



COCIR Contribution to the EC Cohesion and Values Proposals (ERDF & CF¹ and ESF+²)

1. Introduction

COCIR welcomes the European Commission's proposals for the next financial period 2021-2027, which put efforts towards simplifying and making the use of the EU Cohesion and Values Funds for the health sector more flexible. The eleven thematic objectives used in 2014-2020 have been simplified to five clear policy objectives for a social and territorial Europe, which is smarter, greener, more connected and closer to the citizens. COCIR believes this should further contribute to transforming knowledge into sustainable development and industrialisation in the EU's regions, provided that the EU Cohesion and Value Fund are primarily focused on investments in innovation, growth and job creation.

COCIR represents the European Medical Imaging, Radiotherapy and Healthcare IT Industry. It is engaged in a number of projects to optimise the use of appropriate technologies, services and solutions in the health and care sector, including the best use of EU Cohesion Policy instruments for progressing innovative health solutions.

2. Executive Summary

This contribution outlines key recommendations, which COCIR considers essential for the delivery of sustainable and high-quality health and care. These recommendations are the fundamental precondition for the success of the future EU agenda post-2020.³

"We need to think more broadly about how we finance health and care and how we perceive innovation, and this is where the EU can bring added value." Nicole Denjoy, COCIR Secretary General
These recommendations focus on the EC legislative proposals on the EU Cohesion and Values programmes (including the European Regional Development Fund -ERDF, Cohesion Fund -CF, and the European Social Fund Plus -ESF+), identified below and developed in the detailed briefing.

1. The EU Cohesion and Values Funds should be made available to **invest and encourage the scaling up of innovative healthcare and ICT technology solutions** leading to better patients' health and Europe's healthcare system's efficiency and economic recovery.
2. The European Commission should develop a robust **framework of indicators** relevant to access issues, which can be tailored to national and regional contexts. It is crucial for these indicators to measure access to medical technologies, which support diagnostic imaging, radiotherapy services, Digital Health, and Health ICT.
3. The European Commission should encourage and incentivise **EU Member States to cooperate** with each other in order to meet the challenges in the healthcare sector. Such cross-border initiatives could provide positive synergies between different systems and settings.
4. The European Commission should promote the more flexible and simplified use of Cohesion Policy Funds, both at national and regional levels, for investments in the **healthcare sector including infrastructure (and including digital infrastructure) and services**. The simplification measures should cover the reimbursement costs, access to funding for private entities, requirements for the project selection and implementation, and online procedures.
5. The European Commission should encourage and incentivise EU Member States to adopt new financing models including **Managed Services, revolving instruments and models based on pay-as-a-service** as part of the solutions for providing and maintaining high quality and sustainable healthcare services in support of social and territorial Europe, which is closer to citizens.
6. COCIR calls **for the inclusion of a specific reference relating to investments in health and care infrastructure and services** in the Cohesion Fund Regulation Proposal.
7. COCIR calls on the European Commission to promote **innovation triangles with the mandatory participation** of academia, technology companies and public authorities, to encourage and further support investments in innovation in the health sector.

¹ [EC Regulation Proposal](#) on the European Regional Development Fund and on the Cohesion Fund, 29.5.2018

² [EC Regulation Proposal](#) for a Regulation on the European Social Fund Plus, COM (2018) 382 final, 30.5.2018

³ [Europe 2020 strategy](#) is the EU's agenda for growth and, that emphasises smart, sustainable and inclusive growth as a way to overcome the structural weaknesses in Europe's economy, improve its competitiveness and productivity and underpin a sustainable social market economy.



3. Detailed Briefing

The Commission's programme proposals aim to bring the EU's budget fully in line with the positive agenda of the European Union post-2020, based on the efficiency and added value of spending in each area. Increasing societal challenges and current cohesion spending cuts (by up to 7% as compared to 2014-2020⁴), requires smarter future investments focused on cost-efficient solutions. Innovative medical technologies are bridging the quality-cost gap and leading the change towards a more integrated approach(?), the focus of two COCIR publications, first on the Strategic Research Agenda⁵ and on the second the COCIR Report on Fostering Financial sustainability of healthcare systems in Europe⁶.

