Council of European Municipalities and Regions
European Section of United Cities and Local Governments

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CEMR non paper on the Cohesion policy political trilogues

CEMR and its members regret that it has not been possible for the trilogue parties to agree on the legislative package for the future cohesion policy 2021-2027 in the current mandate period. Although the European Parliament agreed early on its position on the Common Provisions on the European Structural and Investment Funds the negotiations with the Council have been halted.

The Parliament's reports on the cohesion policy funds reflect the majority of the key demands of CEMR for a strong and ambitious cohesion policy in the coming seven years. However, CEMR and its members fear that the proposals will be significantly watered down, when the negotiations continue after the European elections.

CEMR and its members are also concerned that a delay in the negotiations may impede a smooth transition to the new funding period for grant applicants and management authorities alike. We therefore urge the Council, the European Commission and the European Parliament to aim for a timely agreement for all funds in the political trilogues to give grant applicants and management authorities the necessary time for preparation for the new funding period and to avoid retroactive delegated acts. We also call on the European Commission to publish the programming guidelines shortly after a political agreement has been reached taking into account the outcome of the trilogues so as not to further delay the implementation and much needed spending.

We call upon the institutions of the EU to consider the following points in the negotiations:

1. Maintain the current budget for cohesion policy

Contrary to the EU Commission’s original proposal, the members of the European Parliament reaffirmed that Cohesion policy is one of the main investment policies of the EU and should keep the same level of financing as in the current period (2014-2020) despite the numerous new tasks and the vast impact of Brexit on the EU-budget. CEMR welcomes the proposal to set the budget for economic, social and territorial cohesion to the amount that was available for the current funding period € 378 billion (the European Commission proposed a budget of € 330 billion).

2. Maintain the co-financing rates of the current funding period

The members of the European Parliament succeeded in making sure the co-financing rates remain at a level that allows local governments in all member states to benefit from the European funds. CEMR agrees that European funds can create added value in all local and regional authorities and all member states, irrespective of their financial capabilities or their geographic setting. To ensure the continuing contribution of the European Structural and Investment funds is publicly recognised, the co-financing rates need to be set to a minimum of 50%.

3. Embedding a strong partnership principle throughout all funds

The European Parliament vowed to uphold and strengthen the Partnership principle, allowing local authorities and their associations to be actively involved in the drafting of Partnership Agreements and operational programs and their implementation in all member states and all regions. The discussions in the European Council on introducing flexibility in the implementation of the Partnership Principle with the removal of the binding caracter of the Partnership Agreement are considered an endangerment of a key principle of cohesion policy by local and regional governments. This is crucial to achieve maximum effectiveness of the European funds, by actively including the level of government that is closest to the citizens in all relevant decisions. The partnership principle should be a key pillar in the architecture of all funds, including the ESF+ and the EAFRD. The rules must ensure an active involvement of all partners throughout the whole planning and implementation process. We call on the member states to ensure a strong partnership principle in the Council negotiations that allows an active participation of local authorities in the programming and the implementation of the funds.

4. Keeping the EAFRD under common provision rules

CEMR has been advocating for a single set of rules for all the ESIF including the European Agricultural fund for Rural Development (EAFRD). The European Parliament has rightly rejected the Commission's proposal to exclude EAFRD from the common rules to be regulated solely by the rules of the Common Agricultural Policy. The changes proposed by the MEPs will allow local governments in rural areas to utilise different funds without increasing administrative burden by applying different sets of rules. Only this approach ensures full alignment with the priorities set out in article 174 para 3 TFEU.

5. Ensuring the use of integrated territorial development for all types of areas

The European Parliament confirmed that the ERDF and CF should support measures of integrated territorial development in the future. A mandatory 5% of ERDF total resources at national level are foreseen for measures in non-urban areas that face certain challenges, thus following CEMR recommendations, which CEMR welcomes. It also increased the percentage allocated to sustainable urban development to 10%. In addition, the Parliament included the Reference Framework for Sustainable Cities to be supported by the new European Urban Initiative. This tool is currently managed by CEMR. The MEPs made sure the funds will also support areas facing natural or demographic handicaps and challenges through a new rule, as suggested by CEMR. The CEMR welcomes the changes but insists local authorities are responsible for implementing sustainable urban strategies and should therefore continue to be responsible for all relevant tasks, especially the selection of operations.

6. A place-based approach for funding

CEMR supports the European Parliament in its endeavours to make sure thematic concentration is applied on a regional level, thus preventing a centralisation of the funds. However, the adopted report on the ERDF and the CF still leaves room for improvement. The relative quotas for thematic concentration have been lowered in absolute terms compared to the EC proposal, however the agreement foresees a large percentage of the funds to be earmarked to two policy objectives by default. This "one size fits all" approach leaves very little room for flexibility and limits the possibility to target the different and numerous challenges that regional and local authorities face that may be reflected in the other three policy objectives. CEMR calls on the Institutions to lower the relative quotas for thematic concentration.

7. Ensuring a strong INTERREG program with an appropriate budget

INTERREG has been playing a crucial part in breaking down physical and psychological barriers for citizens, researchers and private sector companies alike. CEMR welcomes the recent agreement in the European Parliament and particularly supports the call for a bigger budget and the proposal to include maritime borders in the cross-border cooperation component. There is no justification for a differentiation between borders on land and those at sea. Furthermore, CEMR supports the idea to support innovation through cooperation within the INTERREG program. INTERREG has the potential to contribute to an enhanced cross-border, interregional and international cooperation between local and regional authorities, citizens, researchers and private sector companies alike.

8. Linking Cohesion Policy to the Sustainable Development Goals

For local and regional governments, the implementation of Sustainable Development Goals (SDGs) at local level has gained momentum and is inherent to integrated territorial development. Therefore, CEMR supports the European Parliament's idea for a clear link between SDGs and the cohesion policy.