



CPMR proposals for the revision of the post-2020 Cohesion policy legislative package

The CPMR cautiously welcomes the European Commission's proposal for Cohesion policy post-2020. With this document, the CPMR is seeking to work constructively within the legal framework that has been presented by the Commission on May 2018.

The remainder of the paper puts forward CPMR proposals to amend the Cohesion policy legislative package for the 2021-2027 period. These proposals stem from the **CPMR member regions input on the Cohesion policy package proposal**, as well as from a number of **key documents produced by the CPMR secretariat** in the last months:

- [CPMR proposals for a strong and reformed post-2020 Cohesion policy](#)
- [A future for Cohesion policy? Avenues for Reform](#)
- [CPMR vision for a post-2020 EU Budget](#)
- [Initial views on the post-2020 Cohesion Policy package](#)
- [The future of INTERREG: 10 messages from the CPMR](#)

The document is divided into five sections corresponding to specific messages on:

- I. **The Cohesion policy package and its budget**
- II. **The Common Provisions Regulation**
- III. **The European Regional Development Fund and Cohesion Fund**
- IV. **The European Social Fund**
- V. **European Territorial Cooperation**

I. The Cohesion policy package and its budget

1. Cohesion Policy budgetary resources must not be sacrificed during the negotiations. Cohesion policy needs a strong budget to deliver its objectives

The European Commission's proposal for the future EU budget published on 2 May delivered a strong blow to the Cohesion policy budget by proposing a cut of up to 10 %. This, accompanied by proposals to steeply decrease the EU co-financing rates, to significantly cut the Interreg budget, to introduce new Interreg components to be managed directly or indirectly by the Commission, and the possibilities to transfer Cohesion policy allocations to other EU programmes, will *de facto* mean **a significantly lower budget than the 10% cut for Cohesion policy under shared management.**

Therefore, the CPMR calls on the European Parliament to safeguard Cohesion policy resources:

- **Cohesion policy resources must not be sacrificed during the negotiations.** Failing that, economic, social and territorial cohesion would be undermined and inequalities would continue to rise across territories and among people in Europe.
- **The budget for European Territorial Cooperation should be at least brought back to its 2014-2020 levels (EUR 10.5bn).** INTERREG adds undisputed European value and is one of the most visible EU programmes at local and regional level. Doing 'more with less' is not an option for INTERREG.

II. Common Provisions Regulation

1. Coordination of ESI funds on the ground, in particular with the EAFRD and the ESF, must be ensured

The absence of a European Strategy replacing Europe2020 and of a genuine Common Strategic Framework, the coordination of European Structural and Investment (ESI) funds, in particular with the European Agricultural Fund for Rural Development (EAFRD) and the ESF+, places an undue burden on - regional - managing authorities to make the necessary links between these funds on the ground.

The fact that the EAFRD is no longer a part of the Common Strategic Framework is deeply regrettable, given the unequivocally territorial dimension of rural development. Regarding the new European Social Fund, coordination with the other ESI funds is even more critical since the ESF+ will be largely guided by the European Semester, which at present is devoid of a territorial dimension and follows an annual cycle. Cohesion policy remains, above all, the EU's main investment policy, and so should the ESF+ and EAFRD.

- **The CPMR calls on the European Parliament rapporteurs for the various ESI funds regulations to work together to ensure that the legislative framework is coherent for ESI funds' managing authorities.** Regions are in an exceptional position to play a coordinating role and articulate the implementation of rural development and the ESF programmes with the rest of the ESI funds, but this needs to be supported by a coherent legal framework.

2. Partnership and multi-level governance mechanisms should be reinforced for post-2020 Cohesion Policy

The European Commission proposes to maintain the same provisions for partnership and multilevel governance as for the 2014-2020 programming period by carrying over the European Code of Conduct on Partnership, a delegated act adopted in 2014. Simultaneously, the Commission proposes to reinforce subsidiarity and to provide more leeway for Member States in allocating ESI funds and in designing programmes.

- **The CPMR calls on the European Parliament to safeguard partnership and multilevel governance arrangements to ensure that regional and local authorities are meaningfully involved in Cohesion policy. In particular, the CPMR asks for:**
 - The introduction of more ambitious partnership provisions, in particular regarding the role of the European Commission as the guardian of the partnership principle.
 - Partnership and multilevel level governance provisions to specify how Cohesion Policy should address the needs and challenges of specific territories mentioned in articles 174 and 349 of the EU treaty.
 - Managing authorities at regional level to have more flexibility in modifying programmes and reallocating resources. Decisions on where to target the funds should be decided at regional or local level as a priority, including with regards to the ESF and EAFRD.