COCIR believes this next funding programme should be viewed as an opportunity to support investment in medical and digital health technologies along all the steps of the innovation cycle (research, innovation and deployment) and across different governance (national, regional and local) levels.

3.1. The overall budget and the use of different financing resources

COCIR welcomes the European Commission's proposal for the post-2020 Cohesion policy, specifically regarding the potential for EU Member States to transfer up to **5%** of the Cohesion and Values Funds to any other fund to strengthen the synergies. This new option would allow regions to invest in other instruments (e.g. Horizon Europe, Digital Europe, etc.), where the need for funding of specific projects is not or only partially addressed.

COCIR hopes that this opportunity will support health research and innovation and enable better alignment of investments in health infrastructure and digital solutions deployment at all levels in the EU (transnational, national, regional and local), leading ultimately to better access to high quality and affordable healthcare.

The EU Cohesion and Values Funds should be made available to invest and encourage the scaling up of innovative healthcare and ICT technology solutions leading to better patients' health and contributing to the Europe's healthcare system efficiency and economic recovery.

3.2. Cohesion policy-outcome-oriented results

COCIR strongly supports the effective use of the EU's Cohesion and Values Funds for healthcare investments, which reflect country and regional needs, and which have a clear economic and social benefit assessed through the European Semester Process.

COCIR believes regional expenditure data is not consistently available at EU level. Qualitative analysis of resource allocation processes from national to sub-national level is important in identifying potential healthcare access problems. In this regard, COCIR strongly welcomes the creation of the **Open Data Platform**, to which EU Member States will regularly provide data relating to the implementation of specific programmes.

Moreover, some challenges in healthcare are not a concern for an individual country, but rather a challenge for a group of Member States. While there are initiatives in EFSI to encourage trans-regional cooperation, there is still a deficit in sharing of experiences and ideas at the intergovernmental level. There are not many transnational projects offering an opportunity to solve significant challenges in a group of countries or even at EU level. There are challenges in the healthcare sector, which can only be solved through joint initiatives between the Ministers of Health from different countries.

The European Commission should develop a robust framework of indicators relevant to access issues, which can be tailored to national/regional contexts. It is crucial for these indicators to measure access to medical technologies, which support diagnostic imaging, radiotherapy services, Digital Health, and Health ICT.

⁴ The budget for 2021-2027 is expected to amount to €1.135 billion, which matches 1.11 percent of the GDP in the 27-member club. After taking inflation into account (current prices), this amount is comparable with the one allocated for 2014-2020, where cohesion policy should decrease by about 5 to 7 percent. [EU Parliament Briefing](#)

⁵ [COCIR Strategic Research Agenda](#), September 2016

⁶ [COCIR Report](#) "Fostering Financial Sustainability of healthcare systems in Europe", March 2013



The European Commission should encourage and incentivise the EU Member States to cooperate with each other in order to meet the challenges in the healthcare sector. Such cross-border initiatives could provide positive synergies between different systems and settings.

3.3. Flexibility and simplification

COCIR welcomes the European Commission's efforts to simplify the programmes' management and auditing, which should reduce the management costs by 20% - 25%⁷. This will help to optimise the resources available for funding the health-related projects and scaling up innovative solutions.

COCIR recognizes that significant efforts have been made to encourage the use of EU funding for the health sector and welcomes the fact that the Cohesion and Values programme continues to address investments in health and care (including digital) infrastructure for the upcoming period. We note that in previous plans (European Structural and Investment Funds - ESIF), potential beneficiaries in the healthcare sector have not optimised EU funding opportunities due to either a lack of awareness of the scope, or the bureaucratic complexities coupled with the lack of interconnectivity between Ministries of Finance and Ministries of Health.

Simplifying the implementation of EU Funds is a constantly recurring issue highlighted by all actors involved in the implementation of the ESIF. Specifically, simplification should contribute to a faster, more effective and simpler use of the EU Structural Funds in order to make the greatest possible contribution to achieving the Treaty objective of Territorial Cohesion and making the EU more competitive.

