The current key topics of cohesion policy

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ABOUT THE PUBLICATION

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In order to promote its overall harmonious development, the European Union is strengthening its economic, social and territorial cohesion. In particular, the EU aims at reducing disparities between the levels of development of its various regions. Among the regions concerned, special attention is paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, such as the northernmost regions with very low population density and island, cross-border and mountain regions.

LEGAL BASIS

Articles 174 to 178 of the Treaty on the Functioning of the European Union (TFEU).

CONTEXT

From the beginning, there have been large territorial and demographic disparities in the European Community (now the European Union), with the potential to constitute obstacles to integration and development in Europe. From the outset, the Treaty of Rome (1957) established solidarity mechanisms in the form of two Structural Funds: the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF, Guidance Section). In 1975, regional aspects were introduced with the creation of the European Regional Development Fund (ERDF). In 1994, the Cohesion Fund was also created. However, for a long time these initiatives had only modest resources.

With the Single European Act of 1986, economic and social cohesion became a competence of the European Community. In 2008, the Treaty of Lisbon introduced a third dimension of EU cohesion: territorial cohesion. These three aspects of cohesion are supported through cohesion policy and the Structural Funds.

OBJECTIVES

Strengthening its economic, social and territorial cohesion is one of the EU’s main objectives. It dedicates a significant proportion of its activities and budget to reducing the disparities among regions, with particular reference to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps.

The EU supports the achievement of these objectives through:

— the coordination of economic policies;
— the implementation of EU policies;
— the use of the Structural Funds (EAGGF, Guidance Section; ESF; ERDF), the European Investment Bank and the other existing financial instruments (e.g. the Cohesion Fund).

The Guidance Section is one of the components of the European Agricultural Guidance and Guarantee Fund. Within the framework of the Union’s cohesion policy, the EAGGF
Guidance Section supports rural development and the improvement of agricultural infrastructure.

The European Social Fund is the Union’s main instrument supporting measures which aim to prevent and combat unemployment, develop human resources and foster social integration in the labour market. It finances initiatives that promote a high level of employment, equal opportunities for men and women, sustainable development and economic and social cohesion.

The European Regional Development Fund is intended to help redress the main regional imbalances in the EU. It supports regions whose development is lagging behind, along with the conversion of declining industrial regions.

The Cohesion Fund provides a financial contribution to projects relating to the environment and to trans-European networks in the area of transport infrastructure. This fund may only be accessed by those Member States whose gross national income per inhabitant is lower than 90% of the EU average.

To guarantee efficient use of the Structural Funds, the following principles have to be upheld:

— organisation of the funds by objectives and regions;
— partnership between the Commission, Member States and regional authorities in planning, implementing and monitoring their use;
— programming of assistance;
— additionality of EU and national contributions.

The allocation of the Union’s financial resources devoted to cohesion policy is focused on two main goals:

— investment for growth and jobs — aiming to strengthen the labour market and regional economies;
— European territorial cooperation — supporting EU cohesion through cooperation at cross-border, transnational and interregional level.

ACHIEVEMENTS

Since 1988, the Union’s cohesion policy has seen a massive increase in its budget and has become, next to the common agricultural policy, one of the most quantitatively significant Union policies. Over the financial programming period 2007-2013, a total of approximately EUR 355 billion (at 2011 prices) has been dedicated to the prevention of economic, social and territorial inequalities. These funds have been spent on such various activities as road-building, environmental protection, investment in innovative enterprises, job creation and vocational training. For the period 2014-2020 it is envisaged that EUR 325 billion (at 2011 prices) will be dedicated to economic, social and territorial cohesion.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament plays a very active role in supporting the strengthening of the EU’s economic, social and territorial cohesion. The legislation relating to cohesion policy
and the Structural Funds is prepared under the ordinary legislative procedure, in which Parliament has an equal say with the Council.

Parliament has been actively involved in the negotiations for the reform of cohesion policy post-2013. This reform defines the priorities and instruments of future EU action aimed at strengthening economic, social and territorial cohesion. Parliament has strongly supported the proposals for a wide-ranging and efficient cohesion policy, which also necessitate sufficient financial resources.

