



Position of the Grand Duchy of Luxembourg regarding cohesion policy post-2020 in view of the public consultation conducted by the European Commission

(Courtesy translation in English of the original French text agreed by the Council of the Government)

At the meeting of the Council of the Government on 2 March 2018, the Government of the Grand Duchy of Luxembourg adopted the following position in view of the public consultation conducted by the European Commission on the European Structural and Investment Funds in the field of Cohesion policy for the post-2020 period.

The Government of the Grand Duchy of Luxembourg emphasises the importance of cohesion policy and the preparation of the post-2020 period with particular focus on the reduction of disparities between regions in Europe and on the strengthening of territorial, social and economic cohesion. Cohesion policy is the expression of European integration and must contribute to a policy of sustainable development in order to improve the quality of life of citizens.

The 7th Cohesion Report, published on 9 October 2017, shows that cohesion policy is the main source of investment of European regions and highlights the importance of interregional, transnational and cross-border territorial cooperation in the context of territorial cohesion, which represents another key principle for the future cohesion policy.

Cohesion policy must be strategic, proactive, future-oriented and flexible in order to be able to meet the challenges of tomorrow and to develop new solutions through research and innovation in the field of climate change with the aim of supporting the achievement of the goals of international agreements, employment, training and social inclusion.

A one-size-fits-all approach is not desirable to increase the impact and added value of our policies. The policy, objectives and regulations must take into account the social, economic and ecological realities and respond to specific situations through the development of integrated territorial strategies for the territories and in particular for urban areas.

Crossing national, regional and local borders offers opportunities for growth and development. We believe that cooperation within national and cross-border functional areas that go beyond administrative and sectoral boundaries constitutes a good starting point for cohesion policy.

In addition, the dissemination of innovative approaches, collaborative learning, experiences and pilot projects, networking cooperation, as well as institutional capacity-building for the design and implementation of cohesion policy should be supported.

Moreover, it is important to insist on the simplification of the regulations, both for the beneficiaries and for the authorities in charge of implementing the programmes. In particular, simplification efforts should aim at reducing the often disproportional administrative costs.

Real proportionality can only be achieved through a differentiated and transparent approach based on objective criteria. Moreover, harmonised eligibility criteria for expenditure, a single audit principle,

with costs proportional to expenditure, and a single regulation, with clear distinctions according to the type of programme (national, cross-border), are particularly important.

The principle of trust should be applied to the designation of those management systems whose performance has been proven and which have not been the subject of significant audit findings. A balance, therefore, needs to be found between policy requirements, the simplification of procedures and the levels of controls and audits, under the horizontal principle of zero tolerance for fraud.

State aid rules are a major obstacle to the implementation of cohesion policy. We consider that these programmes should be subject to the same rules as the programmes that are directly managed by the European Commission and this is a concern above all for European Territorial Cooperation / Interreg.

The measures introduced by the 2014-2020 regulation linking Structural Fund programming to economic governance and to the Country Specific Recommendations in the context of the European Semester have contributed to a general improvement in the macroeconomic situation of the Union and its Member States. It is necessary to continue in this direction by supporting key structural reforms and emphasising conditionalities.

The performance framework is particularly important for the delivery of programmes. This will involve the development of useful indicators using harmonised and stable methods, definitions and terminologies allowing to measure the performance and success of Cohesion policy through simplified reporting. It is, therefore, necessary to establish a clearer accountability, focused on results and indicators adapted to the realities of the territories and the planned activities. Programmes must have the opportunity to re-evaluate the indicators in order to maintain this usefulness and relevance during a programming period.

The architecture and management of the Structural and Investment Funds should be adapted by improving their use for more strategic purposes. It will certainly be necessary to reduce the number of priorities addressed by cohesion policy to focus on the most urgent needs of European citizens. Cohesion policy cannot solve all the challenges that Member States and regions are facing, should rather be aimed at specific areas of intervention at the programme-level, such as economic development, employment, social inclusion, research and innovation, migration and climate change.

For European Territorial Cooperation / Interreg, a regrouping of interregional, transnational and cross-border programmes is generally not useful. It is important to ensure the ownership of programmes. The territorial and functional challenges as well as the specific implementation measures of the respective programmes must be properly assessed.

It is essential to reconcile the needs of the stakeholders in Cohesion policy with the reality on the ground, the budgetary constraints and the new priorities of the Union in this matter.

Finally, the Government of the Grand Duchy of Luxembourg supports the proposal for a new instrument "European Cross-border Convention (ECBC)" that is mentioned in the Communication "Boosting Growth and Cohesion in EU Border Regions" of the European Commission in order to increase the efficiency of spending of European Territorial Cooperation.