

Policy Position

20 October 2017

Future of Europe

Approved by the CPMR General Assembly, 19-20 October 2017, Helsinki (Finland)

1 Background

The CPMR began its reflections on the future of Europe in the autumn of 2016, as Europe sought to redefine and shape its future as the EU27, following the UK Referendum vote.

During 2017 we have undertaken extensive discussion to determine the key priorities and political messages for the CPMR in this reflection, including considering the European Commission's White Paper and five Reflection Papers, published earlier this year, and President Juncker's State of the Union speech in September. We launched a new Future of Europe Web-Forum to stimulate discussion, and organised a plethora of events and meetings in Brussels and across Europe, with an active involvement of our six Geographical Commissions.

Our reflections take place against the backdrop of a changing political context. The mood in January was very anxious following the Brexit vote and election of President Trump. However, there has been a more positive shift since then: first with the Dutch elections and subsequently the French Presidential elections. The 2017 Spring Eurobarometer Survey shows increased optimism and support for the EU across Europe. The increase in vote for Alternative für Deutschland in Germany, however, shows that we cannot be complacent.

On Europe Day the CPMR presented an initial political statement in Brussels, and the core messages are developed further in this new policy position. We set out a positive vision for Europe, with regions at the heart of a reinvigorated and dynamic EU. Our vision focuses on the future for the EU27 beyond Brexit. Our position on Brexit is set out the CPMR Atlantic Arc Commission's Brexit paper and the Cardiff Declaration, which are to be agreed at the AGM in Helsinki.

It is our intention to present this policy position in Brussels to President Juncker, Michel Barnier and to MEPs, ahead of the European Council on 14-15 December, where EU Heads of State and Government are expected to adopt conclusions on the future of Europe.

The CPMR will continue its reflections during 2018, focusing in this second phase on the future of EU Finances and democratic engagement in particular. We will adopt a final CPMR Manifesto on the Future of Europe in the autumn of 2018.

Conference of Peripheral Maritime Regions

2 CPMR vision

The CPMR stands firm in support for the European Union and the ideals and values that it represents. We are committed to maintaining the integrity of the EU and avoiding fragmentation within Europe, at a moment in history when strong co-operation is needed more than ever to address the challenges we face "united in diversity".

The CPMR's vision is of a European project where:

- Regions and local authorities are at the core, and recognised as (i) the essential bridge between citizens and the EU Institutions, and (ii) key to providing solutions to the many challenges facing Europe;
- Territorial, social and economic cohesion is recognised as a fundamental pillar, complementing the Single Market, helping to tackle disparities and unlock the huge potential of Europe's maritime and peripheral regions;
- Co-operation and partnership is reinforced and strengthened, validating the role played by regions and local authorities in animating this. Coherence, coordination and cooperation between all levels of governments should be at the core of any vision of Europe;
- European values and rights are robustly defended and promoted, with recognition
 of the regions' positive role in Europe's neighbourhood and development
 agendas.

2.1 Regions at the heart of Europe's future

Not 'just another stakeholder'

Regions occupy a central place in the European project. We make the connection between 'remote' Brussels and national capitals, and citizens. As such regional politicians are a powerful asset for the EU, both as an earpiece to views and concerns on the ground, and as a vehicle through which to engage local communities.

The CPMR represents a population of over 200 million people from more than 160 regions across Europe, and we are the first to feel the impact of many of the social, economic and political changes and challenges facing Europe at its borders.

Regional governments are democratically elected, have a mandate from their citizens, and have competences in many of the areas where the EU legislates or takes policy decisions.

Regions are essential in helping to address concerns around 'democratic deficit' within the EU. Major European initiatives, such as the deepening of Economic and Monetary Union in the Eurozone and the creation of an Energy Union, must embed regional voices and regional institutions into their governance structures to make ensure they don't become remote and impenetrable to citizens.

