on effective

government and budget institutions, and selected academic and policy literature on regional capabilities, spatialisation and implementation. It defines resources, results, policy effectiveness and public capability; develops a causal chain from inputs to impacts; evaluates five propositions; and proposes a post-2027 capability-sensitive governance agenda. The paper concludes that Cohesion effectiveness should be treated as a public capability contract: resources, reforms, performance expectations and territorial innovation capacity must be designed together.

Executive Summary

European Cohesion Policy is entering a period in which expectations are expanding faster than the institutional and territorial capabilities needed to deliver them. Cohesion is expected to reduce disparities, sustain competitiveness, support the green and digital transitions, strengthen economic security, respond to shocks, improve social inclusion and preserve public confidence in European integration. The uploaded evidence supports the view that these objectives cannot be governed only as a budget-allocation problem.

Eurostat's 2025 Regional Yearbook states that EU policymaking must combine broad Union objectives with the specific needs of national and regional territories, and that the territorial dimension is increasingly central for job creation and the green and digital transition (Eurostat, 2025a, p. 13). The European Semester Spring Packages for 2025 and 2026 reinforce this shift by placing competitiveness, innovation, fiscal sustainability, coordination, skills, security and territorial cohesion in a single governance architecture (European Commission, 2025a; 2026a).

The paper's title, From Resources to Results, reflects a deliberate change in emphasis. The original question – Can Europe's Cohesion Policy continue to increase financial effort without strengthening the public and territorial capabilities required to transform resources into lasting results? – remains the opening problem. However, the evidence gathered across the seven bibliographic blocks makes the argument broader and more constructive. The issue is not simply whether Europe spends more or less. The issue is whether public systems can convert resources into additional, durable and territorially relevant outcomes under fiscal, geopolitical, demographic and innovation pressures.

The paper defines resources in three ways. Financial resources include EU and national funding for cohesion-relevant objectives. The 2015 Eurostat Regional Yearbook reports that almost EUR 352 billion was allocated to Cohesion Policy measures for 2014-2020, equivalent to 32.5% of the EU budget, with EUR 182 billion for less developed regions whose GDP was lower than 75% of the EU average (Eurostat, 2015, p. 21).

Strategic resources include reforms, policy coordination, missions, technical support and regulatory frameworks. Administrative resources include managing authorities, beneficiaries, staff, data systems, evaluation functions and partnership structures. Results are defined not as absorption or outputs, but as observable improvements in outcomes and impacts: productivity,

poverty reduction, innovation capability, digital capacity, skills, resilience, environmental transition and the right to remain in viable territories.

The empirical terrain is mixed. Eurostat evidence shows substantial and persistent territorial disparities. In 2023, 11 NUTS level 2 regions recorded GDP per inhabitant below 50% of the EU average, with Mayotte at 28% and several Bulgarian, Greek, French outermost, Hungarian and Romanian regions below or around that threshold (Eurostat, 2025a, p. 126). In 2024, 93.3 million people in the EU, or 21.0% of the population, were at risk of poverty or social exclusion; Guyane recorded 59.5% and Calabria 48.8% (Eurostat, 2025a, p. 85).

Regional R&D expenditure is also highly skewed: the 2024 Yearbook reports that 161 of 225 EU regions with available data had R&D expenditure per inhabitant below the EU average in 2021, including every region of Portugal, Bulgaria, Greece, Croatia, Lithuania, Romania and Slovakia (Eurostat, 2024, p. 129). These indicators do not prove policy failure. They define the outcome conditions any credible post-2027 architecture must address.

The Regional Innovation Scoreboard adds an important capability layer. RIS 2025 covers 241 regions and uses 23 of the 32 indicators in the European Innovation Scoreboard. It groups regions into 38 Innovation Leaders, 69 Strong Innovators, 74 Moderate Innovators and 60 Emerging Innovators (European Commission, 2025b, pp. 10, 32-33). Its methodology assesses framework conditions, investments, innovation activities and impacts, including education, scientific collaboration, broadband, R&D, cloud computing, ICT specialists, SME innovation, collaboration, patents, designs, trademarks, sales of innovations, medium/high-tech exports and labour productivity (European Commission, 2025c, pp. 3-11).

This is not a direct measure of administrative capacity, but it is a useful proxy for territorial innovation capability: the ability of places to absorb, combine and transform investment into knowledge, enterprise change and productivity.

Macroeconomic and fiscal conditions make the capability question more urgent. OECD evidence indicates that public debt in OECD countries averaged around 110% of GDP, while ageing, health, defence and slower productivity growth put pressure on spending; many governments are reallocating resources, but savings measures are often incremental and not commensurate with the challenge (OECD, 2026, pp. 4, 13-15).

Eurostat's April 2026 Euro Indicators report records 2025 government deficits of 2.9% of GDP in the euro area and 3.1% in the EU, with debt ratios of 87.8% and 81.7%, respectively (Eurostat, 2026b). GDP data for early 2026 indicate weak growth or contraction depending on the estimate, while inflation and producer-price volatility remain relevant constraints (Eurostat, 2026a; 2026f). Under these conditions, Cohesion Policy will face stronger demands to demonstrate value for money and stronger pressure to align with competitiveness, defence, energy and fiscal priorities.

The paper's central proposition is that public capability mediates the relationship between resources and results. It distinguishes six dimensions: analytical capability, administrative capability, delivery capability, coordination capability, learning capability and digital capability. These capabilities are not located only in managing authorities. They are distributed across

national administrations, regions, municipalities, agencies, universities, firms, civil society organisations, social partners and beneficiaries. The conversion chain is therefore multi-actor and multi-level: inputs -> programming -> selection -> implementation -> outputs -> outcomes -> impacts -> learning.

