CPMR
CRPM

Analysis

May 2018

How does the post-2020 EU budget support CPMR priorities?

Summary

This note provides an extensive analysis of the Multiannual Financial Framework (MFF) for 2021 – 2027 proposal published on 2 May.

Section 1 looks at whether some of the key innovations introduced in the Commission proposal match the vision of the CPMR, in particular concerning:
- the size of the EU budget
- the structure
- flexibility
- the links with EU values and the European semester
- simplification

Section 2 focuses on key policy areas of interest for CPMR Regions in the new 2021-2027 MFF. It examines whether the proposal laid out by the Commission supports:

- economic, social and territorial cohesion (including Cohesion Policy, the CEF, and the CAP);
- stronger and sustainable (including the EMFF, support for blue growth and climate);
- the actions of regions to face global challenges (including migration and asylum, and external action).

Section 3 provides a timeline for the upcoming negotiations and outlines a proposal for a course of action for the CPMR.

1. Is the new EU budget a ‘status quo’?

1.1 Context and analysis methodology

The long-awaited Commission’s proposal on the next EU budget was published on 2 May, outlining a Multiannual Financial Framework (MFF) for 27 Member States. This new EU long-term budget is planned for a seven years period, starting on 1 January 2021 until 2027.

This note is an initial analysis of the MFF package for 2021 -2027 seen from the perspective of the CPMR and the main messages outlined in its vision for a post-2020 EU budget in March 2018. The CPMR vision stated that the next MFF should:

- **reflect the ambition of the EU and its priorities**
- **reflect on the recent social, economic and territorial trends**
- **provide regional and local authorities sufficient leeway to realise the ambition of the European Union on the ground**
- **remain an investment budget above all**

The analysis which follows is based on a budget comparison exercise of MFF 2014-2020 and MFF 2021-2027 by the CPMR General Secretariat, in areas of relevance for CPMR Regions. The methodology used for comparing the two MFFs is presented in the box below.

The ‘headaches’ of comparing the 2014 – 2020 MFF with the post-2020 MFF proposal

Comparing the two MFFs is no easy task, for a number of reasons:

- **the impact of Brexit**. The inherent complexity of the ‘revenue’ side of the EU budget (e.g how the EU budget gets financed) and the near impossibility to figure out the share of the UK contribution to the EU budget for the current MFF makes it impossible to compare the 2014-2020 MFF without the UK contribution with the post-2020 MFF as proposed by the Commission on 2 May.

Having said that, it is possible to identify the share of the EU budget being ‘paid back’ to the UK for shared management programmes for 2014 – 2020[1]. **This is why the CPMR General Secretariat has calculated the EU budget for 2014 – 2020 EXCLUDING the share allocated to the UK for programmes, whenever possible.** This allows a truthful comparison of budget lines for policies such as the CAP or Cohesion Policy between 2014 – 2020 and the post-2020 programming period.

- **current prices vs 2018 prices.** As mentioned in the informal CPMR note ‘Making sense of the EU budget’, the most accurate way to compare both MFFs is to use the same baseline. Using a similar methodology applied by Bruegel and the European Parliament Research Service, the CPMR General Secretariat has converted the annual current prices of the 2014 – 2020 MFF in 2018 prices by applying a 2% deflator. The results are compared to figures for the 2021 – 2027 MFF in 2018 prices. **All figures and comparisons mentioned in this document refer to 2018 prices unless otherwise stated.**

- **changes regarding the structure of programmes.** Some programmes in the Commission proposals for a 2021 – 2027 MFF have been merged compared to the current MFF (such as the ESF +)

- **inclusion of ‘off-budget’ items.** Previously ‘off-budget’ items such as the European Development Fund (EDF) or the new InvestEU Fund (successor of the European Fund for Strategic Investments) are now included in the new budget proposal, which do not make things easier for comparing the two MFFs.

[1] With a margin for error as such figures are not publicly available.

The following table is the outcome of the budget comparison exercise by the CPMR General Secretariat, with a specific focus on areas of relevance to CPMR Members and largest expenditure items.

These figures are purely estimates provided to CPMR Members in the absence of an official comparison table from the European Commission at the time of writing. These estimates broadly reflect the announcements made by the Commission on various policies and programmes. For instance, the real cut for Cohesion Policy is likely to be closer to 10%.

