



## **BSSSC Statement on Cohesion Policy in the Multi Annual Financial Framework 2014-2020**

### **A Budget for Europe 2020 – A Good Basis for the Future EU Regional Policy – Input for the new structural funds' regulations**

The BSSSC –

1. supports the focusing of the future cohesion policy on the Europe 2020 strategy. A cohesion policy in which all regions and territories are covered, can deliver an important contribution towards achieving the objectives of the strategy

The overall objective of the EU Cohesion Policy is to reduce economic, social and territorial differences between the various regions, and at the same time contribute to growth (The Lisbon Treaty, article 174). This objective remains of particular importance and should be maintained

Cohesion Policy should be understood as a significant developmental instrument of the whole European Union and not as a tool for redistributing means to the less developed regions from a common EU budget. It is necessary for Europe to equalize as fast as possible the socio-economic differences among regions. Socio-economic differences shall be converged within a reasonable time scale in order to ensure the development of the European Union as a unified economic territory.

The structural funds, which are the tools for implementing the cohesion policy, should be addressed to all regions. However, it would still be essential to focus, to a larger extent, on the less developed regions

2. calls for a stronger involvement of competent local and regional authorities in the implementation of the Europe 2020 Strategy. It is necessary to ensure a real introduction of the principle of subsidiarity. In particular this needs to be considered when setting up the priorities of the new Structural Funds programmes, on the basis of the National Reform Programmes. Competent local and regional authorities must be partners in the discussions and decisions on the National Reform Programmes and the Development and Investment Partnership Agreements, in order to ensure that the implementation of the Europe 2020 Strategy will take place properly at regional and local levels. Competent local and regional authorities should be treated as equal partners with the managing authorities in preparing, delivering, monitoring and evaluating the Structural Funds programmes. Funds could be administrated by regions, cities and local authorities according to the best options and the national structure

3. supports greater concentration, focused actions and more measurable and accountable outcomes. The BSSSC wants to ensure that all regions (Convergence, Transition or Competitiveness) are able to analyse their regional strengths and challenges, and discuss and find agreement on a limited number of priorities relevant to them - out of a large selection. Less developed and transition regions should be able to choose from a wider range of priorities.

The BSSSC agrees that energy efficiency and renewables, innovation and SME support are important, with a view to Europe 2020. However, prescribing three fixed priorities selected at the EU level in the ERDF programmes for non-convergence regions, is limiting a diverse set of regions from targeting the specific needs and comparative advantages of each region or subregion. Moreover, this will not ensure maximum added value. Furthermore, the BSSSC underlines the importance of sustaining the development of infrastructures in and across the Baltic Sea Region

4. the BSSSC welcomes the specific budget line for development challenges in the outermost and more sparsely populated areas, where the latter consist of the Northern parts of the Baltic Sea Region

5. appreciates that the relevance of the European Social Fund has been acknowledged by the strengthening its financial basis. All regions irrespective of their individual GDP have to tackle unemployment, obstacles to the labour market and social exclusion. Therefore, measures with regard to qualifications, education and vocational training will play a major role. In order to implement the objective of inclusive growth, the ESF must remain a key pillar of the cohesion policy. The allocation of funds should be based on GDP/capita. As criteria for financial allocation one should also analyse the relevance of challenging demographic structure and rate of unemployment

6. welcomes the creation of a Common Strategic Framework for Cohesion (ESF, ERDF and the Cohesion Fund) for Agriculture and Fisheries, as this will ensure that funds are delivered in an integrated way – both locally, regionally, nationally and in relation to the EU funded effort. The new regulations should allow for regionally integrated multi-funds programmes

7. welcomes the fact that a Common Strategic Framework has also been tabled for innovation and research, the Horizon 2020. We call for the Commission to ensure that in the regulations there is a single set of simplified rules covering eligibility, accounting, reporting, communication, evaluation and auditing across all programmes under both Common Strategic frameworks. The BSSSC also finds it necessary to underline that administrative and bureaucratic requirements imposed on the managing authorities of Structural funds programmes should always comply with the principle of proportionality