The post-2027 implications are significant. European Semester documents show the growing integration of reforms, investments, Cohesion, RRF, fiscal-structural plans and competitiveness priorities. spatialforesight policy pieces warn that reform-driven Cohesion can strengthen territorial development only if reforms are territorially grounded and sensitive to uneven capacities; otherwise centralisation, measurable-short-term performance pressures and capability gaps may reinforce disparities.

The paper therefore proposes a capability-sensitive governance agenda: ex ante capability diagnostics, capability-weighted performance frameworks, differentiated technical assistance, beneficiary capability compacts, stronger evaluation use, territorial impact assessment, functional-area coordination, innovation capability upgrading, digital interoperability and transparent legitimacy strategies.

The conclusion is direct. Cohesion Policy should not be governed as a choice between solidarity and performance. Post-2027 Cohesion should be governed as a capability contract. Europe can ask for stronger results, more reforms and sharper priorities, but only if it also invests in the public and territorial capabilities that make results plausible. Without this, more resources may produce more activity without enough transformation. With it, Cohesion can become a stronger instrument for territorial innovation, social resilience and democratic legitimacy.

Keywords

EU Cohesion Policy; public capability; administrative capacity; implementation capacity; territorial innovation; Regional Innovation Scoreboard; European Semester; policy effectiveness; territorial cohesion; evaluation; public investment; post-2027 governance; fiscal sustainability; territorial impact assessment; learning government

1. Problem Framing: From Spending to Conversion

The debate on the future of European Cohesion often begins with the size of the budget. This is understandable: the redistributive credibility of Cohesion Policy depends on substantial financial effort and long-term European solidarity. Yet the evidence collected for this paper suggests that the decisive post-2027 question is not only how much Europe spends, but how well European, national, regional and local systems convert resources into results. Cohesion effectiveness is therefore a conversion problem, not simply a funding problem.

This framing builds directly on the preceding UMPP Papers in the series. Paper No. 6 established the multidimensional character of contemporary territorial cohesion. Paper No. 10 argued that uneven transitions are also inequalities in territorial and institutional capability. Paper No. 11 demonstrated that implementation capacity is not a secondary administrative issue, but one of the channels through which European resources are converted, or fail to be converted, into public value.

The present paper treats these three claims as the foundation for a more specific question of policy effectiveness: how can post-2027 Cohesion governance make the conversion from resources to results observable, measurable and improvable?

The uploaded Eurostat yearbooks provide the historical and territorial anchor. The 2015 edition defined Cohesion Policy as an investment policy for growth, jobs and territorial cooperation, designed to reduce disparities and support balanced, sustainable territorial development. It reported almost EUR 352 billion for 2014-2020, equivalent to 32.5% of the EU budget, with more than half of the allocation reserved for less developed regions (Eurostat, 2015, p. 21).

The 2016 and 2017 Yearbooks repeat the same basic logic and add relevant implementation features: ERDF priorities in innovation, digital agenda, SMEs and the low-carbon economy; ESF priorities in employment, inclusion, education and institutional capacity; and Cohesion Fund investment in transport, environment and administrative capacity (Eurostat, 2016, pp. 20-21; Eurostat, 2017, pp. 20-23).

This funding effort coexists with persistent territorial differences. The 2025 Yearbook shows that low GDP per inhabitant remains concentrated in south-eastern Europe and outermost regions. It also warns that GDP per inhabitant can be affected by administrative boundaries, commuting and the presence of multinationals (Eurostat, 2025a, p. 126). This is important for two reasons. First, disparities remain a central policy fact. Second, no single indicator can carry the burden of evaluating Cohesion effectiveness.

The conversion from resources to results must be assessed using a broader set of outcomes and mechanisms.

The post-2027 environment intensifies the challenge. The European Semester has become a key coordination framework for reforms and investments across RRF, Cohesion Policy, fiscal surveillance, competitiveness, decarbonisation, innovation, skills and social fairness. The 2024 Spring Package explicitly embeds the reformed economic governance framework in the European Semester and links medium-term fiscal-structural plans to reforms, investments and common EU priorities (European Commission, 2024a, pp. 2-4).

The 2025 Spring Package presents the Competitiveness Compass and European Semester as a single framework connecting innovation, security, simplification, single market, financing, skills, coordination, macro-fiscal surveillance and territorial cohesion (European Commission, 2025a, pp. 1-3). The 2026 Spring Package states that the Semester provides a comprehensive framework to align national and regional reforms and investments with EU priorities (European Commission, 2026a, p. 1).

This creates a new policy geometry. Cohesion is no longer only a regional investment policy; it is increasingly part of a broader fiscal-structural, competitiveness and resilience framework. This can improve coherence, but it can also create risks. If strategic priorities are set centrally, if performance is measured narrowly, and if regions have unequal capacity to design and implement reforms, stronger performance orientation may reward places that are already administratively and economically capable. The resource-results problem therefore becomes a capability problem.

The paper's central claim is that Cohesion Policy should be understood through an institutional conversion chain: financial inputs and strategic mandates are processed through programming, administrative systems, beneficiary capacity, project selection, implementation, coordination, monitoring, evaluation and learning.

Failure can occur at any point. A programme may be well funded but weakly diagnosed; strategically coherent but administratively overloaded; efficiently spent but territorially misaligned; output-rich but outcome-thin; or evaluated without institutional learning. The post-2027 challenge is to design governance so that each link in this chain is visible and improvable.

2. Core Definitions and Causal Framework

The paper uses four terms in a precise way: resources, results, policy effectiveness and public capability. These definitions matter because many debates on Cohion collapse absorption, performance and impact into a single idea of success. That is analytically weak and politically risky.

2.1 More resources

More resources refers to four distinct but connected forms of effort. First, financial resources: EU and national funding committed to cohesion-relevant objectives. Second, strategic resources: reforms, missions, legal frameworks, policy priorities and coordination instruments. Third, administrative resources: staff, procedures, systems, guidance, data and simplification mechanisms. Fourth, territorial resources: skills, firms, universities, civic organisations, intermunicipal structures, innovation systems and local public goods. A policy can increase one of these resource types while neglecting others. The conversion problem appears precisely when financial or strategic resources increase without corresponding capability growth.

