

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

We, the Representatives of *Bulgaria, the Czech Republic, Cyprus, Croatia, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain* met in Prague on 5 November 2019 on the occasion of the Friends of Cohesion Summit in order to discuss common views related to the Multiannual Financial Framework 2021-2027. We welcomed the presence of the *European Commissioner for Budget and Human Resources G. H. Oettinger* and *Italy*.

*Recalling* the Sibiu Declaration adopted on 9 May 2019 as well as the new Strategic Agenda of the EU adopted by the European Council on 20 June 2019 acknowledging the need to strengthen cohesion in the EU, including by achieving the upward convergence of our economies, in a sustainable and socially inclusive manner,

*Reiterating in full* the declaration of the Bratislava Friends of Cohesion Summit of 29 November 2018 outlining the main principles for the future MFF which the participants agree on and which remain valid,

*Reaffirming* that a strong, safe and prosperous Europe requires sufficient level of financing for the new challenges as well as existing Treaty-based policies with clear European added value, specifically the Cohesion Policy and the Common Agricultural Policy,

*Restating* that the system of own resources needs to be fair, rationalized, simplified and that the withdrawal of the United Kingdom offers a unique opportunity to remove all rebates and corrections as from 2021,

*Stressing* that the agreement on the MFF should be reached in due time in order to enable a smooth transition to the next programming period, while at the same time being a balanced compromise for the benefit of all Member States and their citizens,

*Emphasizing* that with the final phase of the MFF negotiations approaching, it is fundamental to recall the central role and the importance of the Cohesion Policy within the EU budget while underlining that adequate implementation conditions are key for this policy to deliver the desired benefits to the regions and Member States as well as their citizens and create an added value for the EU as a whole.

***We agree that***

1. The Cohesion Policy represents **a key EU investment tool which has significantly and visibly contributed to the real convergence of regions and Member States within the EU** and to the functioning of the internal

market, thus helping to boost growth, strengthen competitiveness, create jobs, and also facilitating transition to a low carbon EU. It should continue to focus on its Treaty based objectives, as set out in Article 174 TFEU, and significantly contribute to the reduction of disparities in level of development among different regions and Member States. At the same time, it is also an important tool to tackle new challenges, including climate change, industrial transition and demographic challenges. It is therefore vital **to safeguard the funding for the Cohesion Policy at the level of 2014-2020 MFF in real terms**. The significant budget reductions included in the MFF 2021-2027 proposal risk to hinder achieving its Treaty-based objectives.

2. In this context, **flexibility in the programming and implementation phases is a prerequisite to guarantee smooth, efficient and effective Cohesion Policy** delivery. Implementation rules which play an important role in determining the real impact of Cohesion Policy should ensure both friendly environment for beneficiaries and adequate flexibility for regions and Member States to address their priorities and investment needs with respect to different and varying economic conditions in each Member State and region. This approach should also be reflected in the implementation of the European semester objectives within the Cohesion Policy.
3. **The EU co-financing rate under shared management should be kept at the current 2014-2020 level**, with sufficiently flexible rules, as excessive rigidity in this area would have a significant impact on the beneficiaries and could endanger effective absorption capacity. In this respect, it is also **necessary to maintain sufficiently high the EU pre-financing and the current n+3 decommitment rule**, taking into account the challenges posed especially at the beginning of the implementation.
4. Moreover, it is crucial to strike a **balance between the common EU targets and the possibility for Member States to allocate resources in accordance with their national and regional priorities**, needs or changing circumstances. More flexible thematic concentration rules at regional as well as Member State level for Cohesion Policy funds, mainly the ERDF, would enable such balance.
5. Furthermore, in order to ensure appropriate solution facilitating tailor-made interventions for regions and Member States, it is essential to allow the Member States to **transfer an increased percentage of resources among different Cohesion Policy funds** at the beginning and during the programming period and to adjust the allocation per fund in accordance with their investments gaps.
6. **The level of the allocations and the implementation conditions constitute a key priority in the MFF negotiations**. All these elements need to be considered together and with the view of their overall impact on the

beneficiaries and on national budgets of Member States. Any recalculation of national envelopes should ensure that investment power of Member States concerned is protected and maintained at an appropriate level.

7. With all these stakes in mind, we are therefore ready - and call on all the Leaders and the EU institutions - to strive for concluding the negotiations and agreeing on a **fair and balanced MFF compromise**.

In Prague, 5 November 2019