The CPMR rejects categorically the notion that regions are 'just another stakeholder' to be grouped along with business, sectoral representations and lobbying organisations. Regions, as elected bodies, are essential in addressing the democratic deficit in the EU, acting as the agents through which EU policy is implemented on the ground, delivering EU programmes and projects, and providing a direct link between Brussels and citizens.

Regions in frontline of Europe's challenges

Regions are in the frontline of many if not all of the major challenges facing the EU, and regions are fundamental to translating aspirations at EU policy level into real solutions on the ground. We see a clear interaction between global and international pressures and a direct impact at the local and regional level: solutions to such problems cannot be found without effectively engaging the governance layers that have competence or a moral obligation in dealing with these challenges on a day to day basis.

The CPMR argues forcibly that regions are integral to developing and implementing solutions to the many-faceted challenges facing Europe. These complex challenges require solutions that fully engage all levels of governance: from global level, European level, national, and most importantly the local and regional level. Failure to engage regions effectively has exacerbated problems and help to fuel populism.

The Commission recognises the **growing inequalities and disparities** across Europe, which have been exacerbated by the financial and economic crisis of 2008. This underlines the need for a balanced, place-based investment policy, and for a strengthening of social Europe and of the European social model. CPMR regions have competences in many of the areas that are impacted on by **major societal and economic changes**, including education and training, economic development, planning, health and social care, mobility of people and goods.

Regions are, therefore, central to responding to the effects of globalisation, as **engines for sustainable economic growth, reskilling and training for new sectors and new economic activities,** including the digital economy, addressing high unemployment particularly among young people, and reshaping health and social care services to respond to the growing pressures of demographic change. We have seen through **regional smart specialisation strategies**, which have been an important part of the Cohesion Policy since 2007, a good example of an EU level framework mobilising strategic actions at the regional level, and supporting co-operation across regions. Any future EU Industrial strategy must build on these initiatives, integrating the regional smart specialisation approach.

Far greater priority needs to be given to the role of regions in creating knowledge clusters, through the quadruple helix, with support for cooperation between regions in **research**, **innovation and development of new economic growth sectors**. Across Europe local and regional authorities have competence in **education**, **skills and training**, therefore, the EUs policy aspirations to drive forward a new skills agenda, to ensure the skills of the future are invested in, can only be delivered effectively with the active involvement of the local and regional level. This is equally the case of the **digitalisation agenda**, and the need to ensure that all parts of Europe, rural, remote and peripheral

regions, are connected to smart grids, and can contribute to the development of Europe's future industries and services.

The future of Europe is also very much about the **future of Europe's young people**. They have felt first hand the impacts of social and economic uncertainty since the crisis, in particular through high levels of unemployment and more limited opportunities than past generations. They will be left with the legacy of managing the current and new challenges on Europe's horizons. Their views, their participation and engagement in this is, therefore, essential for the future shaping of the European project. Again, regions are central players in reaching and engaging young people.

Similarly, **climate change and environmental challenges**, including the fairer use of natural resources, a fairer system of food production, and the transition to carbon neutral and sustainable ways of working and living, are global challenges that play out at the local and regional level. The devastation caused by extreme weather impacts locally, and it is the local and regional governments that have to deal with the consequences of this: both in long-term planning and in dealing with the crises as they happen, and the subsequent rebuilding actions efforts. We have seen in recent years the growing frequency of such devastation weather events, and the human and financial costs that these bring. There is increasing recognition that tackling climate change and delivering on the EUs targets for **climate and energy** will only be possible through mobilisation of the local and regional action. Indeed, in the area of marine renewable energies it is primarily the regions that have been the key drivers, pushing investments, with the support of EU funding in many cases, in new and innovative technologies. EU institutions, states, regional and local governments need to make further efforts to safeguard natural resources and environmental services, to foster sustainable production by means resource efficiency and circular economy, and to boost responsible consumption to improve the quality of life of citizens and to ensure the endurance of our society.

