



Kofinanziert von der
Europäischen Union



A strong and modern cohesion policy from 2028

Ministry for Federal and European Affairs
and Regional Development of Lower
Saxony

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Preamble

For us, the European Union is synonymous with democracy and the rule of law. It forms a strong community of economies and values and guarantees its approximately 500 million citizens peace as well as opportunities and freedoms previously unknown to generations. The European Union ensures stability, security and prosperity for the people and guarantees freedom of movement and social progress in the regions.

In Lower Saxony, we staunchly support the accomplishments of the European Union and actively contribute to their advancement for the collective benefit. Envisaging a positive future without the European Union is inconceivable for us.

The European Union thrives on the strength of thousands of municipalities and regions. In terms of its area, population and economic output, Lower Saxony is comparable to medium-sized EU states.

Today, the European Union faces multiple and global challenges:

- European sovereignty and a security architecture shaken by wars, conflicts, and a changing world order.
- Ensuring resilience: the pandemic, commodity dependencies, unstable supply chains, food security and inflation have highlighted the need for transformation at various levels. It is more necessary than ever for regions to position themselves for the future.
- Climate crisis: an existential challenge that affects everyone.
- Securing social cohesion: Change can only succeed with people. It is therefore important to consider social, economic, and ecological change together. Important parameters in this context are the ageing of society, immigration, and the development of skilled labour.

The economies within the European Union, as well as its regions, are presently confronted with substantial challenges and transformations. It is imperative to uncover European responses and solutions at the regional level to prevent a prolonged impasse in the European integration process and safeguard the international significance of the European Union.

The Structural Funds make a significant contribution to strengthening economic, social, and territorial cohesion and to reducing regional imbalances between European regions. They can look back on a long history of success. They have proven that they can rise to new challenges and respond to them. This is more important than ever in the face of multiple crises.

Cohesion policy funds hold significant importance for us, being executed through shared management at the local level, considering distinct regional needs and fostering partnerships. Serving as a pivotal investment tool, these funds address transformation challenges across all regions while offering substantial potential for fostering identification with the EU and enhancing its visibility throughout. Even more developed regions lack the requisite financial resources to independently initiate essential investments in response to these challenges.

A modern cohesion policy for the regions must provide new answers and a new direction in view of the challenges of the future. Due to global and fundamental changes, it urgently needs new approaches.

European Territorial Cooperation (Interreg) significantly contributes to European integration and cohesion, fostering the promotion of amicable relations among neighbouring nations in Europe. It also plays a vital role in enhancing the visibility of the EU beyond national borders.

In view of the multiple internal and external crises and nationalist tendencies, it is more important than ever as a fundamental value. Interreg contributes to securing cohesion within the Union in the long term.

The Lower Saxony Ministry for Federal and European Affairs and Regional Development is doing its part to contribute to the necessary further development of structural policy for the benefit of the citizens of the European Union and its regions.

Reorientation of cohesion policy

A reorientation of cohesion policy is essential in view of the new challenges and ever-increasing budgetary pressure. Cohesion policy must be shaped from within the regions. The "regional" and "European" aspects must be considered together. Bottom up, not top down. The common objectives must be defined at European level and designed and implemented at regional level. The Structural Funds are the only investment policy with a place-based approach.

The objectives pursued with cohesion policy can only be successfully pursued if implementation is based on the partnership principle and shared management of funds with a focus on the regions. Other financial instruments at European level must be integrated into this approach.

Cohesion means equal living conditions in and between all regions of the Union. In future, this will include strengthening the resilience of all regions. All regions need the ability to adapt individually to the challenges of transformation and to transform these challenges into development prospects. This applies to economically weak regions just as much as to economically strong regions.

Special transformation challenges must be taken into account when allocating funds.

In the further development of cohesion policy, the expertise and experience of the local implementation bodies must be incorporated alongside politics and science.

A financially strong cohesion policy

In view of its importance for the future viability of the regions, cohesion policy must be given a higher level of funding than previously in the multiannual financial framework. The financial resources must be at least at the same level as in the current funding period plus an inflation adjustment.

The current allocation of funds between the member states, which has been heavily influenced by GDP, should be scrutinised. Due to the partial "blindness" of this indicator for future issues, it should be examined whether other indicators should be used that better capture the challenges of strengthening the resilience of the regions.

It is imperative to raise the EU share of funding by a minimum of 10 percentage points, reaching 50% in more developed regions and 70% in transition regions. Numerous project organizers and financially strained municipalities find it increasingly challenging to secure their own contributions. This challenge is particularly evident in the ESF+, where volunteers and charitable organizations lack the financial capacity to fulfil the necessary co-financing requirements.

A seven-year term and the synchronisation of MFF and EU funding programmes should also be maintained after 2027. It should be avoided that the EAFRD deviates again in terms of duration.

To have more time to implement the projects required to achieve the objectives, we must return to "n+3" - also for the EAFRD.

Social Europe

Strengthening the European Social Fund is a necessity if the socio-ecological transformation with its diverse effects on people is to succeed.

Member States and regions that take in large numbers of refugees should receive a bonus in the allocation of funds due to the additional challenges.

The ESF+ must be focussed on more - also financially. It is a central instrument of the EU's core objectives in the areas of education, employment, and social inclusion, which are becoming more prominent.

Against the backdrop of the various economic transformation processes and demographic change, efforts to secure skilled labour, retain skilled labour and tap into further skilled labour potential and new skills are essential. This requires the development of all existing, accessible potential, especially women, and more distant potential, e.g. disadvantaged young people, the long-term unemployed and migrants.