2.2 Results

Results refers to territorial outcomes and impacts, not merely absorption or outputs. The concept includes productivity, employment quality, poverty reduction, educational attainment,

digital capacity, innovation performance, SME transformation, R&D capacity, climate resilience, demographic sustainability, accessibility, public service quality and institutional trust. Results are therefore multi-dimensional, and must be interpreted by region type and starting position.

A less developed region may show genuine progress while remaining below the EU average; a more developed region may have high absolute performance but weak marginal improvement.

The relevant question is additionality and trajectory, not only level.

2.3 Policy effectiveness

Policy effectiveness is the capacity of public intervention to produce additional, durable and territorially relevant improvements relative to a plausible counterfactual. This definition includes three safeguards. First, effectiveness is not absorption: spending money is a necessary administrative condition, not an outcome. Second, effectiveness is not only output delivery: building infrastructure, launching calls or training participants must be connected to outcomes. Third, effectiveness is not only short-term target achievement: complex territorial effects may require long time horizons and learning loops.

2.4 Public capability

Public capability is the collective ability of public systems and their implementation ecosystems to diagnose problems, design coherent interventions, mobilise actors, execute programmes, coordinate across levels, use evidence, adapt and sustain outcomes. It is not a synonym for bureaucracy.

It includes six dimensions: analytical, administrative, delivery, coordination, learning and digital capability. The territorial dimension is essential: regions differ in the skills, institutions, innovation systems and beneficiary ecosystems that make public investment productive.

In this sense, public capability is broader than administrative capacity, but it cannot exist without it. It incorporates the territorial capability emphasised in UMPP Policy Paper No. 10, the implementation ecosystem emphasised in UMPP Policy Paper No. 11, and the multidimensional transition pressures identified in UMPP Policy Paper No. 6.

This layered understanding avoids two reductions: treating capability only as staffing inside public administration, or treating territorial development only as the presence of financial resources.

Table 1. Public capability dimensions, operational meanings and indicative proxies

Capability dimension	Operational meaning	Indicative evidence or proxy
Analytical	Ability to diagnose territorial problems, identify causal mechanisms and select relevant indicators.	Quality of territorial diagnostics; use of Eurostat/RIS data; evaluation units; foresight.
Administrative	Ability to programme, approve, contract, procure, audit and report without excessive delay or error.	Managing authority capacity; procurement performance; simplification; staff stability.
Delivery	Ability to turn approved projects into outputs and services.	Project maturity; beneficiary capacity; implementation delays; absorption linked to outputs.
Coordination	Ability to align funds, reforms, levels of government and functional territories.	Partnership structures; functional-area governance; Semester-Cohesion alignment.
Learning	Ability to use monitoring and evaluation to revise programmes and improve decisions.	Spending reviews; ex post evaluation; performance information used in budgets.
Digital	Ability to use interoperable data, digital platforms and real-time monitoring to reduce friction and improve accountability.	Digital management systems; data interoperability; cloud/data capacities; digital skills.

Source: Author's elaboration based on OECD (2026), European Commission (2022-2026), Eurostat Regional Yearbooks (2015-2025), RIS 2025, and UMPP Policy Papers No. 10 and No. 11 (Neto, 2026b, 2026c).

2.5 Causal chain and failure points

The paper uses the following causal chain:

Inputs -> programming -> project selection -> implementation -> outputs -> outcomes -> impacts -> learning

Failure can occur at each stage. At the input stage, money may be insufficient, too fragmented or misaligned with local needs. At the programming stage, diagnostics may be generic or politically driven. At the selection stage, mature but less transformative projects may crowd out riskier but more strategic projects. At the implementation stage, procurement, permitting, co-financing and administrative burden may delay delivery. At the output stage, indicators may count activity without testing use or quality. At the outcome stage, benefits may not reach intended groups or territories. At the impact stage, local changes may be too small to alter development trajectories. At the learning stage, evaluations may be produced but not used.

3. Evidence Synthesis

3.1 Financial and strategic effort

The Eurostat yearbooks confirm that Cohesion Policy is a long-term investment architecture, not a marginal programme. The 2015 and 2016 Yearbooks report nearly one third of the EU budget for 2014-2020 Cohesion, with allocations shaped by NUTS classifications and regional GDP per inhabitant (Eurostat, 2015, p. 21; Eurostat, 2016, pp. 20-21). The 2017 Yearbook adds that programming was embedded in broader economic policy coordination via the European Semester and incorporated a more results-oriented approach with preconditions and measurable targets (Eurostat, 2017, pp. 22-23).

This establishes the historical move from simple redistribution toward performance and coordination.

The European Semester documents show a further shift. In 2022, the Semester and the RRF were described as robust frameworks for policy coordination, with Cohesion funds complementing the delivery of EU priorities at national and regional levels (European Commission, 2022, pp. 1-3). In 2023, the Commission emphasised the need to continue RRF implementation and swiftly implement Cohesion programmes in close coordination, including by ensuring adequate administrative capacities (European Commission, 2023, pp. 2-3).

In 2024, the reformed economic governance framework was explicitly integrated into the Semester and linked to medium-term fiscal-structural plans, reforms, investments and common priorities (European Commission, 2024a, pp. 2-4). In 2025 and 2026, competitiveness, strategic autonomy, innovation, decarbonisation, security, skills and territorial cohesion are treated as joined priorities (European Commission, 2025a, pp. 1-3; 2026a, pp. 1-2).

