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Fairouz HONDEMA-MOKRANE

# The role of local communities in European policies

## *Thirty years of cohesion funds*

The tragedies caused by the adverse weather conditions in Valencia (Spain) and cyclone Chido in Mayotte have suddenly brought the responsibilities of local authorities, Member States and the European Union, and the need for solidarity between territories, to the fore. While the news usually focuses on the - sometimes tense - relations between 'Brussels' and national capitals, the day-to-day work of local authorities is closely linked to the European venture, even if it does not receive the same attention. This point was developed at the 20th Congress of Regions of France in Strasbourg in September 2024, it is also the focus of the work of the [European Committee of the Regions](#). This commitment comes as no surprise, given that the regions are a key territorial level in the implementation of European policies. Amendments to EAFRD and ERDF/ESF texts to take account of the effects of natural disasters[1], were [approved by MEPs on 17 December](#) and by the [Council](#) on 18 December.

Throughout Europe, the local level ensures the implementation of European texts, facilitates the use of cohesion funds and encourages citizens' commitment to Europe. The Member States retain sovereignty over their territorial organisation, but these levels all play a key role in consolidating European policies.

### EUROPE AT LOCAL LEVEL

In Europe, there are several different types of local community in different countries. [Towns and communities](#) are responsible for managing public services, town planning, sustainable development and social integration. Urban areas, such as Berlin and Milan, are especially involved, particularly in

terms of sustainable development, mobility and quality of life. Similarly, inter-municipal structures, which work together on common projects (such as economic development, spatial planning or transport), play a crucial role. The intermunicipal bodies known as "Samenwerkingsverbanden" (cooperation partnerships) in the Netherlands have led to the emergence of the *Stadsregio* (urban region) Amsterdam which is a joint venture between the city of Amsterdam and a number of surrounding municipalities. This structure coordinates [policies on topics such as transport](#), housing, urban planning and sustainability.

Sub-state authorities have been directly involved since [the entry into force of the cohesion policy](#). These local stakeholders play a key role in cohesion, More specifically, [border regions](#) have access to specific programmes[2].

Rural development policies, such as those supported by the [Common Agricultural Policy](#) (CAP) and the [LEADER/CLLD](#) initiative, concern rural communities and, and via the [EAFRD](#), the farms of people living and working in these areas. Initiatives to maintain agriculture and support economic development in these rural areas are essential. Similarly, certain regions in Europe are home to [indigenous communities](#) who have specific needs. Policies can be adapted to meet such needs in terms of preserving culture, the environment and land rights.

By extension, the European Union supports cultural and linguistic diversity. Regions with minority language communities (such as the [Basque Country in France](#) and [Spain](#)) can rely on EU support to preserve their cultural and linguistic heritage. We

[1] See the report by the European Economic and Social Committee of 4th December 2024.

[2] See in particular the Interreg Grande region project, between Belgium, Luxembourg, France and Germany.

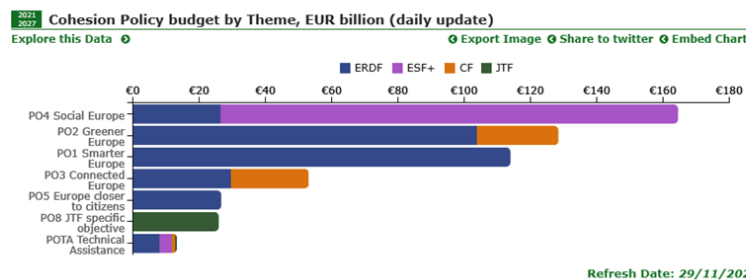
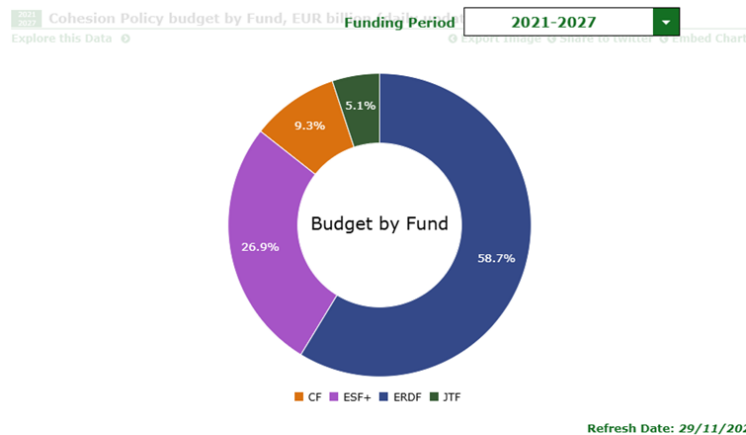
might also add the territories of certain Member States located in regions of the globe far from the European continent, the so-called [outermost regions](#) (ORs), which have to cope with unique circumstances, and even difficulties, due to their particular geographical features caused by their remoteness and insularity. They alone merit a specific development, which is provided for by [article 349 TFEU](#)[3].

