



Euroregion Baltic

EU COHESION POLICY AFTER 2020

Adopted on 18th September 2017 in Palanga, Lithuania

With reference to

- the political declaration on “A strong renewed regional policy for all regions post 2020” signed by 337 regions, local authorities and interregional organisations and presented to the EU institutions during the Summit of Regions on 28 September 2016,
- the Baltic Sea States Subregional Co-operation (BSSSC) which originally adopted the position on the EU Cohesion Policy after 2020 at its Board meeting in Brussels on 9th February 2017,

Euroregion Baltic (ERB) takes the following position:

Strengthened EU Cohesion Policy

Strengthening of economic, social and territorial cohesion must maintain also beyond 2020 as one of the main objectives of the EU. Complementarity of the EU policies is important, and ERB supports the European Structural and Investment Funds (ESIF) as instruments also contributing strongly to growth and jobs in the EU. But at the same time we underline the **need to distinguish between cohesion and investment policies**.

Importance of European Territorial Cooperation and people-to-people projects

ERB especially stresses the high importance of the European Territorial Cooperation (ETC) for integration, a prosperous and peaceful neighbourhood and understanding among people, which seems even more valuable considering the increasingly tense atmosphere in Europe as well as on a global level. **ETC in the next funding period needs to be systematically strengthened and well-resourced.**

Pressing challenges at European and global level can only be successfully tackled by European policies and initiatives if actors on the local and regional level are truly involved in their implementation. Thus **ERB is concerned about the tendencies in EU to prefer directly managed instruments to instruments of shared management.**

Reliability of the funding is crucial for the success of the policy. For similar reasons, the duration of a programming period should also in future not be shorter than 7 years.

Small-scale, **people-to-people projects**, help in a very direct and effective way to build-up and maintain trust between people and regions in neighbouring states. A stronger

focus should in the ETC be on fostering good neighbourhood, trust and understanding between nations and people in Europe and in particular between its youths.

Cooperation along the **external EU border** should be funded within the cohesion policy framework and under cohesion policy rules.

Improved coordination with macro-regional strategies

Macro-regional strategies offer useful instruments to improve relations between EU Member States and neighbouring non-EU countries. The ERB regrets the non-involvement of Norway and Russia in the EUSBSR and calls for the resumption of the dialogue between the EU and Russia on topics of common interest.

Better coherence between the macro-regional strategies and programmes is essential e.g. for the success of the EU Baltic Sea Strategy (EUSBSR). Flagships of the strategies must get easier access also to the large-scale EU-funding programmes.

Simplifying administrative and financial regulations

ERB supports a funding portfolio for cohesion policy including grants and repayable assistance as well as financial instruments or a combination thereof. The decision, which kind of instrument is appropriate should, however, be taken by the regional level according to the specific circumstances on the ground. Consequently, **ERB opposes minimum thresholds for financial instruments** imposed by the EU-regulations.

In order to use EU-funding as efficiently as possible it is **crucial to further improve synergies** between the different European Structural and Investment Funds (ESIF) as well as between the ESIF and directly managed EU Funds like Horizon 2020.

The existing differences in framework, logic, and rules for those Funds prevent member states and regions from using the potential to combine them in a smart and efficient way.

Implementation of the ESIF has become subject to severe over-regulation, for both project operators and the administrations involved.

The system of subordinate legislative acts and – only in theory - non-binding guidance notes of the Commission has led to an ever growing complexity of programme execution and severely increased the likelihood and frequency of “errors.” As a result, fear of errors and of negative financial and political consequences is the guiding element for many actors responsible for cohesion policy in regions.

In addition, the actual system has caused massive delays in the operational start of programmes. As a consequence, there is a danger that programme implementation, from one financing period to the next, is delayed ever further, which tends to discredit the entire policy. All this contributes to diminishing the positive effects of the ESIF, which due to the high visibility of this policy on the ground is likely to harm the reputation of the European Union as a whole.

It is **of utmost importance to proceed to a comprehensive and radical revision and reduction of the requirements imposed on the ESIF management and control systems.**

State aid causes a severe part of administrative burden for management and beneficiaries in cohesion policy, which is particularly disproportionate in ETC projects.

ERB calls on the EU Commission to introduce a block exemption from state aid regime for all ESIF, but at least for the ETC.

Overall, ERB believes that the **principle of proportionality** and the ability to deliver results should be better taken into account in the context of implementation and control of the ESIF. As core criteria for a reduction of the requirements for management and control systems beyond 2020 ERB considers in particular the financial volume of programmes, their risk exposure, the quality of administrative management, and the level of co-financing.

Finally, ERB urges the responsible EU-institutions to have the new regulations ready by mid-2019 to **enable member states and regions to start well prepared into the next funding period.**

Akko Karlsson

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by several loops and a final flourish.

President of ERB

Per Ole Petersen

A handwritten signature in black ink, featuring a large, stylized 'P' followed by several loops and a long horizontal stroke at the end.

Vice President of ERB