



## CPMR vision for a post-2020 EU Budget

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### 1. Key transversal messages on the future EU Budget

#### Our vision...

The CPMR and its 160 Member Regions believe that the EU budget for the post-2020 period should:

- **Reflect the ambition of the EU and its priorities.** A post-2020 EU budget with less resources to address more priorities would give the worst possible signal to European citizens. The impact of Brexit and the inclusion of additional priorities to be financed by the MFF after 2020 require an ambitious budget.

The CPMR takes note of the European Parliament draft report [on the next MFF: Preparing the Parliament's position on the MFF post-2020](#) which calls for raising MFF expenditure ceilings at 1.3% of the GNI for all EU Member States. The CPMR supports raising MFF expenditure ceilings unless the European Council agrees to introduce new own resources to support the EU Budget. The CPMR endorses with great emphasis the need of a strong budget at the service of an ambitious European Union.

This is the only solution to ensure that the ambition of Cohesion Policy and CAP continue to provide high European added value in the post-2020 period, particularly if 'European added value' is to be understood as policies fulfilling EU Treaty objectives.

- **Reflect on the recent social, economic and territorial trends** and the growing body of evidence<sup>1</sup> which call for a stronger place-based approach within all EU policies as well as actions to address rising regional disparities and the rise of 'middle-income regions', rather than being driven by budgetary considerations to reduce EU spending.

The CPMR recalls that the Council agreed to [reduce the level of the 2014-2020 EU budget by 3.5%](#) compared to the 2007 – 2013 period. Reducing further the MFF would greatly contradict its main function as an investment budget.

- **Provide, therefore, regional and local authorities sufficient leeway to realise the ambition of the European Union on the ground.** The CPMR believes that the mantra for a EU budget to work for its citizens is to give EU regions the flexibility they need to realise EU objectives at territorial level in line with their regional development strategies, particularly regarding programmes under shared

<sup>1</sup> See [7th Cohesion Report](#), the [ET2050 - Territorial Scenarios and Visions for Europe ESPON project](#), or academic articles such as ['The revenge of the places that don't matter \(and what to do about it\)'](#)

management. **This entails both a recognition of the legitimacy of regions in conveying Europe to citizens, but also real trust when it comes to delivering shared management programmes.**

- **Remain an investment budget above all.** Evolutions suggested in recent Commission Communications<sup>2</sup> to provide the EU budget with a stabilisation function or to create 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.

### ...underpinned by the following principles

**To realise this vision, the CPMR asks the European Commission to integrate the following principles when designing the post-2020 MFF:**

- **To develop a long-term sustainable regional development strategy replacing the Europe 2020 strategy underpinning the MFF and linked to the UN agenda 2030.** The CPMR supports the idea expressed by Mr. Juncker that a strategy is needed before the budget is approved, but regrets the lack of clarity with regards to plans to replace the Europe 2020 strategy. Plans to establish a Europe 2030 strategy would have provided much needed certainty, particularly regarding the links between EU political priorities and funding for common policies (the CAP, Cohesion Policy, etc) in an integrated sustainable perspective.

- **To recognise the added value of programmes under shared management.** Programmes delivered under shared management suffer from excessive criticism (slow start, perceived low absorption rate...). But these programmes are the only ones with robust methodologies demonstrating the social, economic and environmental impact of EU funds and delivering wider EU objectives such as improving the conditions for investment (e.g. ex-ante conditionalities).

- **Not to give in to the temptation of creating new instruments or centralising existing ones (e.g. EFSI) to address priorities which are already covered by so called ‘traditional policies’ in some cases.** Priorities such as boosting competitiveness through research and innovation or completing the Digital Single Market are examples of areas which are already efficiently supported by ESI funds.

- **To provide real complementarity between EU funds (under shared management and centrally managed) to face “integrated” challenges** (such as transport or research and innovation policy) which no single EU policy or fund could pretend to address on its own.

- **To provide real clarity regarding the role and function of funding instruments supported by the EU budget to avoid overlaps and unnecessary competition between them.** Synergies between funds should not be an end in itself: they should be identified early on in the process (when necessary) and be realistic and feasible for the sake of the final beneficiaries.

- **To recognise the limits and areas of potential use for financial instruments** (EFSI or via Cohesion Policy, etc). Financial instruments should be restrained to where it makes sense to use them. Targets at Member State level to boost the use of financial instruments should be avoided at all costs<sup>3</sup>.

<sup>2</sup> See the [Communication on the European Commission's contribution to the Informal Leaders' meeting](#) and the [European Commission EU finances reflection paper](#)

<sup>3</sup> See CPMR study: [‘The territorial dimension of Cohesion Policy financial instruments’](#)

- **To aspire to a level playing field for funds and programmes supported by the MFF**, including shared management programmes, centrally managed programmes, and initiatives like the EFSI, regarding issues relating to state aid, evaluation and reporting requirements.

