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CPMR POLICY POSITION

OPINION OF THE CPMR POLITICAL BUREAU

(Approved by the CPMR Political Bureau meeting on 3 June 2011, Angra do Heroísmo-Azores, Portugal)

SEIZING THE OPPORTUNITY OF INTERNAL CONDITIONALITY LINKED TO REGIONAL POLICY

In its conclusions on the Fifth Report on Economic, Social and Territorial Cohesion (October 2010), the European Commission proposes to enhance the added value of Cohesion Policy by strengthening the thematic concentration of resources and creating a set of conditions and incentives. It puts forward a series of concrete proposals for this.

The CPMR was present at the Informal Council of Ministers for Regional Development, held in Liege in November 2010, and witnessed the reserved reaction on the part of Member States to these questions, in particular their concern about the idea of external conditionality, their relative openness to the idea of internal conditionality, and their desire to maintain a certain flexibility with regard to thematic concentration.

The CPMR has taken note, on the one hand, of Member States' contributions to the Fifth Cohesion Report, and on the other hand of the measures considered by the Conditionality Task Force, which are, essentially, ex-ante conditionality linked to structural reforms. It also notes the fact that a macro-economic type of conditionality is discussed in the wider context of the economic governance of the EU and the overall EU budget.

In this context, the CPMR Political Bureau, meeting today in Terceira (Azores, PT), wishes to add the following further comments to its response to the Fifth Report on Economic, Social and Territorial Cohesion:

1. The Peripheral Maritime Regions take note of the fact that the October 2010 European Council adopted the Van Rompuy Task Force's report on strengthening the economic governance of the EU, which explicitly advocates the creation of a macro-economic conditionality for certain EU budget headings. They observe however that several Member States remain opposed, sometimes openly, to the application of such a measure in the framework of Cohesion Policy, and they therefore have reserves concerning the future of this measure. They reiterate their own opposition to any conditionality of this kind, which would not only remove the regional and programming dimension inherent in Cohesion Policy, but would also be counter-productive since it would take away from the Member States and Regions concerned part of the resources aimed at re-establishing a satisfactory macro-economic situation.
2. They consider, on the other hand, that the principle of an internal conditionality, specifically linked to the objectives and priority actions of Cohesion Policy, is useful, since it would strengthen the effectiveness and value added of Cohesion Policy and thus its legitimacy in the medium term.
3. They are fully aware of the political and administrative constraints that the implementation this internal conditionality would imply, and of the significant financial consequences that failure to comply with this conditionality could generate, in view of the financial sanctions envisaged by the European Commission.

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They are nonetheless convinced that the efforts that need to be made to put Europe permanently on the road out of the crisis, on the one hand, and the need to ensure greater effectiveness of public spending implied by the European economic, financial and budgetary context on the other hand, justify such a strengthening of the political contract between the European Commission and the national, regional and local authorities in the framework of Cohesion Policy.

4. They are also of the view that internal conditionality measures will enhance the political responsibility of the Regions in the framework of Cohesion Policy, something they consider to be one of the keys to greater effectiveness and simplification, and for which they have been calling for many years. In this respect, they are ready to support internal conditionality measures proposed by the European Commission, as long as
 - no priority intervention is defined as mandatory by the European Commission with regard to thematic concentration. Moreover, thematic concentration should be adjusted to correspond to the needs of intermediate Regions if such a category were to be created;
 - these measures are proposed in collaboration with regional leaders, so that the latter will be able to take ownership of their effective implementation.
5. The Peripheral Maritime Regions reiterate that this enhanced responsibility is dependent on the existence of a genuine and strong partnership between the European Commission, Member States and the Regions. However, in spite of recent reflections on multi-level governance, the European Regions are still not considered as fully-fledged partners. They are still not very closely involved, overall, in the formal processes under which the future regional policy is being prepared – including in the early stages of the negotiations as witnessed by the discussion on conditionality. It is the Member States that in this context remain the key partners of the European Commission.
6. The Peripheral Maritime Regions therefore urge the Commission and Member States to put in place the conditions under which the Regions can exercise greater political responsibility in regional policy after 2013. They ask that a political agreement be made within each national framework between the central government and the regional and local authorities involved in implementing Cohesion Policy, covering:
 - The thematic and territorial (not only urban) priorities for actions under the Cohesion Policy at national level;
 - The arrangements for the implementation of the regional and local partnership: involvement of the Regions in the preparation and implementation of Cohesion Policy, division of responsibilities between the national level and the sub-national levels.
7. They also call for the existence of such political agreements (“Territorial Pacts”) in each Member State to be considered as one of the horizontal ex-ante conditions of Cohesion Policy.