



Local & Regional  
Europe

# Cohesion

**“Local and regional public authorities to be treated as partners, not stakeholders”**

CEMR updated position on Territorial Cohesion

April 2012

## CEMR Key messages

1. The competent local and regional public authorities shall be treated as partners and not as stakeholders by the managing authorities in preparing, delivering, monitoring and evaluating the SF programmes at national, regional and local level. Therefore, local and regional authorities shall not be treated simply as economic, social and environmental stakeholders in the implementation.
2. Aid intensity in the eligible less developed regions that are disproportionately and negatively affected by the current Cohesion budget proposal needs to be reviewed so at least current levels are maintained.
3. CEMR supports a differentiated absorption rate per Member State based on current levels of absorption and shall be set to reflect the actual proven performance of each individual country throughout the current period, so that, as a safety net, they can at least retain their current levels of spending.
4. CEMR restates its view that while the purpose of Cohesion and Rural Development policies is to ensure that the EU Treaty Objectives of Economic Social and Territorial Cohesion are achieved, they should also help deliver Europe 2020 and other EU Policy areas. Likewise we would expect other EU policies to help deliver Territorial Cohesion.
5. We support the Common Provisions Regulation and the new Common Strategic Framework as a crucial move towards common rules to be applied to all Funds supporting territorial development in line with the priorities of the Europe 2020 strategy. We strongly hope that this will overcome an artificial separation between different funds and focus on the real development of the territories concerned.
6. While we welcome the Common Strategic Framework, realistically we are not anticipating that the CSF will be a final solution to the obvious gaps and inconsistencies between funds both in terms of eligible activities and delivery arrangements. We would, however be keen that the CSF, or its provisions, are given full legal standing and that, in so doing, basic principles of cooperation and delineation between funds, thematic objectives and delivery instruments are unambiguously defined as to provide sufficient legal certainty to national, local and regional authorities.
7. A strong European Social Fund is to be welcomed, however CEMR is concerned that establishing an EU wide ring fence would not suit the specific needs of each region and would prevent a proper discussion at national, regional and local level on relative priorities vis-à-vis other funds.
8. Therefore we would be keen that the proposed 52%/48% split between ESF and ERDF for more developed and transition regions (Article 84.3CPR) is regarded as a general rule only, subject to specific negotiations between the Member State and the Commission on the Partnership Contract.
9. CEMR reaffirms its support for making the policy more result focused and accountable. However, CEMR rejects any conditionality being imposed in the programmes for which the local and regional authorities cannot be held responsible. We are specifically opposed to art 21 CPR as it foresees suspension of aid to Member States with an excessive deficit.

## **PART I: CEMR views on the Multi-Annual Financial Framework (MFF) support for Territorial Cohesion**

1. We are pleased that the principle of territorial cohesion for all regions has been upheld. We call on the European institutions to adapt the proposed financial envelope proposed by the Commission so that it is consistent with the level of ambition of the Territorial Cohesion Policies.
2. CEMR supports the principle of concentration of funding in the less prosperous regions, with adequate support to the rest of regions in the EU.
3. Aid intensity in the eligible less developed regions that are disproportionately and negatively affected by the current Cohesion budget proposal, needs to be reviewed so at least current levels are maintained.
4. We cautiously welcome the maintenance of the funding for the more developed regions.
5. As the group of more developed regions has increased we would request that an equivalent increase in the size of the budget is agreed so as to maintain aid intensity (funding per capita) levels. As regards to the less developed regions objective and the 'transition' objective, many regions will look with concern at the reduction of aid intensity levels per head that are mooted in the proposal.
6. CEMR tentatively welcomes the creation of the transition objective and asks that all transition regions are treated uniformly according to their future territorial development needs, especially in terms of thematic concentration. However, CEMR does not support that the creation of this new objective results in a reduction of support for the qualifying regions of the two existing objectives.

