



FUTURE OF EUROPE: UPDATE REPORT

For information for the Political Bureau: Stavanger, 22 June 2017

BACKGROUND

This paper provides an update on the state of play of the CPMRs reflection on the Future of Europe.

On 10 March the Political Bureau agreed the CPMRs approach to this reflection, which will take place over the next 15-18 months culminating in the adoption of a **Manifesto on the Future of Europe** at the AGM in the autumn of 2018, ahead of the year of change at EU level in 2019.

Our reflection is focused around **three key pillars**, aimed at providing solutions to the challenges facing Europe: (i) investment, competitiveness and cohesion; (ii) democratic participation, and (iii) the EU and its wider neighbourhood (including Brexit).

It will set out a vision that places regions at the heart of the future vision of the EU.

In a nutshell

- The European Commission published a [White Paper on the Future of Europe](#) (1 March) setting out five scenarios for the EU by 2025. Two Reflection Papers have been published ([Social Dimension of Europe](#); [Harnessing Globalisation](#)); three more are due this year.
- President Vasco Cordeiro, on behalf of the CPMR Political Bureau presented a political statement to media in Brussels (9 May) setting out initial political messages/conclusions from the work undertaken by the CPMR during March and April.
- President Juncker is expected to set out his preferred option in his State of the Union Speech to the European Parliament (13 September) whilst the European Council (14-15 December) is likely to adopt conclusions. Brexit negotiations will start in June.
- A policy position will be presented to the AGM in Helsinki (20 October) with the core political messages and conclusions from our first phase of work.

1. A changing environment

The reflections on the future of Europe take place against the backdrop of a changing political context. The mood in January was very anxious following the Brexit vote, the election of President Trump, as well as the uncertainty surrounding forthcoming elections in Europe.

However, there has been a more positive shift since then: first with the Dutch elections and subsequently with the election of President Macron in France, and in the unified response of the EU27 to Brexit. The German elections in September should not, unless something unforeseen and exceptional happens, change this mood, given the two main candidates (Angela Merkel and Martin Schulz) stand on strong pro-European platforms.

The election of President Macron has shifted discussions very much towards a reform and change agenda, driven from a pro-European Union perspective. This brings into play serious consideration about future restructuring of the Eurozone, about a multi-speed Europe and the role of the EU in defence, security and on the global stage.

This gives the CPMR an opportunity to contribute positive ideas and thinking to this discussion, and to set out the essential role and place of Regions in the future of Europe.

2. What we have done to date

The CPMR has made good progress since March in its reflection on the future of Europe. **Annex 1** provides a complete list of all the activities undertaken and planned (as of end of May). In particular, we draw attention to the following:

- **Publication of a political statement** to EU media on 9 May by President Cordeiro setting out the initial political messages from the reflection to date
- **Launch of a new web-forum** on the Future of Europe as a place for analysis, ideas and thoughts on the reforms, with 15 contributions to date from the CPMR Secretariat and Member Regions.
- **Creation of a Technical Group from CPMR member regions** to guide and shape the detail of the discussions. This Technical Group has met seven times since beginning of March.
- **Thematic workshops/briefing sessions** including sessions on White Paper with European Commission's Chief Spokesperson and the Head of the European Commission's inhouse 'think tank'.
- **Integration of the Geographical Commissions** into the reflections including political discussions at the Executive Committee and General Assembly meetings and thematic working groups. CPMR President Cordeiro and the CPMR Secretary General will have by July participated in future of Europe discussions at all the General Assemblies of the Geographical Commissions.
- **Publication of three press releases** including a statement on Brexit ahead of the triggering of Article 50 by the UK Government (more on Brexit below in sections 3 and 6).

3. White Paper and Reflection Papers

Analysis of the Commission's White Paper

The European Commission published its White Paper on 1 March, setting out five scenarios for reform: (i) carrying on as usual (ii) nothing but the Single Market (iii) those who want more do more (i.e. multi-speed) (iv) doing less more efficiently, and (v) doing much more together.