MFF comparison

MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK		2018 prices	*Share of total MFF*	
Total MFF (in commitments)	100%	1 108 072	n/a	**+2%**	**1 134 583**	100%	**Total MFF**

MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK		2018 prices	*Share of total MFF*	
CAP	37,6%	416 805	**388 750**	**-17%**	**324 284**	28,6%	**CAP**
European Agricultural Guarantee Fund (EAGF)	28,8%	319 240	296 493	-14%	254 247	22,4%	EAGF
European Agricultural Fund for Rural Development (EAFRD)	8,8%	*97 565*	*92 257*	*-24%*	*70 037*	6,2%	*EAFRD*
Cohesion	33,3%	368 658	**359 893**	**-8%**	**330 642**	29,1%	**Cohesion**
European Regional Development Fund (ERDF)	18,3%	203 184	197 089	+2%	200 622	17,7%	ERDF
Cohesion Fund (CF)	6,9%	76 487	76 487	-46%	41 374	3,6%	CF
*European Social Fund (ESF)***	8,0%	*88 987*	*86 318*	*+3%*	*88 646*	7,8%	*ESF+ ****
European Maritime Affairs and Fisheries Fund (EMFF)	0,6%	6 530	**6 282**	**-13%**	**5 448**	0,5%	**EMFF**
Asylum, Migration and Integration Fund (AMIF) *ª	0,3%	3 202	**2 828**	**+225%**	**9 205**	0,8%	**AMF**

The comparison below does not exclude UK due to lack of comparable data

MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28			2018 prices	*Share of total MFF*	
Transport	2,2%	**24 550**	n/a	**-13%**	**21 384**	1,9%	**Transport**
of which :							of which :
CEF Transport General envelope	1,2%	13 015	n/a	-13%	11 384	1,0%	CEF Transport General envelope
Contribution from Cohesion Fund	1,0%	11 535	n/a	-13%	10 000	0,9%	Contribution from Cohesion Fund
					5 767		Military Mobility
Horizon 2020	7,3%	**81 053**	n/a	**+7%**	**86 596**	7,6%	**Horizon Europe**
Global Europe + European Development Fund	9,0%	**100 038**	n/a	**+9%**	**108 929**	9,6%	**Neighbourhood and the world**

*Source of data : MFF2014-2020 http://ec.europa.eu/budget/mff/programmes/index_en.cfm and using deflator to convert from current prices, MFF2021-2027 https://ec.europa.eu/commission/sites/beta-political/files/communication-modern-budget-may2018_en.pdf and part of the fund to UK
**ESF, YEI, Fund for European Aid to the Most Deprived were merged to be compared with ESF+ of the MFF2021-2027
*** less the Health, employment and social innovation programme.
*ªSource of data : MFF2014-2020 http://ec.europa.eu/budget/mff/programmes/index_en.cfm and using deflator to convert from current prices, MFF2021-2027 https://ec.europa.eu/commission/sites/beta-political/files/communication-modern-budget-may2018_en.pdf and UK national allocation

(Figures in EUR billion)

1.2 CPMR views on the post-2020 EU budget proposal

- **Size: is the post-2020 EU budget increasing or in reduction?**

The Commission affirms that the proposal that was put forward intends to do 'more with less', but this is only partially true.

When comparing both budgets with the European Development Fund (EDF) included and bearing in mind the elements mentioned in the above table, the change in terms of the overall volume remains very marginal as recently shown in an analysis by the European Parliament Research Service (from EUR 1 138 billion to EUR 1 135 billion).

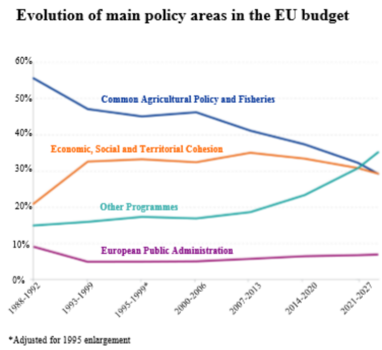
- **On the revenue side**

As part of the 'MFF package', the Commission has published a proposal on the system of Own Resources which includes quite some novelties in the revenue side of the EU budget:
- The Commission proposes to increase the Own Resources ceiling on commitments from 1,20% to 1,29% of EU-27 GNI which concretely means:
  - Introduction of a basket of new Own resources which would contribute around EUR 22 billion per year or 12% of the total EU budget revenue by 2027: the relaunched Common Consolidated Corporate Tax Base, a new own resource based on the European Emission Trading Scheme and a national contribution calculated on the amount of non-recycled plastic packaging waste.
  - Decrease the share of existing national contributions in the EU revenue from 82,9% in 2018 to 72% in average for 2021-2027.
- The Commission proposes to phase out the current rebates over time, which currently apply to the UK, the Netherlands, Germany, Austria and Sweden.

These proposals chime with CPMR proposals to increase new own resources to finance the EU budget and are ground-breaking in their own right. Member States are likely to revise downwards the ambition of the European Commission on increasing new own resources, however.