In this above-mentioned context (and taking into account the healthcare sector) focus should be put on four areas: (1) Using simpler ways to reimburse costs; (2) Facilitating access to funding for private entities (not only SMEs); (3) Reducing the number of requirements under the project selection procedures and then the process of settlement; and (4) Increasing the use of online procedures.

The European Commission should promote more flexible and simplified use of Cohesion Policy Funds, at both national and local levels, for investments in the healthcare sector including infrastructure (also including digital infrastructure) and services. The simplification measures should cover the reimbursement costs, access to funding for private entities, requirements for the project selection and implementation, and online procedures.

3.4. Cohesion policy in support of health

COCIR encourages dedicated funding for health in the next Multiannual Financial Framework. The Cohesion and Values Funds, including the ERDF, CF and ESF+ programmes should support access to healthcare towards the development of infrastructure and associated health investments including transnational cooperation to facilitate the scaling up of innovative care solutions.

COCIR also welcomes that the EC proposal suggesting the use of EFS+ funds to mainstream and support innovative technologies and solutions and new business models to strengthen health promotion and access to care. COCIR strongly believes that new innovative business models such as Managed Services⁸, provide health care solutions which ensure medical technologies are used efficiently and optimise healthcare investments. Managed Services have been recognised by the expert panel on effective ways of investing in health⁹, as a disruptive financial innovation contribution to better and high-quality healthcare.

We also recommend promoting new financial instruments including revolving instruments (which finance revenue-generating investment projects¹⁰) as well as models based on pay-as-a-service,

⁷ EC Regulation Proposal on ERDF and Cohesion Fund, p.6

⁸ Please refer to [COCIR Publication on Managed Services](#), sets out a series of Key Performance Indicators (KPIs) offering the potential to measure the performance and impact of Managed Services, July 2016

⁹ Disruptive Innovation Considerations for health and health care in Europe, [Report](#) of the Expert Panel on effective ways of investing in health, February 2016

¹⁰ The Financial Instruments finances projects and when it is repaid by the promoter the FI reinvests the funds plus the interest into other projects. What are ESIF Financial Instruments, EIB, [HERE](#)



which foster long-term partnerships and enable private sector active participation in investment projects.

The European Commission should encourage and incentivise EU Member States to adopt new financing models including Managed Services, revolving instruments and models based on pay-as-a-service, as part of the solutions for providing and maintaining high quality and sustainable healthcare services in support of social and territorial Europe, which is closer to citizens.

3.5. Where is health in the Cohesion Fund?

COCIR is concerned about the lack of specific reference to health and care sector investments in the EC proposal on Cohesion Funds Regulation. COCIR strongly supports the effective use of public funds for healthcare investments and would welcome that the regulation considers the access to healthcare and focus on the possibility for countries with low public spending to use the provisions of the CF regulation for investment in health innovation which will ultimately lead to better patient and healthcare systems outcomes.

COCIR has previously highlighted the need to use the EU Cohesion Funds (ESIF) for health-related projects in its publication "Towards EU Structural and Investment Funds for Health Projects in 2014-2020"¹¹ and is willing to further contribute to encouraging an efficient use of Cohesion Funds for the health sector.

COCIR calls for the inclusion of a specific reference relating to investments in health and care infrastructure and services in the Cohesion Fund Regulation Proposal.

3.6. Innovations supported by easy-to-use and holistic funds

COCIR is aware of the fact that the European Commission develops measures and policies, which help to speed up the uptake of innovation and support innovation in the EU through different programmes and instruments. These efforts are highly appreciated by the actors involved in the development of actions for innovation in healthcare.

However, the implementation of innovation projects is still challenging and subject to high risks, both for the public sector and, in particular, for businesses. Planned initiatives often require funding from many different programmes and projects, the financial flow is defragmented, and risk-sharing is difficult to implement effectively.

COCIR calls on the European Commission to promote innovation triangles with the mandatory participation of academia, technology companies and public authorities, to encourage and further support investments in innovation in the health sector.

¹¹ [COCIR Guide on EU Structural and Investment Funds for health projects in 2014-2020](#)