In our web-forum we have made some analysis of the different scenarios presented. We raise concerns about the **veiled attack on Cohesion Policy**, seen explicitly in scenario 4 of the White Paper, and the **absence of a territorial dimension to any of scenarios**. North Sweden EU Office contributed an article pointing to a fundamental weakness of scenario 2 - '**nothing but the Single Market**' - and its failure to recognise the extent to which the Single Market is intertwined into much of what the EU does. There was also some bemusement at the choice of examples presented in the White Paper, and the lack of consideration of policy issues (such as agriculture, transport, environment).

... And its Reflection Papers

The Commission is publishing five Reflection Papers as follow up to the White Paper, and these do address some of the concerns around absence of detailed policy issues. Three have been published to date: **Social Dimension** and **Harnessing Globalisation**, both of which give more prominence (than the White Paper) to regional disparities and the territorial impact of policies; and most recently (31 May) a third on **Deepening Economic and Monetary Union (EMU)**. Two further Reflection Papers are in preparation: **Future of Europe's Defence** and the **Future of EU Finances**.

The paper on **Harnessing Globalisation** mentions explicitly the role of the European and Structural Investment Funds, smart specialisation strategies, and the need to target support and interventions at the regional and local level 'to ensure that all regions can benefit from the internal market and better prepare themselves for globalisation'. This is a welcomed improvement on the White Paper.

The paper on **Social Dimension**, however, shows we must remain vigilant concerning Cohesion Policy and EU interventions. It presents three scenarios for the future, two of which see either no role (scenario 1 – EU action limited to the 'free movement' rights) or a more limited role (scenario 2 – Eurozone) for EU level interventions. The third scenario (deepened integration) sees a role for EU funding to 'support skills development, labour market integration projects, the fight against poverty and promote social innovation' but such funding would be conditional on meeting reform measures.

The paper on **Deepening Economic and Monetary Union** sets out concrete steps to be taken by the European elections in 2019, as well as a series of options for the following years, when the architecture of the Economic and Monetary Union would be completed. It is a long and detailed document (40 pages), aims to launch a discussion around three broad issues – with suggestions of possible approaches for each of these areas: (i) developing a genuine financial union (including completing Banking Union and Capital Markets Union); (ii) achieving a more integrated economic and fiscal union (includes the idea of a European Safe Asset as a new financial instrument for common issuance of debt); and (iii) anchoring democratic accountability and strengthening euro institutions (including longer term potentially a Euro Treasury). There is clear resonance with the two other Reflection Papers around the need to address the growing disparities at social and economic level between and within EU Member States.

We will undertake analysis of the two final Reflection Papers once they are published. The paper on the **Future of EU Finances**, given this links across to the thematic policy priorities of the CPMR, and our work on the multi-annual financial framework post 2020 and we propose to look in detail on budgetary scenarios in the second phase of our future of Europe reflection as we detail in *section 6 (Next Steps)* below.

BREXIT: Key milestones

On 29 March the UK formally wrote to the European Council President Donald Tusk in accordance with Article 50 of the Treaty, thereby launching the 2-year timeframe of the Brexit withdrawal process.

On 5 April the European Parliament overwhelmingly adopted a [resolution](#) (with 516 votes in favour) setting out the key principles and conditions for its approval of the UK's withdrawal agreement. The Committee of the Regions had adopted its own [resolution](#) on Brexit 22 March, a plenary session where Michel Barnier, Head of the Commission's Brexit Taskforce, set out the underlining principles the Commission was proposing to follow in the negotiations.

On 29 April 2017, the European Council adopted its [political guidelines](#), which define the framework for the negotiations and set out the EU's overall positions and principles for the Article 50 negotiations.

On 22 May, the General Affairs Council officially authorised the opening of Brexit negotiations, and also adopted the [Negotiating Directives](#) for Brexit, which cover the first phase of the negotiations (the withdrawal agreement). The EU27 has agreed that the negotiations will be undertaken in two phases: the first to agree the terms of withdrawal; the second to open discussions on an agreement between the UK and EU27 post-Brexit.

CPMR has undertaken considerable work on Brexit to date.

