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**POLICY STATEMENT FROM THE CPMR GENERAL SECRETARIAT**  
*(approved by the CPMR Political Bureau, 27 February 2015, Nantes-Pays de la Loire, France)*

## **CPMR POLICY MESSAGES ON THE JUNCKER PLAN**

The peripheral and maritime Regions of Europe fully share the European Commission's analysis on the need to boost investment in Europe to create the right conditions for sustainable economic recovery. The Regions are indeed concerned about the consequences of the financial crisis on the territories, while disparities in development have widened between the centre of Europe and its periphery as noted in a number of recent studies<sup>1</sup>.

They welcome the ambition conveyed by the European Commission with the Juncker Plan to get investment in Europe back on track. However, the Regions are questioning a number of points regarding the resources available for the Plan and how it will be implemented.

1. **The increased use of financial instruments as supported by the Juncker Plan should not undermine the key role of Cohesion Policy as the EU's main investment instrument**, which has been the asserted aim of the European Commission since 2007. The CPMR believes that effective coordination between the implementation of the Juncker Plan and Cohesion Policy delivery is important, since they are additional and can be combined but not substituted. The deployment of such a significant envelope through the EFSI must necessarily be based on **a long-term policy vision** to achieve the objectives of the Europe 2020 strategy and target sectors able to fulfil these.
2. Some regions already resort to market instruments to support public investments, with a high degree of success. However, many regions are not in a position to rely on private-sector involvement. **Such a variety of experiences between regions needs to be taken into account by the European institutions when it comes to the implementation of the Juncker Plan and consideration of how future EU intervention is conceived for the delivery of its public policies, particularly for the post-2020 period.** With the EFSI limited to financial engineering, in some regions areas such as research and infrastructure which may remain funded through public intervention therefore will be unable to benefit.
3. **The CPMR believes projects should not only be selected based on return on investment, but also on employment creation and sustainable development which are of strategic importance in relation to the European strategies concerned.** The CPMR also feels that the Juncker Plan should prevent the generation of possible negative effects from a sustainable development point of view, by prioritising more environmentally friendly modes of transport such as shipping, Motorways of the Seas, or waterway transport, which provide a return on investment over the longer term, instead of favouring the funding of profitable transport infrastructure (e.g. motorways).
4. With regard to identifying endogenous sectors of economic development in the territories, **the Regions wish to recall their legitimacy and experience in acting as a bridge between public and private investors in areas generating growth and jobs in their territories.** The Regions also recall that one of the pillars of EU investment policy is based on the Operational Programmes, and that EU

<sup>1</sup> For example, the study '[Impact of the Crisis on Economic and Social Cohesion](#)' carried out by the London School of Economics on behalf of the European Parliament

innovation policy is put in practice through the Regions' smart specialisation strategies (S3 strategies). These were largely drafted by the Regions to establish an effective link between investment and high-potential economic sectors within the territories. For maritime and peripheral Regions, **boosting investment in Europe must be based on identifying strategic priorities such as developing industry and the maritime economy**, two flourishing sectors for growth and employment as acknowledged by the European Commission<sup>2</sup>. The peripheral and maritime Regions propose that these sectors should benefit from more favourable conditions, than those normally charged by the European Investment Bank. The minimum level of these loans should also be more flexible, thus also enabling smaller, however strategic important investments. In particular, given that the whole interest of the Plan is based on the leverage of EU funds, the Regions are concerned that the projects presenting the biggest risk, but which are nevertheless of strategic importance for the European Union, might fail to attract the anticipated private funding.

5. Given that the Juncker Plan aims to boost investment in a great number of areas of economic activity, the Regions wish to recall that there are European strategies and programmes in place to address the specific challenges of each sector (e.g. Horizon 2020 for research and innovation, TEN-T and the Connecting Europe Facility for transport, EMFF for maritime affairs and fisheries). Now that the EU budget for the period 2014-2020 has been voted and transport and research stakeholders have been notified of the budget envelopes, the Regions are concerned about the amounts being pumped out of these programmes to make way for the Juncker Plan. **The Regions believe that this transfer of funding should not result in a drop of ambitions by the European Union regarding the objectives of H2020 and CEF.**
6. With regard to the territorial dimension of the Plan, and given that the selection of projects financed by the EFSI does not take into account any criteria for geographic preference, the Regions recall the high level of diversity within the territories in respect of their endogenous potential. **Some peripheral, maritime and island Regions do not have the appropriate facilities or expertise to use the financial instruments provided for under the Plan**, and this may actually exclude them from Juncker Plan. Since the conditions for accessing funding under the Plan do not provide for geographic criteria, they are likely to create competition among territories, which would be highly damaging to the aims of the Single Market and to territorial cohesion which is one of the objectives of the Treaty. In this context, the Regions welcome the "fi-compass" platform which aims to assist managing authorities to set up financial instruments. However, they consider that the Commission should adopt a more targeted approach to Regions that risk being left on the side-lines of the Juncker Plan. **Collaboration between the CPMR and the European Commission could be envisaged to stimulate "capacity building" in these territories.**
7. Concerning the selection of projects supported by the Juncker Plan, the Regions note that an investment policy will be introduced by the EFSI Steering Board which will define a specific selection process. At this stage, the general criteria put forward in the Juncker Plan are economic viability, the "risk profile", maturity and the "European added value" of project proposals. The European Regions question the **process of evaluating two of these criteria that could favour projects that already have access to sources of investment** to the detriment of those considered "at risk" by private investors but which are of much greater strategic importance for Europe. This would allow for an integrated approach to the delivery of EU funded actions.
8. Regarding the European added value of the Juncker Plan, the Regions want to see a clear link between the selected projects and **European strategies. It is therefore important the "independent market experts" have the necessary knowledge and appropriate means** to examine the context of EU policies (including macro-regional and sea basin strategies).

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<sup>2</sup> EC Communication '[For a European Industrial Renaissance](#)' (January 2015) and EC Communication '[Blue Growth: opportunities for marine and maritime sustainable growth](#)' (September 2014)