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Cohesion policy as a fundamental pillar for bringing the EU closer to its citizens and for reducing disparities among EU regions and inequalities among people

The views of organised civil society for the
programming period 2021-2027

ECO

Section for Economic and
Monetary Union and Economic
and Social Cohesion



European Economic
and Social Committee

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Preface

The European Economic and Social Committee (EESC) – a consultative body of the European Union that gives representatives of Europe’s civil society organisations a formal platform to express their points of view on EU issues and policies – stresses the need for a new, clear and ambitious European economic strategy that is aligned with the UN 2030 Agenda and its Sustainable Development Goals and has a strong European coordination mechanism. **Cohesion policy** is an integral part of this ambitious strategy and must be developed in such a way that it has the necessary means to meet the challenges of the future.



This brochure presents the EESC’s opinions relating to the cohesion policy for the post-2020 period. It **demonstrates the important role played by organised civil society representatives** during this period in exerting influence on decision-makers, which led to the adoption of a number of important policy packages concerning the next programming period. The **EESC was the first European institution to contribute to the development of the new financial programming period (2021-2027)** by adopting four opinions on cohesion policy that served as input into the decisions that EU leaders will make in the coming years.

The way forward

Now we need to continue our work to trigger the right policy responses and put in place the necessary implementation mechanisms that will help us recover from the unprecedented COVID-19 crisis. In the post-COVID-19 period, **cohesion policy must play a key role in ensuring a balanced recovery, fostering convergence and making sure no one is left behind.**

Stefano Palmieri

President

Section for Economic and Monetary Union and Economic and Social Cohesion (ECO)

European Economic and Social Committee

Multiannual Financial Framework post 2020

The EESC

- recognises the high European added value of the programmes where the MFF 2021-2027 concentrates the main increases in expenditure;
- however questions the fact that these increases are made at the cost of strong cuts in cohesion policy (-10%) and the Common Agricultural Policy – CAP (-15%);
- proposes that the expenditure and revenue figure of the MFF reach 1.3% of GNI. Europeans need more (and better) Europe;
- expresses its disagreement with the reduction, at constant prices, of 12% of the amount of the European Regional Development Fund (ERDF) and 46% of the Cohesion Fund (CF);
- is in disagreement with the reduction in real terms of 6% in the proposed commitment for the European Social Fund (ESF+), especially given the recent inter-institutional proclamation of the European Pillar of Social Rights (EPSR). A specific programme should be established to assist Member States to implement the Gothenburg Declaration on the EPSR;
- considers that the current financing of cohesion policies (the sum of ERDF, CF and ESF) should be maintained in the MFF 2021-2027, at least with the same resources;
- welcomes the Commission's mentions of key strategic investments that hold the key to Europe's future prosperity and its leadership on the global Sustainable Development Goals (SDGs);
- recognises the substantial increases in commitments for Environment and Climate Action (+46%), whilst finding the share of the budget dedicated to it unambitious;
- thinks that the planned commitments to an investment stabilisation mechanism for euro area members hit by country-specific shocks are far too low to make a difference during a crisis;
- questions the proposed cuts (-15%) in planned commitments for the Common Agricultural Policy (CAP) that will make it impossible to implement a model of sustainable rural development;
- regrets that the Commission's MFF post-2020 proposal only includes a part of the proposals of the High Level Group on Own Resources (HLGOR) and the European Parliament;
- commends the proposition of a basket of new own resources. However, it thinks that the current proposals are not likely to result in sufficiently high autonomous, transparent and fair own resources;
- is in favour increasing the share of revenue from own resources and to ensure that methods of raising revenue complement and reinforce the EU's policy objectives;
- draws the attention of the European institutions to the complexity of making all these own resources operational in the period 2021-2027;
- hails the proposed elimination of rebates (or cheques), to countries that had been making large contributions to the financing of the EU budget;
- supports the proposal to make the receipt of EU funds by the Member States conditional upon respect for the principle of the rule of law, and thinks that this conditionality could be extended to the other principles linked to the Rule of Law contained in the EU Treaties;
- welcomes the support for investment provided through the InvestEU guarantee, but regrets that the level of resources does not take into account the large EU investment deficit;
- expresses its concern that a rigid interpretation of the terms of the Stability and Growth Pact and other macro-economic conditions, as well as of the co-financing requirements for cohesion policy funds, makes it difficult for the EU Member States in most need to access this funding;

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- reiterates that the European Semester should be at the centre of implementing EU budgets, using as much as possible the flexibility of the new MFF;
 - urges the EU institutions and the governments of the Member States to intensify the work in relation to the post-2020 MFF, so that it can be approved before the next European elections.