3.2 Territorial outcome conditions

The evidence on territorial outcomes remains sobering. GDP per inhabitant disparities are persistent and geographically structured. In 2023, 11 NUTS level 2 regions had GDP per inhabitant below 50% of the EU average; Mayotte was at 28%, followed by Yuzhen tsentralen, Severozapaden, Guyane and Voreio Aigaio around 41-42% (Eurostat, 2025a, p. 126). These figures are not sufficient to evaluate Cohesion causally, but they show that the policy's core problem remains active.

Social outcomes also show territorial unevenness. In 2024, 93.3 million people in the EU were at risk of poverty or social exclusion, representing 21.0% of the population. Guyane recorded the highest NUTS level 2 rate at 59.5%, and Calabria the next highest at 48.8% (Eurostat, 2025a, p. 85). The 2024 Yearbook shows that social transfers reduced the EU at-risk-of-poverty rate before transfers from 24.8% to 16.2% after transfers in 2023, but regional patterns varied

substantially (Eurostat, 2024, p. 73). This reinforces the need to evaluate Cohesion within wider welfare, labour-market and fiscal systems, not as an isolated instrument.

Innovation and R&D outcomes are strongly spatially skewed. The 2024 Yearbook reports that 161 out of 225 EU regions with available data had R&D expenditure per inhabitant below the EU average in 2021; this included every region of Portugal, Bulgaria, Greece, Croatia, Lithuania, Romania and Slovakia.

It also notes that Prov. Brabant Wallon had R&D expenditure per inhabitant 590 times that of Sud-Est in Romania (Eurostat, 2024, p. 129). Such asymmetries matter because Cohesion increasingly supports innovation, digitalisation, SMEs, green industry and technology transition. Funding cannot generate innovation impacts where knowledge, skills, firms and institutional linkages are insufficiently developed, unless the policy explicitly invests in those capabilities.

3.3 Regional innovation capability

The Regional Innovation Scoreboard is therefore highly relevant. RIS 2025 describes regions as crucial engines of economic development and uses the EIS indicators or regional proxies for which regional data are available. The 2025 methodology uses 23 of the 32 EIS indicators and covers 241 regions in 22 EU Member States, Norway, Serbia, Switzerland and the United Kingdom, with five small countries included only at national level because their NUTS 1 and NUTS 2 levels are identical to national territory (European Commission, 2025c, p. 3).

The RIS measurement framework is divided into framework conditions, investments, innovation activities and impacts (European Commission, 2025c, pp. 3-4).

RIS 2025 groups regions into 38 Innovation Leaders, 69 Strong Innovators, 74 Moderate Innovators and 60 Emerging Innovators. The long-term trend is broadly positive: 233 of 241 regions, or 97%, improved between 2018 and 2025. However, only 110 regions, or 46%, improved more than the EU27 average. Emerging Innovator regions improved but were more likely to grow below the EU average, while Innovation Leaders show signs of stagnation (European Commission, 2025b, pp. 32-34). This is precisely the kind of evidence needed to refine the paper's central argument: progress and uneven capability can coexist.

Earlier RIS editions show why trend comparisons must be methodologically cautious. RIS 2016 used 12 of 25 EIS indicators and covered 214 regions; it also noted that Modest Innovator regions in Portugal and Spain included peripheral island regions such as Açores and Madeira (European Commission, 2016, pp. 5-6, 20). RIS 2021 used 21 of 32 indicators across 240 regions and explicitly warned that most recent data reflected earlier years, so the results did not capture the impact of COVID-19 (European Commission, 2021b, p. 6).

RIS 2023 used 239 regions and classified 36 Innovation Leaders, 70 Strong Innovators, 69 Moderate Innovators and 64 Emerging Innovators (European Commission, 2023b, p. 11). RIS 2025 then introduced new indicators and handled NUTS 2024 changes, including changes for Portugal, which affect comparability (European Commission, 2025c, p. 17). The paper therefore

treats RIS not as a simple uninterrupted time series, but as a robust capability lens requiring careful interpretation.

3.3.1 Portugal as an illustrative innovation-capability case

Portugal illustrates the usefulness and limits of the RIS lens. In RIS 2017, Portugal was a Moderate Innovator and all seven Portuguese regions were also classified as Moderate Innovators, but with marked internal hierarchy: Lisboa, Centro and Norte were Moderate+; Alentejo was Moderate; and Madeira, Algarve and Açores were Moderate- (European Commission, 2017, p. 29). By RIS 2021, Portugal remained a Moderate Innovator, but three regions were Moderate Innovators and four were Emerging Innovators; Lisboa remained the most innovative region, while performance had improved for all regions relative to 2014 (European Commission, 2021b, p. 31).

RIS 2023 again shows improvement in all Portuguese regions, with Lisboa close to the EU average and classified as Moderate+, Norte and Centro as Moderate, Alentejo as Moderate-, and Algarve, Açores and Madeira as Emerging+ (European Commission, 2023b, p. 26). RIS 2025 reports Portugal as a Moderate Innovator with one Strong Innovator, one Moderate Innovator+, two Moderate Innovators, three Moderate Innovators-, and two Emerging Innovators+ across the regional subgroups (European Commission, 2025b, p. 24).

For this paper, Portugal is not used as a formal case study with causal claims. It is used as an illustrative warning against national averages. A national innovation group can hide multiple regional trajectories: a capital or metropolitan region near or above the EU average; industrial and university regions with moderate capability; and peripheral or island territories that may improve while remaining structurally distant from leading innovation systems. This mirrors the core Cohesion problem.

A policy architecture that allocates resources by broad regional categories but evaluates them through standardised performance metrics may overlook the different capability paths required by different territories. In practical terms, the same policy objective – for example SME innovation, digital adoption or green industrial transition – may require different instruments in Lisboa, Norte, Alentejo, Madeira or Açores.

