

Friends of Cohesion
JOINT DECLARATION
on the Multiannual Financial Framework 2021-2027

We, the Representatives of *Bulgaria, the Czech Republic, Cyprus, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain*, met in Beja, Portugal, on February 1st 2020 on the occasion of the Friends of Cohesion Summit in order to discuss common understandings related to the Multiannual Financial Framework 2021-2027. We welcomed the presence of Croatia, current EU Presidency, Italy, as well as the European Commissioner for Budget and Administration and the European Commissioner for Cohesion and Reforms.

Recalling the declarations of the Prague and Bratislava Friends of Cohesion Summits of 5 November 2019 and 29 November 2018, respectively, and the priorities identified therein for the future MFF, which still remain valid,

Encouraging the work of the President of the European Council, as called for by the European Council conclusions of 12 December 2019, to rebalance the Negotiating Box presented by the Finnish Presidency so that the next MFF provides the sufficient level of financing to implement the EU Strategic Agenda objectives and priorities,

Recognizing the need to agree the next MFF as a matter of priority to ensure a smooth transition between the two programming periods,

Welcoming, in this regard, the special meeting of the European Council called by its President to begin on 20 February 2020 with the aim of reaching an agreement on the next MFF,

Taking into account the letter of the President of the European Parliament addressed to the Presidency of the Council of the EU of 14 January 2020,

Reaffirming that Cohesion Policy and the Common Agriculture Policy have already been successfully adapted to evolving circumstances and will have an increasingly significant role in the context of important challenges such as climate change, demographic trends, innovation, job creation and sustainable growth; and that, in addition, they are crucial to confront the economic and social disparities that might arise from the Digital and Climate transitions,

Emphasizing that any cuts in the investment capacity of Cohesion regions would be unacceptable, acknowledging that existing disparities in the level of development among regions and Member States are still substantial, and that the impact of the crisis is still present, Europe must strengthen efforts to increase investments that ensure economic, social and territorial convergence, with special focus on the least favoured regions,

Recognizing that Cohesion Policy and the Common Agricultural Policy have a positive impact on the daily life of European citizens and represent a highly valuable asset that enhances their trust and connection to the European project and therefore require a sufficient level of financing,

Emphasizing that commitments and payments of the special instruments should be placed outside the MFF ceilings,

Acknowledging the need to overcome the divisions and strive for achieving a compromise on the Multiannual Financial Framework 2021-2027 that effectively responds to the substantial needs and challenges of the period ahead of us,

We agree that

1. The core objectives of Cohesion Policy such as the promotion of convergence of the less developed Member States and regions remain valid. The investment capacity of Cohesion Policy is crucial to provide answers to the challenges faced by the European Union and is inextricably linked to the internal market. While agreeing on the need to further streamline and simplify the functioning of the Policy, it is crucial to foresee enough means to guarantee its effectiveness. Therefore, the **funding for Cohesion Policy for the 2021-2027 period should maintain the level of the 2014-2020 MFF in real terms. No Member State should suffer a sharp and disproportional decrease of its Cohesion allocation.**
2. **Appropriate implementing conditions** are crucial for the success of policies and do not have a budgetary impact for the EU. **Co-financing should be kept at the current rates, pre-financing should be maintained at sufficiently high levels and no abrupt changes on the decommitment rule should be made,** in order to avoid risks for the policies' implementation. This would ensure efficient and effective use of Cohesion Funds without putting an extra burden on national budgets. Adequate conditions are particularly relevant to improve the performance of the less developed regions and those facing permanent challenges.
3. It is also essential to encourage coherence between the EU requirements and the different circumstances of Member States and their regions, by **guaranteeing increased flexibility, namely on thematic concentration at regional and national level,** in particular in the European Regional Development Fund, and on the level of transfers among the Funds under shared management. This will allow a better response by each Member State to climate challenges and investment needs.
4. The creation of new instruments such as the **Budgetary Instrument for Convergence and Competitiveness, the Convergence and Reform Instrument** or the **Just Transition Fund** is relevant to pursue **specific goals,** additional to those of Cohesion Policy. Their functioning must be consistent with keeping the level playing-field within the Union and avoid deepening existing imbalances. Their funding should come on top of the Commission's proposal

and not be made at the expense of Cohesion Policy and the Common Agricultural Policy.

5. **The system of own resources needs to be simpler and fairer. All rebates should be abolished from the beginning of the next MFF.**

On this basis, we call on all the Leaders and EU institutions to effectively engage in productive negotiations to reach a **sufficiently ambitious, balanced and fair agreement** on the EU long term budget and to ensure the **timely start of the next generation of programmes**, giving a clear sign of trust and unity to the citizens and to the European economy.

Beja, 1 February 2020