- **Structure: between 'fresh start' and 'path dependency'**

The MFF proposal introduces a new structure for the EU budget:
- increase in number of headings from 5 to 7: creation of 2 new headings, one to replace former 1a and 1b and another heading to deal specifically with migration and border management issues.
- a reformed and modern MFF structure, for instance by streamlining and merging some programmes between headings, for "the sake" of clarity and simplification, according to the Commission.



Source: European Commission

All in all, it looks like more of an internal redistribution of funding between headings than a completely new and modernised EU budget. **The distribution favours some priorities over others**, particularly the so-called 'new priorities' such as migration and security (as well as R&D) at the expense of 'traditional' policies such as Cohesion Policy and the CAP, confirming previous trends of the last MFFs since 2007 (see above graph).

The major changes of relevance to the CPMR are detailed under section 2 and in Annex I.

- **A more flexible EU budget**

The Commission introduces some novelties regarding flexibility at various levels, such as a 'Union reserve' financed by unspent funds to tackle emergencies and unforeseen events. The Commission has also proposed to use the Emergency Aid Reserve, currently designed for non-EU countries, for crises inside the EU and to increase its budget to EUR 1 billion per year (in 2018 prices).

- **Reinforced link between EU funding and EU values and economic governance**

Ex-ante conditionalities are maintained for ESI funds and are now called 'enabling conditions', as well as macro-economic conditionality. The novelty is the introduction of new tools to link the EU budget with the respect of the rule of law and to strengthen the link with the European Semester:

- A new mechanism related to the respect of the rule of law is introduced to protect EU funding from deficiencies in the rule of law system in a given Member State. For instance, in case of lack of independence of judiciary authorities to prevent fraud or corruption relating to the EU budget, the Commission could decide to 'suspend, reduce or restrict access' to EU funding. All EU funds under shared management, such as Cohesion Policy funds, would be concerned. The proposal of the Commission states that final beneficiaries will not be affected if this new mechanism is put in place but **it does not say whether regional and local authorities could be affected.**

- The link between EU funding and sound economic governance is reinforced. The economic governance framework of the European Semester is presented as a three-pillar structure:
  - ⇨ Support for reforms: with the **Reform Support Programme**, including a Reform Delivery Tool, a Convergence Facility and a technical support programme. With a budget of around EUR 25 billion, the programme would be separate but complementary to the ESI Funds and implemented by the Member States on a voluntary basis.
  - ⇨ Support for investments: ESI funds, together with the InvestEU fund, constitute the pillar to support investments
  - ⇨ Stabilisation in case of shocks: with the European Investment Stabilisation Function, explained in the CPMR technical note on the elusive link with the European Semester

- **More clarity and less red tape for beneficiaries**

The MFF proposal includes some simplification efforts, though details are few and far between and it remains to be seen what these changes will entail in practice:
- The number of programmes is reduced from 58 currently to 37 (more than a third)
- The use of financial instruments will be streamlined through the InvestEU Fund.
- A single rulebook is proposed, in line with the proposal of the High-Level group on Simplification recommendations. The aim is to reduce the administrative burden for beneficiaries and managing authorities, facilitate participation in EU programmes and accelerate implementation.
- The Commission will also propose to simplify and streamline State aid rules to make it easier to link up instruments from the EU budget with national funding.

2. CPMR priorities in the post-2020 EU Budget

2.1. A EU Budget at the service of reinforced economic, social and territorial cohesion?

Cohesion Policy

The Commission proposal has presented the expected cuts to the Cohesion Policy envelope and hints at some key elements of the future Cohesion Policy that could potentially have a huge impact on the development of the policy. The Cohesion Policy package has been revealed on 29 May.

Cohesion Policy							
MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK		2018 prices	*Share of total MFF*	
Cohesion Policy	33,3%	368.658	**359.893**	***-8%***	**330.642**	29,1%	**Cohesion Policy**
European Regional Development Fund (ERDF)	18,3%	203.184	197.089	*+2%*	200.622	17,7%	ERDF
Cohesion Fund (CF)	6,9%	76.487	76.487	*-46%*	41.374	3,6%	CF
*European Social Fund (ESF)***	8,0%	*88.987*	*86.318*	*+3%*	*88.646*	7,8%	*ESF+ ****

(Figures in EUR billion)

- **Cohesion policy continues to cover all European regions but with a significant cut of at least 8%**

➔ ***CPMR views:***

- Despite rising regional disparities and the decline of many regions in terms of regional GDP, according to a recent CPMR forecast, the Commission proposes to substantially reduce the Cohesion Policy budget and to increase national co-financing rates.