The European Union has [242 regions](#), which are all significantly disparate in terms of economic social and territorial development. To correct these imbalances, since the end of the 1980s and the enlargement of the European Communities to include Spain and Portugal, a cohesion policy, that has been part of the Treaties since the [Single European Act](#) in 1986, has comprised the Union's main [budget entry](#) (373 billion € for 2021-2027, i.e. a third of the budget [according to the European Court of Auditors](#)). These local authorities, with their different profiles, therefore play a key role in achieving the Union's objectives, particularly in terms of economic, social and territorial cohesion. The cohesion policy is now at risk in a tense budgetary context, with the reimbursement of the recovery plan, the introduction of a European defence

policy, the reconstruction of Ukraine and the asylum and immigration policy. The Commission has announced that it is considering proposing a single CAP and cohesion fund. However, [Christophe Hansen](#) was applauded by MEPs for his vigorous defence of the CAP budget and his opposition to recent speculation over budget restructuring proposals: the EU's agricultural subsidy programme needs its own budget.

**THE RESPONSIBILITY OF SUB-STATE COMMUNITIES IN EUROPEAN INTEGRATION**

European programmes are tailored to local realities in terms of economic development, environmental protection, culture, training, agriculture and transport. To carry out this mission, local authorities are beneficiaries of European funds such as the [European Regional Development Fund](#) (ERDF) and the European Social Fund (ESF). These are managed at regional level in the case of the ERDF, and in part at regional level in the case of the ESF, JTF, EAFRD and EMFAF. For the funds they manage (as managing authority or delegated managing authority), the regions must draw up strategies for using them effectively in accordance with the European Union's priorities.



[3] This is not set out in this study.

Données sur les fonds de cohésion, [cohesiondata](#), Commission européenne.

From a financial point of view, almost 30,000 operations programmed by the regions thanks to the ERDF/ESF were identified in the period covering 2014-2020. In [Wallonia](#), for the period 2021-2027, the new regional aid map has been able to take specific account of the municipalities affected by the terrible floods in July 2021. Cohesion policy aims to reduce disparities between regions. These regions receive European funds to finance economic development, infrastructure, employment and training projects, including, in particular, [Erasmus+](#).

The European Green Deal, launched in 2019 with the aim of making the European Union carbon neutral by 2050, is being implemented in part by regional authorities. In Austria a European initiative, [RenoBooster](#) offers integrated services to accelerate the energy renovation of private residential buildings in the Viennese conurbation[4]. As part of the framework strategy [Smart City Wien](#), the [WieNeu+](#), programme funded by the Green Deal, aims to foster social and environmental innovation in urban areas.

As part of the recovery fund [NextGenerationEU](#), for example, the rural region to the east of Timisoara, Romania, is seeking to develop cultural projects in isolated areas, with the aim of stimulating children's creativity and helping to consolidate a local cultural and educational focus. The Children's Hospital [of Riga](#) in Latvia has been able to build new premises and medical facilities. And a 'personal assistance' scheme introduces an innovative new way of supporting people with disabilities, including autism, through the appointment of personal assistants to help them in their daily lives. In its initial phase, support has been provided to 2,000 handicapped people [in Greece's Attica region](#), and it is intended for national deployment and to be applied to other regions. They are not meant to replace the cohesion funds.

### PROMOTING EUROPEAN FUNDS TO THE GENERAL PUBLIC

The requirements for the regions, and all beneficiaries of the Cohesion Funds, to communicate the origin of their funding, as set out by [Regulation 2021/1060](#) of 24th June 2021[5], are designed to guarantee transparency and enhance the role of the European Union in supporting regional and sectoral development.

With regard to the implementation of European cohesion funds, Member States are obliged to communicate on all projects and beneficiaries on a website. Beneficiaries must communicate on the use of cohesion funds (e.g. by displaying the European Union logo on the worksite sign, informing beneficiaries of a training course that it has been funded, or co-financed, by the ESF, etc.)[6]. The aim of these communication requirements is to inform citizens of the concrete contributions made by the European Union in their area. At the time of payment of European aid, compliance with communication obligations is verified by project promoters receiving European co-financing.

