

Dear readers,

Welcome to the fourth Time & Place Consulting newsletter edition which provides you defining analyses on what affects **your opportunities to get EU funding and projects.**

Firstly, we would like to take the opportunity to announce our cooperation with Irish-based consultancy Atlantic Public Affairs and welcome the Managing Partners former Senator and Councillor [Dr. Fidelma Healy Eames](#) and Solicitor [Jason O'Sullivan](#) as T&P Associate Consultants. Our advisory capacity now provides proximity throughout Ireland with offices based in Dublin and Galway. *Céad míle fáilte!*

Our newsletter this time round will look at taking stock of what remains under the current Multiannual Financial Framework (ending 2020) and providing an assessment of the recent proposal for the new MFF (2021-2027) published early May.

We hope you find the read useful and, as always, do not hesitate to contact us if you need further information.

Glenn CEZANNE *Elisabetta SAVINO*
Managing Director Associate Director



9TH MAY – EUROPE DAY

Why celebrate it?

Every 9th May, all European countries celebrate Europe Day,



marking the Schuman Declaration (1950) which in turn led to the creation of the European Coal and Steel Community. Today we have the fortune to talk about a European Union.

With the aim to let discover and debate the ins and outs of the EU, as well as to celebrate Europe Day, the EU institutions opened their doors to the citizens in Brussels, in Luxembourg and in Strasbourg during the month of May. In addition, each Member State organized its own celebrations hosted by the European Commission satellite offices.

What direction is set for the future of the EU? The Commission, on the occasion of Europe Day 2018, launched an online public consultation for all European citizens to raise their concerns, hopes and expectations. This will serve European leaders in identifying the right priorities for the years to come.

With the start of 2018, the last 2 years of Horizon2020 and the other

EU funding programmes under the current Multiannual Financial Framework have been launched. Which are the results achieved by EU until now? European citizens applied in great numbers to receive funds for countless topics from European funding programmes and, starting from the 2nd May 2018, the European Commission put forward modern, clearer and simpler EU financial rules to ensure the EU budget rely on the issues that matter to European citizens.

Europe in 2014 shifted from FP7 to Horizon 2020 and now is looking forward to Horizon Europe, bridging, in the next seven years (2021-2027), the past and the future of research and innovation in Europe. As a consequence, the same is happening with all other funding programmes with the aim to give all citizens, SMEs, universities, associations and local authorities, the chance to build a better European future through EU funds.

Hereby, a little panorama of the opportunities we still have until

2020.

HORIZON 2020: The innovation and research programme with the goal to ensure Europe produces world-class science and to remove barriers to innovation and make it easier for the public and private sectors to work together for innovation purposes. The calls are open to public bodies, SMEs, associations, universities and to those who have innovative ideas.

CREATIVE EUROPE: This is the framework programme supporting the culture and audio-visual sectors through specific calls (i.e. MEDIA, Culture, and cross-sector). The calls are open to NGOs, associations and cultural organizations.

ERASMUS+: The EU programme for education, training, youth and sport in Europe. The opportunities offered by the Erasmus+ programme cover a wide range of organisations, including universities, education and training institutions, research centres and private companies.

COSME/ERASMUS FOR YOUNG ENTREPRENEURS: It is the EU programme for the competitiveness of SMEs. The aim is to promote entrepreneurship and improve the business environment for SMEs to allow them to realize their full potential. In this sense, Erasmus for young entrepreneurs allows the aspiring entrepreneurs to acquire the skills necessary to start or manage a small business in Europe. The new learn and exchange business knowledge and ideas with the established entrepreneurs, by whom they are hosted and with whom they collaborate for a period of 1 to 6 months.

EUROPE FOR CITIZENS: The aim of the Europe for Citizens Programme is to contribute to citizens' understanding of the EU,

its history and diversity, and foster European citizenship and improve conditions for civic and democratic participation at EU level through town twinning and town networks. The call under this programme are reserved for cities, local authorities, associations, and NGOs.

LIFE: The EU's financial instrument supporting environmental, nature conservation and climate action projects throughout the EU. The programme's calls are opened to public bodies, associations, and SMEs working aiming to contribute to the European environment protection.

I believe these opportunities are certainly one of the many reasons why we should continue to celebrate Europe Day.

E. SAVINO

REGIONAL FUNDS AND POLICY AFTER 2020:

Where do we start? What to expect.