Table 2. Portugal in the Regional Innovation Scoreboard: illustrative evidence for innovation capability

Portuguese RIS evidence	Interpretation for this paper
RIS 2017: all seven regions Moderate Innovators, but Lisboa/Centro/Norte already stronger than peripheral regions.	Territorial differences exist even inside one national innovation group.
RIS 2021: Portugal Moderate; three Moderate regions and four Emerging regions; all regions improved.	Progress can coexist with internal divergence and peripheral fragility.
RIS 2023: Lisboa close to EU average; Algarve/Açores/Madeira Emerging+; all regions improved but not equally.	Capability-sensitive governance should differentiate innovation pathways.
RIS 2025: Portugal Moderate with regional distribution across Strong, Moderate and Emerging subgroups.	More granular subgrouping can help diagnose capability and avoid national averaging.

Source: Author's synthesis based on European Commission Regional Innovation Scoreboard 2017, 2021, 2023 and 2025, and RIS 2025 methodology/report.

3.4 Macro-fiscal constraints and economic context

The macro-fiscal environment strengthens the case for a capability-sensitive approach. OECD's Restoring Public Finances states that OECD countries face historically high public debt, around 110% of GDP, and multiple spending pressures from ageing, health, defence and emergencies (OECD, 2026, pp. 4, 15). The same report argues that maintaining sustainable public finances is fundamental to the capacity of governments to address current and future challenges, because governments need room to allocate and reallocate resources as priorities change (OECD, 2026, p. 15).

Eurostat Euro Indicators for 2026 provide recent EU context. Government deficit and debt data for 2025 show a euro-area deficit of 2.9% of GDP and EU deficit of 3.1%, with debt ratios of 87.8% and 81.7%, respectively (Eurostat, 2026b). Inflation was estimated at 3.2% in the euro area in May 2026, with energy at 10.9% (Eurostat, 2026a). GDP estimates for early 2026 were weak and subject to revision: a preliminary estimate showed +0.1% in both the euro area and EU in the first quarter, while a later estimate reported GDP down by 0.2% in the euro area and 0.1% in the EU (Eurostat, 2026e; 2026f). Industrial production fell by 1.5% in the euro area and 1.6% in the EU in January 2026 (Eurostat, 2026j).

These indicators do not measure Cohesion performance, but they define the policy environment in which value for money, prioritisation and effectiveness will be judged.

The 2026 Semester adds a strategic dimension to this fiscal context. It states that the EU faces geopolitical uncertainty, intensified global competition, energy-price volatility, global tariffs, supply-chain pressure and long-standing weaknesses linked to subdued productivity growth and innovation. It also highlights that the Semester now aligns national and regional reforms

and investments with EU priorities and provides an analytical basis to prioritise reform and investment needs, including measures to address economic, social and territorial disparities (European Commission, 2026a, pp. 1-2).

This is directly relevant for Cohesion: future programmes will likely be judged not only by regional absorption and eligibility, but by their contribution to competitiveness, resilience, strategic value chains, social convergence and fiscal-structural credibility.

The same 2026 package identifies an innovation gap that is both European and territorial. It states that EU R&D spending stagnated at 2.2% of GDP in 2024, below the United States and Japan at 3.4%, South Korea at 5.0%, and China at 2.6%; it also notes that progress remains limited and uneven across Member States and regions (European Commission, 2026a, pp. 12-13). This supports the integration of RIS evidence into the paper.

If innovation is central to competitiveness and Cohesion is one of the instruments expected to support innovation uptake, then uneven regional innovation capability is not a secondary issue. It is a core determinant of whether resources can become results.

3.5 Governance, trust and legitimacy

Public capability also has a legitimacy dimension. OECD notes that around 45% of people in OECD countries report low or no trust in public institutions, and that the ability of governments to address long-term issues is a main driver of trust in national government (OECD, 2026, p. 15). The Democracy Perception Index 2026, based on 94,146 respondents in 98 countries, is not an EU Cohesion source, but it is relevant to the broader argument: citizens' confidence in democracy and institutions is shaped by perceptions of whether democratic systems can deliver in conditions of uncertainty (Nira Data & Alliance of Democracies, 2026, pp. 2, 4-6). Cohesion Policy is one of the EU's most visible instruments for demonstrating territorial fairness. Weak conversion of resources into results is therefore not only a technocratic issue; it can affect institutional credibility.

4. Mechanisms: how capability mediates resources and results

The evidence supports a mechanism-based explanation. Public capability mediates the relationship between resources and results through at least six channels.

4.1 Capability as a distributed property of the policy system

A common mistake in debates on administrative capacity is to locate capability only inside public administration. For Cohesion Policy this is too narrow. Managing authorities matter, but so do ministries, regional and local governments, sectoral agencies, procurement units, universities, firms, intermunicipal communities, development agencies, civil-society organisations and social partners. The conversion chain is distributed.

A programme may have a competent managing authority and still fail to produce territorial results if beneficiaries cannot prepare mature projects, if local skills are missing, if municipalities cannot co-finance infrastructure, if firms lack absorptive capacity, or if evaluation findings never reach political decisions.

This distributed view also explains why capability-sensitive policy is not the same as rewarding already capable places. A purely performance-based system may allocate attention and discretion to regions that can already perform. A capability-sensitive system asks a different question: what combination of resources, simplification, assistance, institutional reform and partnership is required for a specific territory to move from its current capability position to a higher one? This shifts the role of Cohesion from funding projects to developing systems.

4.2 Analytical capability

Analytical capability is the ability to formulate a territorial problem in causal terms. It requires data, but also interpretation. Eurostat and RIS sources provide rich indicators, yet they also warn about data limitations, boundary effects, missing data, proxy indicators and time lags. Analytical capability therefore means knowing which indicators to use, which not to overinterpret, and how to combine statistical evidence with local knowledge. For example, GDP per inhabitant may be distorted by commuting or multinational enterprise effects; RIS indicators may be affected by NUTS revisions and proxy methods; poverty rates depend on national income thresholds and welfare systems. A high-capability administration does not simply collect more data. It builds a robust theory of change from evidence.