The importance of social innovation must continue to be emphasised through increased funding rates. The principles of gender equality, equal opportunities, non-discrimination, and inclusion must be given equal consideration in all funds.

A greener Europe

The issues of environmental and climate protection, climate resilience, sustainability and climate impact adaptation must be given greater and more consistent consideration within the framework of cohesion policy and become concrete funding objectives. Particular attention must be paid to the circular economy, especially to reduce dependence on raw materials.

The ERDF's contribution to climate protection must be further increased. The methodology for measuring the climate quota, known as climate tracking, must be further developed to ensure simple and effective application. The just transition to a climate-neutral economy should be promoted within the framework of the ERDF.

Special transformation challenges should be taken into account in the allocation of funds, whereby committed climate protection should be rewarded via an incentive system (e.g. premium for savings in greenhouse gas emissions) and slowing down should be penalised.

A Europe closer to its citizens

In the interests of a Europe that is close to its citizens, local stakeholders must be more closely involved. More localised and regionally specific approaches are needed. Only through a local presence, ownership and participation will it be possible to address the many individual development opportunities and challenges of individual regions and promote the idea of subsidiarity.

Territorial instruments must become mandatory at programme level. It will only be possible to achieve the set goals and European integration if local stakeholders have an active and genuine opportunity to help shape the programme.

To further advance the goal of a Europe that is closer to its citizens, further benefits are needed for the regions that use these instruments, for example by increasing the EU's share

of funding and by significantly simplifying and making the rules for implementation more flexible. A multitude of regulations does not fulfil the special needs of these valuable instruments.

Rural and regional development

Regional development also includes rural development. Strengthening rural areas is an overarching task to which all sectoral policies must contribute.

The goal of strong and resilient rural areas must be given a high priority in the legal framework and the EAFRD must have a broad range of instruments at its disposal for their socio-economic development.

The rural dimension also needs to be firmly anchored in cohesion policy and well-coordinated with the Common Agricultural Policy. The EAFRD must be further strengthened and developed.

Success with less bureaucracy

The corset of requirements and restrictions is too tight. We need flexibility within and between the Structural Funds. There are no off-the-shelf, customised solutions for the diversity of the regions and the different challenges. The spiral of bureaucracy must be ended and a real reduction in costs must finally be achieved.

It must be possible to react quickly and unbureaucratically to changing challenges.

In the legal framework from 2028, the harmonisation of regulations, particularly between EAFRD, ERDF and ESF+, must be further advanced to facilitate the efficient use of all funds and cross-fund approaches.

The requirements for programme preparation and programme architecture must be considerably simplified and streamlined. This includes the specifications for the indicators and for the calculation of the financial plan.

The European guidelines should only include the major thematic objectives and a general framework to enable a more flexible use of funds that is tailored to the needs of the regions. This will also lead to fewer occasions for reprogramming the funds.

The large number of secondary aspects and objectives have proved to be a burden on the approval process without any added value in terms of content and have led to significant delays.

It must be ensured that the EU Commission only refers to the rules laid down in the regulations in the preparation and approval process of the regional programmes and that no other requirements from other policy areas are applied.

With a view to more efficient and effective implementation of cohesion policy after 2027, administrative, control and audit regulations need to be streamlined.

Before introducing further verification and testing obligations, the extent to which these are expedient, necessary, and proportionate in the overall view of all affected regions should be examined. Where possible, a stronger culture of trust should also be encouraged in the area of inspection.

To alleviate the burden on local stakeholders, including small towns, municipalities, associations, volunteers, and micro-enterprises, it is essential to introduce simplified

implementation mechanisms. These mechanisms should specifically address the concerns of "smaller grant recipients."

Established and functioning management and control systems should be able to be updated across funding periods.

Due to the expected high adjustment costs, the introduction of a performance-based reimbursement approach should be voluntary at best.

In general, funding and state aid law should be harmonised even more closely and approval procedures under funding and state aid law should be merged at the beginning of a funding period in line with the "one-window approach". The differing periods of validity of relevant regulations lead to additional changes in the middle of the funding period. The period of validity of these regulations must be harmonised to ensure a continuous legal framework. The complex state aid rules applicable to ERDF and ESF+ should be aligned with those of directly managed EU programmes that are exempt from state aid law, such as Horizon Europe, where the objectives of the programmes (e.g. R&D) are comparable.

Evaluations should be prioritised over monitoring. Comprehensive data collection as part of monitoring is disproportionate to its added value. Evaluations provide significantly more knowledge due to the assessment of funding along a variety of dimensions.

A neighbourly coexistence in Europe

Transformation challenges do not end at administrative borders. It must be possible to flexibly fund projects across regional, national, and cross-border categories in both the ERDF and the ESF+.

Due to its high added value, Interreg must remain an integral part of European territorial cooperation. It promotes the European idea by enabling a wide variety of stakeholders to cooperate across national borders and get to know and understand each other. This creates trust and promotes cohesion and integration within Europe.

The focus on cross-border, transnational and interregional programmes as well as the geography of the programmes with Lower Saxony's participation has proven its worth. To continue to address joint solutions for overcoming existing and future challenges, the existing territorial frameworks for cooperation with the Netherlands and in the other programme areas as well as the proven thematic focuses must be retained.

The rules for Interreg are to be designed and further developed based on previous experience and with the involvement of the member states and countries.

Collaboration across all three domains of Interreg demands reinforced emphasis. Thus, Germany requires additional investment funds to bolster the impact of both cross-border and transnational Interreg programs.