If a project receives funding of more than €100,000 and includes material or infrastructure investment, a visible plaque or sign must indicate the support of the European Union[7]. All communication materials, such as websites, brochures, invitations or reports, must bear the European Union logo and mention European funding. During events or activities, beneficiaries must acknowledge the financial support provided by the European Union. The regions, whether they are managing authorities as in France or delegated managing authorities as in Spain, must report to the European Commission on the initiatives taken to make the most of the EU's cohesion funds.

Failure to comply with these rules may result in sanctions, including the reduction or withdrawal of European funding. The European Commission carries out checks to ensure that communication requirements are respected. Several decisions attest to this. In Hungary, the Northern Alföld region received funding for rural development and infrastructure projects, during which failures to display signage were reported. The Southern Transdanubia region received funding for tourism and environmental projects but, in most cases, the final beneficiaries were private partners working with local authorities, which complicated direct accountability[8]. The OLAF audit in 2018 ordered by the European Commission highlighted shortcomings in the implementation of communication requirements as defined by Regulation 1303/2013. Following the letter of formal notice sent to Hungary on the basis of the results of this audit, the Commission applied financial adjustments, and reduced funding for certain projects and, in 2020, the discussions surrounding these sanctions were integrated into broader negotiations

[4] [A one-stop shop Hauskunft](#) offers free advice on thermal insulation, alternative heating supplies, façade greening and financial aid schemes to all residents involved in a renovation project.

[5] Regulation 1303/2013 of 17th December 2013 for the 2014-2020 programme.

[6] Articles 47 and 50 of Regulation 2021/1060.

[7] Annex IX of Regulation 2021/1060.

[8] The [2018 OLAF Report](#) relates the disputed arrangement.

between the European Union and Hungary, linked to other disputes over the management of European funds and respect for the rule of law.

The Commission and the European Court of Auditors are actively involved in verifying compliance with the communication requirements relating to the cohesion funds. This role is part of their mission to guarantee correct and transparent management of the funds, in accordance with European regulations. As guardian of the Treaties, the Commission uses its audits, controls and monitoring mechanisms to ensure that beneficiaries comply with their obligations, thereby guaranteeing transparency for citizens. Penalties for non-compliance are a reminder of the importance of incorporating these requirements from the design stage of projects, since they are central to European integration.

#### LOCAL AUTHORITIES' SPECIAL SUPPORT FOR EUROPEAN INTEGRATION

The CAP supports farmers and promotes rural development. The EMFAF supports fishing and aquaculture. The second-pillar aid programmes implemented through the national strategic programme are managed in part at regional level, which allows the local specific features of agriculture and territories to be taken into account. The issue of [aid per hectare](#), which is implemented at State level, is still proving controversial. As a result, debate is growing more intense and the misunderstandings at the core of the farmers' protests in 2023-2024 are being fuelled even further. In fact, the number of farms in the European Union - despite the financial resources made available - is decreasing drastically[9]. Small farms are disappearing[10] and the social and economic difficulties highlighted during the demonstrations have not been resolved, despite the existence of these funds and the fact that they are adapted to the local context[11]. These findings led to the [strategic dialogue on the future of agriculture](#) on 19th February 2025.

In this particular and difficult context, sub-national authorities often act as a link between the European

institutions and citizens. They can organise public meetings, promote information on Europe and [engage citizens in the discussion](#) regarding European policies. They can also influence European policies, defend their interests [vis-à-vis the Union's institutions](#) and participate in [European networks](#) to demonstrate their influence. For example, in June 2024, 120 regions (from Germany, Austria, Spain, Finland, France, Greece, Italy, the Netherlands, Poland, Portugal, the Czech Republic, Romania, Slovakia, Slovenia and Sweden and the European Office of Irish Regions) took [action](#) to defend the future post-2027 cohesion policy[12].

The regions provide a substantial proportion of the public funding needed to implement the cohesion policy. In fact, for every €1 of European funding, an average of €2.5 of investment is made available in the regions. This interaction between regional policies and cohesion policy creates a decisive 'leverage effect' for public intervention, thereby maximising it and making it more effective and efficient. Preserving an ambitious cohesion policy is therefore crucial for the future of the regions as the 'second' European Commission, chaired by Ursula von der Leyen (2024-2029), takes office. This is evidenced in particular by the appointment of [Raffaële Fitto](#) to the College, Commissioner and also Vice-President, he is responsible for cohesion policy and reform, believing it necessary to establish a connection between investment and reform, as [explained in the 9th report on cohesion](#), by Elisa Ferreira. Following in the wake of the Chair of the [European Committee of Regions](#), and of the [European Economic and Social Committee](#), the hearing of Raffaele Fitto seemed to support the defence of cohesion policy, which was in danger of being watered down.