- In addition, there seems to be a 'top-slicing' of Cohesion Policy**.** The term refers to the fact that from the total amount allocated to Cohesion Policy, some amounts could be earmarked for deduction and hence not be available for programmes of regions and Member States:
  - The possibility to transfer some of the allocated ESI funds to the InvestEU Fund and the Horizon 2020 seal of excellence
  - The possibility to transfer up to 15% of the funds of Cohesion Policy funds to other programmes under the same heading
  - "CEF" Transport contribution of Cohesion Fund of EUR 10 billion

- **New ESF+ fund, integrating into one single instrument the ESF, the Youth Employment Initiative, the Fund for European Aid to the Most Deprived (FEAD) and the Health Programme**

➔ ***CPMR views:***

- The ESF+ has its own section, its own budget line, its own objectives and brings in other centrally-managed funds, which raises questions regarding the future management of the fund and its territorial dimension. **Is it a fragmentation of Cohesion Policy?**

- The Commission suggests to directly link this new ESF+ fund to the implementation of structural reforms in Member States. This is extremely worrying given that social cohesion has always been a core objective of Cohesion Policy, and touches on key areas of regional competences (lifelong learning, training, social inclusion to name a few). **What will be the involvement of regions in this new ESF+ fund?**

- **New ‘Cohesion and values’ heading, to strengthen the link between Cohesion Policy and sound economic governance and the rule of law**

The Commission and the Member States will be expected to ensure coordination and complementarity of financing from Cohesion Policy funds and the new Reform Support Programme. It is clearly stated in the Communication on the new MFF that ‘*the detailed analysis of Member States' challenges in the context of the European Semester will serve as a basis for the programming of the funds’*.

➔ ***CPMR views:***
- The proposal to create a reform support programme, creating incentives for Member States to uphold European values and implement structural reforms should be met with a large degree of caution. These new functions are largely untested and may negatively affect the perception of European citizens towards the EU.

- Any proposal to strengthen the link between Cohesion Policy and the EU semester should ensure that only structural reforms with a Cohesion Policy/regional relevance are covered.

- The fact that Cohesion Policy is included in a ‘Cohesion and values’ heading and not under the sub-heading ‘European Strategic Investments’ (which only covers centrally-managed instruments) is a signal that **Cohesion Policy is not fully recognised for its strategic investment role for the EU, but instead as a ‘carrot-and-stick’ policy.**

- **New 5 thematic objectives for ERDF and CF, with a stronger territorial dimension**

The Commission proposes a narrower set of priorities to focus ESI funds on clearer objectives:
1. **A smarter Europe** for investment e.g. in digital, SMEs, innovation, social enterprises
2. **A greener carbon free Europe** to focus on energy efficiency, low-carbon technologies, green and blue investment, climate adaptation and mitigation, sustainable natural resource management and the circular economy
3. **A more connected Europe**, including ‘regional networks and systems’ in digital, energy and transport
4. **A more social Europe**, for investments in social, training, education, health and culture infrastructures
5. **A Europe closer to citizens** for sustainable and integrated development to foster growth and socio-economic local development of urban, rural and coastal areas.

➔ ***CPMR views:***
- The ‘Europe closer to citizens’ objective and its specific focus on coastal areas is welcome. It will very likely cover the use of territorial instruments at regional and local levels.

- It is also very positive that the Communication states that ‘*due consideration will be given to the specificities of the outermost regions and sparsely populated areas*”, even though this statement remains rather vague at this stage. The lack of mention of island regions as specific territories deserving particular consideration, in line with Article 174 TFEU, is not acceptable.

- **Recognition of European added value of Interreg**

➔ ***CPMR views:*** The Commission proposes a budget of EUR 9.5 billion in current prices for INTERREG. The post-2020 ETC regulation from 29 May showed that despite two new missions to address (outermost regions’ cooperation and Interregional innovation investments), INTERREG is cut by 12% compared to the 2014-2020 period (EUR 8.4 billion compared to EUR 9.3 billion in 2014-2020 in 2018 prices). It will only represent 2.5% of the Cohesion Policy envelope.

- **Changes in the allocation methodology, but GDP will remain the predominant indicator**

- **More simplification and flexibility for the delivery and implementation of ESI funds**

The MFF proposal already introduces some ideas in this regard: multi-fund approach, Common Provisions Regulation for all shared management funds which will cover 8 funds[2], differentiated implementation via lighter management and control systems for programmes with good track records and streamline of State aid rules. The n+2 decommitment rule is also be reintroduced.

➔ ***CPMR views:***
- These efforts towards the simplification for the delivery and implementation of ESI funds are welcome, however, the devil is in the details of the various regulations which will make up the Cohesion package.

- The CPMR has already laid out on its policy position a detailed list of other measures that would help simplify the policy.