3. Complementarity with the InvestEU and other programmes must not endanger the objectives of Cohesion policy

Last June 2018, the European Commission proposed the establishment of the InvestEU programme, the successor of the European Fund for Strategic Investments (EFSI). The [CPMR's policy position on a reformed Cohesion policy](#) had put forward messages on the link between the EFSI and Cohesion policy. The European Commission has taken a step forward in building complementarities between these very distinct policies by foreseeing a threshold of 5% to limit the (voluntary) transfer of resources from Member States' Cohesion policy allocations to the InvestEU.

The European Commission also foresees another threshold of 5% to limit the transfer of ESI funds programme' allocations to other EU programmes under direct management (other than the InvestEU).

- **The CPMR calls on the European Parliament ESI funds rapporteurs to safeguard the principle of shared management. The (double) 5% threshold for transferring resources to the InvestEU and other EU directly managed programmes is the highest acceptable limit.**
- **The CPMR believes local and regional authorities should be involved in the decision-making process for transferring resources from ESI funds to programmes under direct management and the InvestEU.**

4. Measures towards specific types of territories must be safeguarded, and the EU treaty provisions in that regard must be coherently applied

The Commission proposal for the future Cohesion policy shows little consistency with the EU treaties on the territorial dimension of the policy. The CPMR notes that the European Commission has put forward positive proposals regarding outermost regions, as per Article 349 TFEU and deriving from its [Strategy](#) launched in October 2017, and maintains the specific allocation for the Northern Sparsely populated areas. However, despite the obligations arising from Article 174 TFEU, the specific challenges of island regions continue to be insufficiently addressed in the Common Provisions Regulation.

- **The CPMR has repeatedly asked for a stronger territorial dimension of Cohesion Policy and, therefore, calls on the European Parliament to:**
 - **Safeguard the positive proposals put forward regarding Outermost regions**
 - **Develop a coherent and proportional approach to insularity applicable to all of the 2 500 European islands.**

III. ERDF and Cohesion Fund

1. The new provisions on thematic concentration of funding at national level must not endanger the territorial dimension of Cohesion policy

The proposed new system to leave it to Member States to concentrate ESI funding could put at risk the functioning of multilevel governance arrangements and the place-based approach of Cohesion policy. Managing authorities or intermediate bodies at regional level will have to reach an agreement with their respective national governments if they wish to concentrate funding on priority areas which differ from those preferred at national level. This may be an issue in unitary or centralised Member States, and might make life difficult for territories with specific geographical handicaps in certain Member States, in the absence of an EU framework.

The new provisions might create an “investment straightjacket” for regions, particularly within “rich” Member States. Member States will be grouped in three categories depending on their respective Gross National Income (GNI), which, in turn, will determine the percentages of funding to concentrate to the Cohesion policy objectives for the whole of that Member State’s territory, regardless of the category of each region within that Member State. In practice, this system risks not taking properly into account the investment needs of regions.

- **The CPMR considers that reverting to the previous system of thematic concentration of ESI funding could be a preferable path** to avoid difficulties regarding the attainment of the objectives of the Policy and of the EU treaty, as well as additional complexities on multilevel governance arrangements and at programming level.
- In its [Policy Position in March 2018](#), the CPMR suggested introducing the concept of ‘**smart regional thematic concentration**’ in order to provide the regions with greater flexibility in the concentration of ESI funds, in accordance with their specific needs.

2. All island territories and outermost regions should be granted the same maximum level of flexibility with regards to the thematic concentration obligations of ESI funds

The new ERDF/Cohesion Fund regulation foresees a differentiated treatment for outermost regions, as per Article 349 TFEU, which will therefore enjoy the maximum level of flexibility in thematic concentration. Outermost regions will also be eligible for a derogation for investments in airport infrastructure. This is very much welcomed at CPMR.

However, it is extremely surprising and regrettable to note the disappearance of the specific derogation allowing a number of islands to benefit from the maximum level of flexibility in thematic concentration.