### **Absorption capping**

7. In order to strengthen the absorption of funding, the Commission proposes a 2.5% GNI cap on cohesion allocations; a temporary increase in the co-financing rate by 5 to 10 percentage points and the inclusion of certain conditions in the partnership contracts.
8. CEMR and its members are totally opposed to a preordained capping of the absorption rate at 2.5% of GDP. Such a horizontal and uniform threshold does not address the great diversity of situations across the EU. Furthermore it can penalise countries that have improved over the current period in managing a greater proportion of their current allocations.
9. Such a low cap is in some cases much lower than the current levels so it is seen by our members in the countries concerned as in contradiction to keeping support for the less developed regions as the priority of Cohesion Policy.
10. While the Commission is keen to implement a result oriented system, the absorption rate shall remain an indicator only to prevent the wider economy from overheating and in reflection of the administrative capacity in each country. It is thus a technical measure and shall never be seen as a way of limiting transfers or reducing the cohesion budget.
11. Therefore, CEMR supports a differentiated absorption rate per Member State based on current levels and shall be set to reflect the actual proven performance of each individual country throughout the current period, so that, as a safety net, they can at least maintain their current levels of spending.

12. On the same grounds, CEMR believes that non-recoverable VAT should be eligible, exactly under the same conditions as in the current programming period. If in all the projects implemented by the public sector (e.g. road construction, building renovations, training of unemployed people, etc.) the VAT, which is not recoverable, is regarded as an ineligible expense, it will substantially increase the national co-financing needed and jeopardize the regional and local capacity to implement projects in the countries and regions concerned.

### **Fund ring-fence**

13. A strong European Social Fund is to be welcomed, however CEMR member associations are concerned that establishing an EU wide ring-fence would not suit the specific needs of each region and would prevent a proper discussion at national, regional and local level on the appropriate split between the funds.
14. Therefore we would be keen that the proposed 52%/48% split between ESF and ERDF for more developed and transition regions (Article 84.3CPR) is regarded as a general rule only, subject to specific negotiations between the Member State and the Commission on the Partnership Contract.
15. Similarly we welcome the robust support for Territorial Cooperation Objective.

### **Cohesion and other EU policies**

16. CEMR restates its view that while the purpose of Cohesion and Rural Development policies is to ensure that the EU Treaty Objectives of Economic Social and Territorial Cohesion are achieved, they should also help deliver Europe 2020 and other EU Policy areas. Likewise we would expect other EU policies to help deliver Territorial Cohesion.
17. Therefore we could support the creation of a new Connecting Europe Facility insofar as it generates added value compared to existing budget lines and is consistent with local and regional operational programmes. We would be against any transfer from the Cohesion Fund budget to finance this facility.
18. CEMR also notes that 20% of Structural funds should be used for energy efficiency and renewable energy in more developed and transition regions and 6% for less developed regions. The use of a relevant share of the Structural funds to finance the upfront investments in energy savings is to be welcomed. Such investments are already a major challenge for local and regional authorities and the current and forthcoming Directives of the European Commission related to energy efficiency are likely to worsen the situation.
19. However, the EU regions are not all in the same situation, so CEMR would rather be in favour of ambitious national objectives for the use of Structural funds for energy efficiency rather than imposing a minimum percentage of Structural funds for each region. Flexibility should be allowed so that decisions can be made on the ground, and the focus placed where the potential to achieve change is the strongest.
20. Concerning Research and Innovation CEMR questions the rationale of having TWO Common Strategic Frameworks, one for territorial cohesion and another for Innovation. In addition to the Horizon 2020 (H2020) research and innovation Common Strategic framework (CSF), the MFF and the Common Provisions Regulation (CPR) also foresee that Cohesion funding still provides at least €60bn to innovation. At the very least there is a clear and as yet unresolved demarcation issue ensuring that only innovation-related activities with a clear territorial dimension can be supported by the Structural Funds, otherwise this Cohesion ring-fencing will unfairly penalise Local Authorities.