Connecting Europe Facility (CEF)

MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28			2018 prices	*Share of total MFF*	
Transport	2,2%	**24 550**	n/a	***-13%***	**21 384**	1,9%	**Transport**
of which :							of which :
CEF Transport General envelope	1,2%	13 015	n/a	*-13%*	11 384	1,0%	CEF Transport General envelope
Contribution from Cohesion Fund	1,0%	11 535	n/a	*-13%*	10 000	0,9%	Contribution from Cohesion Fund
					5 767		Military Mobility

(Figures in EUR billion)

- **A reduced share for CEF transport in the new MFF**
- The share of CEF transport in the EU budget was 1,2% in the 2014-2020 period and is decreasing to 1% in the 2021-2027 MFF
- The contribution of the Cohesion Fund to CEF transport is also lower than in the 2014-2020 (from 1% to 0.9%)

➔ ***CPMR views:***
- The decreased share of the Connecting Europe Facility dedicated to transport infrastructures in the EU budget is **incompatible with the ambition of the EU to complete the TEN-T network.**

- The reduced budget of Cohesion Policy, as proposed by the Commission, makes it impossible for ESI funds to fill the gap left by a reduced share of the CEF for transport. **The funding of infrastructure projects connecting the peripheries to main transport hubs and to the 9 priority CEF corridors is therefore more than at risk.**

- **On territorial accessibility**

➔ ***CPMR views:*** The proposals do not foresee a more geographically balanced support in the next period, with a higher priority granted to peripheries and islands. Cross-border projects are actually key for achieving a real EU transnational network, and the focus put by the Commission on them in the proposal is wise, but accessibility should be granted the same level of attention.

[2] The European Regional Development Fund, the Cohesion Fund; the European Social Fund+, the European Agricultural Fund for Rural Development, the European Maritime and Fisheries Fund, the Asylum and Migration Fund, the Internal Security Fund and the Integrated Border Management Fund

- **New Military mobility fund added in CEF transport envelope**

The objective of this new fund included in the CEF envelope is to co-fund transport infrastructure for dual civilian-military uses in order to ensure efficient and quick moves of military people and assets from one Member States to another.

➔ ***CPMR views:*** this new envelope represents a substantial part of the post-2020 CEF budget for transport (21%) it is therefore worth wondering to what extent the civilian population will benefit from the investments under this sub-heading and how the dual-use criterion will be defined by Member States. **For instance, would such infrastructure but with limited access in time for civilians, e.g. when it is not occupied by the military, be eligible for CEF funding?**

Common Agricultural Policy (CAP) and Rural Development

Common Agricultural Policy								
MFF 2014-2020					Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK			2018 prices	*Share of total MFF*	
CAP	37,6%	416.805	**388.750**		***-17%***	**324.284**	28,6%	**CAP**
European Agricultural Guarantee Fund (EAGF)	28,8%	319.240	296.493		*-14%*	254.247	22,4%	EAGF
European Agricultural Fund for Rural Development (EAFRD)	8,8%	*97.565*	*92.257*		*-24%*	*70.037*	6,2%	*EAFRD*

(Figures in EUR billion)

- **The European Commission proposes a global cut of 17% to the CAP budget. The biggest blow is for rural development**

The European Commission speaks about 5% cuts to the CAP budget but a comparison in 2018 prices reveals a much larger cut of 17%. The reduction for the second pillar would be of 24%. This blow would also be especially noted for rural development programmes since national co-financing rates for the second pillar would be increased.

➔ ***CPMR views:*** The future CAP needs a strong and solid budget for the post 2020 period, in particular for the second pillar. The cuts to the second pillar are especially detrimental for the objectives of the policy, the development of rural areas and farming, and the territorial dimension of the policy.

- **New delivery mode is confirmed (Common Agricultural Policy Strategic Plans)**

These plans would include both pillars and be based on a common set of objectives at EU level. Member States will design them, and the Commission will ultimately approve them.

➔ ***CPMR views:***

- Regions should be at the heart of CAP Strategic plans and multilevel governance arrangements shall be ensured. Regions are in an exceptional position and are at the right level to articulate the implementation of both pillars of the CAP.

- The EU regulatory framework should facilitate the regional planning of the CAP and provide sufficient leeway at the regional level to calibrate measures and interventions to take into account the specific needs of regional agriculture and rural territories.

