

CPMR regions at the forefront of sustainable economic recovery

The COVID-19 outbreak has been a game changer on many levels. It obviously and very directly impacted the way that we live, work and travel. It also changed the course of the European Union agenda and priorities. CPMR Member Regions both inside and outside the EU are on the front line when it comes to stimulating recovery to address the most impacted sectors from the fallout of this unprecedented health crisis and they want to play a key role in delivering sustainable economic recovery, including via the EU Recovery Plan in the coming months.

In support of the European Union's ambition to lead the way out of the crisis and lay foundations for rapid, sustainable recovery through a refreshed Multiannual Financial Framework for 2021-2027 and Next Generation EU recovery instrument, the Conference of Peripheral Maritime Regions:

- 1. Is of the firm opinion** that any efforts to stimulate sustainable economic recovery at global, European and national level will only be achievable if local and regional authorities have a central role in design and delivery.
- 2. Insists** that economic recovery will only be sustainable if it is based on the levelling up of all regional economies to ensure balanced territorial development accompanied by a fair and devolved financial settlement.
- 3. Welcomes** the novelty of the approach within Next Generation EU, which foresees raising 750bn euros from the capital markets in the coming few years to stimulate economic recovery on a pan-European scale, and acknowledges the European Parliament's position on the rule of law.
- 4. Strongly advocates** the active involvement of regions on implementing the Multiannual Financial Framework for 2021- 2027, and for them to co-lead the preparation and implementation of the Recovery and Resilience Plans with the national level, given the competences of regional authorities in the areas supported by the Recovery and Resilience Facility. This is crucial to best target the investments and reinforce the political ownership and democratic accountability of the facility.
- 5. Believes** that the European Union must facilitate public intervention and extend flexibilities in state aid until the end of 2021, given the instability of the health situation and its economic and social consequences in the regions. Many maritime regions will also experience difficulties related to Brexit and they too will require these flexibilities to ensure full support for sectors that will be hit. Likewise, it **feels** there is a need for a comprehensive review of the state aid rules, including regional state aid, in order to make it more suited to new territorial challenges and more flexible in the face of unforeseen events. Without this, the Regions will not be able to fully assume their responsibilities, nor pursue proactive policies.



- 6. Strongly regrets** the significant cuts to the Multiannual Financial Framework for 2021 – 2027 proposed by the European Council on 21 July, which are greatly at odds with the levels of political ambition displayed by Heads of States and Governments at the time.
- 7. Considers** that a smaller Multiannual Financial Framework will critically weaken the ability of the European Union to meet its long-term objectives. It should also be noted that the financial framework will already be weakened by the UK's withdrawal from the EU. A smaller MFF for 2021-2027 should not in any way be considered as a baseline for future EU budget discussions.
- 8. Believes** that cuts to the MFF risk jeopardizing the harmonious development of the Union and the strengthening of its economic, social and territorial cohesion. In particular, the objective of reducing the gap between the levels of development of the various regions and the backwardness of the least favoured ones could be compromised, in particular the regions which suffer from severe and permanent natural or demographic handicaps such as island, cross-border and mountain regions and sparsely populated regions with very low population density.
- 9. Fears** that objectives which reinforce economic, social, territorial cohesion and international cooperation will be particularly affected, including accessibility and transport connectivity (cuts to the Connecting Europe Facility), reaching carbon neutrality whilst leaving no region behind (cuts to the Just Transition Fund), stimulating excellence in research and innovation (cuts to Horizon Europe), or supporting the ambition of the new Migration and Asylum Pact including the issue of foreign unaccompanied minors (cuts to the heading 4 “Migration and Border Management”, the “Asylum and Migration Fund” in particular and to the Neighbourhood Development and International Cooperation Instrument).
- 10. Welcomes** the continuation of maritime cross-border cooperation programmes as defended by the CPMR, but nevertheless **regrets** the announced budget cuts to EU territorial cooperation, which is one of the essential instruments for supporting institutional and operational cooperation between EU Regions and with non-EU countries.
- 11. Calls** on the European Commission and the EU Member States to support regional authorities to move quickly to the implementation of the 2021-2027 programming period, given the inevitable late start of the programming process for European funds under shared management (such as Cohesion Policy funds) due to the long negotiations over the legislative framework.
- 12. Recalls** in that respect the significant progress made by regional authorities regarding the implementation of European Structural and Investment Funds delivered in partnership with regions in 2020, despite COVID-19-related disruptions. The late start of the programming process should not lead to criticism regarding the efficiency of the approach to delivering funds under shared management in partnership with regional authorities.
- 13. Insists** on a broad reflection on the role of the European Semester as the overall framework through which investment priorities under Next Generation EU and EU programmes and policies are defined, to guarantee that the European Semester dialogue is based on partnership and multilevel governance with regions.



- 14. Strongly believes** that the blue economy is indispensable to Europe's balanced recovery and to meeting the ambition of the European Green Deal, alongside the circular economy and the bioeconomy, which must guide investments arising from the Multiannual Financial Framework and Next Generation EU.
- 15. Calls** for the EU's reindustrialisation strategy to cover a wider range of sectors and have greater policy coordination at European level, so that it contributes to the economic diversification of European peripheral and maritime territories; **considers** also that it is essential for the recovery of these territories and for Europe in general to implement a European tourism strategy with adequate financial resources and concrete and effective policy measures.
- 16. Affirms** that addressing global climate change challenges and a green recovery can only be achieved through a place-based approach taking into account regional specificities. This requires the direct involvement of regions which are committed to making their contribution to a climate neutral Europe, as shown in the CPMR's own 'Regions Act' initiative. The CPMR therefore **urges** the European Union for higher ambition to achieve climate neutrality by raising its greenhouse gas reduction target to at least 60% by 2030.
- 17. Welcomes** the proposal for a Brexit Adjustment Reserve, which follows on from a long-lasting political demand from the CPMR. Local and regional authorities should therefore be in the driving seat regarding the programming and implementation of the Brexit Adjustment Reserve. The sectors hit by Brexit will differ across Europe's areas depending on the specialisation of their local economies. The interventions required to address its costs should therefore be place-based and tailor-made.
- 18. Welcomes** the introduction of the Just Transition Fund to remedy the social and economic consequences of decarbonising territories; **is concerned**, however, about difficulties as to how it will be implemented in relation to a proposal for a regulation that i) grants too much power to the Member States vis-à-vis the regions for distributing and setting up the funds, ii) excessively limits the financing rates and iii) excludes from its scope of application a number of fundamental aspects for a truly just transition, such as the transport and construction sectors. The CPMR **regrets** that the budget cuts agreed by the Council will have an impact on the number of beneficiary territories and on the territorial dimension of the transition.

Adopted unanimously by the CPMR Political Bureau on behalf of the General Assembly

29 October 2020