## PART II: CEMR views on the Common Strategic Framework (CSF)

21. CEMR welcomes the creation of the Common Strategic Framework for Cohesion, Agricultural and Fisheries funds as this will ensure that all structural funds are delivered in an integrated fashion locally.
22. CEMR welcomes that the European Commission now proposes a Common Strategic Framework for all EU Territorial Development Funds, which will allow the development of an integrated approach for local development and territorial development in general.
23. We support the Common Provisions Regulation (CPR) and CSF move towards common rules to be applied to all Funds supporting territorial development in line with the priorities of the Europe 2020 strategy. We strongly hope that this will overcome an artificial separation between different funds and focus on real development of the territories concerned.
24. Crucially, as many of our organisations are currently negotiating the content of the next Operational Programmes with national and regional authorities, we believe that in order to assist local and regional authorities, the European institutions need to urgently agree what the CSF does and does not aim to achieve. This concerns both the legal standing of the CSF vis-à-vis the CPR and the individual Regulations as well how binding the Menu of Thematic Objectives sub-priorities outlined in Annex II of the CSF are.
25. At this stage, the Commission's proposal, a Staff Working Document, points more towards the CSF being a set of general and voluntary guidelines than a significant part of the legislative package. We believe that this makes the CSF fall short of its potential as the "glue" to bring together the priorities of the different regulations, despite a degree of harmonisation, which has been achieved between them.
26. The CSF should delineate between the Thematic Objectives of Article 9 CPR and Article 5 ERDF and Art 5 EAFRD and Art. 9 ESF and Art 6 EMFF. The current common thematic priorities and the fund-specific priorities do not match, which creates a great deal of uncertainty and risk of overlap. The CSF text does not make this link explicit. This will no doubt create legal uncertainty for national, regional and local authorities when developing the Partnership Agreement.
27. Concerning Annex II, CEMR welcomes the fact that for the first time the 11 Thematic Objectives and the contributions to achieve them per fund are outlined. However Annex II looks more like a tentative wish list rather than a clear cut demarcation of eligible activities per fund and per objective.
28. Whilst we appreciate that rigid demarcation would be counterproductive, Annex II of the CSF should nevertheless make clear at the very least what each fund is eligible to deliver per thematic objective and those activities that it is clearly not expected to deliver.
29. There is wide support for more integration of the different CSF funds. However it is clear that there are limits to which each Commission Directorate, and indeed the respective national Ministries, will be able to truly integrate up to five different funds in the available time.
30. Being aware of these practical and policy constraints, CEMR is not anticipating that the CSF will be a final solution to the obvious gaps and inconsistencies between funds both in terms of eligible activities and delivery arrangements. We would, however be keen that the CSF, or its provisions, are given full legal standing and that, in so doing, minimal principles of cooperation and delineation between funds, thematic objectives and delivery instruments are

unambiguously defined so as to provide sufficient legal certainty to national, local and regional authorities.

31. The CSF must make explicit that multi-fund, but also multi-thematic priority projects will be deliverable. The proposed approach of separate delivery of each thematic priority is unwelcome as it does not reflect complex and different realities on the ground. Moreover, multi-priority projects and programmes provide more value for money than the Commission's proposed approach.