Jacques Lecarte
06/2017
The European Regional Development Fund (ERDF) is one of the main financial instruments of the EU’s cohesion policy. Its purpose is to contribute to reducing disparities between the levels of development of European regions and to reduce the backwardness of the least favoured regions. Particular attention is paid to regions which suffer from severe and permanent natural or demographic handicaps, such as the northernmost regions with very low population density as well as island, cross-border and mountain regions.

LEGAL BASIS

Articles 174 to 178 of the Treaty on the Functioning of the European Union (TFEU).


OBJECTIVES

Article 176 of the TFEU provides that the European Regional Development Fund is intended to help to redress the main regional imbalances in the European Union. It can do that through support for:

— the development and structural adjustment of regions whose development is lagging behind;
— the conversion of declining industrial regions.

Following several revisions of the rules governing them, the ERDF, the ESF and the Cohesion Fund have two main goals for the period 2014-2020, namely:

— Investment for growth and jobs — aiming to strengthen the labour market and regional economies;
— European territorial cooperation — aiming to strengthen cross-border, transnational and interregional cooperation within the European Union.

Resources assigned to the first goal will be allocated to three different categories of regions:

— more developed regions whose GDP per capita is above 90% of the EU average;
— transition regions whose GDP per capita is between 75% and 90% of the EU average; and
— less developed regions whose GDP per capita is below 75% of the EU average.

The European Regional Development Fund also supports sustainable urban development. At least 5% of the ERDF allocation for each Member State has to be earmarked for integrated actions for sustainable urban development that will tackle the economic, environmental, climate, demographic and social challenges affecting urban areas.

Details of the allocation and future use of ERDF funds are determined in the Partnership Agreements. These are strategy documents drawn up by each Member State with the assistance of regional and social partners.

THEMATIC CONCENTRATION

As the ERDF contributes to the Europe 2020 Strategy for smart, sustainable and inclusive growth, it has to focus on the priorities specified in this strategy. The main priorities are:

- a. research and innovation;
- b. information and communication technologies (ICT);
- c. small and medium-sized enterprises (SMEs);
- d. promotion of a low-carbon economy.

The level of concentration required varies according to the category of regions being supported. More developed regions are to allocate at least 80% of their ERDF resources to at least two of these priorities and at least 20% to the low-carbon economy. Transition regions are to allocate at least 60% of their ERDF resources to at least two of these priorities and at least 15% to the low-carbon economy. Less developed regions are to allocate at least 50% of their ERDF resources to at least two of these priorities and at least 12% to the low-carbon economy.

BUDGET AND FINANCIAL RULES

During the period 2014-2020 the European Union will allocate over EUR 325 billion (in 2011 prices) to its cohesion policy, including almost EUR 256 billion to two of the Structural Funds: the ERDF and the ESF. The share of this budget dedicated to the ERDF will be decided on the level of each EU Member State.

<table>
<thead>
<tr>
<th></th>
<th>ERDF and ESF</th>
<th>ERDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment for growth and jobs</td>
<td></td>
<td>European territorial cooperation</td>
</tr>
<tr>
<td>Less developed regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transition regions</td>
<td></td>
<td>Special allocation for outermost and sparsely populated regions</td>
</tr>
<tr>
<td>164 279</td>
<td>32 085</td>
<td>1 387</td>
</tr>
<tr>
<td></td>
<td></td>
<td>49 271</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8 948</td>
</tr>
</tbody>
</table>

Source: European Commission (in EUR billion, in 2011 prices)
The level of co-financing required in projects financed by the ERDF is geared to the development of the regions concerned. In the less developed regions (and outermost regions) the ERDF can finance up to 85% of the cost of the project. In the transition regions this can be up to 60% of the cost of the project, and in the more developed regions up to 50%.

ROLE OF THE EUROPEAN PARLIAMENT

Thanks to the new rules brought in by the Treaty of Lisbon, Parliament is on an equal footing with the Commission and the Council when it comes to preparing new legislation concerning the Structural Funds. The ERDF Regulation for the period 2014-2020 was subject to the ordinary legislative procedure, where Parliament has full rights to propose modifications. During the negotiations on EU cohesion policy for the period 2014-2020, Parliament managed to increase the flexibility in applying the rules on thematic concentration and investment priorities. In addition, it has strengthened ERDF support for cities and integrated urban policies.