- **The CPMR calls on the European Parliament to ensure that all island territories and outermost regions enjoy the same maximum level of flexibility with regard to thematic concentration obligations of ESI funds.**

IV. European Social Fund+

1. The territorial dimension of the European Social Fund must be safeguarded

In the future, the ESF will remain as one of the funds covered in the Common Provisions Regulation, despite having its own ESF+ regulation. However, the European Semester will serve as one of the main references to guide the interventions of the ESF+. In its current form, the European Semester does not take into account regional challenges or investment needs and, therefore, this path endangers the territorial dimension of ESF investments.

We also note that in the proposed ESF+ regulation economic, social and territorial cohesion is referred to only in the first indent, while the European Pillar of Social Rights is replacing the Europe 2020 strategy as one of the main guide for ESF investments together with the EU semester. Regrettably, no reference to human capital investment can be found in the new regulation despite it being the main lever to promote territorial convergence.

- **The CPMR calls on the European semester documents** (Annual Growth Survey, the National Reform Programmes) **to include a thorough territorial analysis** paying attention to the regional dimension and the role of regional authorities in implementing country specific recommendations (CSRs), including the situation of specific territories. **Local and regional authorities would need to be granted a substantive and permanent role within the semester process.**
- **The CPMR believes that European Social Fund operational programmes should be managed at regional level or at least guarantee the involvement of local and regional stakeholders**, as they are best placed to know the social and economic needs at regional level.

2. Greater flexibility in the areas of intervention of the ESF should be provided to ensure better alignment with the specific needs of the regions

The proposed system to concentrate funding for the ESF+ in the 2021-2027 period is rather convoluted. Member States would need to concentrate an “appropriate” ESF+ funding amount on ‘relevant’ country-specific recommendations, social inclusion, material deprivation, Cohesion policy objective 4 (Social Europe) and its 11 specific objectives, while contributing to Cohesion policy objectives 1 (smarter Europe) and 2 (greener, low carbon Europe). There is other specific earmarking for Member states and outermost regions with a high NEET (youth unemployed population) rate on top.

- The thematic concentration for ESF+ is extremely vague when it comes to defining the contribution of the fund to the European Semester. **Thus, the CPMR calls for the ESF allocation destined to support the EU Semester to be properly defined and justified, reasonable and proportionate to avoid transforming the ESF into a mere instrument of the European Semester without a tangible territorial dimension and avoid using Cohesion policy funds for matters that have little to none bearing on the regional level.**

V. European Territorial Cooperation

1. The INTERREG budget line should be brought back to its 2014-2020 level

Despite its recognition as one of the policies with the most tangible EU added-value, the proposed budget for Interreg 2021-2027 would see its resources cut by 12%, a higher cut than that to the overall Cohesion policy budget. Taking into account that the newly proposed components for interregional innovation and outermost regions will be managed directly or indirectly by the Commission, that the EU co-financing rates would be significantly lower, and that the Interreg budget has historically been decreased in each negotiation phase, the risk is that INTERREG will not be able to deliver due to very limited financial resources.

The CPMR is also concerned about the changes made to the Interreg allocation methodology which would result in a higher concentration of resources in land, highly-populated borders in detriment of sparsely populated, coastal, peripheral maritime and mountainous cross border territories.

- **The CPMR calls for the Interreg budget line to be at least brought back to its 2014-2020 level to be able to deliver its objectives and foster genuine cooperation across borders in the European Union and with its neighbours.**

2. Maritime cross-border cooperation programmes should be maintained within the cross-border cooperation strand for the 2021-2027 programming period

The ETC regulation proposal to remove maritime cross-border cooperation programmes is deeply regrettable. The proposed reform is guided by both a wish to reduce the number of programmes and on the assumption that maritime borders are less tangible than land borders. The evidence suggesting that maritime borders are less tangible than land borders is patchy at best. Removing maritime cross border cooperation programmes would severely dilute the role of local and regional authorities in INTERREG programmes and exclude smaller actors from INTERREG, as mentioned in the CPMR study on the added value of INTERREG.

If maritime cross-border cooperation programmes disappeared and a new architecture including this type of cooperation was put in its place, delays in Interreg programmes design and implementation, complications over designation of authorities, and unnecessary red tape would be unavoidable for the next programming period. This would go very much against the objectives of efficiency and simplification the European Commission is after.

The disappearance of maritime cross-border cooperation programmes would be extremely detrimental for island regions, bearing in mind that insularity is in itself a major obstacle to co-operation between islands and with their neighbouring mainland.