### **PART III: CEMR position on the Code of Good Practice on Partnership principle**

32. CEMR strongly rejects the centralist approach underpinning the design of the National Reform Programmes (Europe 2020) and the Commission's proposals to take the NRPs as a basis for the choices of the priorities of the new Structural Funds programmes.
33. The competent local and regional public authorities shall be treated as partners by the managing authorities in preparing the operational programmes at national, regional and local level. Therefore, local and regional authorities shall not be treated simply as economic, social and environmental stakeholders in the implementation process.
34. CEMR has launched a number of initiatives to strengthen the partnership principle across all areas of EU governance, and notably, in one of the EU areas where the participation of the local and regional authorities can give the biggest added value, such as cohesion policy. One of our latest contributions is a new vision called "Governing in Partnership" that we believe can be a blueprint to implement the Europe 2020 strategy at local and regional level.
35. Therefore, as regards the new Cohesion regulations, we are extremely pleased that the provisions on the Partnership principle (article 5) have been reinforced, particularly so as to include the new Partnership Contract to be signed between the Commission and the given Member State covering all regional, rural, and maritime funds.
36. CEMR is also making the case that the Partnership Contract should also include the Partnership Principle. Therefore, we strongly welcome that article 5 CPR recognises that the regional, and crucially the local level, are involved in the negotiations.
37. In particular the creation of a Code of Good Practice to be applied across the EU is also an extremely welcome development.
38. CEMR believes that mixing local and regional authorities with stakeholders undermines the role of local and regional authorities as democratically elected public institutions often with legal competence for economic development and social integration and often being the bodies that provide the co-financing.
39. CEMR advocates a two stage process: first the competent public authorities (national, regional, and local) define the overall framework, available expenditure, consistency with domestic plans and then civil society stakeholders are invited to help draft and implement the programmes.
40. The Code of Good Conduct shall define a number of partnership criteria that will be part of the Partnership Contract. These partnership criteria will cover the following minimum specifications:
  - a. *description of the partner institutions that form the formal partnership;*

- b. *the cooperation procedure with the competent national, regional and local institutions, ensuring binding voting rights in partnership decisions, including changes of the operational programme;*
- c. *description of the formal consultation procedure of the partner institutions in the drafting of national guidance notes and supplementary implementing rules;*
- d. *description of the stakeholders involved in the preparation, implementation, monitoring and evaluation of the programmes;*
- e. *Transparency of the procedures and the relevant documents concerning the Development and Investment Partnership Contract and the operational programmes.*

41. These criteria shall be verified ex-ante, as well as be subject to annual reporting by the Member States to the Commission.

42. In addition to the Partnership Agreement, and in order to facilitate the implementation of the operational programmes, each Member State shall make appropriate arrangements to involve the following stakeholders: economic and social partners; and any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.

### Partnership Agreement

43. We believe that the Partnership Contract or Agreements (PA) will play a much more crucial role in programming than the current National Strategic Reference Frameworks (NSRFs) as they will clearly be more binding. They will be tied to the achievement of each MS commitments to Europe 2020 Strategy's Objectives possibly with detailed indicators. It will also be much more important this time round as it will include the Rural Development and Maritime Funds. Indeed this will force a change of thinking between the different lead ministries. Therefore, we are keen that the competent Local and Regional Authorities are not just involved by the Member State but that the Partnership Contract is jointly prepared in drawing up and implementing the PA.

44. Because of the PA's binding nature, it is important to stress that its main function will only be strategic, most particularly establishing the common elements of each funding programme, refining the thematic demarcation established by the CSF and outlining the monitoring and delivery arrangements across the MS.

45. However, it should not be compulsory that there is a single set Thematic Priorities for the whole Member State. While that will be feasible in some, it will be against practical and constitutional arrangements in others, thus it should be possible that in some MS the Partnership Agreement is simply the sum of regional programmes plus common provisions that concern all of them.

46. In reflection of Art 12 of the General Regulation, it should clarify which aspects of the PA should be open for discussion at Member State level with Local and Regional Authorities (LRAs), and which can be dealt with in the specific Operational Programmes.

## PART IV: CEMR views on the Common Provisions Regulation (CPR)

### Menu of Europe 2020 Thematic Objectives

47. We welcome that Article 9 of the CPR states that all five funds shall support 11 thematic objectives derived from the EU 2020 Strategy, which will be translated into specific priorities for every fund, set out in the Funds specific Regulations. We are keen that Local and Regional Authorities work with Member States in drafting the Partnership Agreement that will translate them in each national and regional context.
48. CEMR is, however, proposing to enlarge Priority 11 “*enhancing institutional capacity and an efficient public administration*” towards also “providing strategic orientation for territorial development under the Europe 2020 Strategy at all governance levels through the Territorial Agenda 2020 of the European Union”. This will ensure that Territorial Agenda 2020 and the Common Strategic Framework, which currently are not formally linked, go hand-in-hand in supporting the EU Treaty goal of Territorial Cohesion.

