Preamble

The European Union's Cohesion Policy stands as a cornerstone of long-term investment, deeply rooted in the EU Treaties and playing a pivotal role in achieving balanced territorial development across the Union. Over decades, this policy has pioneered the principles of subsidiarity and multilevel governance and has acknowledged that economic development thrives in territories, propelled by the dedication and adaptability of local actors. These principles represent a deliberate political choice, shaping the EU as a participatory democracy.

Amidst formidable challenges posed by the need to address climate change, rising poverty, global instability, growing competition at global level and historic enlargement, the EU faces a critical juncture. CPMR aligns itself with the EU's long-term objectives but emphasizes that widening the Union must be accompanied by social and territorial cohesion. A prosperous Union hinges on solidarity, cohesion, and collaboration that tangibly benefits all citizens. The future policy mix must embody these values. In line with the European Parliament's position, Europe’s challenges require a place-based approach to policymaking, built on integrated territorial development, aimed at unleashing unique potential related to territorial resources, knowledge and assets, while recognising the need for tailored solutions in different types of regions.

In the face of citizens questioning the impact of EU policies, CPMR underscores that reforms should not be followed by budget reductions or increased financial controls. A modern and effective policy paradigm must emerge, offering more impactful and accessible support. As economic, social and territorial disparities persist, the growing innovation divide will make it even harder for some regions to catch up and for others to reach their full potential. We stand by our motto "Territories Matter!", and we stand prepared to harness local potential and collaborate with other regions to foster just and sustainable growth.

Hence, we advocate for a new generation of bold, simplified and more effective EU policies based on the principle of subsidiarity and multilevel governance. We firmly believe that such policies can attain success and sustainability when spearheaded by regional authorities attuned to the unique specificities of each region. More flexibility is needed in terms of thematic concentration and a more place-based approach to best adapt the policy’s objective to local and regional needs.
The CPMR:

1. Recalls that economic, social and territorial cohesion is a prime objective of the EU. Article 174 of the TFEU states that the Union’s actions shall lead to reducing development disparities across all regions. For this purpose, Cohesion Policy is and should continue to be a fundamental pillar of the EU’s development model and contribute to make the European social pillar a reality.

2. Highlights the importance of Cohesion Policy for a functioning single market, given that targeted long-term investments addressing economic distortion and asymmetries enable a level playing field. Notes that cohesion policy is also called to play a role in helping regions to compete in the global markets, reinforcing their innovative and productive capacities. In addition, Cohesion Policy is a clear example of EU subsidiarity and partnership principle with the regions, positioning it as the EU’s policy closest to its citizens and fostering a real sense of European citizenship.

3. Notes the increasing challenges for peripheral maritime regions, with territorial specificities resulting in permanent drivers for disparities being overly accentuated during the current multifaceted crisis at the borders of Europe. However, Cohesion Policy also has the ability to foster the increasing role that peripheral maritime regions can play in addressing growing risks and challenges the EU faces now and in the future. Recalls the specific provisions for legally recognized specific handicaps inherent in regions, namely the natural disadvantages of islands and northern sparsely populated areas as per Article 174 TFEU and the 1994 Act of Accession for Finland and Sweden, as well as the permanent constraints expressed in Article 349 TFEU for outermost regions.

4. Believes that Cohesion Policy’s budget and overall partnership led framework should be maintained, given its essential role as the central investment policy of the EU to achieve structural improvements. It has successfully brought European added value and enabled regional growth across the Union, as well as making the EU visible for all citizens across its territories. In this sense, as expressed in the High Level Group report on the future of Cohesion, it should remain a policy to help all regions reach their full potential, as every category of region faces development challenges, whether those that need help to catch up, those that are stuck or at risk of falling in a development trap, as well as those that are drivers of the EU’s growth and innovation in today’s highly competitive and unlevelled global playing field. As a common EU policy, Cohesion policy has also a unique position to harness and spread the lessons from all territories and foster a win-win situation by investing in infrastructures, skills, innovation and strategic technologies, thus enhancing competitiveness and resilience at both local and European levels. This also requires concrete actions to increase the synergies amongst all policies, funds, programmes and instruments. Sustainable socio-economic growth is not a zero-sum game, but the result of mutual collaboration and learning.

