

Position statement with regards to EC proposals for a future *Multiannual Financial Framework 2021 - 2027*

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Key points

- PURPLE recognises that budget modernisation is inevitably about balancing needs and priorities with available resource. It fully agrees that the “real test” is whether the programmes supported through the budget **deliver on the ground**. That will only happen if the “on the ground” is understood properly and if the right actors are involved in the correct ways at the appropriate time
- PURPLE wants to see the **central importance of Cohesion Policy** reflected in the broader EU budget settlement for the next financial period. To that end it repeats its call of 2017 that the proportions of the next budget allocated to both Cohesion Policy and to Rural Development be preserved at least at the current levels
- PURPLE’s focus within the proposed MFF will inevitably be on the areas relating to Cohesion & Values and on Environment & Natural Resources as these reflect the key areas of concern and interest to peri-urban regions across Europe. Both dimensions clearly reflect what should be a clear, central focus on “place” – in the case of PURPLE, on **peri-urban places** and their complex web of relationships with territories of other kinds
- The central focus on “place” should also be directly reflected in the ways in which the **different strands of financial support are to be aligned**. Resource should be available to place-based operations in joined-up ways with the opportunities to combine and co-manage resource from different parts of the overall financial envelope
- PURPLE welcomes the stated aim of modernising and simplifying both **Cohesion Policy and the Common Agricultural Policy** and calls for this to be done in smarter ways that at the same time respect the integrity of both policies and do not dilute their content or aim
- Focusing budgetary resources around **identified priorities** is laudable and sensible in order to bring focus and help ensure the best possible use of finite resource, but pre-supposes that, a) at the broadest level, those priorities have been accurately identified and understood, and b,) that the budgetary mechanisms are fit for purpose in reaching (impacting upon) those priorities
- **Centralisation remains a concern** – any loss of local influence, involvement, decision-making role, implementation and impact is to be avoided. This should be safeguarded through mechanisms such as full and proper use of the **Code of Conduct on Partnership**
- **Real impact and clear cause and effect** between money and results should be the touchstones here. Given the need to ensure a clear focus on the places where budgetary resources are targeted, some form of territorial impact assessment process needs to be in place across all areas of spend

- PURPLE urges all involved in this process to recognise that Cohesion Policy is not just about offering financial support to EU Member States and regions; it is also enabling those regions and Member States to make contributions for the greater good. That enabling/levering role should not be lost sight of. In that sense Cohesion Policy funds should be regarded as **“strategic investments” with planned-for returns** which regions are able and willing to realise. Funds should not be regarded as “aid” but as a mechanism to enable contributions to be made by its recipients
- That support/investment from the MFF should be rooted in a clear recognition of the fact that there are differences and similarities in **territorial conditions** in different places, and that financial inputs will only achieve their maximum potential benefit if these varying conditions are afforded equal treatment
- PURPLE calls for an overall budget package with the scope and structure to facilitate both **endogenous growth and trans-regional co-operation** - both within and beyond national borders. Such an approach supports our key principle around locally-driven use and management of funds, at the same time allowing local knowledge, benefit and impact to be shared and cross-fertilised at regional, national and European levels
- When considering the ways in which MFF resources are to be deployed so as to support **Regional Development** it should be recognised that such development is a legitimate and valid goal in its own right. MFF resources should not be regarded, for example, as being just about supporting sectoral policies which reflect economy priorities / strengths or as a means for tackling specific issues in isolation
- In similar vein, **Cohesion Policy is a fully legitimate policy in its own right**; it does not exist to support ongoing economic reform and any attempt to reduce its status in that way is to be opposed – partly because Cohesion Policy extends beyond the solely economic (as above), partly because such a move will detract from the **overtly territorial dimension**
- In reality, and at the same time as making the two points immediately above, economic, social and environmental benefit for **local areas - their residents, businesses and visitors** - can all be derived from appropriate investments in regional development when properly implemented
- That in turn should serve as a useful further reminder that the Regional Development and Cohesion goals to be supported through MFF resources should be rooted in a place-based approach – return on financial investment is essentially about enabling **local place-based solutions**
- Where there are references to a **“sustainable agricultural sector”** and to **“vibrant rural areas”**, it is important to recall that rural areas do not exist in isolation - they often form part of a complex web of inter-relationships with peri-urban and urban areas. Nor is agriculture the only economic activity in rural areas and their vibrancy is often critically dependent upon a mix of economic factors and sectors, on social factors and environmental assets
- Indeed much **agriculture is carried out in peri-urban areas** and the ways in which – and places towards which – financial resource is to be directed in the forthcoming programming period needs to reflect that. A properly modernised approach will only work if based on current territorial reality in all its complexities
- As a transnational network, PURPLE has particular concerns about the **proposed decrease in financial support for ETC/Interreg**. The ability for regions to jointly develop solutions to shared problems is a key guarantor of achieving value for money when looking for a return on EU financial investment