8. welcomes the substantial increase in the budget for Objective 3 European Territorial Co-operation. The BSSSC strongly recommends that this financial framework is maintained and urges all regional decision makers to guarantee the allocation of increased funds for the implementation of the EU Strategy for the Baltic Sea Region, through the new Baltic Sea Region Programme. Moreover, other European Territorial Cooperation programmes could cover aspects of the EU Strategy for the Baltic Sea Region. In addition, future programmes should allow for more flexibility, also in terms of geography, in order to facilitate their implementation. The BSSSC also urges the Commission to ensure adequate support for EU Baltic Sea Strategy National Contact Points in the national, regional and inter-regional coordination, as well as with Priority Area Coordinators and Horizontal Action Leaders

9. urges the European Commission to ensure the full participation of partners from neighbouring countries, namely Belarus, Norway and Russia, in the Baltic Sea Programme. Funds for the ENPI, related to the BSR programme, should be transferred from External relations to the European Regional Development Fund and pooled with the ERDF – based on the same rules that apply to the ERDF. Furthermore, Norway should be treated as an equal partner in the coming programming period of the European territorial cooperation objective

10. finds it satisfying to see that there is an increased budget for innovation. However, the BSSSC finds it important to make a distinction between the new Horizon 2020 and location based innovation activities under the cohesion policy. Where the Horizon 2020 mainly finances strategic research activities, the cohesion policy could complement this by financing, for example, development programs and demonstration projects involving SME's

11. welcomes the increasing importance that is being attached to education and training in Europe. The new programme “Education Europe” should, however, take into account the success of the actual LLP, which already contributes to the Strategic Framework “Education and Training 2020”. It should, therefore, maintain the sectoral programmes COMENIUS, LEONARDO da VINCI, ERASMUS, GRUNDTVIG. The possibility to include Russian actors should be improved. Furthermore, a programme for informal and nonformal youth learning activities should be maintained, with regard to the importance of democracy education and education for sustainable development within Youth initiatives in the Baltic Sea Region

12. regrets that the focus of rural development will remain on farm related activities rather than wider economic regeneration and diversification of the rural community

13. argues that urban-rural partnerships and urban-rural development are crucial to economic, social and territorial cohesion, also with regard to cross-border and transnational partnerships. Urban development should be seen as an integrated and important aspect of the regional development strategies and programmes. On the other hand rural areas should be enabled to position themselves as part of the partnership and thus contribute to an integrated regional development accordingly. Therefore within the macro-region programme improvement of funding possibilities for meta-regions (defined as functional units below the level of macro-regions) would offer new starting points. At the meta-regional level, a good political climate prevails for cooperation. Developed meta-regions have the potential to become driving forces for innovation and employment with positive effects on less developed regions

14. takes a critical view towards the conditionality proposed by the Commission. The BSSSC strongly emphasizes that conditions should only apply where those receiving the funds in the end, have a responsibility in the implementation of these conditions, and that they must not increase administrative burdens. Macro-economic conditionality, however, should not be introduced. Reducing funding at regional level due to the failures of national governments seems unfair and counter-productive

15. Identifies that the utility of a performance reserve, as put forward by the Commission, is a new tool. The BSSSC is positive towards introducing new methods to stimulate successful performances at the programme level. However, it is necessary to present a fair, transparent and efficient way to allocate the performance reserve without causing considerable administrative costs

16. welcomes the fact that an Integrated Maritime Policy focusing on promoting sustainable growth in maritime sectors and regions is foreseen as an integrative part of the new European Maritime and Fisheries Fund (EMFF). The BSSSC underlines that the Integrated Maritime Policy requires European funding in order to be capable of making a difference

17. welcomes the initiative in regards to transport and infrastructure – namely the ‘Connecting Europe’ facility which will improve connectivity and strengthen accessibility of the BSR.

Secretariat of the **Baltic Sea States Subregional Co-operation**  
c/o Marshal's Office of the Westpomeranian Region  
Korsarzy 34, 70-540 Szczecin (Poland)  
t. +48 91 44 67 165 / 189, f. +48 91 44 67 180  
e. [bsssc@bsssc.com](mailto:bsssc@bsssc.com), w. [www.bsssc.com](http://www.bsssc.com)



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