### Thematic Concentration

49. Specifically on ERDF, it is a widely shared view amongst CEMR member associations that the proposed concentration of priorities is too high (article 4 ERDF): Instead, we would propose, in more developed regions, a 50% earmark for priorities 1, 3, 4 and also on priority 2 (development of ICT). In less developed regions this concentration should only cover the 25% of the ERDF allocations.
50. We believe that our proposed lower thresholds allow more flexibility to adapt to national and local circumstances while ensuring an ambitious level of concentration.
51. The EU contribution must remain at least at the same level for each category of regions as under the current planning period
52. The co-financing rate of operational programmes under the European territorial cooperation goal shall be no higher than 85 %.

### Conditionality and Outcomes

53. CEMR reaffirms its support for making the policy more result focused and accountable. However, CEMR rejects any conditionality being imposed in the programmes for which the local and regional authorities cannot be held responsible. We are specifically opposed to Art 21 CPR as it foresees suspension of aid to Member States with an excessive deficit.
54. Structural reforms conditionality proposed by some Member States in view of strengthening the economic governance are in fact penalising regional development.
55. These proposals are not at all measures that could strengthen a development policy for regions, cities and municipalities and are totally in contradiction with the general consensus on the need to simplify cohesion policy.
56. On Ex-Ante Conditionality, Art 17 CPR should make clear that the Member State, before agreeing the Partnership Contract with the Commission, negotiates with the competent local and regional authorities the preconditions that need to be met as defined in the Annex of the regulation.



## Ex-Post Conditionalities / Performance Framework

57. We cautiously welcome the new “Performance Framework” (Article 18 CPR and Annex I CPR) as it proposes a more outcome based approach in order to make the policy more result focused and accountable. CEMR however believes that these provisions need to be defined in partnership between the national, regional and local levels as a way of increasing the quality and delivery of the funds and not as a way of penalising those that might be underperforming.
58. Therefore CEMR is against linking the performance framework to the Performance reserve Art 18 and 19 CPR: 5% of the programme to be allocated by 2017 if the programme is meeting its performance targets and another “Competitiveness and growth reserve”. While the performance reserve can be counterproductive in practice the European Commission must still be able to have a system to prevent serious lack of performance of a given programme. However rather than reserves and outright sanctions, a negotiated process needs to be the first route to address a programme’s problems. This negotiated procedure would allow for learning and progress of capacity throughout the period and reflect the improvement towards achieving milestones, even if they are not fully attained.

## Integrated Territorial Development Approaches

59. CEMR strongly welcomes the strong proposals on Territorial Development both in the CPR and in the CSF. In particular we welcome that several regional and sub-regional instruments are proposed: Community Led Local Development, Integrated Territorial Investments, a new Urban Agenda and Joint Action Plans. They should enable regions and municipalities to have increased ownership in the definition of priorities and delivery of the funds, allowing the funds to address place-based approaches.
60. CEMR wishes to recall that the choice of specific instruments should be left to the competent national and regional context in those cases where it provides added value.
61. Furthermore, we believe that having so many similar yet different instruments can create confusion: Community-led Local Development (CLLD) should be considered consistently with other related delivery instruments, namely the Integrated Territorial Investments and the Joint Action Plans. An integrated approach would only be possible when individual local partnerships can ‘choose and combine’ these different instruments according to their needs so that several instruments could be used together simultaneously, if appropriate.
62. Each of these Territorial Development instruments needs the possibility to be used to deliver more than one Thematic Priority, and indeed several Funds, at the same time.

## Local Development

63. We strongly welcome that the new Cohesion and Rural Development Regulations tabled on 5<sup>th</sup> October 2011 do include clear proposals for Community-led local development (CLLD) (Chapter II, Part II, Art 28-30 CPR.). This is something that local and regional authorities have robustly campaigned for. The CEMR is extremely pleased that CLLD features so prominently in the common parts of the General Regulation, so that it is uniformly applied across the Structural, Rural and Maritime Funds as it is an issue we very actively campaigned for when the Commission was preparing the Regulations. Local Development will also be integrated as it will be supported by the Structural Funds, EAFRD and EMFF, with one of them acting as lead fund.