There is now common agreement that the **2030 Agenda and Sustainable Development Goals** will fail to deliver any real positive transformation for people and the planet if there is no empowerment of local and regional governments and ownership by citizens, and this means a territorial dimension to all 17 SDGs and not just the unprecedented SDG11, which aims "to make cities and human settlements inclusive, safe, resilient and sustainable."

Migration is a further example of this complex relationship between an international challenge and very local contexts. CPMR regions in the Mediterranean have borne the brunt of the impact of mass **migration** from the Middle East and north Africa, and the humanitarian crisis that goes with this. The unprecedented flows of people have placed enormous pressures on coastal and island communities, and public services. This has also impacted on other CPMR regions in Europe, in particular in Sweden and Germany, as key destinations for many migrants.

CPMR regions have taken an active role in finding practical solutions, offering to provide refuge for migrants, and to support their resettlement through, for example, co-operation initiatives between Greek and Spanish Regions, as well as taking measures to integrate migrants into local communities. However, much of this effort has been blocked or frustrated by national governments, whilst there has been an overall failure to build regions in to the EU level response to these issues.

More generally, **maritime issues**, which are of major importance for CPMR regions and Europe, need to be addressed more explicitly in the EU institutions' forthcoming work on the future of Europe. These challenges go far beyond the specific situation of coastal territories. They concern the quality of **marine ecosystems essential to life on earth** through their role in producing 50% of the oxygen that we breathe, as well as acting as reservoirs of biodiversity fundamental for our health and our food. The European Union has the largest maritime territory in the world and a huge reserve of marine resources with the contribution of the extensive exclusive economic zone given by the islands and outermost regions (2,507,537 km²). Therefore, the regions of Europe must play a leading role in the global protection of marine ecosystems.

Maritime issues also offer unprecedented **opportunities for growth and jobs**, both in emerging sectors such as marine and maritime technologies, blue biotechnology or the exploitation of new mineral resources, as well as in more established sectors such as fishing, food or shipbuilding. These growth opportunities give peripheral and outermost territories the chance to be at the centre of a new key economic development for the whole of Europe. They are exceptional natural laboratories to test innovative technologies and to develop EU pilot projects in vital areas such as mitigation and adaptation to climate change, biodiversity conservation and sustainable use of marine resources. However, these opportunities can only be fully exploited with the support of the immediately concerned territories and regions.

CPMR regions have expressed strong support for the Europe 2020 strategy as providing an overarching EU framework against which local and regional strategies can be benchmarked and developed. There have been strong calls from our regions to replace Europe 2020 with a new strategy – a **Europe 2030 Strategy** – for the next decade, focused on tackling and managing the enormous challenges and opportunities on the agenda.

The CPMR calls for a new European Strategy – Europe 2030 – to provide a strategic framework focused on providing solutions to the challenges and opportunities facing Europe over the next decade.

Institutional reforms

President Juncker in his State of the Union speech suggested a number of institutional reforms, including the creation of a European Minister of Economy and Finance, merging the European Commission and European Council Presidents, and extending use of qualified majority voting in the Council.

We argue that the current institutional structures within the EU are inadequate to represent the formal status of regional governments and parliaments. The role of the Committee of the Regions as an advisory body in the EU decision-making process must be strengthened, particularly within the ordinary legislative procedure where it's opinions can currently be ignored. The role and engagement of European Parliament with regional governments and parliaments is another area that needs further discussion and strengthening.

The CPMR calls for a wide-ranging discussion on EU institutional reforms, underlining its concerns that the current institutional framework does not adequately reflect the status and democratic legitimacy that regional governments and parliaments give to EU policy and law-making.

To gain citizens trusts, and to ensure that national governments are held accountable for their reporting on the outcome of negotiations at EU level, the policy and legislative process must be open and accessible to citizens.

The CPMR calls for full transparency in the workings of the EU Institutions, and in particular the work of the Council, including broadcasting meetings live and to be open to the general public.