Rapporteur: **Javier Doz Orrit**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. A Modern Budget for a Union that Protects, Empowers and Defends. The Multiannual Financial Framework for 2021-2027*

COM(2018) 321 final,

on the *Proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027*

COM(2018) 322 final/2 - 2018/0166 (APP),

on the *Proposal for a Council Decision on the system of Own Resources of the European Union*

COM(2018) 325 final - 2018/0135 (CNS),

on the *Proposal for a Council Regulation on the methods and procedure for making available the Own Resources based on the Common Consolidated Corporate Tax Base, on the European Union Emissions Trading System and on Plastic packaging waste that is not recycled, and on the measures to meet cash requirements*

COM(2018) 326 final - 2018/0131 (NLE),

on the *Proposal for a Council Regulation laying down implementing measures for the system of Own Resources of the European Union*

COM(2018) 327 final - 2018/0132 (APP)

and on the *Proposal for a Council Regulation amending Regulation (EEC, Euratom) No 1553/89 on the definitive uniform arrangements for the collection of own resources accruing from value added tax*

COM(2018) 328 final - 2018/0133 (NLE)

OJ C 440, 6.12.2018, p. 106

Common Provisions Regulation 2021-2027

The EESC

- strongly rejects the Commission's proposal to cut the EU's budget by 10% in real terms and urges the Member States (MS) to find solutions that allow this budget to be kept at the same level as the 2014-2020 programming period;
- finds that the economic circumstances set up by the CPR (macro-economic conditionalities, decreased co-financing etc.) could harm investment and therefore:
- rejects macro-economic conditionality for penalising regions and citizens;
- invites the Commission to maintain the decommitment rule at N+3;
- asks the Commission to reconsider increasing the co-financing rates;
- appreciates the efforts regarding simplification, flexibility and effectiveness. It is however unfortunate that the new rulebook is not a single set of rules;
- finds the rules related to thematic concentration too strict. It proposes that one of the policy objectives should be chosen by the MS;
- recommends that the Commission develop the required tools that allow areas with structural and permanent disadvantages (islands, mountain regions etc.) to effectively tackle their specific and complex challenges;
- recommends that ad-hoc solutions be found for those countries or regions which were classified as convergence regions during the 2007-2013 programme benefitting from an 80% co-financing rate during the 2014-2020 period and which will now be classified as transition regions during the 2021-2027 period benefitting from a 55% co-financing rate;
- believes that the Commission should further reinforce synergies by finding a way to reintegrate the European Agricultural Fund for Rural Development into the rulebook and also by strengthening ties with the European Social Fund Plus (ESF+);
- takes note of the dissatisfaction of the European Social Partners concerning the Code of Conduct, and asks that it be revised and updated in direct consultation with them. It also asks that the Code of Conduct be made binding;
- rejects the removal from the new CRP proposal of the principles of promotion of equality between men and women, non-discrimination, accessibility of persons with disabilities, as well as of sustainable development.