64. By placing local development as the overarching concept, problems in regions where managing authorities are pulled between the demands for an urban dimension, a rural dimension, and urban-rural links, will be avoided. There are many institutional realities about what “local” means across the Member States both in functional, geographical and legal forms, hence the need for placing the idea of local development above the other more specific yet related concepts such as urban, rural or rural-urban.
65. Local development is a way of focusing on the challenges and potential of the areas inside the region, without having a preconception of which one (urban, rural, rural) is more relevant. This will depend on the national and regional context.
66. This is an enormous step forward in ensuring that a municipality, which rarely has significant capacity to deal with EU funds, will be able to put together projects that can receive co-financing from a combination of EU funds.
67. In these difficult times of crisis and economic downturn, the elimination of artificial or unjustified barriers to EU funds is more welcome than ever. In fact, CLLD is the only provision of the CPR where real synergies at delivery level are foreseen between EAFRD and EMFF with the Structural Funds. Therefore the fact that these areas may benefit from an additional 10% co-financing rate for CLLD is strongly welcome.
68. A local development approach also responds to the need for a more result oriented approach by addressing challenges at the appropriate territorial level. It will in fact empower local governments to play an active role in implementing EU policy objectives and in particular the Europe 2020 Strategy.
69. Concerning the CSF, we would like to stress that we are against including Local Development as mainly the concern of Thematic Objective 9 Social Inclusion as it is clearly suggested in Annex II. A Local Development partnership can and must be able to deal with a variety of ‘other’ objectives, such as low carbon, entrepreneurship, transport, employability or sustainable development.
70. As regards the 49% limit of voting rights by public authorities in CLLD this is appropriate as a general rule. However an exception clause should be included to ensure that existing and future ‘institutionalised’ local partnerships with a greater percentage of public authority voting rights can make use of the CLLD proposal to deliver EU funds. Otherwise this will mean an insurmountable barrier for the use of CLLD in many countries and regions.

### **Integrated Territorial Investments**

71. As regards Integrated Territorial Investments (ITIs), they should not only be aimed at urban issues, nor solely be a delivery vehicle for the 5% urban ring-fence, but their scope should be clarified to include, at least, functional areas (including RURBAN). There is no technical reason why the ITI could not be used by non-urban local authorities when such an instrument fits local needs, and indeed such Local Authorities have the capacity to do so (not all rural or rural municipalities are small, or indeed when they are, they often work in inter-municipal structures that would give them sufficient clout to be part of an ITI).
72. It is also important to note that, following Art. 113.6 CPR “the Member State may designate one or more intermediate bodies to carry out certain tasks” of the Managing Authority, which means that it is up to each Member State to decide the degree of tasks it wishes to delegate to local or other authorities. This could be anything from full sub-delegation to just performing

project pre-selection tasks. We believe this point should be stressed so that Member States can decide internally whether and how to set up ITIs.

### Joint Action Plans

73. Concerning the Joint Action Plans (JAPs) it is important that the Commission clarifies as soon as possible whether it will allow that JAPs can be used to deliver entire parts of the Programmes or are just proposed as an experiment, and thus of limited use. There is considerable confusion among Member States and Local and Regional Authorities (LRAs) and this is having a delaying effect in our domestic discussions to prepare the next programmes. It is urgent that the Commission clarifies whether JAPs are expected to be used in funds other than the ESF.
74. CEMR is also keen to clarify whether Joint Action Plans are seen as experimental tools that could be used in a selected number of Member States or regions or whether it is something that could be used by a variety of Managing Authorities to deliver a large range of Thematic Priorities. Especially in the case of Joint Action Plans and Integrated Territorial Investments it should be clear that these tools do not duplicate administrative actions with operational programmes and they really help in achieving development goals. Clarifications to the content and usage of these tools are needed.

