

## Statement on the Common Provisions Regulation (2021-2027) proposal

Social Platform welcomes the draft report on the proposal for a Common Provisions Regulations issued by the Committee on Regional Development. We acknowledge that cohesion policy is the most important instrument to connect Europe to its people and to promote investments with high social returns. In support of the social dimension of the EU, we believe that it is absolutely crucial that social objectives and principles enshrined in the European Pillar of Social Rights are supported throughout cohesion policy, by combining support for target groups with territorial policies tailored to regional and local realities. This is a key principle to reduce inequalities in Europe. On the one hand, such integrated approach should be promoted by fostering synergies primarily with the European Social Fund Plus (ESF+), the European Regional Development Fund, the Cohesion Fund and the European Agricultural Fund for Rural Development. On the other hand, socio-territorial cohesion can be reinforced by strengthening transnational programmes such as Interreg and macroregional strategies to link cooperation and investment programmes, reinforce policy coherence across funds and promote stronger EU solidarity and integration. In addition, we also welcome the proposals to strengthen climate actions throughout cohesion funds and reinforce a just and fair transition to a green, low-carbon and circular economy, as well as social equity in environmental programmes, in line with the UN SDGs and the Paris Agreement for Climate change. We highlight that those funds are also crucial to improve population health, in line with the EU treaty obligation that health shall be included in all EU policies.

Against this background, we want to highlight the following six elements as pertinent to the final agreement on cohesion policy. While we agree with many proposals put forward in the amendments of the REGI committee, we would specifically call for increasing socio-territorial cohesion by going beyond Country Specific Recommendations, maintain the importance of the enabling conditions, further reinforce the partnership principle, retain the link to the voluntary use of the InvestEU fund and improve transparency, as explained further below.

### 1. Enlarge the scope beyond CSRs

Despite a recent socialisation of the European Semester, it remains a limited framework to address the full range of socio-territorial and environmental challenges encountered in European regions. While the Semester cycle is not fit for purpose to offer a compelling governance framework with respect to economic, social and territorial cohesion, the programming of cohesion policy according to Country Specific Recommendations (CSR) remains too limited in scope. **We therefore encourage to enlarge the development of Operational Programmes by fully considering the European Pillar of Social Rights and the Sustainable Development Goals (including Member States voluntary national reviews) for the programming of ESI Funds.** Both frameworks should be reflected in the final agreement, guided by the principle of partnership and multi-level governance with the joint aim of leaving no one and no territory behind.

### 2. Maintain enabling conditions

The proposed enabling conditions (both horizontal and thematic) are crucial to ensure that all investments are in full compliance with the EU Charter of Fundamental Rights, the United Nations Convention on the Rights of Persons with Disabilities. The enabling condition related to the CPR's policy objective number 4 for "a more social Europe" by implementing

the European Pillar of Social Rights' calls on EU MS to have in place a national strategic framework for social inclusion and poverty reduction. These policy frameworks should be underpinned by evidence-based diagnosis of poverty and social exclusion, include measures to combat segregation in all fields, measures for the transition from institutional to community-based care and arrangements to ensure the participation of civil society and social partners in the design, implementation, monitoring and evaluation of the national strategic policy frameworks (Annex IV, fulfilment criteria under policy objective 4.3) Following the logic of ex-ante conditionalities, Social Platform strongly welcomes the new "enabling conditions" and its fulfilment criteria as a key incentivizing framework for a thorough implementation of the Social Pillar and the promotion of sustainable development reforms. **We urge the European Parliament to maintain both the horizontal and thematic enabling conditions during the negotiations period and in the final agreement.**

### 3. Keep links with the InvestEU fund

**Social Platform considers the voluntary transfer of up to 5% to InvestEU a reasonable proposal which should be maintained in the final agreement.** Loans and guarantees can be of critical importance to provide complementary financing for projects which often would not be financed otherwise. This is particularly true for investments in social infrastructure in key sectors such as social care and support, social housing, education and health, grounded in local needs.<sup>1</sup> Against the background of key societal and demographic challenges in Europe, it is crucial to close the current investment gap by providing adequate solutions to support investments in key sectors and improve the scalability of successful projects. At the same time, it is critical that the possibility of transferring funds from Cohesion Policy to the InvestEU guarantee - being initially allocated towards social infrastructure - remains under that target in InvestEU as well (Art 9). Considering that InvestEU would remain subordinate to the overarching cohesion policy objectives including the support to the implementation of the Pillar of Social Rights and the sustainable development objective, this could path the way for better quality projects on the ground.

### 4. Reinforce the partnership principle

The Partnership Principle is a very important instrument for civil society organisations and service users to collaborate with managing authorities to ensure that EU funds are being allocated and used in the best interest of people. The emphasis on quality implementation of the partnership principle in an ongoing manner throughout the funding cycle is therefore crucial for an effective and inclusive multi-level governance approach. **We therefore welcome that the report brings the partnership principle back to the center, but would stress the necessity for a revised European Code of Conduct on Partnership, focused on "doing more with better partnerships", to be introduced in the regulations for the next programming period.** The Review of the European Code of Conduct on Partnership, developed by the European Social Fund Thematic Network on Partnership, shall be used as a reference document for the development of the revised ECCP.

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<sup>1</sup> According to the [report](#) of the high-level task force on social infrastructure, the gap in investment amounts to EUR 150bn per year, which is 20% less investment than 10 years ago.

## 5. Further increase co-financing rates

**We agree with the proposal of the REGI committee to increase the co-financing rates (Art. 106) for all regional categories, while increasing co-financing for transition regions further to 70%.** The proposed decrease of the co-financing rates would hinder the funding of important social projects, keeping in mind that national expenditure to social services has decreased throughout Europe, while many challenges, such as the integration of refugees of migrants, have increased. In many cases, Member States transfer these co-financing rates to smaller project organisations which are not able to finance such a high self-contribution and are therefore forced to quit participation or do not apply in the first place. We therefore consider that a stark decrease in co-financing would disproportionately disadvantage smaller projects and put at risk the quality of social services.

## 6. Improve transparency

Social Platform welcomes the transparency provisions of the CPR proposal, such as the obligation to publish the rules of procedure, data and information of the monitoring committee (Art 33). **Concurrently, we call for more specific requirements to address obstacles to transparency and improve accountability for the spending of EU funds.** This includes improving transparency obligations on a project rather than just an action level (as actions can be implemented through one or more than one project) and the publication of information with breakdown of projects, beneficiaries and funding allocations when actions are implemented through subcontracting.