Rapporteur: **Stefano Mallia**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument*

COM(2018) 375 final - 2018/0196 (COD)

OJ C 62, 15.2.2019, p. 83

Regulation on the European Regional Development Fund and Cohesion Fund

The EESC

- reaffirms its strong commitment to and belief in cohesion policy and considers it a major instrument for bringing the EU closer to its citizens and for tackling disparities among EU regions and inequalities among citizens;
- completely disagrees with the cuts to the cohesion policy in general, and in particular cuts of 12% to the ERDF and 46% to the Cohesion Fund (CF);
- underlines that the decrease in the national co-financing rates will hinder the implementation of projects, especially by Member States facing budget difficulties;
- calls upon the Commission to make the criteria for co-financing more flexible;
- considers that the Commission's proposal to reintroduce the N+2 rule is not supported by practical evidence or by the results analysis of the implementation of the N+3 rule;
- welcomes the Commission's proposal for the simplification of the use of the funds;
- welcomes the fact that the Commission proposal improves multi-level governance with its emphasis on shared management, enhancing the participation of civil society organisations;
- strongly recommends that the Commission establish a European Civil Society Cohesion Forum;
- proposes that sparsely populated areas, isolated areas, small islands and mountainous regions, in accordance with Article 174 of the TFEU, be supported with the same thematic concentration requirements;
- recommends that the European Territorial Cooperation (ETC) budget be increased for the new programming period;
- asks the Commission to take other social indicators into account;
- regrets that the Commission proposals for all regulations have excluded the horizontal incorporation of equality, non-discrimination and accessibility for persons with disabilities;

- underlines that the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) should be fully embedded in the main text of the proposed regulations as well as in the CPR regulation;
- considers that the implementation of the European Pillar of Social Rights (EPSR) needs to be prioritised in cohesion policy. It therefore firmly recommends that a minimum of 10% be allocated to PO 4 of the ERDF, establishing the Social Sustainability and Accessibility Regional Initiative (SSARI).

Rapporteur: **Ioannis Vardakastanis**

Co-rapporteur: **Ester Vitale**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund*

COM(2018) 372 final — 2018/0197 (COD)

OJ C 62, 15.2.2019, p. 90

Regulation on European Territorial Cooperation 2021-2027

The EESC,

- underlines that European territorial cooperation (ETC) is a unique instrument of cohesion policy and one of the very few frameworks in which national, regional and local players from different Member States are systematically called upon to carry out joint measures and exchange practices and strategies;
- asks that a “simplification shock” be administered as regards the size of projects. Cooperation mainly relates to local activities. It is therefore necessary for simplification to be introduced to project assessment forms and methods;
- is concerned about the new rules which could bring the EU’s maximum funding rate down from 85% to 70%. It asks that the 85% rate be maintained for small projects, the most vulnerable regions and civil society measures. The EESC also supports greater use of private sector participation and InvestEU Fund;
- asks the Commission to set up a genuine strategy for coordinating and integrating the various financial instruments available under the 2021-2027 Multiannual Financial Framework (MFF). It asks the Commission to submit a communication to this effect soon and should make it mandatory to involve the social partners and civil society organisations;
- welcomes the trend towards thematic concentration of action and investment priorities but it remains to be clarified how to take into account the particular features of areas mentioned in Article 174 TFEU (islands, mountainous areas, rural areas, conurbations, etc.) without losing sight of the need for concentration;
- given that island regions are, by definition, in maritime zones, argues that the latter should continue to be able to submit their projects under both cross-border and territorial cooperation. If necessary, a new priority entitled “island regions” should be created with its own budget;
- deems it vital to broaden the development of macro-regional strategies to include new areas (Mediterranean, Balkans, Carpathia, etc.) and to ensure they benefit from greater integration of the new European financial instruments;
- welcomes the establishment of a single implementation framework with neighbouring countries/non-Member States. Asks also the Commission to ensure that territorial cooperation programmes in this framework are opened up to regions of neighbouring countries, even if they do not have a direct border with the EU, so as to avoid creating disruption;
- supports the proposal to attach priority to innovation, with an independent budget and procedures enabling direct access for non-state actors. The EESC nevertheless stresses that innovation also has to relate to societal and social matters;
- considering that taking young people into account in Europe is a key element, suggests using the ERASMUS+ methods of youth exchange – for students, apprentices, jobseekers, people with difficulties;
- given the importance of programmes supported by ETC, will support any initiative for obtaining a higher profile for them so as to boost a sense of European citizenship and increase awareness of the concrete measures carried out with EU support.

