



Rt. Hon. Tony Blair
Prime Minister
President of the European Council
10 Downing Street
Whitehall
London SW1A 2AA

24 October 2005

Dear Prime Minister,

We are writing to you on behalf of the Council of European Municipalities and Regions (CEMR) to express our concern at the delay in reaching agreement on the EU's Financial Perspectives for the period 2007-2013. We very much hope that it will be possible for the European Council to do so at your December meeting.

This is particularly important in relation to the future of European cohesion policy and the structural funds, which is a matter of keen concern to our association that brings together the national associations of regional and local government in 34 countries. If the new programmes are to be prepared in an efficient and effective manner, ready to commence on time, and destined to achieve the necessary impact on the ground, then our regions and cities need early clarification of the financial and practical bases for their work. A considerable lead-in time is needed to ensure good quality programmes that meet the key objectives.

In general terms, CEMR has supported the main lines of the Commission's "architecture" for the future of cohesion policy since these were set out in the 3rd Cohesion Report, including in particular the three main new objectives of convergence, competitiveness and employment, and territorial co-operation. We are clear that a modern, effective cohesion policy must have a very strong territorial dimension, with Europe's regions and cities being key actors and partners.

We consider too that the overall budget for heading 1(b) (cohesion) constitutes a financial package that fairly balances the needs of the least developed Regions and Member States (via the convergence objective, receiving circa 80% of the financing), and those of the Regions and Member States of the EU taken as a whole. We are convinced that it would be a serious error to reduce cohesion policy to the least developed Regions and States alone – this would undermine the strong sense of co-operation, common interest, and sense of common European identity, which unites Europe's local and regional authorities. More practically, the existence of a *European* cohesion policy, which provides at least some funding to regions other than the poorest, represents a recognition of the fact that all of our regions face problems and challenges, which it is in the *European* interest to tackle.

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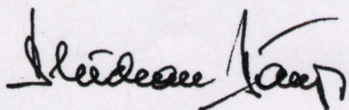
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In short, we are convinced that cohesion and competitiveness are two sides of the same coin, each aiming at enhancing the EU's performance in economic growth and more jobs, allied to social fairness and a good environment. They are not concepts in opposition to each other, as is occasionally suggested. The support of Europe's regions and local governments for the Lisbon Agenda is essential, and the need to build strong regional economies across Europe is a prerequisite for overall success in meeting the Lisbon goals.

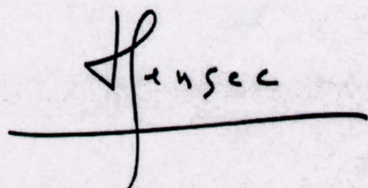
We followed the negotiations on the Financial Perspectives under the Luxembourg Presidency with interest mingled with anxiety. We feel that it would be damaging and counter-productive to reduce further the overall financial package for cohesion policy.

In conclusion, we welcome the manner in which the UK Presidency has continued to make good progress on the pending legislative proposals for cohesion policy. We believe that the draft regulations offer, in general, a fair basic framework for effective implementation. But without agreement on the Financial Perspectives, this work will be of no utility. We therefore ask you, on behalf of the UK Presidency, to use all of your endeavours to achieve the necessary decisions, so that we – Europe's regions and cities – can get on with our task, within a common cohesion and regional policy, of developing stronger regional and local economies, more sustainable communities, and a better social fabric.

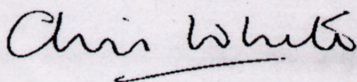
Yours sincerely,



Michael Häupl
Mayor and Governor of Vienna
President of CEMR



Louis Le Pensec
Former Minister
Vice-President of the Département du Finistère
Member of the French Senate
Co-Chair of CEMR's Cohesion Policy Forum



Chris White
Chair of LGA's Regeneration Board
Co-chair of CEMR's Cohesion Policy Forum