Brexit 'taskforces' have been established in two of the CPMRs Geographical Commissions:

- Atlantic Arc Commission (has met twice: 29 March; 7 June)
- North Sea Commission (has met once: 29 April)

A 'Channel taskforce' is also being established given the strategic importance of the Channel and relations with English authorities over this shared space.

On 7 June, we held a Brexit session in Brussels with Stefan de Rynck, a member of Michel Barnier's Brexit Taskforce in the European Commission; and with senior officials from the Irish Permanent Representation to the EU, Scottish Government and Flemish Government.

A Brexit conference is also planned, in co-operation with the Welsh Government, to take place in Cardiff in late autumn 2017 or early 2018. We are exploring the possibility of organising the Channel Taskforce meeting back to back with this Brexit event in Wales.

4. Position of the Member States

Multi-speed versus single speed

The reactions of Member States to the White Paper has been mixed, with a clear divide East/West divide on the question of multi-speed: Spain, France, Italy and Germany in favour; with the VISEGRAD countries and Romania coming out firmly against the introduction of a two-tier Europe.

Eurozone budget and Eurobonds

There are strong differences of view on how the Eurozone should deepen its integration.

The Spanish Government, in anticipation of the Reflection Paper on Deepening EMU, prepared a paper on deepening economic integration of the 19 Eurozone countries. This includes the following elements:

- Completion of the banking union and implementing of changes already agreed.
- Create a common budget for the Eurozone as a ‘stabilisation tool’ in times of crisis or instability:
 - initially a common budget channelled through an investment mechanism;
 - at a later stage the development of a common unemployment insurance scheme to complement national schemes.
- Introduce Eurobonds to deliver some ‘debt mutualisation’ across the Eurozone through the implementation of Eurobonds.

Italy also supports the introduction of Eurobonds and a common unemployment insurance scheme for the Eurozone for some time.

New French President Macron supports the creation of a Eurozone Minister, an idea presented in the Five Presidents Report on deepening EMU. He has also talked about creating a ‘Eurozone of investments’ that aims to reduce disparities across the EU territory. This doesn’t include, however, Eurobonds with Macron stating he is against mutualisation of historical debts across the Eurozone.

Germany remains firmly opposed to debt mutualisation through the introduction of Eurobonds, and reiterated this point in its initial reactions to the Reflection Paper on Deepening Economic and Monetary Union. The German Government has also emphasised that it sees discussion around Eurozone as a part of the wider debate on the future of Europe, and that it does not want to see divisions between ‘ins’ and ‘outs’ of the Eurozone.

Common approach to migration

The Southern European Union Countries of the Mediterranean signed the Madrid Declaration at a Summit in April 2017 calling for a common approach to migration across the Mediterranean and north African region, and that EU Migratory policy should be based on shared responsibility and solidarity. within the EU. The declaration sees the Union for the Mediterranean as playing ‘a central role in the consolidation of Euro-Mediterranean regional cooperation, as an expression of co-ownership in the management of our common regional agenda in order to effectively and collectively address our current challenges’.

5. European Parliament and Committee of the Regions

The European Parliament adopted three resolutions on the future of Europe in February ahead of the publication of the White Paper, and has since held regular debates in plenary on future of Europe and on the question of Brexit (including adopting a resolution on Brexit negotiation priorities on 7 April).

There have been mixed responses to the White Paper from the political groups. EPP called for an end to the culture of blaming Europe and suggesting a sixth scenario as possible merging the five presented in the White Paper; S&D group criticised the Commission for a lack of leadership by not presenting a ‘strong and comprehensive choice’ for Europe; ALDE rejected any moves towards Europe à la carte; whilst the European Alliance/Greens welcomed the common frame of reference it provides for the reflections but noted the paper didn’t produce enthusiasm.

The Committee of the Regions launched its reflection on Europe in February, with a series of local events planned across Europe this year, and is set to adopt its position by the end of 2017 or early 2018. We have written to CPMR regions to keep us informed of local events that they are organising so that we can draw on this work in our own reflections. The CoR has picked up on the concerns that CPMR has raised about the White Paper and the veiled attack on Cohesion Policy in its plenary discussions.