Rapporteur: **Henri Malosse**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments*

COM(2018) 374 final - 2018/0199 (COD)

OJ C 440, 6.12.2018, p. 116

Regulation on the cross-border mechanism 2021-2027

The EESC

- welcomes the proposal for a regulation presented by the European Commission on a mechanism to resolve legal and administrative obstacles in a cross-border context (hereafter “the mechanism”). The proposal reflects a new approach and is likely to strengthen the opportunities for cooperation based on subsidiarity between different Member States;
 - considers the argument set out in the proposal to be correct, since, although there are currently several institutional instruments supporting these regions (in particular INTERREG and the EGTC), they do not have the necessary powers to take such legal measures;
 - believes that the implementation of the draft regulation may contribute to the removal of historic obstacles and to strengthening the sense of European citizenship;
 - encourages the European Commission to clarify all the questions likely to generate legal uncertainty so that a process perceived as complex and offering extensive and excessive guarantees will not have a deterrent effect on potential users of the legislation. It is essential to establish clearly how to encourage two neighbouring Member States to cooperate where their project designs differ;
 - underlines the importance of continuously monitoring the correct application of the regulation, as it does not regulate solutions, but the process itself, and could offer a framework for countless opportunities for cooperation;
 - underlines that the advantage of the draft regulation is that it harmonises rather than standardises, and the definition of its territorial scope therefore constitutes a key element of its applicability;
 - believes that the proposal for a regulation works on the principle that, in order to solve a given problem, one solution would be to apply the legislation in force on the other side of the border. However, in many cases this approach is not possible. There may be no legislation on either side of the border to help resolve a given problem; the solution may then be along the lines of a model provided by a third country;
- welcomes the coordination introduced by the European Commission, and is counting on the Cross-border Coordination Points to disseminate existing good practice (cross-border programmes, etc.);
 - believes that the draft regulation can contribute to further strengthening innovative and responsible European public administration, but the EESC considers it's necessary to impose information requirements on participants in order to highlight the opportunities for cross-border cooperation;
 - believes that is important to avoid any possibility for backward steps in cross-border initiatives and legal practices.

Rapporteur: **Etele Baráth**

Full details of the opinion:

[Opinion of the European Economic and Social Committee on the Proposal for a Regulation of the European Parliament and of the Council on a mechanism to resolve legal and administrative obstacles in a cross-border context](#)

COM(2018) 373 final — 2018/0198 (COD)

OJ C 440, 6.12.2018, p. 124

Economic convergence and competitiveness within macro-regions - transnational clusters

- The EESC recognises that interregional, cross-national cooperation building upon pre-existing, historical socio-economic and cultural links is the necessary response to the challenges resulting from a rapid evolving expansion of the European Union. Establishing an interconnected cross-border and cross-sectoral system of collaboration and delivering a strategic framework for thematic poles for funding institutions to implement well-targeted projects in a macro-region is of great importance.
- In their first 10 years of operation, the four macro-regional strategies served as useful tools for cohesion policy, primarily by enhancing integration and cooperation and identifying important development processes involving citizens and regions.
- Nevertheless, performance, in terms of reducing social and spatial disparities and boosting environmental sustainability, remains modest. This is due to the complexity of governance and intergovernmental arrangements, the level of bureaucracy, the lack of cross-regional homogeneity, and insufficient involvement of the social partners, socio-economic agents and civil society organisations.
- The EESC supports that macro-regional strategies should be understood as laboratories for developing a bottom-up approach to solving the new challenges facing Europe's society and economy.
- Macro-regional strategies can boost European integration, serving as the major strategic framework for cohesion and sustainability policy.
- Additionally, macro-regional strategies should also be geared towards the range of policies being promoted under the UN's 2030 Agenda for Sustainable Development, adopted in 2015.
- The EESC provides in section 5 of the present opinion a list of specific policy proposals. These can be summarised as follows: (i) along with the necessity for strengthened policy interventions, we need to reduce the bureaucratic burden; (ii) introduce functioning networking, interconnection and management of existing databases; (iii) prioritise networking and clustering of the social partners, local socio-economic agents and civil society organisations; (iv) in the future, macro-regional strategies will significantly benefit from efficient networks for educational activities.
- The development and implementation of macro-regional communication strategies for the stakeholders has a strong supportive role in enhancing visibility, fostering networking and participation.

