



**Local & Regional
Europe**

Cohesion Policy 2014-2020

**Towards a new partnership and territorial
approach**

| October 2013

CEMR key messages

1. CEMR welcomes that an agreement has finally taken place on the Regulations. This is the result of two years of negotiations, in which CEMR and its members have been particularly active in trying to make the EU Structural funds for Investment more integrated and effective on the ground.
2. We particularly welcome the advances in terms of partnership and integration as expressed in the Code of Conduct and the Common Strategic Framework.
3. We look forward to the forthcoming tabling of the Code of Conduct as a Delegated Act and we urge Member States to make full use of the Partnership provisions in the Regulations so that local and regional authorities are fully involved in the delivery of the funds. We however regret that some of its potential will be missed as it will not have retroactive effect.
4. Equally we recognise that the new Common Provision Regulation bringing together the European Regional Development, Social, Rural Development and Marine and Fisheries funds is a breakthrough as for the first time these four funds, managed by four separate Directorate General have common rules and deliver a set of common 11 priorities as expressed in the Common Strategic Framework.
5. We regret, however, that the rules of each of these funds are still too far apart from each other to enable substantive integrated operations across the four funds. We nevertheless urge to national and regional managing authorities to fully exploit the synergies of the new funds where possible.
6. Equally CEMR welcomes in particular that Community Led Local Development and the Integrated Territorial Investments are tools that will enable integrated delivery of these funds at local level. We regret however that many member states will not adopt these new tools.
7. Indeed CEMR actively contributed to the development of these tools and very much encourages managing authorities to make full use of them.
8. CEMR reaffirms its support for making the policy more responsible and accountable. However, CEMR rejects any conditionality being imposed in the programmes for which the local and regional authorities cannot be held responsible for. We regret that some of these conditionalities have been included in the text as finally approved.

CEMR Response in detail

Thematic concentration

9. CEMR welcomes that the concentration of the minimum 80% of funds on four thematic objectives and not only on the three initially foreseen: in addition to research and innovation, support to SMEs and transition to a low carbon economy it will also be possible to invest in Information and Communication Technologies.
10. In the same way, broadband infrastructures should be supported, in particular in sparsely populated area where the connection would allow the development of new e-services to provide with continuity in the delivering of quality services to citizens.
11. Nonetheless, the EU regions are not all in the same situation. CEMR would like to express its concern that the new rules, and the Commission interpretation of them, make it difficult to continue financing sufficiently basic infrastructure in some countries which still need it to support entrepreneurship and create jobs at local level.

Operational Programmes

12. Most of the Member States are currently drafting their operational programmes and the Managing Authorities are negotiating their envelope with CEMR members. CEMR asks for more innovative approaches to be taken by Managing Authorities. CEMR members report that some Operational Programmes are essentially a continuation of the investments taken in the existing period (2007 – 2013).
13. The lack of capacity may impede innovative approaches in some cases and create great imbalances between the different European local and regional authorities. Thus Managing Authorities are urged to transfer the available funds for Technical Assistance to local and regional authorities in order to enable them build capacity to the new instruments.
14. CEMR recalls that the partnership principle and the Code of Conduct apply to the Operational Programmes as well: CEMR members must be also involved in the drafting and implementation of the Operational Programmes. For instance the National Programme Board and peer review in England is a good example of that.
15. We welcome the possibility of Multi-Fund Operational Programmes (which CEMR had called for as to foster integrated approaches of EU funds) but we regret that because of the different audit and reporting requirements of each fund only a minority of cases (such as Finland) this option would be used.
16. CEMR associations report that difficulties with audit and reporting rules are often overplayed in the negotiations at national level as to discourage making use of territorial development instruments or multi-fund programmes. In some circumstances these legal concerns are disproportionate as the same EU rules apply in other countries where more decentralised and integrated approaches have been developed already in the current period. Thus CEMR calls for a benchmarking of the eligibility requirement used in each country as to identify those that fit the Regulations as opposed to national gold-plating.

Territorial instruments

17. CEMR welcomes the adoption by European Institutions of the integrated territorial development instruments we pledged for since the beginning: Community Led Local Development, Integrated Territorial Investments, a new Urban Agenda and Joint Action Plans. It

is a breakthrough as it will allow the funds to address place-based approaches and to tackle territorial challenges as for example poverty and social exclusion.