4.3 Administrative and delivery capability

Administrative capability is the ability to process programmes legally, transparently and efficiently. Delivery capability is the ability to ensure that selected projects actually produce usable outputs and services. The distinction matters. A system may be administratively compliant but delivery weak; it may approve projects, process payments and pass audits while producing delays, low-quality procurement or outputs that are not used. Post-2027 reform-

and-investment models will likely increase the importance of both capabilities. Milestones and targets may improve discipline, but only if administrative systems can interpret them and beneficiaries can deliver them.

4.4 Coordination capability

Coordination capability becomes more important as Cohesion is integrated with the Semester, RRF closure, fiscal-structural plans, competitiveness, security, energy and industrial priorities. The risk is not only fragmentation; it is misalignment between policy scales. Energy grids, labour markets, housing affordability, university-industry collaboration and climate adaptation often operate across administrative borders. spatialforesight's argument for functional geographies is especially relevant: policies should align with how people live, work and move, not only with formal jurisdictions. Coordination capability is thus a precondition for territorially coherent policy.

4.5 Learning capability

Learning capability is the ability to convert monitoring and evaluation into better decisions. OECD evidence is useful because it links performance information, ex post evaluation, spending reviews and budget choices. In Cohesion, the problem is often not the absence of indicators but the weak use of indicators. A learning system would identify which interventions produce durable outcomes, which work only in specific contexts, which fail, and how programme design should change. It would also distinguish political communication from analytical learning.

Publishing success stories is not enough; the policy system must learn from weak results, delays and unintended consequences.

4.6 Digital capability

Digital capability includes management information systems, interoperable data, real-time dashboards, user-friendly beneficiary interfaces, digital procurement, open data and secure data sharing. RIS 2025 includes digital-related indicators such as broadband penetration, cloud computing and ICT specialists because digitalisation is increasingly part of innovation capability. For public administration, digital capability should reduce burden and improve evidence, not simply digitise bureaucracy. A poor digital system can increase compliance costs; a good one can support simplification, transparency, early warning and adaptive management.

1. Diagnostic precision: Resources produce stronger results when programmes identify territorial problems causally rather than descriptively. Eurostat and RIS show that regions differ not only in income, but in R&D intensity, skills, innovation linkages, social conditions and structural composition. A generic call architecture cannot match such heterogeneity.

2. Administrative throughput and reliability: Managing authorities and beneficiaries must translate rules into timely approvals, procurement, contracting and reporting. Administrative capacity is especially important when instruments become more complex and linked to reforms, milestones or cross-fund coordination.

3. Beneficiary capability: Cohesion delivery depends on municipalities, firms, universities, agencies and civil society organisations. A weak beneficiary ecosystem may lead to low-quality applications, delays, under-execution, or projects that end when funding ends.

4. Territorial innovation capability: RIS evidence shows that innovation systems are uneven. Regions with stronger education, R&D, digital uptake, SME collaboration and productivity are better positioned to convert investment into innovation and growth. Regions with weaker systems need capability-building before or alongside investment.

5. Coordination and functional geography: spatialforesight argues that functional geographies may be more meaningful than administrative borders for planning and regional development, but cross-jurisdictional collaboration remains difficult (spatialforesight, 2026a, pp. 3-4). Coordination is thus both a technical and political capability.

6. Learning and evaluation: OECD argues that performance information and ex post evaluation can improve spending decisions, identify underperforming programmes, support reprioritisation and improve accountability for outcomes (OECD, 2026, pp. 39-40). Cohesion effectiveness depends on whether evaluation findings are used, not only produced.

These mechanisms imply a direct policy lesson: resources should be allocated not only according to need, but also with explicit instruments to strengthen the capabilities required to use them effectively. Regions with high need and low capability should not receive lower support because they are less capable; they should receive a different support package. This is the meaning of capability-sensitive Cohesion.

5. Five testable propositions

Table 3. Testable propositions on resources, capability and Cohesion effectiveness

Proposition	Mechanism	Assessment with uploaded evidence
P1. Financial effort is necessary but insufficient.	Higher financial allocation improves the opportunity for transformation, but outcomes depend on capability at programming, delivery, beneficiary and learning stages.	Supported by Eurostat funding evidence, persistent territorial disparities and OECD evidence on effective government under fiscal constraint. Causal quantification requires fund-by-region data and counterfactual evaluation.
P2. Innovation capability conditions territorial impact.	Regions with stronger innovation systems are better able to convert investment into productivity, business transformation and higher-value activity.	Supported by RIS framework and trends; also supported conceptually by Wang et al. on skill relatedness and diversification. RIS is a proxy, not proof of Cohesion causality.
P3. Capability gaps are cumulative along the conversion chain.	Weak diagnostics, weak administration, weak beneficiaries, poor coordination and weak learning compound each other.	Supported by OECD, Semester and spatialforesight evidence; empirical testing requires administrative performance data and case studies.
P4. Regional trajectories are path-dependent but not deterministic.	Existing skills, firms and institutions shape outcomes, but policy can alter trajectories if it builds related capabilities.	Supported by Coad et al. on HGF persistence without simple development determinism, and Wang et al. on place-specific skill relatedness effects.
P5. Post-2027 performance governance can either reduce or reinforce disparities.	Milestones, reforms and central coordination can improve effectiveness, but may favour more capable regions unless territorially grounded.	Supported by Semester evolution and spatialforesight warnings on centralisation, uneven capacities and measurable-performance pressures.

Source: Author's elaboration from Eurostat Regional Yearbooks, Regional Innovation Scoreboard, European Semester Spring Packages, OECD (2026), spatialforesight policy pieces and UMPP Policy Papers No. 6, No. 10 and No. 11.

These propositions should be read as a structured research agenda. The current corpus supports their plausibility; a future quantitative extension could test them by combining Cohesion financial data, RIS indicators, Eurostat regional outcomes, administrative capacity indicators and evaluation data. For this Policy Paper, the propositions are used to structure policy reasoning and identify evidence gaps.