2.2 Strengthened Territorial Cohesion

Addressing the territorial dimension to Europe's challenges

The increasing disparities and imbalances across Europe mean that economic, social and territorial cohesion must be a fundamental pillar underpinning any future vision of the EU. There is a growing recognition of the territorial dimension to many of the challenges Europe faces, and the need to mobilise all levels of government, with a central role for regional and local actors in developing and implementing solutions on the ground.

Without a balanced place-based approach the EU risks exacerbating the growing inequalities and disparities which have deepened since the financial crisis, and leaving behind the more peripheral and rural areas. The policy must also continue to support Europe's outermost regions which face particular challenges due to their remote locations from principal population centres. The enhancement of real convergence and harmonious growth of all EU regions, tackling Europe's territorial dimension challenges, requires the establishment of appropriate regulatory conditions and instruments of solidarity with the adequate financial resources, in order to assure continued support for the regions with the greatest geographical constraints.

The CPMR has been clear that EU Cohesion Policy also plays a key role in the wider competitiveness agenda, supporting investments in new technologies, new business, and development of innovative sectors, with a strong emphasis on research, innovation and skills, and in recent years on Smart Specialisation.

To deliver this agenda the EU must continue to prioritise Cohesion Policy as a core pillar supported by a strong budget within the Multi-annual Financial Framework. The policy can only deliver wide and far-reaching impact if is sufficiently financed. The CPMR has developed several specific proposals supporting this ambition in a <u>Policy Position for a strong and reformed post-2020 Cohesion Policy</u>, adopted in June 2017.

Territorial cohesion is a Treaty obligation, therefore, we were very disappointed at the lack of a territorial dimension to any of the scenarios presented in the European Commission's White Paper. The subsequent Reflection Papers go some way to addressing this, with clear acceptance of widening disparities at regional level and between Member States. However, the European Commission remains reticent in concluding that tackling these disparities requires a territorial-based approach framed at EU-level.

The CPMR calls for a strengthened EU Cohesion Policy to be at the heart of a place-based, territorial approach to policy-making, focused on tackling inequalities, investing in new skills and emerging economic sectors in the territories, and underpinned by a commitment to making the EU economy climate friendly and sustainable.

The Cohesion Policy clearly has a role to play in addressing some of the new challenges facing the EU. For example, there is scope to use the policy to help support the integration of migrants into the EU economy, through training and employment measures., However the growing disparities across Europe show there remains a very real need to focus resources on the traditional goals of the policy, namely to deliver a more cohesive EU, and to support regional competitiveness through investment in new economic sectors, and in research and innovation.

Similarly, the interest in developing new areas of co-operation, such as in defence, which could bring benefits to CPMR regions with strong research capacity in the defence field, should not be at the expense of Cohesion Policy. If the EU wishes to see enhanced co-operation in defence this should be through a commitment of additional resources by Member States.

The CPMR believes there is a role for EU Cohesion Policy in addressing new and emerging challenges, however, we do not believe this should be at the expense of the core goals of the policy – promoting social and economic cohesion, and addressing territorial disparities – which remain more valid than ever today.

2.3 Co-operation and partnership

Regions facilitators of co-operation and partnership

Co-operation and partnership are at the core of what the EU stands for, bringing people together, helping to cross political and cultural boundaries, as well as facilitating economic exchange. This directly impacts on the lives of many people, be it students, young people, workers, businesses, researchers, universities, scientists and so on. Co-operation brings a clear added value, enabling mutual learning and joint working to solve problems and develop new ways of working and living. It helps to overcome fragmentation, and provides a long-term framework for co-ordinated action. It is in its essence what the EU is about.

Regions play a central role in driving such co-operation through animating links between partners from all sectors and levels, be this through smart specialisation networks, renewable energy projects, training, education, research, migration, health, external development and a host of other policy areas. There is enormous potential to support inter-regional cooperation across the EU27

focused on innovation and research, developing knowledge clusters within new and emerging economic sectors.