6. Emerging themes and political messages

Political Statement

The Political Statement published on 9 May draws together the main themes that have come out of the initial phase of our reflections, and responding to the White Paper.

Three core messages, with regions occupying a central place in the realisation of these:

- Territorial, social and economic cohesion must be a central pillar of any future vision of Europe complementing the Single Market
- Cooperation and partnership are at the heart of the EU and need to be reinforced and strengthened in the future (including post-Brexit)
- Need for a robust defence of European values, including the importance of solidarity

The statement reiterates that regions are fundamental to the future success of Europe, acting as a bridge between the EU, the national level and ordinary people.

Walking at the same pace

There was some discussion as to whether the CPMR should give recognition in the **political statement** that a **multi-speed Europe** could eventually come out as the preferred option for future reform. However, it was considered too early in the reflections to come to this view. The statement, therefore, notes the preference of the CPMR for Europe to ‘walk at the same pace’, and avoid any fragmentation of Europe.

Our press release on the White Paper talked about the need for a **sixth scenario which places regions at the heart** of the debate on the future of Europe. This is in response to concerns at the absence of a territorial dimension in the White Paper and no real mention of the role or importance of regions in the European project.

Our discussions with the Commission show a concerning lack of recognition of the formal status of regional governments despite the level of competence in many areas where the EU legislates or takes policy decisions. In response, we are developing a message around the notion that **'regions are not just another stakeholder'**, given the tendency of European Commission to list regions in with business, sectoral representations and lobbying organisations.

Thematic work

We have undertaken some thematic work to date (in maritime affairs), and further activities are planned during the coming months including migration, neighbourhood policy, accessibility and climate change, where we will look to draw out particular issues by policy area.

The maritime brainstorm showed the value of this, as it gave a strong endorsement to the **added value of EU co-operation**, the essential need for the **European Commission to take a lead role in driving the agenda for blue growth**, and the political momentum that the Commission has given to prioritising development of the marine renewable energies sector. It also raised questions around **future financing** and the need to give more priority to investing in the blue economy, and at how the EU can develop innovative mechanisms to overcome bottlenecks that prevent investment in the maritime sector.

Democratic participation

In our discussions on democratic participation the importance of presenting a **positive vision of the EU and the fundamental values it stands for**, has come out as strong theme.

There was a general **scepticism towards focusing on more communication** to explain what the EU is, how it functions and makes decisions: ordinary people are not interested in talk of institutions, or understanding how the EU works but want to see the EU provide solutions and make a positive difference to their lives. The discussions also underlined the **central role that regional politicians can play in connecting ordinary people with the EU**, showing how it makes a difference in their lives. And that many national politicians are failing the EU by not communicating honestly about the impact of EU on national policies.

The Commission has made it clear they don't want to discuss EU institutional reform as part of the White Paper reflections. However, given the concerns raised around democratic processes, distrust with politicians and institutions, there was a strong view that **questions about institutional structures should not be ignored**. Brexit will change the balance between national representations in the EU Institutions and provides an opportunity to have such a discussion.

BREXIT: Key messages

Five main themes have emerged from the work to date on Brexit:

- Disproportionate territorial impact of Brexit: some regions will feel the impact of Brexit more than others. This has come out strongly from initial analysis by CPMR regions (and others e.g. Flemish Government).

- Representation of regional concerns in the formal negotiations on Brexit: the devolved governments within the UK negotiating team; and structured access to European Commission Taskforce and EU27 Member States for regions.
- Ensuring continued opportunities/frameworks for co-operation post Brexit: between UK nations/regions and EU regions, including looking at frameworks that will facilitate this post-Brexit.
- Commitment to recognise and protect the rights of UK citizens in EU27 and EU citizens in UK in post-Brexit arrangements
- Implications of Brexit to future EU policies and EU Budget: What impact of loss of the UK net contribution will have (including the scenario where there is no agreement on the leaving bill for the UK); implications to the Common Fisheries Policy, Cohesion Policy, Common Agricultural Policy, research and innovation policies, education training and mobility, maritime policies, energy, environment, transport, safety, operation of the single market, etc.