18. A local development approach also responds to the need for a more results 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.
19. We welcome that countries such as Netherlands (ITI) of Finland (intercity ITI, CLLD) are making use of these tools and urges other countries to work with CEMR members in adopting similarly innovative approaches that suit their needs.
20. However, CEMR is worried that only a limited number of Member States and Managing Authorities have chosen to include the territorial instruments in their operational programmes. CEMR urges Member States to give the opportunity to local stakeholders to use these new innovative instruments. For instance the Community Planning Partnerships in Scotland will be leading the delivery of most ESF allocation.
21. We are concerned that this limited take up of the new instruments is due not only for the need of further culture change on how funds are managed, but crucially due that the EC has not gone far enough in the harmonisation of reporting rules, as financial, audit and reporting rules for the ERDF, ESF and EARDF have not been fully aligned.
22. CEMR also deplores the lack of guidance which come too late in the drafting period of Partnership Agreement and Operational Programmes and calls for capacity building to help managing authorities and stakeholders on accountability and managing rules to build these multi-funds programmes.

Code of conduct on Partnership principle

23. CEMR is extremely pleased that the provisions on the Partnership principle (article 5 CPR) have been reinforced and that the code of conduct will take the form of a delegated act which will bind the Member States to consult all the mentioned stakeholders, including local and regional authorities.
24. However, according to the survey CEMR realised this year, some Member States missed the opportunity to implement a real transparent partnership with local stakeholders during the drafting phase (no retroactive effect of the delegated act). Our study found at the time that only in one third of Member States the level of partnership with Local and Regional Authorities could be considered sufficiently in line with the EU regulations.
25. It will be necessary to continue the follow-up of the Partnership principle's implementation during the whole programming period 2014-2020. We call for the European Commission and the European Parliament to work with CEMR in monitoring that the partnership principle is properly implemented at national, regional and local level.

Youth employment

26. Youth employment is a core element towards sustainable economic recovery and in particular for long term local economic and social stability.
27. CEMR asks the European Commission to clarify how the youth employment initiative can be connected to other structural and investment funds (in particular ESF), and through which mechanisms it can be delivered at a local level (not as another national programme).

28. Furthermore, the spectrum of eligible activities should be widened in order to have a real integrated local impact as the focus on basic skills might prove restrictive in certain areas where a more comprehensive package of skills support might be needed to bring into and retain youngsters in the labour market.

Financial Engineering

29. We welcome that the new Financial Engineering Instrument (FEI) provides a more integrated and open ended package of support than the instruments (JEREMIE, JESSICA, and JASPERS) that were trialled during this period. We should learn from the lessons of the current programming period, where the FEI had worked well in times of economic growth but, has proven difficult to spend in times of crisis.

30. This is why we believe that FEI is a useful instrument that should be exploited where it provides added value but it is not the panacea or a substitute to the existing grant programmes that make up the majority of the EU funds.

Next Steps

31. CEMR is keen that now that the Regulations are agreed the rest of the implementing legislation (delegated and implementing acts) are tabled as soon as possible so that they can be used to help funds start rolling by mid-2014. We are concerned that further delays from that date would be a serious problem for the continuation of existing programmes. We request from the Commission a clear timetable for these implementing legislation to be tabled and are keen to work with MEPs to ensure that these provisions fully develop the partnership principle.

32. Members report a degree of frustration with the perceived changes by the Commission on the rules of draft delegated and implementing acts, e.g. the rules for ITI's and the rules for the Smart Specialisation, during the preparation of the OPs. We call on the Commission make clear as soon as possible what the exact rules are of the implementing legislation as to ensure proper legal certainty for national, regional and local authorities drafting the Operational Programmes.

Contact

Marlène Siméon
Policy Officer - Cohesion and Territorial Policy,
Information Society & e-Government
Square du Meeûs 1 - 1000 Brussels
Tel. + 32 2 213 86 93
Marlene.simeon@ccre-cemr.org

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 41 European countries. Together these associations represent some 150 000 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 member 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.

www.ccre.org