Rapporteur: **Dimitris Dimitriadis**

Full details of the opinion:

Opinion of the European Economic and Social Committee
Towards a better economic convergence and competitiveness within macro-regions, such as the European Strategy for the Danube region — the role of transnational clusters

Exploratory opinion at the request of the Romanian Presidency
OJ C 282, 20.8.2019, p. 14

Adjustment of annual pre-financing for the years 2021 to 2023

The EESC

- believes that pre-financing primarily supports Member State cash-flow in order to launch the implementation of programmes co-financed by European funds and avoid excessive delay in their completion. Pre-financing is a useful and necessary instrument. It should be borne in mind that, in order to launch a programme financed by European funds, the Member States must advance the resources to the public and/or private actors who are directly responsible for the programme's implementation;
- does not consider the reasons given by the Commission for reducing the pre-financing percentages in the final stage of implementation of the 2014-2020 MFF to carry sufficient weight to justify this action;
- thinks that the Commission possesses adequate instruments to monitor the proper use of European funds, including pre-financing, by the Member States: it would of course support any reforms that enhance this capacity;
- urges the Commission to reconsider its proposal to reduce pre-financing percentages and to retain the percentages set out in the current Common Provisions Regulation for European funds under the 2014-2020 MFF;
- calls on the Commission to revise the pre-financing provisions in its proposal for a Common Provisions Regulation for European funds for the 2021-2027 MFF in line with the arguments set out in the present opinion.

Rapporteur: **Javier Doz Orrit**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021 to 2023*

COM(2018) 614 final - 2018/0322 (COD)

OJ C 159, 10.5.2019, p. 45

The future of cohesion policy in the post-2020 period

The EESC

- considers cohesion policy to be the fundamental pillars for bringing the EU closer to its citizens and for reducing disparities among EU regions and inequalities among people;
 - is of the firm view that the proposal to reduce the size of the cohesion policy budget for the period 2021-2027 is unacceptable;
 - believes that there is a need for a new ambitious and clear European strategy that is aligned with the UN 2030 Agenda and its Sustainable Development Goals;
 - considers it is important that whilst embarking on a much needed effort to make cohesion policy future proof. The EESC believes that EU should not forget the challenges of today, which continue to impact society greatly. Here the EESC is specifically referring to social challenges (marginalisation and discrimination of minorities and specific ethnic groups, or domestic violence) and economic challenges (access to finance and upskilling);
 - is of the opinion that all regions must be eligible for funding;
 - believes that if Europe is to move to the next level of economic development cohesion policy must increasingly adopt a regionally differentiated approach when it comes to investments and policy responses;
 - welcomes the stronger link with the European Semester and also calls for integration with the country-specific recommendations as a means of encouraging structural reforms.
 - expects a stronger link between the European level investment strategy and that of Member States. It is important that the funds do not substitute for the efforts of the Member States but complement them;
- believes that the regulatory package should be much simpler and avoid micromanaging the funds;
 - is calling on the Commission to promote the possibility of a simplified procedure to access funds for projects of a small size;
 - supports the use of financial instruments but calls on the Commission to ensure that when devising such instruments, a thorough test of suitability is carried out to ensure that such instruments are suitable for all Member States.

Rapporteur: **Stefano Mallia**

Co-rapporteur: **Ioannis Vardakastanis**

Full details of the opinion:

Opinion of the European Economic and Social Committee on
The future of cohesion policy in the post-2020 period

Exploratory opinion at the request of the Romanian Presidency

OJ C 228, 5.7.2019, p. 50

The European Semester and Cohesion policy - Towards a new European strategy post-2020

