

# Power Regions of Europe

For a modern  
Cohesion Policy 2028+

Brussels, 20<sup>th</sup> of November 2024

WE AS STRONG AND INNOVATIVE REGIONS OF EUROPE stand ready to be key partners of the EU institutions when it comes to designing the future framework of EU funding and programs 2028+.

We have taken note of the Political Guidelines by the President of the Commission Ursula von der Leyen to the European Parliament on 18<sup>th</sup> of July 2024. We welcome the clear statement that regions will remain at the centre of the Commission's work and the commitment to a strengthened Cohesion and growth policy to be designed in partnership with national, regional and local authorities. [p.19]

We have also taken note of the guidelines for a modern and reinforced EU budget that should be more focussed on priorities, more flexible, policy- and not programme-based, simpler, with fewer programmes and a plan for each country linking key reforms with investment, and focusing on our joint priorities, based on the objective of promoting economic, social and territorial cohesion. [p.29]

With this declaration we put forward our key positions on the future of Cohesion policy for the debate in the months to come. We ask the European Commission to involve the regions closely into this debate and into all future steps of the preparation of a renewed, strong and modern Cohesion policy 2028+.

This initiative supports the greater framework of dialogue offered by the Joint letter of European Regions on the Future of Cohesion policy dated May 31<sup>st</sup>, 2024. It addresses specifically the need to strengthen those regions who stand for a large part of the innovative and economic power of the European Union required to keep the EU prosper, united and free in the current geopolitical context.

### **NO RESTRICTION OF COHESION FUNDS TO CERTAIN REGIONS**

We continue to promote Cohesion policy as the vivid embodiment of European solidarity, where no region or area in the Union is left behind or excluded from funding.

Cohesion policy 2028+ must continue encompassing all regions of Europe in a coherent, tailor-made and needs-oriented approach. All kinds of regions deserve support to address the specific challenges that they face.

There are good reasons for Cohesion policy 2028+ to continue to support those areas most in need or faced with geographic disadvantages. Strengthening rural areas is a key prerequisite for utilising their high potential to boost economic growth in Europe and shape the green and digital transition.

At the same time, it is vital to keep strengthening those regions who contribute most to Europe's economic and fiscal power. Highly industrialised regions are affected by the green and digital transformation. They are also more vulnerable to economic shocks and crisis as we have seen during the pandemics of Covid-19. And they need to address the persistency of sub regional disparities and specific challenges.

Cohesion policy 2028+ should have adequate funding to raise attractiveness for potential beneficiaries, speed up implementation and effectively support transition efforts while strengthening global competitiveness. Cohesion policy should continue to support the functioning of the single market and support good governance and administrative efficiency. Furthermore, cross-border and transnational programmes can only work if all relevant regions participate.

A sufficient budget for Cohesion policy within the next Multiannual Financial Framework 2028+, adequate for the challenges ahead and including European Territorial Cooperation is the prerequisite to engage and encompass all regions across the EU.

## **NO CENTRALIZATION OF COHESION FUNDS**

We want a Cohesion policy that is developed together with the regions, to be implemented by the regions for the regions in the regions. We strongly oppose any shift to a more centralized approach or weakening the role and responsibility of the regions. We ask the Commission to clarify that the Political Guidelines do not intend such a centralising of budgets and decision making in national ministries or in the Commission. We ask to explain what a “policy-based and not programme-based approach with fewer programmes and a plan for each country linked to reform including promoting economic, social and territorial cohesion” means in this context.

The centralised approach of the Recovery and Resilience Facility (RRF) cannot serve as a model for Cohesion policy 2028+. The way the RRF was and is administered is

the contrary of targeted, simple and flexible. This is not only due to a lack of time but lies in the design of its governance and implementation, both clearly focused on the national level.

For European policies and initiatives to be effective and enduring, the EU needs the true involvement of regional actors who are the most appropriate institutional level for planning and implementing territorial policies. Any centralising approach at national level would fail to achieve economic, social and territorial cohesion as set out in the EU Treaties, which aim at reducing disparities between the levels of development of the EU regions (art. 174 TFUE). Furthermore, it would risk straining the relationship between the regions and the European institutions not only with a view to Cohesion policy 2028+. It would put the balance of the European multilevel governance structure as a whole at risk. Lastly, it cannot be ignored that the regions have, in many cases, decades of experience with the governance of cohesion funds, and have built up required institutional capacity to deliver on a decentralized cohesion policy which has proved to be targeted, delivers the intended added-value and has a particularly developed risk-proof management and control system. A sharp shift in the delivery model would inevitably cause severe delays and setbacks in programme implementation.