5. It calls for investments that are territorial in nature to be under the control of the competent regional authorities in line with the subsidiarity principle. The policy’s long-term objectives should remain at the core of its future shape. It is crucial that emerging centrally managed ad hoc programmes of a territorial nature should be avoided without the involvement of regional authorities. These ad-hoc programmes risk a weak implementation and reaching fewer stakeholders, if the regional authorities are not involved in the planning.

6. Cohesion policy funds should not be viewed as reserves for crises. However, if such a crisis instrument should be considered, CPMR calls for a separate crisis reserve to be established under shared management within the Cohesion Policy framework to be used for exceptional and unforeseen challenges. Such a reserve is not unprecedented as the CAP has an agriculture reserve. The fund could be filled by decommitted funds to avoid reducing the investment level in regional policy. Using decommitted funding would also allow the use of the funding in the regions that need it most, without falling into the pre-allocated limitations and in proportion to the gravity of the impacts. Regions will have full ownership of the reserve and be the ones to call on the reserve within their regional programme.

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2 The case of Malta and Gozo is an exception as centralisation is used in this case as a means to achieve more efficiency in a small administration, whilst ensuring that a territorial focus is in place, applying the principle of proportionality and flexibility.
7. Understands the importance of structural reform requirements in the Country Specific Recommendations. However, linking such recommendations to cohesion policy necessitates the involvement of regions in developing the methodology, as well as compulsory participation of the regions during the development of the Partnership Agreements in line with the code of conduct. Strongly emphasizes the importance of a sincere Partnership Agreement procedure, where the regions are involved early in the process. Structural reforms have been part of the Cohesion policy under different names (currently enabling conditions) so regions are familiar with their application. It is necessary however to clearly differentiate between reforms to be addressed by the Member states and those to be tackled by regions within the limit of their respective competencies within an agreed framework that will be based on constructive collaboration rather than a punitive approach to investments.

8. Recognises the efforts by the European Commission in pursuing simplification, nonetheless, calls\(^2\) for further improvements regarding the procedures for shared management. Overall, simplification will require a genuine relationship of trust between the managing authorities and the European Commission. In particular, it calls for the same simplification of procedures for shared management as they exist for direct management and ensuring that the system of controls is proportional to the level of risk and size of operations. The simplification should address the whole process, from programming to implementation and reporting structures. In addition, flexibility within these funds is also key to allowing regions to respond appropriately to new developments without compromising structural goals.

9. Welcomes the present EU debate on complementing existing eligibility rules and indicators for funding allocation to better address the plethora of challenges faced by various territories. CPMR regions face, due to their maritime and peripheral position often disproportionate risks compared to most other regions in areas of climate change adaptation and security. There is a need to reflect those in the future Cohesion policy instruments with the full involvement of regions. Those challenges are not only local but have repercussions on the EU as a whole.

10. Recalls that INTERREG is a flagship of Cohesion Policy and a fundamental instrument for cooperation for all regions across Europe and its Neighbourhood. Its specific components, programmes and projects are essential to achieve EU goals and address joint challenges. Consequently, there is a demand for greater funding and flexibility to effectively address the needs on the ground and tackle unexpected circumstances or emerging challenges also taking into consideration the complexity of the maritime dimension. Therefore, calls for the Council to improve the INTERREG programmes building on the existing areas and experience. INTERREG programmes should be based on functional geographies, which lead to more effective and high value added cross-border and maritime cross-border cooperation between regions that share similar challenges and opportunities. CPMR acknowledges the added value of the Interregional Innovation Investments (I3) instrument to support collaborative innovation projects throughout all the Regions in the EU. I3 instrument should continue and be reinforced in the next programming period.

11. Calls for the Council to support the creation of two new Macro-regional strategies for the Atlantic and the Mediterranean, that are emerging from the joint will of regions, local authorities and territorial stakeholders and with the substantial support of the European Parliament and the Committee of the Regions.

12. Takes into consideration the EU’s enlargement process recognising the need for the EU policies to be prepared. It recalls that widening the EU cannot be accomplished through weakening the process of deepening the Union but by reinforcing collaboration and cohesion. The future shape of cohesion policy needs to be developed for and with the regions ensuring the regions are capable of maintaining and improving their development path.

\(^2\) CPMR messages that should guide the simplification of Cohesion Policy: Trust, Equity and Creativity
The Conference of Peripheral Maritime Regions (CPMR) represents more than 150 regional authorities from 24 countries across Europe and beyond. Organised in Geographical Commissions, the CPMR works to ensure that a balanced territorial development is at the heart of the European Union and its policies.

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