

Manifesto for a Cohesion policy at the heart of Europe

the four partner regions

Emilia-Romagna, Hessen, Nouvelle-Aquitaine and Wielkopolska

Cohesion policy (CP) is at the heart of the European project based on solidarity. It brings EU member states closer together by means of regional investments which implement the principles of subsidiarity, efficiency and partnership. It promotes growth and employment and, ultimately, contributes to build a European Union closer to its citizens and needs.

Emilia-Romagna, Hessen, Nouvelle-Aquitaine and Wielkopolska – belonging to four different member states – represent 20 million inhabitants. They manage 4496 million € of European regional development fund (ERDF) and European Social Fund (ESF). They are a cross-section of developed European regions providing a good example of the positive effects of the structural investment funds and the benefits to regional development of CP.

At present, the EU faces a period of complexity: Brexit, elevated inflows of refugees and migrants and international security threats. Likewise, challenges related to unemployment, demographic change, competitiveness, digitalisation, new technologies, climate change and biodiversity are persisting. The role of regions is strategic to face such challenges, to reaffirm the importance of multilevel governance and subsidiarity and to focus on projects with European added value.

For all the above, the four regions act as a catalyst to build on the success of CP and aim at:

- contributing to the debate on the future of Europe launched in the White paper of the President of the European Commission Jean-Claude Juncker and in the following reflection papers;
- advocating the development of a strong yet simplified CP as part of the post-2020 strategy;
- calling for a continued CP post 2020 for all European regions.

The four regions believe that CP is the most significant investment policy to maintain the global competitiveness of the EU and therefore share the following points:

Added value of CP

- CP is crucial to reduce the disparities between and within European regions and to consolidate economic, social and territorial cohesion. As such, the regions emphasize the importance of CP and an adequate budget to support it.
- The added value of CP relies on its place-based territorial approach, multilevel governance, multiannual planning, and an integrated development. CP also helps to progress towards European standards in administrative capacities. Through these elements, CP pursues EU objectives at the level closest to the citizens and these elements should be recognised.

- **European Structural and Investment Funds (ESIFs) are valuable and essential instruments in supporting research and innovation, small and medium-sized enterprises, employment, training, urban development, environmental and climate protection, and development of rural areas.**
- **CP enhances the resilience of the EU economy at all levels, while keeping local economies open to international trade on a fair basis through policy interventions. These interventions are indeed able to promote technology transfer and reinforce both assets and “capabilities” of local economic systems. Regional policy enables to share the benefits of globalization more evenly and to improve competitiveness for the territories all across Europe.**
- **CP should retain its strategic nature, ensuring a sustainable and adaptable investment framework, to support a long-term development impact. In parallel, CP should also be closely aligned with the strategic objectives of the EU’s vision beyond 2020, without losing its territorial focus.**

Governance

- **The strategic focus of CP should be jointly agreed between the EC, the member states and the regions. At the same time, the regions strengthen the relevance of managing CP at regional level.**
- **Shared management between the EC on one side and member states and regions on the other should be maintained for implementing CP. Responsibility and accountability should be clearly defined. Direct management by the EC should be allowed as an exception.**
- **The regions aim at focusing on concrete effects of a result-based CP. Strategic objectives should be emphasized rather than the implementing procedures to reach them.**

Simplification

- **A stable legal environment during and between the programming periods is needed in order to guarantee the well-functioning of the current management and control systems. Any retroactive application of rules and guidelines should be avoided, especially audits and controls. The rules and procedures of different European programmes and instruments within CP should be harmonized and simplified.**
- **The regions support the simplification of audit and control systems. The “single audit principle” should be recognised and respected by all the audit bodies.**
- **State aid rules should be aligned in all EU policies. Based on the principle of equal treatment, projects financed by CP should not receive more restrictive treatment than similar projects co-funded by directly managed programmes.**

Conditionality

- The regions recognize that it may be appropriate to support essential structural reforms by linking the European Semester more closely to the ESIFs under certain circumstances; particularly with strict respect for the competences of member states and regions.
- *Ex ante* conditionalities should be known fairly in advance, unambiguous and verifiable, according to transparent procedures. The responsibility for the fulfilment of the *ex ante* conditionalities should solely lie with the managing authorities.
- Macroeconomic conditionality shall not be used as a condition for funding eligibility.

Scope of ERDF and ESF

- Thematic concentration should be enhanced. Managing authorities should be able to select fewer priorities while at the same time deciding how to allocate the funds. Operational Programs (OPs) should be strategic documents, less detailed in terms of expenditure classification and easier to modify to adapt to changing circumstances.
- Innovation has a clear territorial dimension. The funds should also be able to support pilot and experimental measures, including investments for risky innovative ventures.
- CP should further adapt to regional needs by focusing on the competitive advantages of the regions, identified in the innovation strategies for smart specialization.
- The European Social Fund (ESF) has to be maintained under CP. The ESF is a fundamental instrument to deliver policy interventions tailored on the needs of local labour markets and to exploit the synergies with other ESIFs. Actions on human capital and competences – as those related to fostering research and innovation and local development – are complementary to other actions enacted through the ERDF.
- The regions should be empowered to choose how they implement the territorial dimension of CP to deal with intra-regional disparities. Territorialisation of CP should cover the wide application of territorial interventions instruments for different types of areas that should be created in response to their specific conditions and needs. Regional managing authorities should decide if and which territorial instruments they want to develop.

European Territorial Cooperation (ETC)

- Within the framework of the ETC, efficient and targeted funding for cross-border, transnational and interregional cooperation shall be increased. A single set of rules for all ETC programmes should be foreseen.
- The synergies among regional specialisations create value, lead to the reduction of territorial disparities and generate positive externalities to the benefit of the whole EU.
- Transnational programmes play a strong role in supporting Macro-Regional Strategies. Regions should have a leading role in managing ETC programmes, including cross-border ones.
- The implementing rules for ETC programmes and European Neighbourhood Instrument programmes should be harmonized.

Coherence between EU instruments

- ESIFs have different goals than the European Fund for Strategic Investments (EFSI). ESIFs have a regional basis and should not fund the EFSI or any other financial scheme. The four regions request that EFSI will not be considered as an alternative to CP.
- Financial instruments should not replace but ought to be complementary to grants.

Time period and roadmap

- The seven-year programming period within the Multiannual Financial Framework post 2020 should be maintained to guarantee the effectiveness of regional programming. However, the regions are open to start a reflection on a 5+5 programming period, in line with the mandate of the European Parliament.
- The regions expect that the current European Parliament adopt the new legislative framework for cohesion policy by spring 2019 while the negotiations on OPs should be concluded by the end of 2020.

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