7. Next Steps

Consensus on overarching political messages/principles

The work to date has already defined the broad overarching political messages of the CPMR position on the future of Europe, on which there is clear consensus and structure around territorial cohesion, co-operation and values (including solidarity).

Further thematic work

Further work will be undertaken in the coming months on thematic areas including migration, maritime, climate change, accessibility and security, to identify further specific policy points within these areas. This will be undertaken through the CPMR working groups and taskforces, including:

- Migration Taskforce: we have commissioned former Spanish Secretary of State for Migration and ex-MEP Anna Terrón to undertake a piece of work to set out key political messages for the future of EU migration policy and the role of regions in this; this will feed into the messaging for the future of Europe reflection;
- Climate Change Taskforce: as part of its work on adaptation and mitigation during the second half of 2017 and into 2018, and feeding into reflections on the future EU Budget.

Academics and other external expertise

Over the coming months we will be looking to involve academics/external experts in the next phase of the reflection again through the contribution of blog articles, and also to undertake specific pieces of work. We would propose to look in particular at a number of themes and technical questions, including:

- Multi-speed Europe: understanding what this could look like in practice and how it could impact at a territorial level and on key priority concerns for CPMR regions;
- Questions around institutional structures: how to strengthen the regional voice in the policy and decision-making process; how to bring EU Institutions closer to the citizen;
- Analysis of White Paper and the five Reflection Papers from the point of view of impact/relevance to regions, including SWOT analysis;

- Potential opportunities for regional co-operation post Brexit through the work of the North Sea Commission and Atlantic Arc Taskforces;

Focus on budgetary scenarios

Looking towards the second phase of our work, starting in the autumn, we propose to shift attention towards budgetary and institutional questions. As noted above, the election of Macron in France, and the forthcoming German election in the autumn, has seen questions around governance of the Eurozone, deepening EMU, and a Eurozone investment budget come onto the agenda. Brexit poses a number of questions for the current and future financing of the EU project, and the proposals for the Multi-annual Financial Framework (MFF) post-2020 will also be on the agenda in 2018.

This is an opportune moment for the CPMR to present a strong regional contribution to these discussions. We propose to call upon the CPMR Scientific Council, under the lead of former Deputy Director-General of DG Regional Policy, Jean-Charles Leygues, to consider a range of scenarios looking for reform of EU finances in the future EU post-Brexit, considering the implications to CPMR regions and the impact on our key policy priorities. How the EU budget would support the delivery of: territorial cohesion, facilitate co-operation, and promote solidarity and the core values of the EU. What scenarios could deliver EU level action aimed at providing solutions to the challenges facing Europe, new and old, and how Europe can invest in new opportunities.

Local events

The second phase of work was originally conceived in the proposed approach adopted in Gozo, to see CPMR Member Regions organising local events on the future of Europe, based on the initial messages coming out of phase one. This aspect of the reflection is very much led and initiated by the CPMR Member Regions, whilst the CPMR Secretariat is keen to receive feedback and information on local events. This could be in the form of blogs on the Future of Europe web-forum. As noted already we have written to CPMR regions for information on the local events – including those that are part of the CoR's own reflections – that have been undertaken to date, including through blog articles, so that we can draw this together into our evidence base.

AGM in Helsinki October 2017

At the AGM in Helsinki we propose to present a policy position for adoption. This will be based on the political messages that have come out of the reflection up to mid-September from: the political statement published on 9 May; the discussions at the Political Bureau meetings (March and June); the meetings of the Geographical Commissions; Taskforces and Working Groups; the Technical Expert Group; the articles on our Web-Forum; and feedback from local events organised by CPMR Member Regions.

Visibility event in Brussels November 2017

We propose to organise a high-level meeting in Brussels after the AGM, most likely in November, to present the CPMR's policy position to the European Commission. The aim will be to meet with President Juncker and/or Michel Barnier, Head of the Commission's Brexit Taskforce.

