

The role of cohesion policy in tackling the socio-economic fallout from coronavirus

The Committee on Regional Development has tabled a question to the European Commission on the role of cohesion policy in tackling the socio-economic fallout from Covid-19. The Commission is due to respond during a debate at Parliament's July plenary session.

Background

[Cohesion policy](#) provided a crucial response to the [Covid-19 outbreak](#), mobilising many of its resources for investments in public health systems. Nevertheless, redirecting financial resources from cohesion policy to the fight against the coronavirus pandemic could have a detrimental impact on the long-term territorial cohesion of the European Union, as resources are diverted from territorial development goals towards emergency relief. In addition, as the Multiannual Financial Framework ([MFF](#)) proposal for the 2021-2027 period is currently being negotiated between the different EU institutional actors, cohesion policy is coming under increasing scrutiny from certain EU Member States who would like its resources to be redirected towards other EU policies.

In 2018, the European Commission presented its [legislative package](#) for the post-2020 regulations for cohesion policy. On 21 January 2020, the Chair of the Committee on Regional Development ([REGI](#)) [announced](#) the coordinators' decision to freeze all interinstitutional negotiations with the Council of the EU and the Commission on the legislative proposals for the next generation of cohesion policy until the end of February 2020. That decision was justified on budget grounds, as the ongoing budget negotiations were pointing to a reduction in cohesion policy funds. As the proposed legislative package should be finalised in 2020 in order to enter into force as of 2021, time is running out for detailed scrutiny of the proposals and the timely implementation of the new regulations.

European Parliament position

The [oral question](#) scheduled for debate during the July plenary session aims to identify the Commission's intentions on a number of topics, such as whether it will guarantee that cohesion policy allocations for 2021-2027 will not be repurposed for direct crisis-related investments, unless the policy receives additional fresh resources. The Commission is asked to justify the rationale behind its revised MFF proposal and whether it will defend a stronger budget for cohesion policy. It is also asked whether it will put forward transitional provisions for all European structural and investment (ESI) funds. These transitional provisions could help to avoid major disruption in 2021, given that the adoption of the new post-2020 regulations in due time, by the end of the year, appears ever less feasible. The question also enquires about how long flexibility and simplification, which are of vital importance to the smooth running of the ESI funds, would last within the recovery plan. In addition, the Commission is asked how it aims to target those regions, groups and sectors most in need, so that, for instance, island and outermost regions are not left behind. The exemption of cohesion policy expenditure from the Stability and Growth Pact [rules](#) is also touched upon by the question. Lastly, the possibility of a setting up a 'Cohesion Emergency Reserve' under the ESI funds, which may strengthen the policy's crisis-response capacity without hindering planned investments, is also addressed.

