



## ***Sustainable growth and employment in the European Chemical Regions needs a strong cohesion policy***

### **ECRN Congress Declaration 9<sup>th</sup> Congress, 27 October 2011**

The European Commission has presented proposals for the multi-annual financial framework for the period 2014 – 2020<sup>1</sup> and the drafts of the new Structural Funds regulations<sup>2</sup>. These proposals contain important information about European cohesion policy post-2013.

The European Chemical Regions Network (ECRN) is seizing this opportunity to voice the **common concerns of the chemical regions** about the future design of cohesion policy and to start a process of consultation and cooperation in this field.

Cohesion policy plays an important role in many chemical regions in Europe. Since the chemical industry is of major importance to the economies of these regions, there are several topics on which chemical companies, public authorities, and other organisations work closely together.

Areas of collaboration include the development of business-related infrastructure, the promotion of research and development, innovation, climate and environmental policy, energy, as well as education and training. Furthermore, there is often close cooperation in terms of financing and implementation of transport planning and logistics. The resources of the European Cohesion Policy are used in all these areas.

Experience has shown that **partnerships** and development of locally and **regionally coordinated development strategies** are key success factors for the optimal use of structural funds.

Looking at the **future funding period** from the perspective of the chemical regions, the following points are particularly important:

1. European cohesion policy must continue to be relevant to all regions in Europe, support their efforts to promote **sustainable growth and employment**, and thus support the harmonious development of the EU as a whole.
2. The Commission's proposals on the future **scope and design** of cohesion policy are therefore welcomed in principle.
3. Cohesion policy should serve as an **important link** between the objectives of the Europe 2020 strategy and the strategic efforts made at local and regional level. In this respect, it is useful to focus the use of Structural Funds on topics and instruments which have the greatest possible **leverage effect**. The definition of these topics should however be left to

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<sup>1</sup> [http://ec.europa.eu/budget/reform/commission-proposals-for-the-multiannual-financial-framework-2014-2020/index\\_en.htm](http://ec.europa.eu/budget/reform/commission-proposals-for-the-multiannual-financial-framework-2014-2020/index_en.htm)

<sup>2</sup> [http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm#1](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm#1)

the partnership process between the respective actors in the Member States, the regions and the Commission.

4. Cohesion policy should acknowledge and support **integrated solutions** of the various policies and issues at regional level and ensure that regions remain competitive and develop according to their respective strengths and needs.
5. Rigid requirements for thematic priorities from the European level or quotas for specific topics are rejected by the chemical regions. Such limitations would endanger the added value of cohesion policy, which should allow for development of **strategies tailored to local needs** and which is the essence of the **subsidiarity principle**. Such restrictions would hinder the development and implementation of integrated development strategies to address the specific potential and needs of the regions.
6. The chemical regions have serious concerns on how their potential and needs will be addressed if the Commission's proceeds to limit the funding objectives of the **European Regional Development Fund** to energy efficiency, renewable energy, SME-support and innovation in the transition regions and the more developed regions.
7. The chemical regions recognise the importance of the **European Social Fund**. It is appropriate that in the future the ESF can be used to cover expenses for equipment and material costs related to investments in social and human capital. However, the chemical regions reject the proposed top-down quota for the ESF amounting to 40% in the "Transition regions" and 52% in the "Competitiveness regions". This proportion must be a result of the programming process in the eligible regions and the limitations of the total budget provided compared to the current funding period should also be taken into account.
8. The **principle of partnership** and the **active involvement of local stakeholders** must continue to be emphasised in the planning and implementation of cohesion policy.
9. With regard to the future implementation of cohesion policy, efforts to **simplify administrative procedures** should be increased.
10. Due to the current European measures being taken to reduce public deficits, the future requirements for national co-financing of Structural Funds should be designed in a way that does not add to the **financial burden** of local and regional authorities.
11. The chemical regions support the Commission's proposals to **strengthen and expand the scope of new financial instruments** after 2013 to increase the sustainability of funding. However, the ECRN wishes to point out that legal certainty for all parties is essential for the successful application of these instruments and for greater involvement of the private sector. **Mandatory rules that are clear, unambiguous, and simplified** and which remain valid throughout the funding period are necessary and their reliable interpretation and practical application must be worked out between the parties. The selection of the most appropriate instruments or tools should be made by the regions acting on the ground.
12. Regarding the **linkage between cohesion policy and other EU policies**, particularly the Trans-European networks, it should be ensured that an effective and efficient integration of the regions in the European energy and transport networks is supported and facilitated.

13. The chemical regions are critical regarding a **performance bonus** at European level, as it may create potential for conflict if funding is retained to the detriment of certain Member States and disbursed to the benefit of others. Secondly, it is unclear what criteria could be used to make a robust decision on which Member States have made greater progress “compared to their starting point” on their contribution to the Europe 2020 Strategy.
14. In an increasingly globalised industry, it is important that the industrial base in Europe maintains and enhances its **competitiveness**. Increased **connectivity** of chemical sites and regions plays an important role in contributing to Europe’s competitive advantage. The principle of integrated production and the development of complex and **cross-border value chains** is an important success factor for the chemical industry in Europe.
15. The ECRN therefore asks the European Commission to ensure that the initiatives, measures and proposals under the flagship initiatives of **Europe 2020** strategy work closely with **cohesion policy**.
16. The ECRN urges the EU institutions to conduct the negotiations on the multi-annual financial framework **promptly without undue delay** to ensure that the new Structural Funds regulations are finalised and ready in time for the start of the next funding period.

Besides defining the future framework conditions for the use of Structural Funds it is - from the viewpoint of the chemical regions - also necessary to exchange views on future **concepts and tools of structural funds** with stakeholders at an early stage. From the perspective of the European chemical regions, the following aspects are of particular importance:

17. In the next funding period, it is vital that local actors continue to be closely involved in drafting the regional development strategies. Therefore, strategy development and **dialogues in the regions** should begin already before the next funding period.
18. The starting point for future regional strategies should be an update on the future development prospects and **outlook of the chemical industry** in the affected regions and as an industrial sector for the European Union as a whole.
19. The chemical regions see **challenges to regional development** in the following areas:
  - Impacts of **demographic change**, including the effects of ageing and out-migration and their economic and social impact
  - Achievement of **environmental and climate policy objectives** of the European Union in light of the EU 2020 Strategy
  - Measures to promote **energy and resource efficiency**
  - Measures to promote **innovation**
20. Therefore, from the perspective of the chemical regions, the **central fields for the future use of structural funds** should come from the following areas:
  - Strengthening the **cluster development** along the value chain

- Increasing the promotion of **research and innovation** by initiating, among others, open innovation processes
- Improving integration of regional innovation and research initiatives into European research and innovation **networks**
- Implementing measures for **education and training** in order to meet future manpower needs in chemical regions, including e.g. raising the profile of mathematics, science and technology at school.
- Adapting the **business related infrastructure** to meet the changing demands of modern chemical sites. In this field new and **innovative financing models** could be developed with the involvement of the European Investment Bank.
- Promoting cross-border, transnational and **interregional cooperation** of chemical sites and regions to encourage sharing best practices and to design **cross-border development strategies**.

The chemical regions will make use of Structural Funds in the next funding period in their **regions** to **contribute to sustainable growth and employment**. By doing so, they actively support the achievement of the objectives of the Europe 2020 strategy.

This position paper was endorsed and adopted by the ECRN Executive Board on 26.10.2011.

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