2.2 A EU Budget to stimulate a stronger and sustainable economy in a more competitive and resilient Europe

The European Maritime and Fisheries Fund (EMFF)

CFP - Common Fisheries Policy						
MFF 2014-2020				Amount Differences	MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK		2018 prices	*Share of total MFF*	
European Maritime Affairs and Fisheries Fund (EMFF)	0,6%	6.530	**6.282**	***-13%***	**5.448**	0,5%	**EMFF**

(Figures in EUR billion)

- **The EMFF is maintained as a specific fund, but with a budget reduced by 13%**

The European Commission is proposing that the EMFF be given only EUR 5.44 billion against EUR 6.28 billion in the current programming period, even if we exclude the current UK share of the EMFF. The EMFF will intervene on 3 main priorities:

- Safeguarding healthy seas and oceans and delivering sustainable fisheries and aquaculture
- Promoting the blue economy, particularly by fostering sustainable and prosperous coastal communities
- Strengthening international ocean governance and the safety and security of maritime space

➔ ***CPMR views:***

- The budget proposed for the EMFF is very worrying and will have a negative impact on the support to fisheries and aquaculture sectors, which today accounts for almost 72% of the EMFF budget, and to the other priorities proposed for the EMFF around the blue economy and international governance.
- The proposals of the European Commission would not allow the EMFF to play a leading role in strengthening the European Union's maritime strategy.
- In its policy position "EMFF post-2020: reinforce the partnership with the Regions to increase the effectiveness of action at EU level" adopted in March 2018, the CPMR had asked for the EMFF budget to be maintained at least at the same level than for the 2014-2020 programming period, owing to the heavy challenges facing the fisheries and aquaculture, the consequences of Brexit and to realise the ambition of the Integrated Maritime Policy.

Sustainable Blue Growth

- **Challenges related to sustainable blue growth are addressed through a wide range of programmes and funds in the new MFF**

For instance, a share of Horizon Europe budget will benefit to maritime projects via a specific « Ocean mission », and several of its other components. Via the new InvestEU Fund, the European Commission proposes to support a thematic investment platform for research and innovation in the Blue economy. Support to green and blue investment are also explicitly mentioned in the new thematic objective 'A greener and carbon free Europe' of the ERDF and Cohesion Fund.

➔ ***CPMR views:***

- In its Policy Position on the next EU budget, the CPMR considered that realising the potential of blue growth and fighting against climate change are two overarching priorities at EU level, which require a concerted effort from the Commission so that EU funds and programmes – both centrally managed and under shared management – are conceived to address both these priorities.
- The Commission's proposals seem to open significant opportunities for maritime projects to be funded via key post-2020 EU programmes.

- New **Increase of the target for climate mainstreaming from 20% to 25% of EU expenditure**

➔ ***CPMR views:***

- the CPMR supports the proposal of a target of 25% of EU expenditure contributing to climate objectives given the particularly acute vulnerability of maritime regions towards the effect of climate change.

2.3. A EU Budget to support the actions of regions to face global challenges?

Migration and asylum

Migration									
MFF 2014-2020					Amount Differences		MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK				2018 prices	*Share of total MFF*	
Asylum, Migration and Integration Fund (AMIF) *a	0,3%	3.202	2.828		*+225%*		9.205	0,8%	AMF

(Figures in EUR billion)

- **An ambitious budget to tackle the internal and external dimensions of migration and asylum**

The budget allocated to migration and asylum appears notably higher than the current period and is the most reinforced priority for the EU. The Commission's proposal foresees a significant reorganisation of EU programmes and funds in this area:

- A new Asylum and Migration Fund (AMF) and Integrated Border Management fund (IBMF)
- A large part of the ESF+ allocation will be used for social inclusion and other purposes linked to the integration of migrants
- A renewed Asylum and Migration Fund (AMF) which will only finance reception to asylum seekers and migrants in the period immediately after arrival on EU territory, developing the Common European Asylum System (CEAS), supporting legal migration and tackling returns
- Significant resources from the new Neighbourhood, Development and International Cooperation Instrument will be allocated to cope with the external dimension of migration

➔ ***CPMR views:***

- The CPMR should keep promoting the adaptation of the budget to the increasing needs and role of the regions in dealing with refugees' and migrants' reception and integration on the ground.

- The overall budget seems ambitious enough, but there are several details to be clarified, notably concerning the governance of the proposed instruments and the involvement of the regions, the internal distribution of the funding and the extremely high emphasis put on security issues and border control (notably for the AMF without its 'integration' dimension).

- The CPMR has provided recommendations on the support of the EU budget to the internal dimension of EU Policies linked to migration and asylum in its Policy Position on the EU budget and on its Issue Paper "Migration and Asylum in EU Regions towards a multilevel governance approach".

EU External action

External action									
MFF 2014-2020					Amount Differences		MFF 2021-2027		
	Share of total MFF	2018 prices EU28	2018 prices excluding UK				2018 prices	*Share of total MFF*	
Global Europe + European Development Fund	9,0%	100.038	n/a		*+9%*		108.929	9,6%	Neighbourhood and the world

(Figures in EUR billion)

- **A substantial budget for EU external action**

Compared to the current headings 3 "Security and Citizenship" and 4 "Global Europe", plus the European Development Fund included in the MFF for the 2021-2027 period, the new proposal is particularly ambitious in this area as the increase of the external action related budget is higher than the overall increase of the MFF.

