<u>EU budget after 2020: new challenges</u> <u>need fresh money as cutting cohesion</u> <u>policy would be a risk to Europe's</u> <u>future</u>

Decisions on the next Multiannual Financial Framework (MFF) must not ignore how the EU's structural and investment funds improve citizens' lives

□CoR President Lambetz and Commissioner Oettinger

With its <u>conference on the next MFF</u> on 8-9 January , the European Commission is stepping up work on its proposal for the EU budget after 2020, due to be presented in May. The President of the European Committee of the Regions, Karl-Heinz Lambertz, contributes to the debate, voicing regions' and cities' concerns about possible cuts to cohesion policy – Europe's main investment tool – and warning of the dangers of a centralised, divided and territorially blind European Union.

" Do we really want a Europe with less training for job seekers, less infrastructure for sustainable transport, less energy efficiency for social housing, less broadband for rural areas or less integration opportunities for migrants? ", asks Mr Lambertz. " If this is the solution to squaring the circle from the budget hole that Brexit and the new financial needs for defence, security and migration will leave, then the Union is wandering off in the wrong direction. "

" Thanks to the 2014 reforms, cohesion policy is an innovative policy that delivers results on the key challenges of today: jobs, competitiveness, climate change, energy and broadband ", stresses the CoR president, adding: "Investment in cohesion policy is an investment in citizens. Reducing cohesion policy would put the European construction at risk, broadening divisions between East and West, North and South, urban and rural communities. "

The CoR President also invites EU Member States to provide the financial resources the EU needs to respond to new urgent challenges such as defence, security, social policies and migration. This should include both increasing national contributions and removing current vetoes on the introduction of new own-resources tools such as taxes on polluting emissions, the activities of big web operators and financial transactions.

To those who argue that grant-based policies are no longer needed in Europe, Mr Lambertz points out the persistent fall in public investment in most Member States: " The recovery of the EU's economies is an opportunity and a risk. If most citizens see the recovery only in media reports and statistics and not in daily life, their frustration will pave the way for a new wave of populism and nationalism. We need to invest to bring the benefit of our recovering economies to all, both in the stronger Member States and in the weaker ones. "

#CohesionAlliance

To make the case for a stronger cohesion policy after 2020, the CoR, together with leading EU territorial associations, <u>launched the #CohesionAlliance</u>: a grass-roots movement open to anyone who believes that EU cohesion policy must continue to be a pillar of the EU's future. Since its launch in October last year, the Alliance has continued to attract new signatories every day, including regional and local authorities, business associations, academia, trade unions and think tanks.

More information about the #CohesionAlliance initiatives, statements and position papers are available at http://cohesionalliance.eu.

Contact:

Pierluigi Boda

Tel. +32 (0) 473 851 743

pierluigi.boda@cor.europa.eu