The EESC

- considers that the links between the European Semester and EU cohesion policy have huge potential to be utilised to improve coordination and governance of the EU's economic policy. It is a sign of better governance and of a performance-based approach. Through its coordinating nature, it brings together the implementation of strategic economic, social and environmental goals, political priorities and interaction between short and long-term tasks;
- believes in the Semester process, and proposes that there should be a more balanced application of the incentive and differentiated, well-founded and carefully considered sanctions coordinating the implementation of the economic, social and environmental objectives;
- recognises with regret that the level of performance of the agreements is very different, depending on the status of macroeconomic development in each country. Implementation of the multiannual policies is generally low (between 40 and 50%);
- notes that a strengthened Semester process should be the most important element of economic policy coordination. Key issues include the implementation of the European Pillar of Social Rights, sustainable employment, the introduction of minimum social standards, on the basis of a common European framework, set by the European Semester, and also more ambitious climate targets and better protection of biodiversity;
- proposes that the renewed system of European governance based on the EU 2030 Strategy should focus more on results and set fewer priorities, facilitating access to administrative procedures and relying more on its understanding of and cooperation with civil society. All this must go hand in hand with the development of monitoring and evaluation systems. One important way of strengthening European governance is to enhance multi-level public administration and to open up more freely to participation;
- has to find a newly defined place in European policy and strategy preparation and implementation, taking up a new and stronger position in European governance. The EESC seeks to establish better understanding by strengthening a regular and structured dialogue with social partners and civil society and suggests that an EESC competence centre for exchange of information could be established to address implementation concerns in relation to a future EU strategy;
- believes that by conducting a continuous assessment of the complex targets, the Semester will prove capable of focusing on reducing the risk of crises in the future and of creating a sustainable, meaningful and responsive economic and social environment.

Rapporteur: **Etele Baráth**

Co-rapporteur: **Petr Zahradník**

Full details of the opinion:

Opinion of the European Economic and Social Committee on *The European Semester and Cohesion policy — Towards a new European strategy post-2020*

Own-initiative opinion

OJ C 353, 18.10.2019, p. 39

Modification of the Solidarity Fund – No Deal Brexit

The EESC

- believes that the principles of solidarity and subsidiarity are essential to the functioning of the European Union. It is important, therefore, that in the event of the United Kingdom leaving the EU without an agreement on 31 October, all Member States stay united and face the consequences and challenges of this decision together;
 - understands that the proposal is part of a package of contingency measures for the withdrawal of the United Kingdom without an agreement, that was adopted by the Commission on 4 September 2019 following a call from the European Council to explore all possibilities for existing funds to be used to help alleviate potential financial burdens on Member States;
 - agrees with the addition to the Regulation establishing the EU Solidarity Fund, of the stipulation that the notion of “major disasters” covers natural disasters as well as situations where serious financial burden is inflicted on a Member State as a direct consequence of the withdrawal of the United Kingdom from the Union without an agreement, provided that this remains a one-off event within the time-limit of 2020;
 - proposes that the Commission consider creating an EU instrument that can deal with such political situations and crises in the future. However, if such a new instrument were put in place, it should only be for exceptional situations and be decided formally, case by case. The specific conditions for which compensation can be granted should be defined clearly;
 - strongly believes that the Commission should take all the necessary steps to ensure that the extension of the scope does not lead to a situation that would put at risk the ability of the EU Solidarity Fund (EUSF) to respond to unforeseen events connected with natural disasters;
- believes that the envisaged date of 30 April 2020 is rather late and therefore calls on the Commission to speed up the procedure for the decisions on mobilising the funds in the event that the UK leaves the EU with no agreement;
 - welcomes the increase in the advance payments from the current level of 10% of the expected amount to 25%, but more needs to be done so that the response is rapid and effective;
 - considers that the Commission should pay particular attention to small and medium-sized enterprises (SMEs), as they are the most vulnerable to the challenges of Brexit.

