

Hearings of European Commissioners-designate

Corina Crețu

Regional Policy

Hearing due to be held on Wednesday 1 October at 09.00 hours.



Corina Crețu, Romania.

EP Committee responsible for the Hearing
Regional Development (REGI)

Biography

Born in 1967, Corina Crețu is a graduate of the Bucharest Academy of Economic Studies and worked as a journalist before becoming spokesperson and adviser to then-President Ion Iliescu during two separate mandates. Elected to the Senate in 2004 she was a member of the Romanian Delegation to the Parliamentary Assembly of the OSCE. She has been a Member of the European Parliament since January 2007, sitting in the S&D Group, and a Vice-President since 2014.

This is one of a set of Briefings designed to give Members of the European Parliament an overview of major issues of interest in the context of the hearings of the Commissioners-designate. A full set of such Briefings can be found at:

http://epthinktank.eu/commissioner_hearings

Background

Under the Treaties (Article 174 TFEU), the European Union (EU) promotes the overall harmonious development of the Union and, in order to do so, develops and pursues actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the EU aims at 'reducing disparities between the level of development of the various regions and the backwardness of the less favoured regions'.

The policies and tools used to support the achievements of the economic, social and territorial cohesion objectives are: coordination of the economic policies of Member States, formulation and implementation of EU policies and actions (in particular the internal market), and the use of the Structural Funds and Investment Funds.

Treaty base and EP competence

The EU shares competence with the Member States in the field of economic, social and territorial cohesion, in accordance with Article 4(2)(c) of the Treaty on the Functioning of the European Union (TFEU). Legislation regarding regional development, cohesion policy and the Structural Funds (Articles 174 to 178 TFEU) is subject to the ordinary legislative procedure whereby the European Parliament (EP) as co-legislator has an equal say with the Council.

Recent developments

The major recent achievement in the field covered by Corina Crețu's portfolio is the **reform of cohesion policy** for the period 2014-20. The new legal provisions consist of a package of legislation adopted after a lengthy process. The Common Provisions Regulation (Regulation 1303/2013) includes common provisions for all EU structural and investment funds (now collectively referred to as European Structural and Investment Funds (ESI Funds), namely, the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). Further regulations relevant for cohesion policy set out specific rules on the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), European territorial cooperation (ETC) and the European grouping of territorial cooperation (EGTC). Other legislative acts are also part of the package: the European Globalisation Adjustment Fund, the EU Programme for Employment and Social Innovation (EaSI), the Fund for European Aid to the Most Deprived, and the European Union Solidarity Fund.

For the seven-year period 2014-20, cohesion policy will invest up to €351.8 billion (current prices) in Europe's regions, cities and real economy. It will be the EU's principal investment tool for delivering the Europe 2020 goals: creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. All regions will benefit, although the level of support and the co-financing rate depends on the level of development: €182.2 billion will be directed to the less developed regions; €35.4 billion to the transition regions and €54.4 billion to the more developed regions. Support will be delivered through the ERDF, ESF and CF. In addition, the EU will allocate €63.4 billion to the Cohesion Fund, a fund reserved for Member States whose gross national income (GNI) per capita is less than 90% of the EU average (Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Cyprus (on a transitional basis)).

Key features of the cohesion policy reform are in particular: the fixing of clear, **measurable aims and targets** (involving ex-ante conditions and ex-post evaluations),

with the possibility of well-performing programmes receiving additional funds towards the end of the period (via a so called 'performance reserve'); **simplification** of the use of the ESI Funds and **stronger coordination** between them (thanks notably to the Common Strategic Framework defining the EU's strategic guiding principles) and other EU instruments; reinforcement of the **urban dimension** and of cross-border cooperation; a **stronger link between cohesion policy programmes and wider EU economic governance**, notably that they will have to be consistent with National Reform Programmes and address the relevant reforms identified through country-specific recommendations made by the European Commission. The Commission will be in a position to ask Member States (via the so-called 'macro-economic conditionality' clause) to modify their programmes and even to suspend funds if this consistency is not ensured.

European Parliament

The Parliament was heavily involved in the reform of cohesion policy as it acted for the first time as co-legislator in this field under the Lisbon Treaty. The Regional Development (REGI) Committee played a pivotal role in these negotiations.

The Parliament's priorities regarding reform and the future shape of cohesion policy were highlighted in a 2011 resolution. They included the rejection of all proposals to nationalise or 'sectoralise' cohesion policy, the need to further enhance the partnership principle and to cover all regions, with some sort of preference for the most disadvantaged ones, the further development of the urban dimension, and advocacy of a Common Support Framework (CSF) for the different funds, to be adopted under the ordinary legislative procedure.

A pre-legislative political dialogue, with the creation of a working party on the future of the Cohesion Policy, consisting of REGI members appointed by each political group, was an essential informal platform to facilitate discussions with the Commission and stakeholders. More than 3 000 amendments were tabled to the Commission's proposals and over 100 trilogue discussions were held. The final agreement on the package was reached in December 2013.

Some of the key EP achievements in the negotiations were the strengthening of the partnership principle and the reintroduction of the Code of Conduct initially rejected by the Council – the code aims at improving consultation, participation, dialogue between partners (public authorities, NGOs, trade unions, employers, etc.) during all phases of projects financed by ESI Funds – a strengthening of the regional dimension, and more flexibility on content for the operational programmers. The EP also managed to get the CSF adopted under the ordinary legislative procedure, even though the Commission initially wanted to have it adopted by delegated acts. In terms of funding, the EP managed to secure a minimum level of funding for the outermost regions and the European Territorial Cooperation goal.

Priorities and challenges

In the short to medium term, the priorities and challenges in this field will relate to the finalisation and implementation of the new legislative framework. The Commission has begun to transmit to the EP and the Council acts and measures using its delegated and implementing powers. The Commission is currently in the process of analysing and adopting Member States' Partnership Agreements and related Operational Programmes. By 31 December 2015, the Commission will report on that process.

In the medium to long term, the linkage between the new European economic governance system and cohesion policy mechanisms will be monitored, in particular to assess and improve the quality of spending and effectiveness of policy, in line with the European Semester (the EU's yearly cycle of economic coordination). During the negotiations, however, the EP expressed concern over one specific provision related to economic governance, macroeconomic conditionalities, which can trigger a suspension of payments under certain circumstances. The EP underlined that regions do not have responsibility for national economic and fiscal policy; it will now be informed on how these provisions are implemented.

A key milestone will be the 2015 mid-term review of the Europe 2020 Strategy for growth and jobs. The debate on the future of the strategy is very important for cohesion policy, as the ESI Funds are essential tools to achieve the strategy's targets. The Parliament, and in particular the Regional Development Committee, will participate in the evaluation of the effectiveness and progress of the strategy.

Further reading

[Regional and Cohesion Policy](#), Factsheets on the European Union / European Parliament, 2014.

[Regional Policy](#) and [Cohesion Policy](#) 2014-2020 / European Commission (websites).

[European Union Cohesion Policy](#) 2014-2020 / European Parliament, 2014.

[Vademecum](#) on EU Cohesion Policy and the Committee on Regional Development / European Parliament, 2014.

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