The CPMR believes co-operation and partnership is the very essence of the EU, bringing together people, for exchange, mutual benefit and learning, addressing shared challenges and mutual opportunities. Regions have a central role to play in making co-operation happen, acting as the bridges through which connections are made across national boundaries.

European Commission pivotal role in supporting co-operation

The role of the European Commission as an instigator and supporting agent behind co-operation activities is essential, and cannot be understated, with it providing leadership in areas where national governments have not been able to co-ordinate effectively. The blue growth agenda is an example of this. The European Commission has played a pivotal role in supporting EU-level co-ordination within the marine renewable energy sector, providing an EU-level framework to support co-operation between regions, businesses, researchers and universities, through its work on Ocean Energy.

The European Commission has also played a central role in animating a number of Macro-Regions established across Europe, including the Baltic Sea and Adriatic Sea. The CPMR is supportive of such structured co-operation, and sees real potential for this to be extended to other parts of Europe, such as the Atlantic and North Sea, with strong interest from CPMR regions in this. There is also a strong interest in the new EU Arctic Policy for CPMR regions in northernmost Europe, and the ongoing process for sustainable regional development of the Arctic.

The CPMR underlines the central role for the EU in facilitating, initiating and driving cooperation activities across the EU, and with third countries including its neighbourhood. We recognise and value the role that the European Commission plays in instigating this, including in particular through its support of Macro-Regions.

EU finance essential to co-operation

The EU budget is a key enabler in supporting co-operation through a plethora of programmes and initiatives. In the preparation of the next **Multi-annual Financial Framework (MFF)** it is critically important that the EU continues to prioritise support for co-operation. This must include programmes with a strong territorial dimension with geographical targeting of resources, as well as a further re-focusing around new and emerging challenges (including: migration, security and defence), and underlying long-term challenges (such as adaptation and mitigation agenda for climate change and the energy union). We call for more priority to be given to the blue growth agenda.

The CPMR reiterates the importance of EU funding in making such co-operation possible, and calls for a commitment to maintain a strong level of support in the future EU Budget for regional co-operation and for the Territorial Cooperation programmes.

Future co-operation post-Brexit

Brexit radically changes the map on the western frontier of the EU, creating a new external border within the island of Ireland and along the Atlantic coast, North Sea and English Channel. Brexit has a direct impact on CPMR regions, including on the fisheries and maritime sectors.

At the heart of our position is a call for recognition of the disproportionate territorial impact that Brexit will have on many of the CPMR regions, and for EU-level action to be taken to mitigate this; as well as the fundamental importance of maintaining strong co-operation at sub-national level post-Brexit, and the role that the EU must play in shaping and supporting this.

The CPMR's position on Brexit is set out in the Cardiff Declaration and in the statements from the Atlantic Arc Commission and North Sea Commission. The CPMR calls for recognition of the territorial impact of Brexit on CPMR regions and for an EU-level response to address this, and for a strong post-Brexit co-operation framework at sub-national level with the UK.

2.4 Regions championing EU values in EU external policy

The EU is a beacon at the international level in defending a set of strong values based on principles of freedom, democracy, fundamental human rights, as well as championing action on major global challenges like climate change, poverty, social inclusion and sustainable development.

CPMR regions play an important role in promoting these values on the international stage, through development policy in Africa and Latin America in particular, and through the European Neighbourhood policy (European Neighbourhood Instrument and other mechanisms), engage in para-diplomacy and institutional capacity building with local and regional authorities in north Africa, the Middle East and the Black Sea. Helping developing countries to achieve the 17 Sustainable Development Goals of the Agenda 2030 is an important priority for CPMR regions. Helping to transfer knowledge and build competence in the EUs *acquis communautaire* is also an important part of the CPMR's legacy work in the Balkans, and along the EU's eastern and southern borders.

In this context, it is important to highlight the strategic position of the outermost regions, which occupy a dual position - belonging to a European political-economic area and integrated into a geographic area close to third countries (in Africa, the Caribbean, South America and the Indian Ocean).