## 2. How the post-2020 EU Budget should support CPMR priorities

The CPMR stands for certain priorities which we feel deserve the full attention of the European Union and stronger support from the MFF after 2020. These are:

- ➔ **Stronger territorial, economic and social cohesion** (including transport accessibility), **meaningful multilevel governance** (and the role of regions to realise the European project in particular), and **cooperation at macroregional and sea-basin level**.
- ➔ Building more competitive and resilient territories and recognising the **potential of the maritime economy** in a context where Europe is still lagging behind in innovation and research, and where growing effects of climate change are particularly felt by maritime regions.
- ➔ Recognising peripheral and maritime regions as **strategic actors to contribute to global agendas, particularly regarding neighbourhood and migration policies**.

Policy messages from the CPMR on each of these three priorities are expressed in the three sections below.

### A EU Budget at the service of reinforced economic, social and territorial cohesion

**1** with regards to EU programmes under shared management, the CPMR:

- 1.1** Believes that many aspects of EU priorities can only be delivered by programmes under shared management (ESI funds) to guarantee a place-based approach to EU action. For instance:
- Whereas research excellence may be favoured by a centrally managed programme like Horizon 2020, **stimulating innovation require a partnership-based approach involving regional authorities in the driving seat** to match funding potential for projects with their smart specialisation strategies. ESI funds are therefore essential for unlocking research and innovation (R&I) potential at regional level and they should continue to set the agenda for R&I investments, in line with the partnership principle<sup>4</sup>.
  - The diversity of impacts of climate change across EU territories and the variety of endogenous potentials at regional level to address climate change fully justifies **continued support from ESI funds towards climate action, such as from the European Agricultural Fund for Rural Development (EAFRD) which is very often delivered at regional level**. The

<sup>4</sup> This goes against the [Lamy Report](#) which suggests that ‘the future EU R&I programme should set the agenda for R&I investments within the structural funds’

principle of shared management ensures ownership by the regions of the EU agenda and gives them the flexibility to target the funds according to local needs, in line with EU priorities.

- **Macroregional strategies and sea-basin strategies are unique cooperation frameworks which rely on funds under shared management**, either thanks to the transnational dimension of the ERDF or through territorial cooperation programmes. These frameworks must be reinforced for post-2020.

2

with regards to Cohesion Policy specifically, the CPMR:

- 2.1** Considers that the **dual nature of Cohesion Policy as an investment policy for Europe and an expression of solidarity of the European Union should be cherished**, in line with [messages adopted by the CPMR Political Bureau in June](#).
- 2.2** **Deems that Cohesion Policy should continue to support an integrated growth strategy at EU level after 2020** including priorities such as climate action, transport accessibility or support to SMEs, in coordination with EU policies in these areas.
- 2.3** Considers the absence of a defined EU growth and jobs strategy for post-2020 as an opportunity for reinforcing the place-based dimension of programmes under shared management. **The CPMR therefore urges the Commission to consider ‘smart regional concentration’<sup>5</sup> as a concept to allow regions to prioritise and concentrate funding under Cohesion Policy on ‘European added-value’ priorities identified in their respective regional development or S3 strategies.**
- 2.4** Believes that the fundamentals of Cohesion Policy (shared management, multilevel governance and partnership) should be preserved and reinforced. **Current attempts to centralise aspects of the policy** (such as the European Social Fund) **or divert it from its original objectives** (with the [December EMU package](#) proposing to use the performance reserve of ESI funds to support structural reforms implementation) **should be resisted at all costs.**
- 2.5** **Is convinced of the necessity to keep the European Social Fund (ESF) within Cohesion Policy to ensure that the EU’s renewed focus on Social Europe can be realised on the ground.** The ESF has an inherent territorial dimension and European regions have extensive competences regarding areas of intervention of the ESF (education, training, lifelong learning, tackling youth unemployment). Efforts to regionalise the management and delivery of the ESF should be strongly encouraged.
- 2.6** **Asks for a reinforcement of European Territorial Cooperation (ETC) programmes for post-2020.** ETC programmes should pay particular attention to maritime borders and should be aligned to respective sea-basin and macroregional strategies. The CPMR reminds the European Commission of the necessity to ensure that territorial cooperation programmes involving UK nations and local authorities are developed to address specific cooperation needs with the rest of the EU.

<sup>5</sup> See CPMR Technical note “[A future for Cohesion Policy? Avenues for reform](#)”, October 2017

- 2.7** Supports the efforts of the European Commission to simplify Cohesion Policy for beneficiaries, but recalls the importance of reducing the administrative burden for managing authorities as well. **The Commission should break the vicious cycle of adding new requirements every programming period because of the lack of trust in the policy to deliver results, and the objective of meaningful simplification.**
- 2.8** Post-2020 Cohesion Policy should stay true to its raison d'être **and pay particular attention to specific territories**, including outermost regions, islands, and northern sparsely populated areas.