This new legislative proposal includes a revision of the MFF with the aim of contributing to two of its main objectives: simplification and flexibility for recipients of EU funds. The proposal includes improvements regarding the use of simplified cost options in Regulation (EU) No 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.

Jacques Lecarte
06/2017

LEGAL BASIS

Article 177 (in particular the second paragraph thereof) of the Treaty on the Functioning of the European Union (TFEU).

OBJECTIVES

The Cohesion Fund was established for the purpose of strengthening the economic, social and territorial cohesion of the European Union in the interests of promoting sustainable development. For the 2014-2020 programming period it provides support to:

— investment in the environment, including areas related to sustainable development and energy which present environmental benefits;

— trans-European networks in the area of transport infrastructure (TEN-T);

— technical assistance.

In the context of projects serving the EU’s environmental protection objectives, the Cohesion Fund may also contribute in fields relating to sustainable development, such as energy efficiency, renewable energy and — in the transport sector outside the trans-European networks — rail transport, inland waterway transport, sea transport, intermodal transport systems and their interoperability, management of road, maritime and air traffic, clean urban transport and public transport.

As of 2014, the Cohesion Fund supports — with EUR 11.3 billion — transport infrastructure projects with European added value under the new Connecting Europe Facility (CEF)\(^1\).

ELIGIBLE COUNTRIES

The Cohesion Fund is reserved for Member States whose gross national income (GNI) per capita is less than 90% of the EU average. During the 2014-2020 programming period, the Cohesion Fund is providing funding for 15 Member States: Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

BUDGET AND FINANCIAL RULES

For the 2014-2020 programming period, the EU is allocating some EUR 63.4 billion to the Cohesion Fund (excluding transfers to the Connecting Europe Facility), and the

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level of financing from the Cohesion Fund for a project can amount to up to 85% of its cost.

The Cohesion Fund allocations for 2014-2020 per Member State

<table>
<thead>
<tr>
<th>Member State</th>
<th>Budget (in EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>2 278.3</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>6 258.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>1 073.3</td>
</tr>
<tr>
<td>Greece</td>
<td>3 240.5</td>
</tr>
<tr>
<td>Croatia</td>
<td>2 559.5</td>
</tr>
<tr>
<td>Cyprus</td>
<td>288.9*</td>
</tr>
<tr>
<td>Latvia</td>
<td>1 349.4</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2 048.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>6 025.4</td>
</tr>
<tr>
<td>Malta</td>
<td>217.7</td>
</tr>
<tr>
<td>Poland</td>
<td>23 207.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>2 861.7</td>
</tr>
<tr>
<td>Romania</td>
<td>6 934.9</td>
</tr>
<tr>
<td>Slovenia</td>
<td>895.3</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4 168.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63 390</strong></td>
</tr>
</tbody>
</table>

* Including the additional amount of EUR 19.4 million allocated to Cyprus and resulting from the review of eligibility for the Cohesion Fund for 2017-2020

Source: European Commission ESIF open data portal, April 2017

ROLE OF THE EUROPEAN PARLIAMENT

The Cohesion Fund Regulation for the 2014-2020 period was subject to the ordinary legislative procedure, and Parliament had full rights to propose amendments. This enabled Parliament to make the proposed rules more flexible and better suited to the needs of the Member States; it also managed to broaden the scope of Cohesion Fund investments to include investment in energy efficiency and renewable energy use, in particular in the housing sector.

Parliament supported the idea of introducing common indicators for the Cohesion Fund, which will facilitate future assessment of its use. It successfully insisted that, unlike the Commission proposal, the regulation should include the possibility of amending the list of these indicators, through delegated acts, where adjustments are deemed necessary in order to ensure effective assessment of progress with regard to implementation.

Following the mid-term review of the multiannual financial framework 2014-2020, which was accompanied by a package of legislative proposals, no substantial changes have been made to the Cohesion Fund.