Therefore,



The CPMR calls on the co-legislators to maintain maritime cross-border cooperation programmes within the cross-border cooperation strand for the 2021-2027 programming period

3. Interreg should continue to support cooperation with non-EU countries

The CPMR recognises as a very positive step the mention of the UK as a future country eligible to cross-border, transnational and maritime cooperation. The CPMR also acknowledges the effort made by the European Commission to further simplify and clarify the rules to transfer part of the resources from the EU's external financing instruments (Instrument for Pre-Accession III, Neighbourhood, Development and International Cooperation Instrument, and Overseas Countries and Territories Programmes) to INTERREG programmes.

The CPMR has the following messages regarding cooperation with non-EU countries:

- **The CPMR believes that cooperation with third countries through INTERREG programmes should be continued.** The mention of the UK as a future country eligible for cross-border, transnational and maritime cooperation is a very positive step.
- **The CPMR believes that initiatives to develop European value chains would benefit from participation from the EU's nearest neighbours, and should therefore be open to third countries and the UK.** The introduction of the new component 5 for Interregional innovation is a welcome development, however it is regrettable that it is currently not open to third countries. This is inconsistent with the approach in the rest of the Interreg programme.
- **The new component for outermost regions should receive sufficient resources and be easy to implement** in order to enable effective cooperation between those EU regions and their neighbouring countries and territories. In particular, **the regional authorities concerned should be able to select the best management model (shared or indirect) for their programme.** The management model should be able to be different according to the specificities of each programme.
- **Cross border cooperation under the European Neighbourhood Policy between the future Neighbourhood, Development and International Cooperation Instrument (NDICI) and INTERREG should continue to be facilitated.** To facilitate further this cooperation in the Mediterranean, the budget for the ENI CBC MED programme should be increased, maintaining the same rules and co-ownership by Mediterranean Partner Countries (MPC). In parallel, the extension of the eligibility of actors from MPC as project partners in the future INTERREG MED programme could be supported. The potential merge of the future ENI CBC MED and the INTERREG MED programmes would not be feasible without a common regulation. Further specific messages on the future of ETC in the Mediterranean can be found in the CPMR Intermediterranean Commission [Policy Position](#) of June 2018.

4. Regions should be at the core of the new Interregional innovation component

The new architecture of INTERREG includes a specific component 5 for new innovative Interregional investments to support the clustering of actors involved in smart specialisation strategies across Europe. The European Commission proposes either direct or indirect management for its implementation, although it is unclear at this stage what the management and the functioning of this component would look like.

- **The CPMR believes that the new component for innovative interregional investment should rather be under indirect management and have regional authorities at its core, playing a key role.** The involvement of regional authorities could be done through their involvement in a committee composed by those responsible of smart specialisation strategies at regional level.

5. The complementarity and coherence between the different Interreg strands and, in particular, of transnational programmes with macro-regional and sea basin strategies should be strengthened

The European Commission's proposals to preserve the three INTERREG strands (despite the regrettable proposal to eliminate maritime cross border programmes), and to strengthen the support of INTERREG to macro-regional strategies for the post-2020 period, are welcome. However, this should be applied for all already existing sea basin strategies and initiatives as well as for those currently under reflection.

- **The CPMR calls on the setting up of an ex ante mechanism to ensure all actors at macro-region and sea basins, ETC programme authorities, regions and countries are brought together at the start of the programming period to decide jointly on the priorities for each programme.** Those priorities should be aligned with macro-regional or sea basin strategies' Action Plans where they exist.
- **The CPMR believes that the future involvement of regional and local authorities, along with that of other stakeholders, should be also watched closely during the implementation of macro-regional and sea basin strategies.** The CPMR General Secretariat underlines that a stronger link between macro-regional and sea basin strategies and initiatives with INTERREG requires strong multi-level governance of these strategies.



**CPMR
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Contact person: Estela Lopez-Hermoso, Policy Analyst

Email: estela.lopez-hermoso@crpm.org

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.

www.cpmr.org

CONTACT:

6, rue Saint-Martin, 35700 Rennes
Tel: + 33 (0)2 99 35 40 50

Rond-Point Schuman 14, 1040 Brussels
Tel: +32 (0)2 612 17 00

Email: Secretariat@crpm.org; Website: www.cpmr.org