### 3 with regards to funds supporting accessibility and transport infrastructure, the CPMR:

- 3.1** Believes that **improving accessibility in the EU has intrinsic territorial and transnational dimensions** which require a meaningful involvement of regional and local authorities.
- 3.2** Proposes, therefore, that **EU budget support towards transport and accessibility** should be structured as follows:
- The Connecting Europe Facility (CEF) and the Cohesion Fund should support priority corridors, Motorways of the Seas and the components of the TEN-Ts core network
  - The Connecting Europe Facility should finance the TEN-T comprehensive network
  - The European Regional Development Fund (ERDF) should stimulate accessibility at regional level by supporting the financing of secondary and tertiary nodes, - including ports - that are not eligible to the TEN-T, and their interconnections to the core and comprehensive TEN-T networks
- 3.3** Asks the European Commission to create **a level-playing field within the next MFF** and to coordinate interventions from the EU budget to transport infrastructure to ensure that **similar types of projects benefit from the same co-financing rate, regardless of the fund concerned (CEF or ERDF).**

### 4 with regards to the Connecting Europe Facility specifically, the CPMR:

- 4.1** **Supports a budget allocation for the CEF at least at the same level as for 2014-2020 for the post-2020 period**, provided that the governance of CEF is substantially reformed to better address territorial challenges.
- 4.2** Supports the intention of the Commission to reduce the impact of the transport sector on climate and therefore proposes to:
- Revise upward the indicative percentage of the CEF budget granted to the decarbonisation target
  - Enhance support for the development of maritime transport by
    - Increasing the ceiling for subsidies for harbour works to 40% (instead of 20%) depending on their level of accessibility.
    - Introducing a rate of between 30% and 50% for actions to support the Motorways of the Seas depending on the level of accessibility

- 4.3** Urges the Commission to **introduce accessibility as the fourth sectoral objective of the CEF** and to dedicate a minimum percentage of its budget to completing the TEN-T comprehensive network, with a modulation of CEF co-financing rates depending on regional circumstances.
- 4.4 Asks for earmarking to be introduced** to ensure a level of support for the least accessible categories of territories, such as islands.
- 4.5 Review priority corridors routes to create a better balance in the coverage of EU territories** according to [proposals developed by the CPMR](#).

## 5

with regards to Common Agriculture Policy, the CPMR:

- 5.1** Is attached to the CAP playing its full part in delivering territorial cohesion addressing specific territorial challenges, in light of the wide variety of different geographical landscapes and climates in Europe. This diversity means that the **CAP cannot be about “one size fits all” and therefore needs to be flexible** enough to respond to the needs of territories.
- 5.2** Reminds the European Commission of the **exceptional position of regions to articulate the implementation of both pillars of the CAP**, which justifies a reinforcement of the role of regions within the Common Agricultural Policy in the future legislative proposal. If CAP Strategic plans covering both pillars are to be introduced, regions should be central to them and multilevel governance arrangements must be ensured.
- 5.3 Strongly believes that the post-2020 CAP needs a solid budget for the period after 2020.** The future CAP should continue to support its historical missions such as providing food security and autonomy and preserving and improving the conditions of European rural areas. Newer missions at the top of the EU’s agenda, such as fostering research and innovation within the agricultural sector, developing environmentally friendly farming practices and climate change activities, are also crucial.
- 5.4 Opposes the introduction of any co-financing of the first pillar** which would be a first step towards the renationalization of the CAP and lead to extremely unbalanced effects between Member States.

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

## 6

with regards to the European Maritime and Fisheries Fund specifically, the CPMR:

- 6.1** Calls for a strong EMFF in the post-2020 EU budget which should continue to **focus on primarily on fisheries and aquaculture. The financial envelope allocated to fisheries and aquaculture should be at least maintained at the same level as 2014-2020 for post-2020.**