Filipa Azevedo
07/2017
European Territorial Cooperation is the instrument of cohesion policy that aims to solve problems across borders and to jointly develop the potential of diverse territories. Cooperation actions are supported by the European Regional Development Fund through three key components: cross-border cooperation, transnational cooperation and interregional cooperation.

LEGAL BASIS


GENERAL PROVISIONS

European Territorial Cooperation (ETC) has been a part of cohesion policy since 1990. For the programming period 2014-2020, for the first time in the history of European cohesion policy, a specific regulation has been adopted covering European territorial cooperation actions supported by the European Regional Development Fund (ERDF). ETC is the instrument of cohesion policy that is designed to solve problems which transcend administrative borders and require a common solution, and to jointly develop the potential of diverse territories.

The amount allocated to ETC for the 2014-2020 budgetary period is EUR 8 948 million. These resources are divided as follows:

1. 74.05% for cross-border cooperation. These programmes aim to bring together regions or local authorities having a common border (land or maritime) in order to develop the border areas, exploit their untapped growth potential and to tackle jointly identified common challenges. These common challenges include issues such as: poor accessibility in relation to information and communication technologies (ICTs); poor transport infrastructure; declining local industries; an inappropriate business environment; lack of networks among local and regional administrations; low levels of research and innovation and take-up of ICTs; environmental pollution; risk prevention; negative attitudes towards citizens of neighbouring countries, etc;

2. 20.36% for transnational cooperation. These programmes cover larger transnational territories and aim to strengthen cooperation on the basis of actions that promote integrated territorial development between national, regional and local entities in large European geographical areas. They will also include maritime cross-border cooperation where not covered by cross-border cooperation programmes;

3. 5.59% for interregional cooperation. These programmes aim to reinforce the effectiveness of cohesion policy on the basis of actions that promote exchanges of experience between regions on issues such as design and implementation of programmes, sustainable urban development, and analysis of development trends.
in the Union’s territory. Exchanges of experience can include the promotion of mutually beneficial cooperation between innovative research-intensive clusters and exchanges between researchers and research institutions.

GEOGRAPHICAL COVERAGE

In principle all internal and external land borders of the EU, as well as maritime borders (regions separated by a maximum of 150 km, or in the case of outermost regions more than 150 km), can be supported through the cross-border cooperation component. The areas covered by transnational cooperation are to be defined by the Commission, taking into account macro-regional and sea-basin strategies, and with the option for Member States of adding adjacent territories. Interregional cooperation will cover the entire territory of the Union. Outermost regions may combine both cross-border and transnational cooperation actions in a single cooperation programme.

Third countries may also participate in cooperation programmes. In such cases, ERDF support may either take the form of financial contribution to programmes under the European Neighbourhood Instrument (ENI) and the Instrument for Pre-Accession Assistance (IPA II), or operate as a separate measure.

THEMATIC CONCENTRATION

In order to maximise the impact of cohesion policy and contribute to the delivery of the Europe 2020 strategy, ERDF support for ETC programmes has to be concentrated on a limited number of thematic objectives which are directly linked to that strategy’s priorities. Under each thematic objective a list of investment priorities is defined in the Regulation governing the ERDF; these are complemented by additional priorities adapted to the specific needs of ETC actions.

Cross-border and transnational programmes have to be concentrated on a maximum of four thematic objectives, whereas for interregional cooperation there is no such limitation. Examples of priority areas of support specific to ETC programmes are as follows:

1. Cross-border cooperation: promotion of sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, promoting social inclusion and the integration of communities across borders, developing and implementing joint education, vocational training and training schemes, etc;
2. Transnational cooperation: enhancing the institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies;
3. Interregional cooperation: enhancing the institutional capacity of public authorities and stakeholders and efficient public administration by disseminating good practices and expertise, promoting exchanges of experience, etc.

SPECIFIC PROVISIONS FOR COOPERATION PROGRAMMES

Given the involvement of more than one Member State in the design and implementation of cooperation programmes, several specific issues are addressed

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[1]There is a list of thematic objectives in Article 9 of Regulation EU (No) 1303/2013 of 17 December 2013.
with the regulatory provisions for ETC, such as allocation of liabilities in the case of financial corrections, procedures for the setting-up of a joint secretariat by the respective Managing Authority, special procedures for the involvement of third countries or territories, requirements for implementation reports, etc.

