JOINT STATEMENT OF THE VISEGRAD GROUP (CZECH REPUBLIC, HUNGARY, POLAND, SLOVAKIA) !

AND CROATIA[1] !

Budapest, 2nd February 2018

We, the Ministers responsible for Cohesion Policy of the Visegrad Group (V4) and Croatia met in Budapest on 2nd February 2018 upon the invitation of Hungary holding the V4 Presidency between July 2017 to June 2018 and discussed and agreed on our position on the cornerstones of Cohesion Policy (hereinafter: the Policy) beyond 2020.

WE UNDERLINE that the Policy is one of the most important and successful tools we have in fostering economic development and contributing to the better functioning of the Single Market; as well as the main investment policy of the EU, which supports the attainment of the Treaty objectives and the effective implementation of investments necessary for achieving convergence and cohesion between Member States and their regions. In doing so, the Policy helps strengthening the global competitiveness and sustainable growth of the Union as a whole; thus, it should be among the top priorities of the future Multiannual Financial Framework;

WELCOME the findings of the 7th Cohesion Report, which acknowledge the fact that the Policy delivers and represents a preeminent pattern of European Added Value, as well as provides benefits for non-cohesion countries from investments in cohesion countries; and, are CONVINCED, that the Policy needs to remain a policy for all regions of the EU, while less developed regions and Member States shall remain its main focus;

ARE AWARE OF the mounting challenges the Union is currently facing; however, tackling them should not be at the expense of the Policy; therefore, an increase of the total amount of the next Multiannual Financial Framework above 1% of the EU GNI should be taken into consideration;

RECALL that according to Article 174 of the Treaty on the Functioning of the European Union, all policies and actions of the EU should lead to the strengthening of its

[1] In its role of President of the Council of the EU from 1st January 2018 and respecting the impartiality and neutrality as inherent features of the Presidency, representing all Member States, Bulgaria refrains from expressing a national position and therefore is not able to formally adopt the present Joint Statement of the seven Member States. Nonetheless, Bulgaria welcomes this initiative, which, by stimulating a debate and leading to convergence in the positions of the Member States, builds an important mass of joint voices, thus giving a pragmatic approach to the future negotiations and facilitates them in terms of time and quality.

economic, social and territorial cohesion in order to reduce regional disparities and to promote its overall harmonious development;

RE-EMPHASISE – also with respect to the current debate on the future of Europe – the necessity of focusing on the needs and expectations of our citizens, protecting the tangible EU achievements they benefit from and maintaining their confidence in the Union;

The Ministers representing the adopting countries of the present Joint Statement:

1. * UNDERLINE that development is a process dependant on many inter-related factors and therefore CONSIDER it essential to maintain the thematic scope of all ESI Funds in order to allow for flexibility in addressing local and regional socio-economic challenges and thus, contributing to the realisation of EU objectives;

2. * ARE CONVINCED that the efficiency of thematic concentration of the Policy could be strengthened by taking into account local and national priorities and territorial specificities of the Member States and regions, in addition sensibly complemented by flexibility in programming and reprogramming of objectives at national and regional levels;

3. * BELIEVE that in line with the long-term programming and result-orientation of the Policy, more flexibility should not lead to shifting allocations of the Policy towards directly managed programmes and to priorities not related to the Policy;

4. * CONSIDER that GDP per capita is an appropriate main indicator for determining the financial allocation within the Policy; and EMPHASISE the importance of a safety net system for national allocations and CALL for flexibility of Member States in defining shares of Funds by taking into consideration their socio-economic conditions;

5. * EMPHASISE that the principle of shared management of the Policy is the best way of increasing ownership for its effective delivery, both at national and regional levels; moreover, it is a key instrument to increase the visibility of the Union among European citizens; however CALL for a clear and balanced allocation of tasks between the European Commission and Member States in the programming, implementation and audit of the Policy, through a significantly simplified implementation system for all Member States based on partnership, subsidiarity, continuity and mutual trust;

6. * TAKE NOTE that national public and private resources significantly contribute to the financial implementation of the Policy, and the actual national co-financing rates are already well above the regulation ceilings due to the limits stemming from state aid rules and regional aid maps, as well as, HIGHLIGHT the considerable weight of non-eligible costs defined in the framework of ESI Funds, which are nevertheless essential for the implementation and sustainability of projects; therefore, SUPPORT maintaining the current EU co-financing rates;

7. * ARE OF THE OPINION that grants should remain the main delivery mode of the Policy, but also ACKNOWLEDGE the findings of evaluations that financial

instruments can be efficiently used, especially in combination with grants in financially viable investment areas of the Policy; although, the provisions of financial instruments should be radically simplified;

8. * EXPERIENCED that overlaps between programming periods raise the administrative burden for the beneficiaries and the management systems, hinder efficient programme implementation and investment process; therefore, CALL for measures that allow for a smooth transition between programming periods with regard to the management and functioning of the Policy. Moreover, NOTE that the current de-commitment rule provides an adequate and predictable time frame for the programming, implementation and financial reimbursement of programmes and projects while ensures effective and result-oriented spending. PROPOSE that any substantial changes to the implementation mechanisms of the policy during the programming period should be thoroughly discussed with the Member States;

9. * CALL for a closer dialogue among various authorities responsible for audit and management verifications to review and harmonise their internal principles, procedures and methodologies, so that the criteria for a useful and efficient single audit and control principle – i.e. effective audit and control frameworks in which each layer respects the assurance provided by others – could be fulfilled: audit and control processes shall be executed based on subsidiarity and in a preventive and proportional manner;

10. RECALL that a further alignment of the rules among ESI Funds has a positive impact on the efficiency of the Policy, and also UNDERLINE the importance of a harmonised application of horizontal rules among EU instruments, with special regard to state aid rules, from which exemptions for the Policy should be granted at programme level by regulation;

11. STRESS that further simplification of rules should also take into consideration inter alia experience from the current programming period and the best practices used by the directly managed instruments at EU level; and that rules should primarily support the realisation of outputs and results;

12. UNDERLINE that European Territorial Cooperation programmes represent a clear European Added Value and are important tools in scaling-up development potential and fostering EU competitiveness; therefore, SUPPORT that the European territorial cooperation with its three strands remain one of the main objectives of the Policy; however, BELIEVE that their future rules should even better accommodate their specificities and multilateral approach, consequently, ADVISE that an exemption from the application of state aid rules for these programmes should be provided.