We strongly believe that a reinforced cohesion policy must remain the EU’s main public investment policy and that the forthcoming EU budget should reflect this. A simplified cohesion policy can be the EU’s most powerful tool to overcome the looming crisis of public disengagement and Euroscepticism. Subsidiarity, the partnership principle, the territorial approach and multi-level governance are cornerstones of a framework that empowers and supports cities directly in their efforts to act locally and address the day-to-day problems of Europeans. Committed to building a stronger and fairer Europe through local leadership, and in partnership with the national and EU level, cities must play a fundamental role in shaping and implementing cohesion policy.

To maximise its potential, we demand a cohesion policy that:

- covers all regions
- recognises the growing role of cities
- promotes a strong territorial and functional area approach
- is based on the principle of partnership
- introduces simplified rules based on subsidiarity and proportionality
- reflects the outcomes of the partnerships of the urban agenda

Challenging times

EU is about to start a new debate about the long term budget and priorities post-2020 and the stakes are high. Europe’s main achievements: enduring peace, greater wealth and solidarity are being shaken at their foundations by the Brexit vote, by growing Euroscepticism and the rise of movements that stoke fear and disillusionment across Europe. In the aftermath of the financial crisis, growth and prosperity are unevenly spread across Europe and a chronic lack of jobs has resulted in rising poverty and social inequality. These challenges are particularly concentrated in major urban areas.

The EU has demonstrated limited ability to tackle current major challenges such as youth and long-term unemployment as well as to collectively respond to recent global issues, including the reception of migrants and refugees in Europe. We are facing a growing disconnect between citizens and the EU. A strong cohesion policy that effectively supports cities and regions in their efforts to tackle immediate and longer term challenges, can be one of EU’s strongest tools to overcome these crises.
A cohesion policy that recognises the growing role of cities

Cohesion policy has always been one of the strongest expressions of solidarity between member states and regions in the EU. It has helped to achieve remarkable improvements in public services and infrastructure in less developed parts of Europe resulting in better access to schools, healthcare and jobs, improved conditions for research and businesses and more sustainable use of resources. Cohesion policy has also helped to reach out to the most vulnerable in deprived urban communities and improve their chances for reintegration.

Continuously developing across the funding periods, it has become a well-designed policy framework to address social, economic and territorial imbalances. Shared management provides legitimacy and ease of access by lifting the barriers of distance and language. Covering all regions, cohesion policy has the strongest potential to transfer innovation across Europe. For all these reasons, we need to maintain and reinforce cohesion policy in the next funding period to effectively address long-term problems.

Most of the challenges Europe is facing are concentrated in cities, where it is easiest to understand the impact of environmental, societal, economic, cultural and technological transitions. Inclusive, sustainable and safe cities is one of the 17 goals identified in the sustainable development agenda, highlighting the growing importance of cities globally as well as at EU level. Cohesion policy post-2020 must reflect the global recognition of the role of cities, enhancing the tools and mechanisms to empower and support cities directly.

It is crucial for cohesion policy to have strong local ownership. The territorial approach unique to cohesion policy must be further developed, allowing cities to contribute to EU priorities tailored to their specific development needs. As the problems and needs of communities may differ even across urban neighbourhoods, cities need tools to engage local communities and power to influence, access and have control over funding based on their priorities.

Simplification has to effectively address the needs of those implementing the policy on the ground. This requires a strong partnership based on trust between all the actors involved in implementation. Reflecting their major role in implementing EU policy goals, cities must be actively involved in shaping policy and investment priorities. A single European Structural and Investment Funds ‘rulebook’ would foster the integrated approach essential to address interlinked challenges. Simplified rules and procedures would enable more flexible access to the different funds. The administrative burden must also become proportionate to the amount of funding and the audit focus should shift from compliance to results.

A mix of funding and investment tools to tackle Europe’s challenges

Continuing constraints on public finances have seriously hindered investments in long-term public infrastructure, which is particularly challenging for growing cities. We acknowledge and fully support the efforts the EU has made to scale up the use of financial products, leveraging private investments with the European fund for strategic investments to boost investments and create jobs. However, we also note the limits of financial instruments in securing funding for vital public investments and smaller-scale local developments.

The funding opportunities provided by the European Structural and Investment Funds, Horizon 2020 and other programmes support cities in the transition towards becoming more resource-efficient, developing more effective public services and improving the quality of life for citizens. As the EU moves towards a new long-term budget, we need to sustain these vital funding programmes, in addition to also attracting private investments and scaling up financial instruments where feasible.
Cities as partners towards a stronger Europe

Recognising that the functions of our cities often reach far beyond our administrative borders the current programming period provided new tools to support integrated sustainable urban development from neighbourhood to metropolitan levels. We are testing those tools and look forward to further developing their effectiveness ahead of the post-2020 period, based on evidence and the challenges related to their implementation on the ground.

The urban agenda for the EU recognises the need to involve cities in improving the design and delivery of common policies. It proposes a model bringing together cities, national governments and the European Commission in thematic partnerships, working towards better regulation, better funding and better knowledge sharing. Cities have demonstrated strong commitment and capacity to engage in the partnerships, contributing to more effective solutions for policy and funding at EU level through local expertise. The outcomes of the partnerships need to be reflected in the framework for the future cohesion policy and fulfil growing expectations to meet Europe’s challenges on the ground and make difference for citizens.