The CPMR underlines the important role that regions play in promoting EU values within the wider neighbourhood and through international development activities, and underlines the key contribution that para-diplomacy and regional cooperation makes to political stability.

KEY MESSAGES AND VISION

The CPMR stands firm in support of the European Union and the ideals and values that it represents. We are committed to maintaining the integrity of the EU and avoiding fragmentation within Europe, at a moment in history when strong co-operation is needed more than ever to address the challenges we face "united in diversity".

CPMR Vision

- **1.** Our vision for the future of Europe is one where:
 - Regions and local authorities are at the core, and recognised as (i) an essential bridge between citizens and the EU Institutions, and (ii) key to providing sustainable solutions to the many challenges facing Europe;
 - Territorial, social and economic cohesion is recognised as a fundamental pillar, complementing the Single Market, helping to tackle disparities and unlock the huge potential of Europe's maritime and peripheral regions;
 - Co-operation and partnership is reinforced and strengthened, validating the role played by regions and local authorities in animating this. Coherence, coordination and cooperation between all levels of governments should be at the core of any vision of Europe;
 - European values and rights are robustly defended and promoted, and clear recognition given to the positive contribution regions make to Europe's neighbourhood and development agendas

Regions at the heart of the EU agenda

- **2.** The CPMR rejects categorically the notion that regions are 'just another stakeholder' to be grouped alongside business, sectoral representations and lobbying organisations;
- **3.** Regions, as elected bodies, are essential in addressing the democratic deficit in the EU, acting as the agents through which EU policy is implemented on the ground, delivering EU programmes and projects, and providing a direct link between Brussels and citizens;
- **4.** Regions are integral to developing and implementing solutions to the many-faceted challenges facing Europe. These complex challenges require solutions that fully engage all levels of governance: from global level, European level, national, and most importantly the local and regional level.

Europe 2030 Strategy

5. The CPMR calls for new European Strategy – Europe 2030 – to provide a strategic framework focused on providing solutions to the challenges and opportunities facing Europe over the next decade.

EU Institutional reform

- **6.** The CPMR calls for a wide-ranging discussion on EU institutional reforms, as the current institutional framework does not adequately engage regional governments and parliaments;
- **7.** The CPMR calls for much greater transparency and openness in the EU Institutions, and for Council meetings to be broadcast live and to be open to the general public.

Territorial, social and economic cohesion

- **8.** A strengthened EU Cohesion Policy must be at the heart of a place-based, territorial approach to policy-making, focused on tackling inequalities, investing in new skills and emerging economic sectors at regional level, and underpinned by a commitment to making the EU economy climate friendly and sustainable;
- **9.** There is a role for EU Cohesion Policy in addressing new and emerging challenges, however, this must not be at the expense of the core goals of the policy which remain more valid than ever today.

Sustainable Blue Growth

- **10.** The EU must unlock the opportunities presented by sustainable Blue Growth, which go far beyond the specific situation of coastal territories. These are directly relevant to addressing the strategic, economic, environmental and social challenges facing Europe;
- 11. The maritime ambition of the European Union needs to be addressed more explicitly in the EU institutions' forthcoming work on the future of Europe. We call for Europe to develop a strong and integrated maritime strategy underpinning the wide range of European policies that are relevant to sustainable Blue Growth.

Cooperation and partnership

- **12.** Cooperation and partnership is the very essence of the EU and regions are key drivers and animators of co-operation activities;
- **13.** We recognise and value the role that the European Commission plays in instigating and supporting cooperation, including the structured support to Macro Regions;
- **14.** We underline the key importance of EU funding in making co-operation possible, and call for a strong level of support in the future EU Budget for regional co-operation.

Brexit

15. The CPMR's position on Brexit is set out in the Cardiff Declaration and in the statements from the Atlantic Arc Commission and North Sea Commission. This focuses on (i) the territorial impact of Brexit on CMPR regions and the need for an EU-level response to this, and (ii) maintaining strong regional cooperation after Brexit.



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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.

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