CPMR messages that should guide the simplification of Cohesion Policy: Trust, Equity and Creativity

Approved by the CPMR Political Bureau on 9 June 2023 in Florence (Tuscany, Italy)

The EU’s Cohesion policy is the EU’s main investment policy, designed to be delivered according to the subsidiarity principle through the public authorities closest to the citizens, i.e. regional and local authorities. This occurs under common EU rules of allocation, monitoring, and control, promoting good governance and equity. The CPMR recalls the essential investment nature of Cohesion policy, creating long term sustainable socio-economic returns with local, regional and European value added.

Nevertheless, we have seen a marked disinterest in the policy growing at national and even EU level. Furthermore, punitive rules have been imposed on all regional authorities to avoid potential financial mismanagement practices observed in some cases, eroding trust in the whole policy. The ensuing increasing bureaucratic burden and the multiplication of disproportionate financial controls has damaged the performance of the policy despite important advances in strategic planning and implementation.

Cohesion policy has not only a strong potential to reduce interregional disparities but is also the main place-based policy to achieve common European policies and bring EU standards to all the citizens. **Successfully simplifying cohesion policy is essential.** It will have an impact on all European territories and will contribute to a more positive image of the European Union.

Regional authorities are in direct contact with existing and potential beneficiaries. Their voice also reflects the needs of local stakeholders and citizens. In this sense, the Conference of Peripheral Maritime Regions wishes to put forward the following messages to EU decision-makers as the principles that should guide the simplification of EU Cohesion Policy.

The CPMR:

- Considers that **simplification must be a real political objective** to strengthen the link between the European Union, its citizens, and its territories. Simplification provisions introduced in the 2021-2027 (e.g. simplified procedure of certification for managing authorities, the Simplified Cost Options, and the introduction of the principle of single audit) are positively welcomed as a step in the right direction.

- Calls the European Commission for the creation of a **new structured dialogue between all stakeholders involved in the implementation of European Structural funds for the co-construction of the post-2027 management framework**. Only the initiation of a dialogue involving all actors in the European fund management chain can lead to real simplification. At Member State level, a dialogue between all the national or regional authorities concerned should be established in order to identify the national rules which are over-regulated (gold-plating) or which create obstacles to the implementation of European funds, in order to progressively remove them.

- Invites the European Commission to **align the regulatory frameworks of funds in shared or direct management** (state aids, simplification measures) to create an enabling legal environment. There is no compelling logic to exclude from cohesion policy the existing
simplified procedures for funds under direct management. The competition between funding programmes, which undermines the implementation of certain funds and creates deadweight effects, should be limited.

- Believes that the **reintroduction of trust in regional authorities when managing EU Cohesion Policy Funds constitutes a prior condition to all progress in terms of simplification and could open new perspectives for proportionality and for experimentation.** A complete renewed approach of risk management including the principle of proportionality, prevention and the “right to error” should be considered. Regions that have shown their efficiency in managing funds should benefit from the good practice track record and rules should be proportional to the trust that can be placed.

- Urges to **identify improvement levers to reduce the number of data to check and duplicated control all along the control and audit chain.** Cohesion Policy control mechanisms should focus on the respect of the ESIF regulations, and not burden managing authorities with the responsibility of control the implementation of the entire EU-legislation. The single audit principle should be reinforced and efforts to limit duplication control and audits overlapping with national controls in the same project and beneficiary should be in place.

- Stresses that whether cohesion policy should provide a short-term response to negative shocks, **crisis management funds which overlap with ERDF and ESF+ Cohesion Policy operations should be under shared management with the competent management authorities** not leading automatically to the creation of new funds with clashing governance models.

This Policy Position is completed by a **technical note**, that gathers a detailed list of proposals from the Conference of Peripheral Maritime Regions for the simplification of cohesion policy.