Rapporteur: **Ioannis Vardakastanis**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement* COM(2019) 399 final — 2019/0183 (COD)
OJ C 14, 15.1.2020, p. 84

Just Transition Fund and amendments to the Common Provisions Regulation

The EESC

- is deeply convinced that the Just Transition Fund (JTF) represents the first tangible instrument to contribute to the very ambitious target of carbon neutrality by 2050, and is compatible with the European Green Deal;
- is concerned that the investment envisaged for the just transition does not live up to the European Commission's ambitious Green Deal, and believes that additional resources should be found;
- recommends more precisely specifying the JTF financial framework, as only EUR 30 billion is guaranteed, according to the proposal, and the rest is based on a voluntary decision made by the Member States;
- is aware that the success of the JTF (and the whole Sustainable Europe Investment Plan) is dependent on a new partnership between the private and public sectors in terms of funding as well as shared responsibilities;
- shares the holistic approach that takes into account the economic, social, industrial and technological dimension of the transformation process towards a neutral economy;
- welcomes the fact that the territorial plans and any dedicated programmes are to be followed up by monitoring committees with the same rules as those set out in the Common Provisions Regulation and European Structural and Investment Funds;
- recommends that the territorial plans and any dedicated JTF programmes see the full and real involvement of the social partners and NGOs;
- warmly welcomes the flexibility in the state aid rules and expected implied consequences, which should also reflect the importance of the Green Deal;
- believes that public investment in environmental protection and climate change must be excluded from the constraints of the Stability Pact. It is now more important than ever in view of this unprecedented crisis. COVID-19 can have a major impact on EU citizens, their health and the economy. At the present time, the COVID-19 pandemic represents the first priority;
- erodes our social and economic life, and influences also the current and future EU fiscal policy. In parallel, it creates an unprecedented uncertainty that could consequently lead to a robust change in the EU budget;
- will respect any necessary reasonable change in the next MFF negotiations that could help to solve the fatal situation caused by the pandemic;
- supports the EC proposal "Next Generation EU" to strengthen the transition mechanism in response to crisis and its new proposal for the next long-term EU budget;
- welcomes the possibility for Member States to put in place a dedicated JTF programme. The EESC respects and supports the important role of the regions in the process of programming;
- points to the need to ensure complementarity between the measures financed by the JTF and those co-financed by InvestEU under Pillar 2 and by the public sector loan facility under Pillar 3 of the Just Transition Mechanism;
- warns that the right balance needs to be struck between economic restructuring measures and measures ensuring the protection and retraining of workers affected by the transition processes;
- would like to see a substantial portion of the JTF resources devoted to generating the investments needed to support the workers' transition from one occupation to another.

Rapporteur: **Ester Vitale**

Co-rapporteur: **Petr Zahradník**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund*

COM(2020) 22 final – 2020/0006 (COD)

and on the *Amended proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument*

COM(2020) 23 final – 2018/0196 (COD)

OJ C 311, 18.9.2020, p.55

Revision of the Territorial Agenda of the EU, the Leipzig Charter and the Urban Agenda for the EU

The EESC

- recommends that the new circumstances and parameters that have arisen during the operating period of the current Leipzig Charter (see paragraph 2.2) be fully included in the content of the new Charter, with a view to ensuring that the Charter is functionally compatible with the future EU multiannual financial framework and its links with the European Semester process. It should also take into account the impacts and consequences of the COVID-19 pandemic on the economic, social, environmental and territorial development of the Member States;
- draws attention to the anticipated increase in distortions and risks (economic, health, environmental, cyber, etc.) and proposes to explicitly highlight the need to systematically consider resilience in the New Leipzig Charter on Sustainable European Cities;
- welcomes the text of the Territorial Agenda 2030 and endorses its central pillars, which are based on justice, an environmental focus and the need for the territorial dimension to be reflected in all relevant areas of public administration;
- welcomes the opportunity provided by the Territorial Agenda 2030 to participate in the process of implementing it;
- is aware of the huge scope for using an integrated approach in territorial and urban development and the benefits associated with this approach in terms of synergising the effects, saving on costs and making functional connections between the content of supported projects;
- points out that there is also scope for an integrated approach in terms of the possibility of linking public and private financial resources to increase capacity and share risk for the benefit of both territorial and urban development subject to democratic control, transparent governance and accountability;
- strongly supports a balance between different types of territory in the use of territorial and urban development instruments. It recommends using the most appropriate support instruments for each type of territory, while respecting the principle of subsidiarity;
- underlines the importance of new models and aspects of the development of urban agglomerations and metropolitan areas as key factors for improving of the EU's global competitiveness through their openness;
- is, however, also well aware of the importance of protection and support for peripheral and outlying, mainly rural, territories to help include them in modern and sustainable regional development;
- recommends that the Urban Agenda be coordinated as much as possible with territorial cohesion policy. This can be achieved through functional partnerships between urban and rural areas and through integrated projects aimed at enhancing the sustainability and resilience of the local economic, social and environmental systems of cities, their functional areas and their rural periphery;
- calls on the European Commission to support exchanges of experience gradually leading to methodological recommendations for taking emerging risks and resilience into account as part of the preparation and assessment of development plans at urban and regional levels;
- notes, on the one hand, that metropolitan areas and urban agglomerations are well placed to be the growth poles of the national economy as a whole as well as acting as its contact points in the context of economic openness and globalisation. On the other hand, it is fully aware of the need for a more balanced development of the entire national economy, including rural and peripheral areas;

