

Speech by Prime Minister Joseph Muscat at the 7th Cohesion Forum

Good morning,

I am delighted to be here today and have the opportunity to participate in this significant political event that represents the true voice of a centre piece of European Policy, and the vast number of participants here today shows the importance we all attach to this policy - from high level decision makers to the final beneficiaries that actually implement the policy and participate in the policy.

Cohesion Policy is at the heart of our work and is very close to our citizens. It is essential in supporting the many different policies that we implement every day; from energy to transport, from ensuring that we have a work force fit for the 21st century to ensuring we have the right business environment for our start-ups and our SMEs to operate in and grow in a sustainable manner. It is the face of many of our policies as it is the vehicle through which what we decide here in Brussels reaches the citizens, the businesses and manifests itself in an improved quality of life for our citizens.

Cohesion Policy should and has one primary objective - to ensure that our socio-economic situations - regardless of how diverse they are

and what makes them tick - improve and that a larger portion of our citizens are better off at the end of every programming period.

In my own country, the smallest Member State Cohesion Policy has not only invested in classical sectors such as waste management including waste water but in more innovative sectors such as energy efficiency and renewables. Thanks to Cohesion Policy we have saved considerable volumes of landfill space - critical in the EU's most densely populated Member State but we have also eliminated the discharge of sewage effluent. Basically, we have become the first country and the only country in the Mediterranean that does not discharge sewage at sea but we treat each and every drop of sewage and the only disposal is that of clean water and now we have started a new project whereby that water is now being reused for agricultural and industrial use. All this thanks to Cohesion Policy. Innovation does not only belong to the laboratories. It belongs to our countries.

The Maltese Presidency has thankfully a few days to go. During our Presidency, we have given Cohesion Policy the profile we believe it deserves. We had a specific General Affairs Council where we discussed the future of this policy post 2020 as well as the need to ensure better visibility. This is the Policy that improves the level of our education systems, that puts people into jobs, that connects us through new transport and energy networks, that gives innovation a chance and that allows businesses to take up the extra steps. We need

to tell these good stories - and it is not just the job of these Institutions or of PR agencies but it is the job of each and every one of us at national, regional and local levels, the Glocals, as we can call them now after Jean Claude's term. It is not only the job of Government officials, but it is the job also of the private sector, it is the job of NGOs.

An issue that has plagued us in Cohesion Policy for many years is the issue of simplification. Speaking to stakeholders I am told that with each attempt to simplify, the rules end up getting more complicated. The Maltese Presidency tried to do its bit in this regard too. Hopefully we didn't end up complicating things even more. During our Presidency, we have worked on a number of legislative Proposals too. I will not bore you with the technical details but some of you here were involved and I will mention so the massive task of the Omnibus Proposal that was attached as part of the MFF Review - comprising no less than 16 pieces of legislation - including an overhaul of some of the key elements of the Financial Regulation. That sounds incredibly boring but it's crucial in the end of the day in getting things done. I am pleased to announce that after six months of very intensive talks and negotiations we have a Council position on the entire package and I am sure that our Estonian colleagues will do their utmost to reach political agreement with the Parliament as soon as possible within their Presidency.

Whilst we need to ensure all the checks and balances are in place, we have to ensure that the Policy remains implementable and is not stifled by excessive bureaucracy that is often the result of combining national rules on top of European rules resulting in the lack of take-up or even worse - errors in implementation - simply because our beneficiaries do not understand the rules.

So my appeal to those who will be involved in the discussions in the next few weeks and months is that we need **simple yet solid rules** and we need to ensure that we have them **soon** otherwise it will not be possible to make use of this simplification exercise in the current programming period - and that would be very regrettable. Just when our economies are taking off, this is the extra push that we need.

Cohesion Policy is synonymous with and the personification as Jean Claude said, of European solidarity at its best. This is enshrined in the Treaty and that is why it is just as relevant now as it has always been. During our Presidency we have made our own small contribution in this regard by modifying the rules to guarantee additional assistance to Member States affected by natural disasters. I would also like to take the opportunity to thank the European Parliament for its constructive approach in the negotiations. Such an agreement demonstrates that the EU's readiness to stand by its own citizens, when and where they need is there.

Looking ahead - as many of you know we tend to do at this juncture of the programming period, I see a number of challenges. There will be many priorities competing for our money - traditional priorities and new priorities, from Cohesion to Defence.

I will not start this debate before its time, also because we have the Commission's Reflection Paper coming out this week which should provide us with enough food for thought to keep us debating in the coming weeks and months. However, I will say that we should not make this a debate about the new and the old or about the rich and the less well off or even about the North, the South, or the East and the West. We should avoid the temptation to get engaged in what truly provides European value added and even worse try to define European value added.

Our vision for the future of Cohesion Policy as a Policy that targets the needs of our regions and our communities by turning the opportunities into prosperity. The vision for Cohesion Policy is one with simple rules so even the smallest of communities and the smallest of businesses or start-ups has the opportunity to benefit.

Our vision for a Cohesion Policy is also a policy that supports a number of strategic projects for our Union – from energy to transport. Apart from the projects at local and regional level we also need to

think bigger and across borders. With so many gaps to fill this has become indispensable.

These are some of the challenges we have in the coming weeks and months. I am not going to dwell on whether we should have conditionalities. I believe all our policies should be judged by the results we achieve. We are inevitably going to have to make choices but those choices are not mutually exclusive and nobody should be left behind.