Member States participating in a cooperation programme have to designate a single managing authority, a single certifying authority and a single audit authority. Moreover, the managing and the audit authority have to be located in the same Member State.

The rule that applies to other programmes under the ERDF that each Member State is to adopt national rules on eligibility of expenditure is not appropriate for ETC. Consequently, a clear hierarchy of rules on eligibility of expenditure has to be established at European level by the Commission.

Also, the involvement of several countries results in higher administrative costs. Thus, the ceiling for technical assistance expenditure has been fixed at a higher level than is the case for other types of programmes.

**ROLE OF THE EUROPEAN PARLIAMENT**

As the ETC Regulation falls under the ordinary legislative procedure, the European Parliament was able to decide on its content on an equal footing with the Council. The EP advocated maintaining the existing ETC structure with its three different types of programmes.

The EP paid attention to the specific challenges of outermost regions, and in order to facilitate cross-border cooperation on maritime borders for those regions, more flexibility was introduced into the 150-km limit rule. Moreover, thanks to an initiative of Parliament the outermost regions may combine in a single programme for territorial cooperation the ERDF allocations for cross-border and transnational cooperation. Finally, specific rules were created to meet the needs of outermost regions cooperating with third countries.

In the case of transnational cooperation, Parliament successfully defended its view that the Commission has to take account of existing and future macro-regional and sea-basin strategies when deciding on the list of areas entitled to receive support.

More flexibility was introduced into the rules by the EP in two ways: by concentrating 80% of the funds on four thematic objectives and leaving the remaining 20% open; and by introducing a flexibility margin of 15% for transferring resources between the cross-border and transnational strands.

Parliament considers that the list of the different investment priorities has been adapted to the specific needs of European Territorial Cooperation. The implementation modalities have been streamlined for cooperation programmes, meaning a reduction in the number of authorities involved in programme implementation along with clarification of their respective responsibilities. Content requirements with regard to cooperation programmes and implementation reports have been fine-tuned with the aim of reducing the administrative burden for programme authorities.

The EP has strongly defended the need to improve European territorial cooperation, particularly in the following aspects:

— Reinforcing European territorial cooperation as a standalone EU cohesion policy goal, underpinned by a sound level of funding for the entire period 2014-2020;
— Striking the right balance for thematic concentration, to make it strong enough to be in line with the 2020 objectives, but also flexible enough to be adapted to the different needs of cross-border and transnational cooperation;

— Improving the management and auditing of programmes, to ensure delivery of good results.

Jacques Lecarte
06/2017
There are specific measures in place to support the development of the most remote regions of the European Union, known as the outermost regions: Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and Saint-Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain). The purpose of this support is to compensate for the constraints arising from the geographical remoteness of these regions.

LEGAL BASIS

Articles 349 and 355 of the Treaty on the Functioning of the European Union (TFEU).

BACKGROUND

Some EU Member States have part of their territory located in areas of the globe that are remote from Europe. These regions, known as the outermost regions (ORs), have to deal with a number of difficulties related to their geographical characteristics, in particular: remoteness, insularity, small size, difficult topography and climate. They are economically dependent on a few products (often agricultural products or natural resources). These features act as constraints on their future development potential.

Currently there are nine outermost regions:

— 5 French overseas departments — Martinique, Mayotte, Guadeloupe, French Guiana and Réunion;
— 1 French overseas community — Saint-Martin (since 2009);
— 2 Portuguese autonomous regions — Madeira and the Azores;
— 1 Spanish autonomous community — the Canary Islands.