6. Post-2027 governance scenarios and options

The post-2027 debate can be organised around four scenarios. They are not predictions; they are governance options that clarify trade-offs.

Table 4. Post-2027 governance scenarios/options for Cohesion effectiveness

Scenario	Core logic	Potential value	Main risk
Scenario 1: Absorption continuity	Cohesion remains largely driven by expenditure, compliance and output delivery.	Low disruption; administratively familiar.	Weak link to outcomes; risk of procedural success with limited transformation.
Scenario 2: Centralised performance governance	Funding is increasingly tied to national plans, reforms, milestones and measurable targets.	Stronger accountability and alignment with EU priorities.	Risk of centralisation, territorial blindness and favouring easy-to-measure reforms.
Scenario 3: Mission-oriented territorial policy	Funding streams align around cross-sectoral missions such as climate resilience, just digitalisation or demographic resilience.	Potential for integrated impact and innovation.	Requires high coordination capability and robust learning systems.
Scenario 4: Capability-sensitive Cohesion	Need, capability and expected outcomes are assessed together; technical assistance and performance expectations are differentiated by territorial capability.	Aligns solidarity and effectiveness; explicitly targets conversion capacity.	Requires new diagnostics, stronger data systems and political acceptance of differentiated governance.

Source: Author's scenario synthesis based on European Commission European Semester Spring Packages 2024-2026, spatialforesight post-2027 pieces, OECD (2026), and UMPP Policy Papers No. 10 and No. 11.

The recommended option is Scenario 4, with selective elements of Scenario 3. spatialforesight's mission-oriented budget argument is useful because it calls for a shift from fragmented funds and programmes toward cross-sectoral missions that connect sectors and translate investments into real outcomes (spatialforesight, 2025a, pp. 1-3). However, missions without capability diagnostics may reproduce inequalities: capable regions will design stronger projects, coordinate faster and meet milestones more easily. Therefore, the paper recommends a capability-sensitive mission approach.

The reform-and-investment logic requires particular caution. spatialforesight's reform piece argues that Cohesion is moving from financing projects to shaping framework conditions and from addressing infrastructure gaps to addressing systemic bottlenecks. This opens important opportunities, but the same piece warns about centralisation, uneven capacities, performance pressures and governance complexity. It explicitly notes that regions differ in their ability to design and implement reforms, and that regions with stronger administrative capacity may benefit more, potentially reinforcing disparities (spatialforesight, 2026a, pp. 4-6). This warning should be treated as a design principle for post-2027 governance.

In this light, National and Regional Partnership Plans should not be conceived merely as national envelopes with regional components. They should contain territorial capability chapters: diagnostics of regional needs and capacities, clear roles for regional and local authorities, functional-area mechanisms, beneficiary capability measures, and explicit links between

reforms and territorial outcomes. If the new architecture integrates more funds and priorities, it must also integrate territorial intelligence. Otherwise simplification at the top may become complexity or exclusion at the bottom.

Territorial Impact Assessment should be part of this architecture. The spatialforesight TIA piece argues that the proposed MFF 2028-2034 consolidates funding and may shift decision power toward national governments, making it important to anticipate territorial consequences before they materialise (spatialforesight, 2025b, p. 3). A post-2027 framework should therefore include ex ante territorial impact checks for reforms, funds and performance rules, not only for individual projects.

7. Policy Recommendations

The recommendations are designed for a post-2027 Cohesion governance agenda. Each recommendation includes rationale, implementation preconditions/capabilities, risks/trade-offs and suggested indicators.

1. Introduce mandatory territorial capability diagnostics before programme approval.

Rationale: Financial need should be assessed together with implementation capability and innovation-system capacity. Without a capability baseline, performance targets may be unrealistic or regressive.

Implementation preconditions/capabilities: Common diagnostic template; regional data; beneficiary mapping; RIS and Eurostat indicators; independent review.

Risks/trade-offs: Risk of adding bureaucracy; mitigate by using a concise diagnostic and integrating it into existing programming.

Suggested indicators: Capability score by dimension; staff stability; project pipeline maturity; RIS group; R&D intensity; evaluation use.

2. Create capability-sensitive performance frameworks.

Rationale: Performance expectations should reflect starting positions, institutional capacity and territorial complexity, not only standard output targets.

Implementation preconditions/capabilities: Differentiated milestones; negotiated outcome pathways; transparent justification for variation.

Risks/trade-offs: Risk of lowering ambition for weak-capability regions; mitigate by linking differentiation to capability-building milestones.

Suggested indicators: Output-to-outcome conversion rate; milestone completion adjusted by complexity; improvement relative to baseline.

3. Rebalance technical assistance toward strategic capability-building.

Rationale: Technical assistance should not be limited to compliance and audits; it should strengthen diagnostics, procurement, evaluation, data and beneficiary support.

Implementation preconditions/capabilities: Multiannual TA plans; peer learning; dedicated technical teams; ring-fenced learning budget.

Risks/trade-offs: Risk of TA capture by consultants; mitigate through institutionalisation inside public bodies.

Suggested indicators: Share of TA spent on capability functions; training completion; reduced approval delays; evaluation uptake.

4. Establish beneficiary capability compacts.

Rationale: Municipalities, firms, universities and civil-society beneficiaries are part of the delivery system. Their capability deficits directly affect results.

Implementation preconditions/capabilities: Beneficiary segmentation; pre-application support; simplified tools for small actors; co-financing support where justified.

Risks/trade-offs: Risk of favouring frequent applicants; mitigate by targeting low-capability/high-need territories.

Suggested indicators: Number of new beneficiaries; project quality scores; implementation delays; post-project sustainability.

5. Use RIS evidence to design territorial innovation pathways.

Rationale: Innovation capability is uneven. RIS can help identify whether regions need R&D deepening, SME collaboration, digital adoption, skills or productivity upgrading.

