



## Statement on the Future of EU Cohesion Policy

### Preamble

The Council of European Municipalities and Regions (CEMR), on behalf of more than 100,000 local and regional authorities across Europe, would like to contribute to the upcoming discussion on the future of EU Cohesion Policy.

Building on our long-standing partnership with the European Commission, the European Parliament, successive EU Presidencies and extensive evidence on the formulation and implementation of EU Cohesion Policy, we believe that a change in the way EU Cohesion policy supports local and regional communities across Europe should be considered after 2020. Such a change will ensure that the EU can better deliver progress towards the Treaty goal of economic, social and territorial cohesion as endorsed by all EU Member States.

Being aware that the Commission has already started developing ideas for the post 2020 Multi-Annual Financial Framework in which Cohesion Policy figures prominently, CEMR wishes to make an early contribution to the discussions. We welcome the recent public statements made by the Commissioner for Regional and Urban Policy, Mrs Corinna Crețu, calling on key partners to provide early ideas that are ground-breaking and show thinking which is 'outside the box'. We also note the forward looking work currently being undertaken by the Committee of the Regions, the European Parliament (particularly the REGI Committee and the URBAN Intergroup), EU Presidencies and in particular the current Dutch EU Presidency. We also note that other partners are also starting to develop early ideas.

CEMR, as the largest organisation of local and regional governments in Europe, can serve as a key partner to the EU institutions from the very start of this discussion. Three options for the post-2020 to be further developed are now considered by CEMR members:

- **Continuity** of the current policy without any change (be 'business as usual');
- A **set of incremental improvements**, in particular as regards simplification measures, the partnership principle to involve the local level to a broader extent, better support of the territorial development tools (Integrated Territorial Instruments, Community-Led Local Development), no macroeconomic conditionality, a limitation of the financial instruments' use vs grants, etc.
- A **more fundamental and wide-ranging set of reforms** for consideration, based on our experience and evidence of the past and current programming period of EU Cohesion Policy, proposing the creation of one single fund for territorial development replacing the five EU funds currently existing for cohesion policy.

CEMR would like to open the discussion within our members and better understand what position to take in the debate. Clearly this is not the final position but an opening proposal to engage, at this initial scoping stage of the decision-making process, in a discussion with the EU institutions about alternative views on how the EU could better support the economic, social and territorial development of local and regional communities.

We propose to initiate a dialogue with the EU institutions to explore in the coming months if and how these changes can best be delivered. As a result of that dialogue CEMR will then propose a final and detailed set of proposals about how Cohesion Policy post-2020 can be reformed, in line with the five Cohesion Policy principles outlined below.

### Statement



**CEMR believes that a new EU Cohesion Policy for all territories should be:**

- 1. Integrated & simplified** – the goal should be a holistic Cohesion Policy without the current policy silos, duplications, gaps and inconsistencies. At present many of the twenty plus different EU grant and loan programmes impacting territorial development are difficult to combine in a way which delivers benefits on the ground. We should consider where simpler and integrated funding instruments could replace the current diversity.
- 2. Inclusive** – territorial partnerships and associated geographies should be built from the 'bottom-up', based on what works in a given territory rather than being preordained from the EU, Eurostat definitions, or national government. The central-local 'partnership principle' should be improved, more closely monitored and enforced, as to guarantee a better ownership of European Structural and Investment Funds on the ground and leading to greater transparency as to how different Member States perform.
- 3. Result-oriented** – EU funding interventions must be able to prove results on the ground rather than just monitoring spending and outputs i.e. not just monitoring the number of hours training delivered, but also monitoring how many trainees actually secured a new job as a result. The added value and impact of EU policies and funds is much easier to demonstrate at local and regional levels than in the current EU or Member State-wide performance frameworks.
- 4. Relevant, accessible, & flexible** – thematic objectives and investment priorities should directly deliver outcomes specified in the Member States' Europe 2020 National Reform Programmes, reflecting both the territorial cohesion and the sustainable growth and job goals of the EU. Thus they should be designed and monitored in partnership with subnational governments. The fragmentation of EU Cohesion Policy should be avoided while respecting the Treaty provisions of article 174 for certain territories, as should too arbitrary population and financial thresholds which limit the engagement of smaller authorities.
- 5. For all kinds of territory** - None of these changes must go against the principle that Cohesion Policy should be open to all the EU territories and that it shall be primarily targeted to the less developed areas. National financial envelopes should still be used as at present to ensure funds are dispersed in an equitable manner across the EU. Equally we insist on the principle of the "safety net", whereby a change in eligibility from the previous period, does not result in a sudden drop in EU support for these areas in the next programming period.

This Statement outlines initial ideas. It seeks a mandate to open discussions between CEMR, its members and the EU institutions on the future of Cohesion Policy.