It should be highlighted that ORs are not the same as the EU overseas countries and territories (OCTs). There are 25 OCTs constitutionally linked to the following Member States: Denmark, France, the Netherlands and the United Kingdom. OCTs are not part of the single market and must comply with the obligations imposed on third countries in respect of trade, particularly rules of origin, health and plant health standards and safeguard measures. The EU’s association relations with OCTs are detailed in the Council Decision 2013/755/EU, adopted on 25 November 2013. Article 355 of the Treaty of Lisbon allows the European Council, on the initiative of the Member State concerned, to amend the status of a given French, Danish or Netherlands overseas country or territory (i.e. ORs or OCTs) without having to amend the Treaty. Until the end of 2011, for example, Saint Barthélemy was an outermost region, but in 2012 it became an OCT by Council Decision No 528/2012/EU. The opposite happened in 2014 with Mayotte, which was an OCT and by Council Decision 2014/162/EU became an OR.

OBJECTIVES

Regardless of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and the acquis communautaire is fully applicable in their territory. However, owing to their specific
geographical location and the related difficulties, EU policies have had to be adjusted to their special situation.

The relevant measures concern, in particular, areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, and conditions for supply of raw materials and essential consumer goods. Also, the rules on State aid and conditions of access to the Structural Funds and to EU horizontal programmes can be adapted to the needs of these regions (e.g. European Regional Development Fund (ERDF) special allocations to ORs).

For the 2014-2020 programming period, approximately EUR 13 billion is allocated to ORs, as follows:

Table: 2014-2020 European Structural and Investment (ESI) Funds allocated to ORs

<table>
<thead>
<tr>
<th>ESI Funds allocated to ORs</th>
<th>(EUR billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF (including special ORs allocations and European Territorial Cooperation (ETC))</td>
<td>5</td>
</tr>
<tr>
<td>European Social Fund (ESF) (including Youth Employment Initiative (YEI))</td>
<td>1.9</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development (EAFRD)</td>
<td>1.5</td>
</tr>
<tr>
<td>Programme of Options Specifically Relating to Remoteness and Insularity (POSEI) programmes (funded from the European Agricultural Guarantee Fund - EAGF)</td>
<td>4.6</td>
</tr>
<tr>
<td>European Maritime and Fisheries Fund (EMFF)</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.3</strong></td>
</tr>
</tbody>
</table>

**Source:** European Commission, Fourth Forum of the Outermost Regions, 30-31 March 2017

Apart from the special ERDF allocations, ORs also benefit, in the area of agriculture, from the POSEI programmes (Programmes of Options Specifically Relating to Remoteness and Insularity), funded from the EAGF (see table above). These programmes focus on two major types of measures:

— specific supply arrangements designed to mitigate the additional supply costs relating to essential products for human consumption, for processing or for use as agricultural inputs; and

— measures to support local agricultural production.

At present, the Commission is working on a new strategy for the ORs, which is due to be published in autumn 2017.

**ROLE OF THE EUROPEAN PARLIAMENT**

Despite the fact that all decisions as to which regions are accorded outermost region status are taken by the European Council, Parliament plays a very active role in support for the ORs.

Parliament has powers equal to those of the Council when it comes to the legislation concerning the most important EU policies, such as regional, agricultural, fisheries and
education policy. In its work Parliament takes account of the specific situation of the outermost regions and supports initiatives aimed at boosting their development.

During the negotiations of the 2014-2020 regulatory framework, Parliament supported the principle that outermost regions should have differentiated treatment regarding co-financing rates, special ERDF provisions on productive investments in enterprises, and specific rules as regards ETC programmes. Furthermore, in 2014 Parliament adopted a resolution on ‘optimising the potential of outermost regions by creating synergies between the Structural Funds and other European Union programmes’. In this resolution, it recalled the special features of ORs and emphasised the need for synergies between the Structural Funds’ support for ORs and EU-level programmes such as Horizon 2020, LIFE+ and COSME.

More recently, Parliament has been deliberating on an own-initiative report on the ORs, which focuses on the implementation of Article 349 TFEU, covering areas such as EU’s trade policy, maritime policy, fisheries and blue growth, cohesion policy, environment and energy.

