



3 March 2016

Speech by the Mayor of Sala (Sweden) and CEMR spokesperson on territorial development, Carola Gunnarsson Conference “The future of cohesion policy”, Committee of the Regions

Ladies and gentleman,

On behalf of the Council of European Municipalities and Regions, CEMR, I would like to thank the Committee of the Regions to invite me today to discuss about the future of cohesion and its delivery after 2020. We are aware that EU institutions have already started developing ideas for the post 2020 Multi-Annual Financial Framework in which Cohesion Policy figures prominently.

CEMR too has begun our reflections on how to ensure that this key EU policy continues to deliver the major benefits in an effective way targeting those areas in need. CEMR wants to make an **early contribution to these discussions** and therefore I would like to share our thoughts on the **three options for the post-2020** currently being considered by CEMR members and which we will look to further develop over the coming months.

1. **The first option proposed is for a Continuity** of the current policy without any change (i.e. ‘business as usual’): this may be welcome in terms of ensuring legal certainty for delivery purpose.
2. The 2nd option is to propose a **set of incremental improvements**, in particular as regards simplification measures, insistence on the partnership principle to involve the local level to a broader extent, better support to territorial development tools (Integrated Territorial Instruments, Community-Led Local Development), no macroeconomic conditionality, a limitation of the financial instruments’ use vs grants, etc.
3. The third option is for a **more fundamental and wide-ranging set of reforms** for consideration, proposing the creation of one single fund for territorial development replacing the five EU funds currently existing for cohesion policy. This is seen as a long-term goal, a single integrated EU-to-local funding stream addressing all the varied growth needs of the local areas (also beyond ESIF) could be a solution.

Building on the expertise of all its members, 57 national associations of local and regional authorities and our previous work on the partnership principle and on Integrated Territorial Investments (ITIs), we can already say that CEMR supports at least **3 main messages for the post-2020**:



1. The future cohesion policy should be **inclusive**: an effective delivery of cohesion policy requires the **reinforcement of the central-local working partnerships** in the programming, implementation, evaluation and monitoring phases. The future Cohesion Policy should involve the local level to a broader extent than in the last periods.
 - For instance, in Denmark, Regional Growth Forums gather representatives from the private sector, knowledge and higher education institutions, labour market policy organisations, municipalities and their mayors, and the Regional Councils. They all together prioritise the investments and the use of both European Structural Funds (ERDF, ESF), and the region's own Development Funds
2. Cohesion policy should **refocus on place-based approach and territorial development** with a better support to territorial approaches which offer the opportunity of sub-regional budgets and a better participation of local authorities in using the ESI-Funds for local or sub-regional projects, in all kinds of territories. We need valuable tools to devolve specific decision-making to local areas.
3. Finally the future cohesion policy should be **simplified and flexible** in order to encourage local authorities to make use of European funds in a better way than in the past. For instance, the **multi-fund approach** is difficult to implement as there are different rules and different approaches to the different funds. The EU should move towards a single process for application, performance management, reporting, and audit across all funds, with common processes and procedures wherever possible.
 - For instance, Sweden, Denmark and the Netherlands have national declarations to reduce the EU controls and fights against fraud and mistakes.

Finally there is a need for institutional capacity-building in all Member States. Managing authorities should also do a better and greater use of Thematic Objective 11 (institutional capacity building) and of technical assistance.

This is just a flavour of the issues on which CEMR and our members are focussed as talks on the Cohesion Policy post-2020 get off the starting blocks. These discussions will be one of many under the spotlight at CEMR's Congress taking in Nicosia from 20-22 April. You are all warmly welcome to join us in our discussions on how to shape the future of this policy whose relevance for Europe's territories is as crucial now as it ever was.