



**Local & Regional
Europe**

Cohesion Policy

10 key messages for the future

CEMR's 10 key messages concerning the European Commission's proposals for the future of cohesion policy

28 August 2018

Future of cohesion policy: 10 key messages

In view of the upcoming reports from the European Parliament, the opinions from the Committee of the Regions, and the negotiations within the European Council on the programmes and instruments for the next Multi-annual Financing Framework, the Council of European Municipalities and Regions (CEMR) - the European umbrella associations representing regional and local governments – analysed the Commission's proposals for regulations on the Common Provisions Regulation (CPR), the European Regional Development Fund and Cohesion Fund (ERDF) and specific provisions for the European territorial cooperation (INTERREG), the European Social Fund Plus (ESF+), the Common agricultural policy (CAP) and assessed their impact on the local and regional level.

CEMR welcomes the European Commission's proposals for regulations in view of the next Multi-annual Financial Framework. We are however concerned about the reduction of funds allocated, and in particular about the weakening of the integrated territorial development approach – the approach that CEMR considers crucial to achieve economic, territorial and social cohesion and for which it had campaigned for.

Simplification in EU structural and investment funds, is definitely a positive step. However, we believe that simplification should not be detrimental to legal certainty and should not be a step backward, especially on the explicit mention of the Partnership Principle and effective participation of local and regional governments.

We are also particularly concerned by the fact that the Commission is proposing to exclude rural development, including LEADER, from cohesion policy, from the scope of the Common Provisions Regulation and from the common Thematic Objectives that currently align all five European Structural and Investment Funds.

It is also worrying that the territorial approach is almost disappearing in the European Social Fund, evolving in the Commission's proposal into the ESF+, while ESF+ does legally remain a Structural Fund and should therefore abide to this territorial dimension.

With such provisions, we see the risk of weakening the Integrated Territorial Development approach and that should be avoided. In particular the risks of lack of coordination between managing authorities, ministries and Commission Directorates, of gaps and overlaps in investments, and the risk of silo funding that is ill-appropriate for the integrated nature of territorial development.

Therefore, while not questioning the basis of the Commission proposed structure, CEMR is making proposals to ensure that the integrated territorial development approach can continue across ERDF, ESF+, EAFRD and EMFF in the 2021-2027 period as well.

CEMR calls on the European Commission, the European Parliament, the Committee of the Regions and the European Council to address the concerns of local and regional governments:

- 1. Enforcement of the Partnership Principle:** Clearer and stronger wording are needed to ensure the Partnership Principle will be enforced throughout all the relevant regulations. It should be explicit not only in the Common Provision Regulation, but also in the other regulations, in particular ERDF, ESF+ and CAP regulation (as far as rural development is concerned). Local and regional governments and their representative associations must play a meaningful part in designing country-specific recommendations, rural development strategic plans, and in the preparation, implementation and evaluation of the programmes.
- 2. Territorial approach:** More than a policy objective, the territorial approach must be a driving concern and should be mainstreamed through all policy objectives of the ERDF. This approach should also apply to the ESF+, as well as for the development of rural areas in the CAP regulation.
- 3. Complementarity of the instruments:** There should be a stronger emphasis on the rural development component in the CAP regulation to ensure the continuation of the objectives and achievements of the EAFRD and their complementarity with those of ERDF, EMFF and ESF, including the continuation of cross funding via Community Led Local Development (CLLD) and Integrated Territorial Investments (ITI)
- 4. Multi-funding:** Clarification is needed in each relevant regulation that local and regional governments may still benefit from multi-funds so as to better answer the different challenges and priorities experienced on the ground through integrated territorial development. In particular Community Led Local Development (CLLD) and Integrated Territorial Investments (ITIs) should remain available through multi-funding, including for rural territories.
- 5. Specific measures for specific territorial challenges:** Include particular focus and specific measures for areas affected by natural or demographic challenges, such as ageing and depopulation.
- 6. Sustainable development for all territories:** Given the absence of an overarching set of objectives to replace the Europe 2020 goals CEMR believes that the Sustainable Development Goals can provide that common level of ambition and a shared vision across the EU and with the rest of the world.
- 7. Capacity building:** further measures must be foreseen beyond the existing technical assistance measures, for all ESIF and to all local and regional governments that will be entrusted with management or delivery of an ESIF funded programme so as to ensure sufficient staffing, sound financial management and proper compliance to public procurement and state aid rules.
- 8. More flexibility:** Regional development and cohesion policy can to a certain extent be a tool to support the implementation of sectoral policies, such as climate and energy transition, but its core objective should remain unchanged: to contribute to territorial, economic and social cohesion in the EU and within the countries. Therefore, the choice of objectives and investment priorities should be left to the competent managing or delivery authority, based on territorial specificities and needs, and the minimum thematic concentration rates should be lowered to allow for greater flexibility.

- 9. Conditionality:** We welcome the Commission's initiatives to safeguard sound financial management and the rule of law and the promotion of justice, rights and values – objectives that we share. However, while the ex-ante conditionalities have been simplified, we remain concerned that fulfilling some of these conditions is often not the responsibility of local and regional governments. Therefore – just as the National Reform Programmes - local and regional governments should only be penalised if such conditions are not met, and if the partnership principle with local and regional governments has been applied by the Member State prior to agreeing such conditions with the European Commission.
- 10. European Territorial Cooperation:** has suffered a very significant reduction of allocations with the Commission effectively proposing the disappearance of INTERREG Europe and other forms of Interregional Cooperation. This is aggravated by further reductions to the budget of cross border and interregional cooperation, so as to finance the new Component 5 (for interregional innovation investments – successor of the Vanguard Initiative), and Component 3 for the ultra-peripheral regions. While we can support specific focus on these priorities this should not be done at the detriment of such significant reductions to the cross border, maritime, transnational and interregional cooperation.



Contact

Marine Gaudron

Policy Officer – Economic, Social and Territorial
Cohesion

Square de Meeûs 1, B-1000 Brussels

Tel. +32 2 213 86 93

marine.gaudron@ccre-cemr.org

About CEMR

The Council of European Municipalities and Regions (CEMR) is the broadest organisation of local and regional authorities in Europe. Its members are over 60 national associations of municipalities and regions from 41 European countries. Together these associations represent some 130,000 local and regional authorities.

CEMR's objectives are twofold: to influence European legislation on behalf of local and regional authorities and to provide a platform for exchange between its member associations and their elected officials and experts.