Annex 1: Summary of activities on future of Europe to date

Launch of a new web-forum

Purpose: a place for presenting analysis, ideas and thought-pieces on different aspects of the debate.

- **Number of blogs:** 13 (as of end of May)
- **Number of visits:** around 2000 visits (as of end May)
- **Most read blog:** CPMR Political Statement on key role of regions in future of Europe debate: over 200 views
- **Organisations citing our blogs:** Used on Twitter by Atlantic Strategy, Agence Europe, Platforma, URU Fogar, Committee of the Regions, The European Movement

Creation of a Technical Group from CPMR member regions

Purpose: to guide and shape the detail of the discussions.

This Technical Group has met seven times since beginning of March.

Number of regions participating:

We have organised the work of the Technical Group into themes/issues with CPMR regions agreeing to lead on a number of these themes/issues, including preparing articles for the web-forum. To date we have received three contributions to the forum (North Sweden, Central Denmark and Cornwall) with around 10 more articles in the pipeline for June/July.

Thematic workshops/briefing sessions

Purpose: interactive discussion and debate on key issues themes.

Six sessions have been organised European Commission and other experts:

- **White Paper and Reflection Papers:**
 - Session with European Commission Press Spokesperson: Margaritis Schinas (17 March)
 - Session with European Commission's inhouse 'think tank': Ann Mettler Head of the European Political Strategy Centre (4 May)
- **Democratic Participation (7 April):**
 - European Movement International, CEMR, Eurocities and the Committee of the Regions
- **Investment, Competitiveness and Cohesion:**
 - Thomas Wobben, Committee of the Regions and Richard Tuffs, ERRIN (4 May)
- **Maritime 'brainstorm' (26 April):**
 - Commissioner Vella's cabinet member, and experts from Brittany, Zuid Holland and Ocean Energy Europe
- **Brexit (7 June):**
 - European Commission's Brexit Taskforce: Stefan de Rynck
 - Irish Government; Scottish Government and Flemish Government

Further working sessions are in preparation including:

- Migration/neighbourhood policy
- Scenarios for future EU budget (including implications of Eurozone budget)

We are also drawing from the work of the CPMRs thematic Taskforces and Working Groups to inform the political messaging and analysis in specific policy areas: Climate Change, Migration, Transport, Cohesion and Maritime.

Integration of the Geographical Commissions into the reflections. Future of Europe has been an agenda item at the following meetings:

- Atlantic Arc Commission: General Assembly 3 March (Pays de la Loire) ; Brexit Taskforce meetings 29 March and 7 June (Brussels)
- Islands Commission General Assembly: 9 March (Gozo)
- North Sea Commission: Executive Committee 24 March (Southend); Marine Resource Group 24 April (Brussels); Brexit Taskforce meeting on 29 April (Brussels); Annual Business meeting and North Sea Conference 28-29 June (Göttingen)
- Baltic Sea: Executive Committee 25 April (Brussels); General Assembly 11-12 June (Berlin)
- Black Sea: General Assembly 24 May (Central Macedonia)
- Inter-Mediterranean Commission: General Assembly 6-7 July (Naples)

A new Channel Taskforce is also being established to address concerns of French regions about the impact of Brexit in the Channel.

Engagement with the media and communicating political messages:

- **Media Breakfast Briefing** in Brussels on 9 May with President Cordeiro to present a political statement with initial messages (more on this below) from the reflections to date. 10 journalists attended including: euractiv, Agence Europe, Politico, Parliament Magazine, EU Reporter, and two Portuguese news agencies (LUSA and RTP), with articles appearing in all of these media outlets on CPMRs position.
- **Video recordings**: we recorded a [short interview](#) with President Cordeiro for YouTube. We would like to record other CPMR Political Bureau members as well setting out their views on the importance of future of Europe to their regions.
- **Publication of press releases**: including a statement on Brexit ahead of the triggering of Article 50 by the UK Government



Contact person: Gregg Jones, CPMR Director of Finance & EU Programmes
Email: gregg.jones@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

Ref: CRPMNTP170009