➔ ***CPMR views:*** The CPMR should support the ambitious envelope proposed for the "Neighbourhood and the World" heading and simultaneously ask for specific programmes capable of involving regions and local authorities.

- **New** unified **Neighbourhood, Development and International Cooperation Instrument**

This is the most innovative aspect of interest for CPMR regions. This instrument would rationalise many existing instruments (such as the Development Cooperation Instrument, the European Neighbourhood Instrument, the European Fund for Sustainable Development, the Macro-Financial Assistance, the European Development Fund, etc.)

➔ ***CPMR views:***

- The budgetary increase and the geographical focus on the Neighbourhood, Africa and Western Balkans new instrument seems promising. The attention to the migration challenge is rather positive.

- However, the CRPM has several concerns at this stage:
  - The fact that regional and local authorities are not mentioned at all poses serious questions about their future involvement within the instrument.
  - It is also unknown what the Commission has in mind for each pillar and programme of the Neighbourhood instrument, for the amounts and internal distribution of funds (e.g. geographical/thematic) and regarding governance.
  - The high focus on border control, security and defence associated to the EU external action despite the real efforts that should be conveyed for development, in connection with the Agenda 2030.
- The CPMR has recommendations on the Neighbourhood related issues in its Policy Position on the next MFF, and has urged the EU Neighbourhood policy to be more 'territorial' bearing in mind the limited possibilities for regions to be get involved in the current programming period.
- Furthermore, an increased budgetary allocation (and share) of the new unified instrument should support cross-border cooperation and emerging macro-regional, sea basin strategies or initiatives at the EU borders, through a smart earmarking of resources and coordination mechanisms.

3. Next steps

Following the publication of this 'post-2020 MFF package', the European Commission will have published detailed legislative proposals according to the following timetable:

- **29 May**: Regulations for Cohesion Policy and the CAP (including the new CPR for 7 funds under shared management)
- **6-7 June**: Regulations for CEF and the new research and innovation framework programme
- **12-14 June**: Regulations for external action, neighbourhood and migration programmes and funds

The goal of the European Commission is to reach an agreement on the next MFF before the Informal Leader's meeting in Sibiu, Romania, on 9 May 2019 and the European elections that will follow during the month. This is a very challenging timing for the European Parliament and the Council as they will have less than a year to reach a consensus on the post-2020 Commission's proposal.

In the meantime, the CPMR will remain extremely vigilant about the content of the discussions and will regularly inform its members on the developments of the negotiations. We suggest the following course of actions:

- Updates on the negotiations will be provided via the CPMR Core Group mailing list
- Policy papers addressing the future of Cohesion Policy, Transport and the EMFF in particular will be developed for adoption at the next meeting of the General Assembly of the CPMR on 17-19 October 2018.

Annex I – Reorganisation of headings from MFF 2014-2020 to MFF 2021-2027

1.A Competitiveness for growth and jobs

1.A.12	International Thermonuclear Experimental Reactor (ITER)
1.A.3	Common Strategic Framework (CSF) Research and Innovation
1.A.31	The Framework Programme for Research and Innovation (Horizon 2020)
1.A.32	Euratom Research and Training Programme
1.A.8	Connecting Europe Facility (CEF)
1.A.81	Energy
1.A.82	Transport
1.A.83	Informations and Communications Technology (ICT)
1.A.10	European Fund for Strategic Investments (EFSI)
n.c	Interoperability Solutions and common frameworks for European public administrations, businesses and citizens (ISA²)
1.A.4	Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)
1.A.7	Action Programmes for customs, for taxation and for anti-fraud in the European Union (Customs 2020, Fiscalis 2020 and Anti-Fraud)
1.A.11	Implementation and exploitation of European satellite navigation systems (EGNOS and GALILEO)
1.A.13	European Earth Observation Programme (Copernicus)
n.c	European Solidarity Corps (ESC)
1.A.5	The Union Programme for Education, Training and Sport (Erasmus+)
1.A.6	European Union Programme for Employment and Social Innovation (EaSI)
1.A.2	Nuclear decommissioning assistance programmes

1.B Economic, social and territorial cohesion

1.2.1	Investment for growth and jobs
1.2.11	Less developed regions (Regional convergence)
1.2.12	Transition regions
1.2.13	More developed regions (Competitiveness)
1.2.15	Cohesion fund (including contribution to the Connecting Europe Facility CEF)
1.2.2	European territorial cooperation
1.2.6	Contribution to the Connecting Europe Facility (CEF)
1.2.3	Technical assistance and innovative actions
1.2.31	Technical assistance
1.2.32	Innovative actions
n.c	Structural Reform Support Programme (2017-2020)
1.2.14	Outermost and sparsely populated regions
1.2.4	Fund for European Aid to the Most Deprived
1.2.5	Youth Employment Initiative (specific top-up allocation)