Table: Data on Outermost Regions

<table>
<thead>
<tr>
<th></th>
<th>Distance from national capital (km)</th>
<th>Area (km²)</th>
<th>Population</th>
<th>GDP per capita as a percentage of the EU average (EU=100) (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td></td>
<td>4 407 569.1</td>
<td>508 450 856</td>
<td>100</td>
</tr>
<tr>
<td>France***</td>
<td></td>
<td>633 186.6</td>
<td>66 415 161</td>
<td>106</td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td>92 226.0</td>
<td>10 374 822</td>
<td>77</td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td>505 944.0</td>
<td>46 449 565</td>
<td>90</td>
</tr>
<tr>
<td>Azores</td>
<td>1 548</td>
<td>2 322.0</td>
<td>245 766</td>
<td>69.2</td>
</tr>
<tr>
<td>Canaries</td>
<td>1 850 (average for all the islands) 7 445.0</td>
<td>2 135 722</td>
<td>78.2</td>
<td></td>
</tr>
<tr>
<td>Guadeloupe</td>
<td>7 578</td>
<td>1 681.6</td>
<td>393 392</td>
<td>73.1</td>
</tr>
<tr>
<td>French Guiana</td>
<td>7 841</td>
<td>83 533.9</td>
<td>262 527</td>
<td>58.4</td>
</tr>
<tr>
<td>Madeira</td>
<td>1 041</td>
<td>802.0</td>
<td>256 424</td>
<td>73.39</td>
</tr>
<tr>
<td>Martinique</td>
<td>7 641</td>
<td>1 128.0</td>
<td>376 847</td>
<td>77.03</td>
</tr>
<tr>
<td>Réunion</td>
<td>9 921</td>
<td>2 503.7</td>
<td>850 996</td>
<td>69.92</td>
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<td>Saint-Martin (**)</td>
<td>6 700 (53 for the French side) 86</td>
<td>36 457</td>
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<tr>
<td>Mayotte</td>
<td>8 444</td>
<td>374.0</td>
<td>235 132</td>
<td>30.75</td>
</tr>
</tbody>
</table>

(*) Data for 2015, except for the Azores, Madeira and Martinique (2014) and Guadeloupe (2016); sources: Eurostat, Statistics Portugal, (***) Total area for France includes the ORs but not the OCTs.

Source: Eurostat 2015

Filipa Azevedo
**6 - NORTHERN IRELAND PEACE PROGRAMME - [5.1.9.]**

The purpose of the EU PEACE programme is to support peace and reconciliation and to promote economic and social progress in Northern Ireland and the Border Region of Ireland.

**LEGAL BASIS**


**BACKGROUND**

The peace process in Northern Ireland has been receiving financial support from the EU since 1989, through both EU regional policy and EU contributions to the International Fund for Ireland (IFI).

Following the recommendations from a special Commission Task Force, the PEACE I programme (1995-1999) was approved on 28 July 1995. In March 1999, the European Council decided that the special programme should continue until 2004 under the name of PEACE II. The programme was subsequently extended until 2006. PEACE III, covering the 2007-2013 programming period, carried on some of the priorities of the previous programmes and all project activities ceased on 31 December 2015. A declaration of its closure was to be submitted to the Commission by 31 March 2017.

A new programme (PEACE IV, 2014-2020) was officially launched on 14 January 2016, with a strong emphasis on investment targeted at children and young people.

**OBJECTIVES AND PRIORITIES**

The PEACE programme has been implemented as a cross-border cooperation programme (in the context of European Territorial Cooperation – ETC), between Ireland and the UK and has two main aims:

— cohesion between communities involved in the conflict in Northern Ireland and the border counties of Ireland; and

— economic and social stability.

The programme addresses the specific problems caused by the conflict with the aim of creating a peaceful and stable society. To this end, it builds upon two main priorities (reconciling communities and contributing to peace) and four main objectives for the 2014-2020 programming period:

— shared education;

— helping children and young people;

— creating shared spaces and services;

— building positive relations at a local level.
FINANCING

Between 1995 and 2013 there were three PEACE programmes, with a financial contribution of EUR 1.3 billion. While PEACE I (1995-1999) and PEACE II (2000-2006) received funding from all the Structural Funds, PEACE III (2007-2013) was funded solely by the European Regional Development Fund (ERDF).