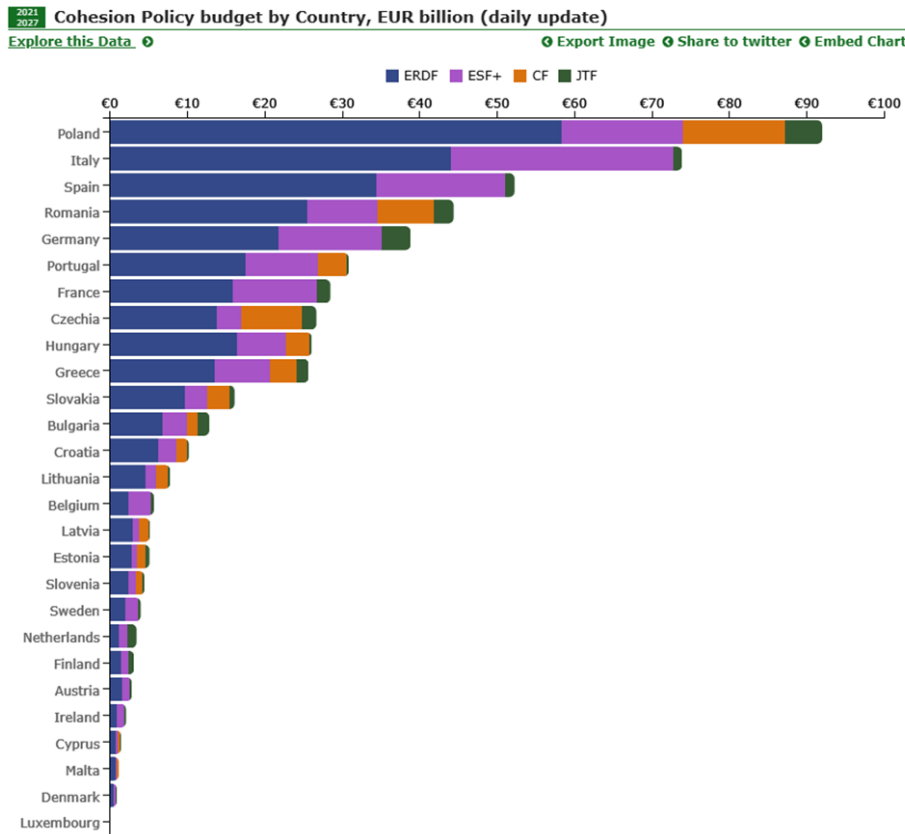
Finally, the content of the future multiannual financial framework 2028-2034, which will set out the budget allocated to both the Common Agricultural Policy and cohesion policy, will be closely scrutinised. Given the challenges posed by European defence, asylum and immigration, the repayment of the recovery plan and the strengthening of an industrial policy, there is every chance that budgetary tensions will have an impact on future cohesion policy.

[9] According to Eurostat, there will be just 9.1 million farms left in 2020, around 5.3 million fewer than in 2005 - a 37% drop in 15 years.

[10] Of the 9.1 million farms in the EU, the European Commission estimates that only 3.6 million are "commercial farms", i.e. farms large enough to provide farmers with their main job and sufficient income to support their families.

[11] The Common Agricultural Policy (CAP) is the main source of public subsidies for European farmers. More than 2/3 of the CAP budget is paid out in the form of direct payments, mainly based on the area of land cultivated.

[12] The number of regions supporting this initiative is now close to 150.



Data on the Cohesion Fund, [cohesiondata](https://cohesiondata.eu), by the European Commission.

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The [regional policy](#) should not be the adjustment variable for the European Union budget. By discouraging local players, European integration risks being undermined. This new term of office of Commissioners 'on the ground', to use the expression used by Christophe Hansen during his hearing, must therefore be sensitive to the need to adapt the use of cohesion funds to specific local circumstances and not

respond exclusively to an accounting logic. If Europe is the future of the Regions, the Regions are the future of Europe'[13].

**Fairouz Hondema-Mokrane**

Advisor for the management of European funds  
Régions de France. Specialised in European law and the management of European funds.

[13] Quoting Carole Delga; Chairwoman of Régions de France.

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