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- insists that a more balanced representation must exist under the partnership principle in urban and regional development;
 - notes that, in practice, the integrated territorial approach is primarily applied in rural areas (LEADER/CLLD) and in the case of functional urban and metropolitan.

Rapporteur: **Petr Zahradník**

Co-rapporteur: **Roman Haken**

Full details of the opinion:

Opinion of the European Economic and Social Committee on the *Revision of the Territorial Agenda of the EU, the Leipzig Charter and the Urban Agenda for the EU*

Exploratory opinion at the request of the German presidency

The role of EU structural and cohesion policy in driving forward the transformation of the economy in an innovative and smart manner

The EESC

- calls on the European Commission to address cohesion policy as a fundamental tool for dealing with the huge challenges caused by the coronavirus pandemic. There is an urgent need to respond swiftly, and the financial means to help and support Member States must be deployed in keeping with the relevant criteria, but also with courage;
 - agrees that the priorities of the German Presidency must focus on clear measures to rebuild Europe's economy and calls for action to protect employment and social rights across the Union;
 - believes that any recovery plan for Europe must bear in mind the consequences of this crisis, namely Europe's dependence on other economic areas for specific products and services. It is clear that Europe must reflect on its trade policy, boost innovation and turn to good advantage its smart specialisation strategy based on regions and a sectoral industrial approach;
 - believes that digitalisation of services must continue to be a priority for all Member States. This crisis has shown the need for simpler, more comprehensive services to support all Europeans, particularly those who require extra support;
 - agrees that there is still a need to invest in full broadband systems to allow rural areas to develop modern agriculture and tourism activities. Cohesion policy instruments have been neglecting this need, or at least Member States have been distracted from existing opportunities under the financial programmes;
 - strongly believes that e-business is fundamental to the "new normal" as a result of COVID-19's impact on society and the economy. It will be necessary to provide different options for both companies and consumers. SMEs can also
- benefit from this new approach, so structural funds must be allocated to allow companies to discover new markets and new opportunities;
 - believes that there is an urgent need to protect SMEs and their sustainability. Therefore, the usual, existing European tools such as the European Social Fund must be deployed;
 - draws attention to the need to boost and create the right conditions for developing public investment in, and mechanisms for, life-long training schemes to allow people to adjust their skills to the needs of the market now and also to prepare to provide future generations with new skills;
 - also agrees that the "Green Deal" programme must be supported and urges the European Commission to provide clarification to Member States as regards, for example, how the EUR 40 billion in the "Just Transition Fund" can be used to "decarbonise" the economy;
 - welcomes the "REACT programme", under which EUR 55 billion will be invested to support cohesion policy, but it calls on the European Commission to swiftly inform Member States and provide clarification about the conditions and distribution criteria, bearing in mind the fact that these funds must be allocated by the end of 2022;
 - suggests that consultation and extensive involvement of civil society organisations in the definition of regional policies must be ensured.

Rapporteur: **Gonçalo Lobo Xavier**

Full details of the opinion:

Opinion of the European Economic and Social Committee on *The role of EU structural and cohesion policy in driving forward the transformation of the economy in an innovative and smart manner*

Exploratory opinion at the request of the German Presidency



European Economic and Social Committee

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