The PEACE IV programme for the 2014-2020 programming period has a total value of EUR 270 million. The ERDF contribution to the programme is approximately EUR 229 million (85%), and around EUR 40 million (15%) will come from match-funding (i.e. non-EU sources which may include national, regional and local government funding). 94% of the PEACE IV programme resources will support social inclusion, combating poverty and labour mobility (the remaining resources will be allocated to technical assistance).

ELIGIBILITY AND MANAGEMENT

The area eligible for inclusion in the fourth PEACE programme consists of Northern Ireland and the Border Region of Ireland (the latter comprises counties Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal).

Overall management and delivery of the programme is handled by the Special EU Programmes Body (SEUPB), and financing is administered by local partnerships and non-governmental organisations.

Furthermore, in 2007 the Commission established the Northern Ireland Task Force (NITF), which operates under the authority of the Commissioner for Regional Policy and in close cooperation with the Northern Ireland authorities. The NITF aims to improve competitiveness, create sustainable employment and covers several policy areas, such as agriculture, competition policy, education and culture, energy, etc. The NITF's actions also aim to contribute to the overall success of the projects under the PEACE programme.

ACHIEVEMENTS

The PEACE programme has provided opportunities for participation and dialogue, and has brought decision-making and responsibility for community development closer to the people (i.e. it has applied a ‘bottom-up’ approach). It has funded a wide range of projects, including projects to support victims and survivors, young people, SMEs, infrastructure and urban regeneration projects, as well as projects in support of immigrants and of celebrating the ethnic diversity of society as a whole.

Importantly, this programme is now seen as an example of peace-building policy to be shared throughout Europe and other regions.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament has always supported the EU financial contributions to the PEACE and IFI programmes. In its legislative resolution of 15 June 2010 on the proposal for a regulation of the European Parliament and of the Council concerning European Union financial contributions to the International Fund for Ireland (2007-2010)[1], Parliament...
emphasised that the IFI should complement the activities financed by the Structural Funds, and especially those of the PEACE III programme operating in Northern Ireland and the Border Region of Ireland. Parliament calls formally on the Commission to ensure this coordination.

Parliament, in its role as co-legislator on the cohesion package (in this context, on the Common Provisions Regulation and the Regulation on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal), has strongly supported the continuation of the PEACE programme in the 2014-2020 period. Furthermore, in its resolution of 13 November 2014, Parliament underlined the importance of the PEACE programme in building up progress, economic and social cohesion and reconciliation between communities.

Following the outcome of the UK referendum, the EP, in its resolution of 5 April 2017, expressed concern at the consequences of the UK’s withdrawal from the EU and highlighted the need to safeguard peace between Northern Ireland and Ireland. It can also be anticipated that the Northern Ireland PEACE programme will form part of the discussions that are to take place during the upcoming negotiations between the UK government and the European Union.

FURTHER INFORMATION SOURCES


Filipa Azevedo / Diána Haase
07/2017
THE EUROPEAN UNION AT A GLANCE

The aim of the Fact Sheets is to provide an overview of European integration and of the European Parliament’s contribution to that process.

Created in 1979 for Parliament’s first direct elections, the Fact Sheets are intended to provide non specialists with a straightforward and concise – but also accurate – overview of the European Union's institutions and policies, and of the role that Parliament plays in their development.

The Fact Sheets are grouped into six chapters:

- **How the European Union works**, which addresses the EU’s historical development, legal system, institutions and bodies, decision-making procedures and financing;
- **Citizens’ Europe**, which describes individual and collective rights;
- **The internal market**, which explains the principles and implementation of the internal market;
- **Economic and Monetary Union**, which outlines the context of EMU and explains the coordination and surveillance of economic policies;
- **Sectoral policies**, which describes how the EU addresses its various internal policies;
- **The EU’s external relations**, which covers foreign policy, security and defence, trade, development, human rights and democracy, enlargement and relations beyond the EU’s neighbourhood.

Drafted by the Policy Departments and the Economic Governance Support Unit, the Fact Sheets are reviewed and updated at regular intervals throughout the year, as soon as Parliament adopts any important positions or policies.


The Fact Sheets are updated regularly and published on the website of the European Parliament in 23 languages.