- 6.2** Believes that the late adoption of the EMFF regulation in May 2014 and the subsequent slow start of operational programmes and low absorption **rates should not in any way lead to a weakening of the policy objectives of the Common Fisheries Policy** in the future, nor be used to undermine the efficiency of funds delivered under shared management.
- 6.3** **Calls, therefore, for a swift agreement at EU level** on the post-2020 legislative framework regarding the EMFF to avoid further and similar delays in the future.
- 6.4** **Underlines the vast array of long-term challenges** faced by the sector that the EMFF has to answer to, which include the disproportionate impact of Brexit, climate change, worldwide competition and the ageing fleet and man forces.
- 6.5** Calls on the European Commission to focus the EMFF on the above-mentioned challenges. The CPMR recommends therefore that the post-2020 EMFF should be based on the following priorities:
- **Supporting the continuation of measures introduced by the Common Fisheries Policy** in 2013, such as the landing obligation, which requires developing more selective fishing gears, adapting fishing vessels and landing infrastructures
  - **Offering adapted responses to Brexit** potential impacts
  - Accompanying the **constant need for innovation in a context of increase international competition**
  - **Attracting young people** to the sector
  - **Investing for fleet modernisation and renewal** in order to reach EU targets regarding labour conditions, energy efficiency and climate change
  - Answering challenges linked to the **impact of climate change on fish stocks and aquaculture**
  - Providing adapted **support to data collection** and ensuring **adequate control of fisheries**
- 6.6** Recalls that the nature of the missions and challenges addressed by the EMFF require **primarily grants**.
- 6.7** **Strongly believes that regional dimension is the most relevant** when it comes to providing tailor-made answers the challenges faced by the sector and therefore calls for the EMFF to be predominantly delivered under shared management in the future. Shared management programmes are the optimal way to provide a targeted response at territorial level to the European and global context linked to fisheries and aquaculture.

## 7

with regards to fostering sustainable blue growth in Europe, the CPMR:

- 7.1** **Considers that realising the potential of blue growth and fighting 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 as under shared management - are conceived to continue to address both these priorities after 2020.

- 7.2 Reminds the European Commission that EU budget support towards climate should take into account the particularly acute vulnerability of maritime regions towards the effect of climate change:** from rising sea levels, acceleration of coastal erosion, to stronger droughts and floods, coastal areas are in the first line of climate change. Islands are particularly vulnerable given their unique and fragile ecosystems and dependence on costly energy imports of fossil fuels.
- 7.3 Strongly supports the continuation of initiatives such as the [political declaration on clean energy for EU islands](#)** as part of the Commission’s ‘Clean Energy for all Europeans’ package to encourage EU islands to share best practice in the clean energy transition and to provide a long-term EU framework for funding and technical assistance.
- 7.4 Encourages the EU to maintain its support to marine renewable sector and develop structured cooperation at EU sea-basin level** to foster knowledge sharing on specific ocean energy development, which is one of the challenge to unlock marine renewable energies potentials as mentioned in European Commission’s report “[Study on Lessons Ocean Energy Development](#)”

## A EU Budget to support the actions of regions to face global challenges

8

with regards to future EU budget support to the internal dimension of migration and asylum, the CPMR:

- 8.1 Fully supports the [European Parliament draft position regarding the post-2020 MFF](#)** for support towards the field of asylum and migration when it states that ‘**no single tool could hope to address the magnitude and complexity of needs**’.
- 8.2 Considers that EU migration policy should be holistic and requires an integrated approach based on **true complementarity of funding between the Asylum, Migration and Integration Fund (AMIF) and Cohesion Policy funding**.**
- 8.3 Proposes, therefore, that EU budget support towards the internal dimension of asylum and migration should be structured as follows:**
- **The AMIF:**
    - Should continue to remain the main fund for migration and asylum actions in the EU, able to cope with asylum seekers reception programs, the immediate needs of asylum seekers and refugees, and to remove the main obstacles for migrants and refugee’s social inclusion and integration
    - Should be reformed to include relevant areas to EU regions, such as the provision of immediate needs and reception of asylum seekers and refugees
    - Should foresee Member States engaging regions in their National Programmes for areas in which regions have legal competences or when regional action is needed for the implementation of EU and Member States goals, including regarding the allocation of funds
  - **Cohesion Policy:**

- Is an important asset to address cross-cutting aspects of migration and integration, through multilevel governance. Nonetheless, if Cohesion Policy will have to contribute to challenges linked to migration, the post-2020 EU budget should be increased accordingly.
- Should cover infrastructure projects aiming to enhance reception capacities under the ERDF
- Should cover mid and long-term actions enhancing social inclusion, access to labour market and integration of migrants and refugees under the ESF

## 9

with regards to the future European Neighbourhood Policy (ENP), the CPMR:

- 9.1** Reaffirms the need to **increase the involvement of local and regional authorities in the European Neighbourhood Policy (ENP) and the importance of associating the ENP with the promotion of emerging macroregional or sea basin initiatives or strategies**, by capitalising on the added value of decentralised and territorial cooperation and taking inspiration from the partnership driven approach of EU Cohesion Policy.
- 9.2** This should also correspond to an **increased budgetary envelope under the European Neighborhood Instrument (ENI) for cross-border cooperation (CBC)** and with an overall **effort of the EU to harmonise the regulatory framework for territorial cooperation** at EU level (e.g. in the case of CBC programmes under the ENP that are currently funded by the ENI and the ERDF, at the same time).



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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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