Implementation preconditions/capabilities: RIS indicator log; smart specialisation alignment; regional innovation dialogues; collaboration platforms.

Risks/trade-offs: Risk of over-interpreting composite scores; mitigate by using indicator-level diagnostics and local validation.

Suggested indicators: RII change; SME innovation; R&D public/business; cloud adoption; ICT specialists; sales of innovations.

6. Require territorial impact assessment for major post-2027 reforms and funding rules.

Rationale: Reforms and performance rules may have uneven territorial effects. TIA should anticipate who benefits, who bears risks and which places may be disadvantaged.

Implementation preconditions/capabilities: Standard TIA protocol; NUTS 2/functional-area analysis; stakeholder review; published territorial risk register.

Risks/trade-offs: Risk of slowing reform; mitigate by using proportional TIA for high-impact measures.

Suggested indicators: Number of TIAs; mitigation measures adopted; territorial distribution of benefits/costs.

7. Build evaluation into budget and programming decisions.

Rationale: Evaluation matters only if used. OECD evidence supports performance information and ex post evaluation for spending choices.

Implementation preconditions/capabilities: Evaluation calendar linked to reprogramming; independent evaluation units; spending-review interface.

Risks/trade-offs: Risk of symbolic evaluation; mitigate through mandatory management responses and public follow-up.

Suggested indicators: Share of evaluations with management response; recommendations implemented; budget reallocations justified by evidence.

8. Strengthen functional-area coordination.

Rationale: Many development problems cross administrative boundaries: labour markets, mobility, energy, housing, skills and industrial ecosystems.

Implementation preconditions/capabilities: Legal instruments for cross-jurisdictional cooperation; metropolitan/intermunicipal platforms; shared data systems.

Risks/trade-offs: Risk of accountability complexity; mitigate with clear mandates and outcome ownership.

Suggested indicators: Projects in functional areas; cross-border/intermunicipal agreements; service-access indicators.

9. Protect territorial partnership in National and Regional Partnership Plans.

Rationale: If post-2027 plans become too national, regional and local intelligence may be weakened.

Implementation preconditions/capabilities: Formal role for regions/cities; transparent consultation; territorial annexes; partnership monitoring committee.

Risks/trade-offs: Risk of fragmented negotiation; mitigate by using clear decision stages and evidence templates.

Suggested indicators: Stakeholder participation; regional amendments accepted; satisfaction surveys; published partnership records.

10. Develop digital public capability for Cohesion management.

Rationale: Digital systems can reduce burden, improve monitoring and support adaptive management if interoperable and user-centred.

Implementation preconditions/capabilities: Interoperable platforms; real-time dashboards; data standards; cybersecurity and digital skills.

Risks/trade-offs: Risk of digital burden on small beneficiaries; mitigate with assisted digital access and simplified interfaces.

Suggested indicators: Processing time; data completeness; system usability; open data publication; error rates.

11. Link fiscal sustainability to investment quality, not only restraint.

Rationale: Under fiscal pressure, the key issue is not simply reducing expenditure, but protecting high-value investment and reallocating away from low-value spending.

Implementation preconditions/capabilities: Spending reviews; investment appraisal; medium-term frameworks; alignment with Semester and Cohesion objectives.

Risks/trade-offs: Risk of cutting investment under consolidation pressure; mitigate with quality-based investment safeguards.

Suggested indicators: Public investment share; project return appraisal; spending-review savings reallocated to priorities.

12. Communicate Cohesion results through credible public narratives.

Rationale: Trust depends on whether citizens understand what policy changes in their territories. Legitimacy requires visible outcomes and honest reporting.

Implementation preconditions/capabilities: Plain-language dashboards; territorial stories linked to indicators; independent validation; citizen engagement.

Risks/trade-offs: Risk of propaganda; mitigate by publishing failures, delays and lessons alongside achievements.

Suggested indicators: Public awareness; trust indicators; dashboard use; citizen feedback; evaluation transparency.

8. Conclusion

The title of this paper, From Resources to Results, captures the central analytical and policy shift required for post-2027 Cohesion. The future of European Cohesion cannot be secured only by defending budget volume, simplifying procedures or tightening milestones. All three may matter, but none is sufficient. The decisive question is whether Europe can build the public and territorial capabilities required to convert resources into durable outcomes.

Read within the UMPP sequence, this paper completes a three-step argument. First, Cohesion is increasingly about governing differentiated territorial transitions. Second, the capacity to govern those transitions is uneven across territories and institutions. Third, the effectiveness of Cohesion Policy depends on whether EU and national systems can diagnose and strengthen the capabilities that mediate the pathway from funding to results.

The uploaded corpus supports a cautious but strong conclusion. Territorial disparities remain substantial; innovation capability is uneven; public finances are under pressure; the European Semester is becoming a central framework for coordinating reforms and investments; and policy legitimacy increasingly depends on the visible capacity of governments to deliver. These trends do not imply that Cohesion Policy has failed. They imply that the next generation of Cohesion governance must be designed around conversion capability.

The paper has argued that public capability is multidimensional: analytical, administrative, delivery, coordination, learning and digital. It is also distributed: national ministries, managing authorities, regions, municipalities, universities, firms, social partners and civil society all shape the conversion chain. A policy that strengthens only formal administration while ignoring beneficiaries, innovation systems and learning loops will remain incomplete.

The post-2027 reform debate should therefore avoid two traps. The first is input optimism: assuming that more funding or broader priorities automatically create results. The second is performance formalism: assuming that milestones and targets automatically create effectiveness.

The paper proposes instead a capability contract. If Europe asks regions and Member States to deliver stronger results, it must also strengthen the capabilities that make those results

plausible. Cohesion Policy should not be only a funding policy, nor only a reform policy. It should be a capability-building policy for Europe's diverse territories.

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