



Joint Declaration of the Czech Republic, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia on Cohesion Policy

We, the Ministers of the Czech Republic, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia met on 25 June 2020 on the occasion of the cohesion ministers meeting in order to discuss common views related to Cohesion Policy. We welcomed the presence of the European Commissioner for Cohesion and Reforms Elisa Ferreira and representatives of Croatia, the presiding country of the Council of the EU.

Recalling, respectively, the declarations of the Beja, Prague and Bratislava Friends of Cohesion Summits and the priorities identified therein for the future Multiannual Financial Framework (MFF), which remain valid.

Stressing that the agreement on the MFF and Next Generation EU (NGEU) should be reached in due time in order to enable a smooth transition to the next programming period, while at the same time being a balanced compromise for the benefit of all Member States and their entities and citizens. Although NGEU financial resources channelled through the EU budget and the MFF programmes will have a central role in stimulating economic recovery, it should not be financed at the expense of the MFF and in particular of Cohesion Policy, which is critical for the long-term economic development.

Underlining that Cohesion Policy represents a main EU investment policy, which is significantly and visibly contributing to the real convergence of regions and Member States within the EU and to the functioning of the internal market, thus helping to boost growth, to strengthen competitiveness, to create jobs, to promote digitisation, to facilitate transition to a low carbon EU as well as to support recovery of the Member States' economy. It should continue to focus on its Treaty based objectives, as set out in Article 174 of Treaty on the Functioning of the European Union, and significantly contribute to the reduction of disparities in the level of development among different regions and the Member States and has a significant role to play beyond the current crisis. Becoming a strong, safe and prosperous Europe requires adequate level of financing for the new challenges as well as existing Treaty-based policies with confirmed European added value, specifically Cohesion Policy.



The Ministers representing the Czech Republic, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia:

1. APPRECIATE that the flexibility provided for the Member States in the 2014–2020 programming period, in the form of the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Investment Initiative plus (CRII+) is significant and welcomed in the given context.
2. UNDERLINE that the REACT-EU between 2020 and 2023 is a targeted solution in the domain of Cohesion Policy, which provides the Member States with additional resources to help them recover their economies after COVID-19 pandemic. It led to an unprecedented socio-economic crisis with overwhelming effects on various sectors across the European Union. Cohesion Policy has already proved its central role in the recovery process in previous crises and should continue to play this role in the current situation. Its capacity to program investments in order to contribute to EU objectives, including the green and digital transition, should be consolidated. Given the fact that REACT-EU has a shortened period of implementation compared to other instruments under the NGEU package and MFF, CALL for extension of the final eligibility date, as was approved in programming period 2000–2006.
3. STRESS that REACT-EU allocation methodology while reflecting the impacts of the COVID-19 crisis on the Member States or regions should also reflect structural challenges and strengthen the objective of Cohesion Policy to reduce disparities and promote convergence. Amounts should be allocated in a fair and transparent manner and should be known well in advance in order to facilitate their programming and implementation process. Given the tight deadline for programming and implementation of REACT-EU and to make sure that the additional resources will be used fully and effectively, CONSIDER that retroactive eligibility of crisis-related expenditure should be allowed.
4. UNDERLINE that the current crisis has affected all Member States, however their ability to finance necessary investments in the future varies. Therefore, no Member State or its regions should suffer from a sudden drop in its cohesion allocation in order to keep the convergence process ongoing and avoid the reverse process.
5. POINT OUT that ensuring legal certainty in all Cohesion Policy legislation, but namely in CRII, CRII+ and REACT-EU implementation is necessary. The Commission's interpretation of the rules and any guidance provided to the Member States must be based on discussions and consultations with the management, control and audit bodies at all levels. In this respect, having in mind shared management, CALL for a closer dialogue among various authorities responsible for audit, control and management verifications to review and harmonise their approach in the upcoming years. Also EMPHASIZE the need to reflect on the flexibility provided within CRII and CRII+ packages in management, control and audits in all Cohesion Policy instruments.
6. INVITE the Commission to approve the amended operational programmes in a fast, streamlined and simplified manner, focusing on quick delivery and results thus further reducing administrative burden in order to allow for effective and efficient implementation of Cohesion Policy resources.
7. POINT OUT that closure of the 2014–2020 period will be affected by the effort to help the Member States to tackle the impacts of the COVID-19 pandemic (CRII / CRII+) and to support the recovery of the Member States' economies (REACT-EU). INVITE the Commission to swiftly prepare and



adopt flexible closure guidelines to enhance smooth cooperation between the Commission and the Member States for this last step of the implementation,

8. STRESS that Cohesion Policy contributes strongly to tackling structural challenges and related structural reform processes, the green transition and digital transformation and that the convergence it fosters is crucial for functioning of the single market, a cornerstone of the economic recovery. This calls for an ambitious long term financing of Cohesion Policy and keep the focus on unlocking the potential of less developed regions to grow. Nevertheless, proper coordination between Cohesion Policy programmes and Recovery and Resilience Facility should be ensured at all levels so that they are mutually reinforcing in promoting economic, social and territorial cohesion and convergence.
9. To stimulate more investments, CALL for more flexible rules for Cohesion Policy 2021–2027, in particular with regard to the thematic concentration for Cohesion Policy funds, mainly the European Regional Development Fund (ERDF), transfers among Cohesion Policy Funds (including the Just Transition fund - JTF), EU co-financing rates, scope of support which should encompass supporting transition technologies, as well as flexible rules of phasing projects. The Member States need flexibility also in ensuring a better balance between the common EU targets and allocation of resources in order to comply with their Country Specific Recommendations and their national and regional priorities and in order to boost their national economies.
10. ACKNOWLEDGE the role of the JTF in transition of the regions affected the most by the need to fulfil the climate goals. Territorial cohesion, quality of life, sustainable job creation and preventing energy poverty should be at the heart of the JTF as part of the measures supporting the green transition. Given the new MFF and NGEU proposals, UNDERLINE that the provisions on corresponding transfers from the ERDF and the European Social Fund Plus are not justifiable anymore and should be abandoned. In addition, the scope of support from the JTF and its geographical coverage should be as flexible as possible.
11. CONSIDER that certain financing conditions proposed for the period 2021–2027, such as limited advance payments, tightened decommitment rule or lower EU co-financing rates, could impose additional budgetary pressure on public financing in the Member States while they need to mobilise all available resources to support the recovery of their economies. Therefore, in case of these financing conditions CALL for keeping the rules of the 2014–2020 period. Given the significant delay in agreeing on the next MFF and its consequences on the timely start of the new programmes, extending the deadline for decommitment is even more justifiable.
12. HIGHLIGHT the impact of the State Aid rules on the possibility to support undertakings experiencing difficulties due to the current COVID-19 outbreak and CALL FOR aligning ERDF and JTF investment scope with the flexibility provided under the State Aid rules, INVITE the Commission to adequately adjust the rules (in particular de minimis limits).
13. KINDLY ASK the European Parliament to resume and accelerate the negotiations with the Council and the Commission on Cohesion Policy legislation so that the implementation of the cohesion programmes can start in time.

Prague, 25 June 2020