#### **FOR A POLICY FOCUSED ON MAIN PURPOSES AND RESULTS**

A strong cohesion policy based on partnership and tailored to the needs and challenges of the regions remains the best instrument for reducing regional disparities in the EU and giving all regions in Europe prospects for development. Therefore, we advocate for a Cohesion policy 2028+ that performs even better. Such an updated Cohesion policy should be open for the following principles:

- **Focusing on main purposes**

Cohesion policy 2028+ should further focus on promoting economic, social, and territorial cohesion within the EU while maintaining its successful approach as a long-term investment and structural tool to strengthen competitiveness, research, innovation, and the green and digital transformation.

Synergies between Cohesion policy and EU research and innovation policy must be further developed. We like to highlight the work of the Partnership for Regional Innovation (PRI) and the importance of co-financing between different funds and programs as a prerequisite for synergies.

An updated Cohesion policy should refrain from an overload or cross-cutting with secondary objectives. Regions must be provided with flexibility to define the most appropriated investments and instruments on the ground for contributing to the common set of goals of the future Cohesion policy.

We believe that the EU Commission needs to create a clear strategic framework that includes and generates synergies among the funds, programs, and instruments embodied in Cohesion policy. The strategic framework should incorporate overarching goals that include both ERDF and ESF+.

- **Focusing on results**

We are open to discuss a further strengthening of result orientation of Cohesion policy where appropriate, (except for the ESF+). This implies further elaboration of adequate ways for measuring success and relevance of Cohesion support as well as for financing not linked to costs and simplified cost options. However, regions have a strong need for clarity, predictability, and transparency. Further complexity in the system must be avoided. Again, the RRF approach does not seem fit for this purpose as it deviates from the proven concept of shared management and as it marginalizes the regions in the design. We reject any link to national reform plans. Particularly for regions with legislative powers, this is a question of sovereignty, which we share with the EU. In this sense, the EU should respect the internal institutional order of the Member States and the principle of multilevel governance.

- **Alignment with EU State aid rules**

A tailor-made Cohesion policy 2028+ should be sufficiently supported by clear EU State aid rules that provide actors on the ground with sufficient flexibility.

## **FOR A POLICY THAT IS SIMPLE, RELIABLE AND FLEXIBLE**

We advocate for a Cohesion policy 2028+ that ensures more efficiency by legal certainty and reduces red tape. Therefore, we plead for a simple, reliable and flexible set of rules that is well timed and fully respects the principles of subsidiarity and proportionality. Cohesion policy 2028+ should feature less red tape for programming, management, and control, including a significant reduction of data storage obligations. In the interest of managing authorities and the recipients of funds alike, the set of rules needs to better reflect the respective size of the programme and the amount of national co-funding involved.

The set of rules for Cohesion policy 2028+ should clearly focus on key aspects and be set in force well ahead of the new programming period. The current policy of constantly evolving even technical rules should end as long as it does not make a noticeable contribution to effectiveness. Establishing permanent procedural provisions for Cohesion policy as a whole – valid beyond a single programming period – would provide legal certainty and transparency. Such a permanent legal framework would minimize the risks of irregularities and reduce administrative burden.

Cohesion funds should provide a sufficient degree of flexibility to react to new developments. However, we oppose any tendencies to re-design Cohesion policy as a tool for crisis management. Instead, we stand ready to find fast and flexible solutions together with the Commission and the Member States when an extraordinary need arises as it has during the current period.

## **FOR A CROSS-BORDER POLICY THAT BRINGS EUROPE TOGETHER**

Cross-border, transnational, and interregional cooperation makes an indispensable contribution to the convergence of regions in the EU and beyond. They ensure a European added value that is remarkably visible. In this field, Macro-regional and Sea Basin strategies should be given particular attention too. Therefore, we believe that with Cohesion policy 2028+ the territorial cooperation should be further strengthened.