### Urban agenda

75. Cities and urban areas contribute actively to the formulation of EU policies and are essential for the successful implementation of the Europe 2020 Strategy. Cohesion Policy has to continue to play an important role in the development of Europe's towns and cities. Therefore, CEMR, in principle, shares the aims set out for the urban dimension of cohesion policy 2014-2020:
- a) to reinforce the key role of European cities for territorial cohesion and for the Europe 2020 Strategy,
  - b) to strengthen the programming process for action in urban areas,
  - c) to enhance the integrated approach to urban development and to create new instruments to deliver a sustainable urban development.
76. However, CEMR, as the European umbrella organisation of national associations representing local and regional governments, advocates an integrated local development approach, which is a horizontal concept and includes support for urban, peri-urban and rural areas, the urban-rural links and functional areas.
77. While acknowledging the important role of metropolitan areas, it is important to also look at the medium-sized and smaller cities in order to address further concentration and urbanisation as it can be observed in Europe and other parts of the world.
78. Medium sized cities and towns have therefore an essential role to play in securing balanced development. Particularly in peripheral areas they play the same role as poles for the wider area the same way that large cities do in metropolitan areas.
79. CEMR welcomes that the Cohesion proposals provide a reinvigorated urban agenda in Cohesion Policy, namely but not exclusively through ERDF. In fact we do welcome that Part II of the CPR foresees that the urban agenda is not going to be focused on Thematic Objectives 3, 4 (transport and low carbon) but that there is a clear role in Thematic Objectives dealing with climate change and social inclusion.

80. As regards to the minimum 5% urban ring-fence (Art. 7 ERDF) it is important to recognise that the definition of cities, their size, competences, financial resources and capacity are not uniform across the EU. Therefore it is important to allow each Member State and its regional and local authorities the possibility to negotiate through the application of the partnership principle outlined in Article 5 of the CPR. Equally, it is important that this ring-fence is allocated not necessarily to individual cities but to groups of municipalities that form an administrative or functional area when that makes more sense to achieve an integrated action.
81. Equally, the list of cities that will benefit from this ring-fence, including the maximum to be concerned per Member State, needs to be defined nationally.

### **Rural-Urban links (RURBAN)**

82. CEMR would be keen that the preparatory action on Rural-Urban links (RURBAN) leads to an enhanced recognition in the next programming period of the dynamics that link rural and urban areas, and to support the definition of policy solutions which will help ensure a better integration between regional and rural development policies.
83. Various forms of urban-rural linkages exist across the EU and are strongly influenced by the national political and administrative systems. Therefore, any form of EU intervention should be flexible enough to accommodate this wide variety.
84. We do support the view that urban-rural relations are increasing as a response to service delivery challenges that both rural and urban areas are facing, but also economic development potential, natural and cultural resources.
85. In particular, many Local Authorities across the European Union are too small for that purpose and counties are too heterogeneous, including many different 'pull centres' (economic hubs or development poles) and their wider influence areas. While it is often difficult to demarcate properly these urban-rural areas as to target EU funded interventions, the new delivery mechanisms, namely CLLD, ITIs etc. should allow delivery in an integrated fashion of programmes across local areas. The fact that EAFRD can also be used as regards to CLLD is a decisive move towards a more functional approach, particularly in rural-urban areas.
86. Given the diversity of situations across the EU, their definition would be subject to national and regional rules, as a result of a 'bottom up' discussion with the local partners. A possible solution would be to have additional neutral indicators to target funds, such as: 'distance to main urban centre by car', 'public service catchment area', commercial area in addition to the more obvious ones that are determined by geographical features such as river, coast, mountain basins or built up continuum.

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## About CEMR

The Council of European Municipalities and Regions (CEMR) is the broadest organisation of local and regional authorities in Europe. Its members are over 50 national associations of municipalities and regions from 40 European countries. Together these associations represent some 100 000 local and regional authorities.

CEMR's objectives are twofold: to influence European legislation on behalf of local and regional authorities and to provide a platform for exchange between its members associations and their elected officials and experts.

Moreover, CEMR is the European section of United Cities and Local Governments (UCLG), the worldwide organisation of local government.

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