



Meeting of the LIX COSAC 17 – 19 June 2018, Sofia

Background Information

Session IV – A strong end effective Cohesion Policy post 2020

The period of the Bulgarian Presidency of the Council of the European Union coincides with the final preparatory actions of the European Commission regarding the legislative proposal for the Multiannual Financial Framework. The future of Cohesion Policy and its place in the EU budget is one of the main topics for discussion among Member States. In this aspect, major efforts have been focused on creating a political and expert debate on this issue and coordinating the strategic elements of Cohesion Policy after 2020, especially in the light of the different views that have arisen.

One of the highlights of the Bulgarian Presidency's program is to provide a solid investment profile for the cohesion budget, which takes full account of the multiannual investments with added value for achieving convergence and smart, inclusive and sustainable growth in the EU. Obtaining concrete results and added value are among the milestones of the European project and its main implementation mechanism through the EU budget. Since these are characteristics of the Cohesion Policy, which has tangible results for all EU regions, the future of this policy is an important priority for the Presidency.

Until the publication of the European Commission's proposals for the EU's Multiannual Financial Framework 2021-2027¹ and the Cohesion Policy Legislative Package, discussions between Member States were stimulated by the Seventh Report on Economic, Social and Territorial Cohesion². It raised questions about the territorial scope of the Cohesion Policy and its investment priorities, as well as their own experience and expectations of policy development and improved implementation.

In December 2017, the Commission published its Strategic report 2017 on the implementation of the European Structural and Investment Funds³. In addition to the positive assessment of the new elements introduced during the 2014-2020 programming period and the progress made on project selection, the Commission highlights delays in the implementation (incl. financial ones) of the programs in the

¹ https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en

² http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion7/7cr.pdf

³ http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/strat_rep_2017/strat_rep_2017_en.pdf



current programming period. The report sets out various reasons for those delays, such as late adoption of legislation, complexity of rules and introduction of new rules, as well as time-consuming procedures for designating competent authorities in Member States.

In view to the challenges presented in these reports and the strong need for simplification, the Bulgarian Presidency has proposed draft Council Conclusions on rationalizing the Cohesion Policy and ESIF after 2020⁴, they call for an enhanced application of the subsidiarity and proportionality principles in the fund management and control, simplification of legislation and flexible programming and smooth transition between programming periods. The Conclusions were adopted by the General Affairs Council (Cohesion Policy format) at its Meeting held on 12.04.2018.

Due to the often opposite national positions and the difficulties of consolidating Member States views, the Presidency has provided the Member States with an opportunity to express their views on the strategic issues and recommendations set out in the Seventh Report on Economic, Social and Territorial Cohesion⁵.

The General Affairs Council of 12 April 2018 in Luxembourg, dedicated to the future of Cohesion Policy, is seen as very important to it . The Presidency invited Member State Ministers to make a strategic contribution to the preparation of legislative proposals by the Commission for the next programming period. The debate focused on three topics:

1. Cohesion Policy priorities after 2020;
2. Types of regions that should be covered by the Cohesion Policy: taking into account the total EU budget for cohesion, co-financing rates, level of economic development, etc.;
3. Measures to increase Cohesion Policy effectiveness and speed up its implementation.

The European Commission's legislative proposals for the MFF 2021-2027 and the Cohesion Policy post 2020 can be considered as a good basis for future negotiations, supporting all EU regions. The Cohesion Policy is concentrated in 5 key thematic objectives:

1. Innovation and competitiveness to adapt the economies to the challenges of globalization;
2. Low-carbon and greener Europe;
3. A more connected Europe through mobility and digital connectivity;

⁴ <http://www.consilium.europa.eu/en/press/press-releases/2018/04/12/delivery-and-implementation-of-cohesion-policy-post-2020-council-adopts-conclusions/pdf>

⁵ resulting from the Commission's Reflection Paper on future EU funding



4. Building upon the achievements of European territorial cooperation;
5. Social convergence, investment in education, skills and social inclusion.

The main indicator of country allocation is Gross National Income, with additional indicators on migration, climate change and employment (focusing on youth employment).

Compared to the current programming period, the financial profile of the future Cohesion Policy appears to be a major challenge, given a certain reduction in its budget; reduced pre-financing; increased national co-financing; rule for decommitment (n + 2).

The main goals of the Bulgarian Presidency of the Council of the EU are to complete the phase of presenting the legislative proposals in the Council working formats by the end of June 2018. Of particular importance is the High Level Conference on the Future of Cohesion Policy, which will be held on 8 June in Sofia. The purpose of the conference is to enable all stakeholders to deliver their key messages on the future of Cohesion Policy, in light of the European Commission's legislative proposals for Cohesion Policy and the MFF 2021-2027.