2 SUSTAINABLE GROWTH: NATURAL RESOURCES

2.0.1	European Agricultural Guarantee Fund (EAGF)
2.0.2	European Agricultural Fund for Rural Development (EAFRD)
2.0.3	European Maritime and Fisheries Fund (EMFF), Regional Fisheries Management Organisations (RFMOs) and Sustainable Fisheries Agreements (SFAs)
2.0.4	Programme for the Environment and Climate Action (Life)

3 SECURITY AND CITIZENSHIP

3.0.1	Asylum, Migration and Integration Fund
3.0.3	IT Systems
3.0.2	Internal Security Fund
3.0.4	Justice Programme
3.0.5	Rights, Equality and Citizenship programme
3.0.7	Europe for Citizens
3.0.11	Creative Europe Programme
3.0.6	Union Civil Protection Mechanism
3.0.8	Food and feed
3.0.9	Union action in the field of health (Health Programme)
3.0.10	Consumer Programme

4 GLOBAL EUROPE

n.c	Common Foreign and Security Policy
n.c	European Instrument for Democracy and Human rights
n.c	European Neighbourhood Instrument
n.c	Guarantee fund for External actions
n.c	Humanitarian aid
n.c	Instrument for Nuclear Safety Cooperation (INSC)
n.c	Instrument contributing to stability and peace
n.c	Macro-financial assistance
n.c	Partnership Instrument (PI)
4.0.1	Instrument for Pre-accession Assistance (IPA)
n.c	EU Aid Volunteers
n.c	Development Cooperation Instrument

5 Administration

of which: Administrative expenditure of the institutions

1. Single Market, Innovation and Digital

1. Research and Innovation
Horizon Europe
Of which under the InvestEU Fund
Of which research and innovation in food, agriculture, rural development and the bioeconomy
Euratom Research and Training Programme
International Thermonuclear Experimental Reactor (ITER)

2. European Strategic Investments
InvestEU Fund
Connecting Europe Facility - Transport
Connecting Europe Facility - Energy
Connecting Europe Facility - Digital
Digital Europe Programme

3. Single Market
Single Market Programme (incl. COSME)
Of which under the InvestEU Fund
EU Anti-Fraud Programme
Cooperation in the field of taxation (FISCALIS)
Cooperation in the field of customs (CUSTOMS)

4. Space
European Space Programme

2. Cohesion and Values

5. Regional Development and Cohesion
European Regional Development Fund
Cohesion Fund
Of which contribution to the Connecting Europe Facility - Transport
Support to the Turkish-Cypriot Community

6. Economic and Monetary Union *
Reform Support Programme (incl. Reform Delivery Tool and Covergence Facility)
Protection of the Euro Against Counterfeiting

7. Investing in People, Social Cohesion and Values
European Social Fund+
Of which health, employment and social innovation
Erasmus+
European Solidarity Corps
Creative Europe
Justice, Rights and Values

3. Natural Resources and Environment

8. Agriculture and Maritime Policy
European Agricultural Guarantee Fund (EAGF)
European Agricultural Fund for Rural Development (EAFRD)
European Maritime and Fisheries Fund

9. Environment and Climate Action
Programme for Environment and Climate Action (LIFE)

4. Migration and Border Management

10. Migration
Asylum and Migration Fund

11. Border Management
Integrated Border Management Fund

5. Security and Defence

12. Security
Internal Security Fund
Nuclear Decommissioning (Lithuania)
Nuclear safety and decommissioning (incl. for Bulgaria and Slovakia)

13. Defence
European Defence Fund
Military Mobility

14. Crisis Response
Union Civil Protection Mechanism (rescEU)

6. Neighbourhood and the World

15. External Action
Neighbourhood, Development and International Cooperation Instrument
Humanitarian Aid
Common Foreign and Security Policy (CFSP)
Overseas Countries and Territories (including Greenland)

16. Pre-accession assistance
Pre-Accession Assistance

7. European Public Administration

European Schools and Pensions
Administrative expenditure of the institutions

Contact persons: Gaëlle Lecourt, Policy Analyst and **Nicolas Brookes**, CPMR Director
Emails: gaelle.lecourt@crpm.org **/** nicolas.brookes@crpm.org

The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

www.cpmr.org

CONTACT:

6, rue Saint-Martin, 35700 Rennes
Tel: + 33 (0)2 99 35 40 50

Rond-Point Schuman 14, 1040 Brussels
Tel: +32 (0)2 612 17 00

Email: Secretariat@crpm.org; Website: www.cpmr.org

Ref : CRPMNTP180007