The European Commission has just published its sectoral proposals for regional development and cohesion programmes after 2020. It is perfect timing to share some thoughts on what the future of regional and cohesion policies in the next multiannual financial framework ('MFF') could be.

On May 2nd, the Commission presented its general proposal for the next EU budget. Before digging into the specificities for the regional chapter, let's highlight several general trends and key issues:

- The budget management principles are simplicity, flexibility and orientation on

European added-value. Simplicity, as the Commission proposes to reduce the administrative burden for beneficiaries and management authorities by establishing a single rulebook. Flexibility, as the Commission proposes to make the budget more agile to respond quicker and more effectively to unforeseen demands. A stronger focus on European added value, as the Commission proposes to strengthen the pooling of resources with Member States.

- There is a budget increase for the most recent European policies (R&D, security and migration), while more traditional policies face a budget decrease (CAP and regional development mainly).
- The Commission's demand to increase the national co-financing rates in the project management with the objective to boost ownership at national level and to sustain larger investment volumes.
- A stronger link between money allocation and management of structural and economic reforms at national level (through the prism of the European Semester of economic policy coordination).
- A stronger link between EU funding and the respect for the rule of law thanks to a new mechanism to protect the EU budget from financial risks linked to generalised deficiencies as regard to the rule of law.

Concerning regional funds, in the new formal structure of the budget, all the regional and local level targeted programmes are gathered under 'Cohesion and Values'. For this budget area, the Commission proposes to allocate €442 billion for the whole duration of the MFF (in current prices, out of €1279

billion overall). More precisely €226 billion would be allocated to the European Regional Development Fund, €46 billion to the Cohesion Fund and €101 billion to the new European Social Fund+ which will cover health, unemployment and social innovation territorial programmes. The latter seems detached from the two previous funds in the proposed architecture, creating uncertainty as regard to the maintenance of the ESF as part of the cohesion policy.

The above figures correspond to a decrease in comparison to the current financial framework where the different type of spending on regional economic development make up about a third of the EU budget. In fact, budget for cohesion policy as currently proposed would see a 10 percent cut, about €41 billion. The perspective of such an important decrease, combined to the one foreseen for the CAP (especially for the rural development facing a 25% cut) triggered strong critics from many stakeholders at EU level. The wording of the resolution adopted during the European Parliament's May plenary session proves MEPs are at the forefront of the movement, showing confidence that the power of veto they hold would heavily influence the negotiation path. Key characters like Karl-Heinz Lambertz, president of the European Committee of the Regions, or Stefano Bonaccini, president of the Council of European Municipalities and Regions, also called for significant changes to be made by the Council of the EU in the future negotiation.

In France, *Régions de France* - the umbrella organisation representing regions - and the Ministry for Territorial Cohesion have also expressed strong critics and concerns, highlighting the important territorial impact of the cohesion policy which makes the European project concrete for local territories and their population.

Fear of increased fragmentation between regions and tightened centralisation by the European Commission fuels these mixed feelings (the regions and local authorities applaud simultaneously the increase of budgets dedicated to youth and R&D that would impact positively their territories).

Therefore, some innovative ideas have already been expressed to mitigate the consequences of the current proposals and be sure that no region is left behind. As an example, experts from the French region Ile-de-France have proposed to take into consideration the European index of social progress in addition to the relative GDP per capita when calculating the future envelopes for regional funds (so far, the Commission proposes to take into consideration other factors such as youth unemployment, climate change and the reception/integration of migrants).

But this is only the beginning. Many additional obstacles could derail the negotiation: the outcome of the Brexit process (which could have a major impact on the EU's regions and cities, forcing the EU to consider a potential stabilisation fund), the May 2019 European Parliament elections, the feasibility of the new options presented by the Commission for the reform of the

EU system of own resources (which could represent between 10 and 20% of the revenues according to the Commission), etc.

On May 14th, at the end of the General Affairs Council meeting, Günther Oettinger, the European Commissioner for Budget & Human Resources recognized that current proposals did not meet anyone's expectations so far. Officially, the European Commission aims to finalize the next MFF and the sectoral regulations before the European elections. Though, many veterans of the EU budget negotiation process say this timeline is unrealistic.

So, place your bets, fasten your seatbelt and get ready for a long trip!

Sébastien BLANCHARD
Founder, Egemone Consulting

