REGI



Committee on Regional Development

Newsletter



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In Focus

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"A great city is not to be confounded with a

(Aristotle)

A word from the Chair

Dear Colleagues,

Dear Friends,



September and October are usually busy months in the Parliament. This year is no exception and our work in the REGI Committee is also more intense with a lot of different files to deal with.

We will have an opportunity to discuss a new Commission proposal, the so-called "omnibus" included in the MFF mid-term review, with Mr Nicholas Martyn. I'm sure that this will be an interesting and lively discussion.

Our delegation to Greece provided a useful on the ground insight into Cohesion Policy and the effect of our work in the Committee, in particular regarding the CPR amendment.

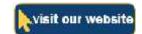
I'm also convinced that this will help us to finalise our report on the CPR amendment currently on the table for Greece and Cyprus. But we are also engaged in the structured dialogue regarding Spain and Portugal's excessive deficit.

Last but not least, a day after our committee meeting we will participate in the REGI/COTER joint meeting organised this year by the Committee of the Regions.

These are our plans for next few days, weeks and months - a busy but interesting schedule.

Iskra Mihaylova







Issue 11 8th Parliamentary term

10 October 2016

In Focus

REGI delegation visit to Greece: an expression of the continued support for the country





On 19 and 20 September members of the REGI Committee had the opportunity to meet local authorities as well as high-level national decisions-makers including the Deputy Prime Minister and the Deputy Minister of Economy.

Over two days and through eleven meetings and exchanges with local actors, the delegation visited a range of completed and ongoing projects.

Meetings with different political authorities (the Deputy Prime Minister, the Deputy Minister of Economy, the Mayor of Thessaloniki and representatives of the Mayor of Athens as well as of the Region of Attica) enabled the delegation to build up an overview of the various challenges that Greece faces. Lack of transparent cooperation between different levels of responsibility is one such problem. As the Mayor of Thessaloniki put this, Greece, a "centralized state" became a "dislocated state". However, everyone expressed a wish to have regular and open contacts with Members of the European Parliament and especially the REGI Committee.

At various stages of the visit, the delegation's Greek interlocutors expressed the hope that the overall economic situation of the country is improving. Besides continuing issues surrounding migration, economic recovery, although fragile, seems to be established.

Overall, the visit by the delegation enabled the Committee to gain an overview of projects on the ground and to hold an exchange of views with national and local authorities representing (occasionally divergent) perspectives on the current difficulties of the country. Both parties, REGI delegation and local interlocutors expressed their wish to continue a constructive dialogue and cooperation.





Structured dialogue with the EC - Possible suspension of ESI Funds



Commission Vice-President Jyrki Katainen and Commissioner Corina Creţu came to the extraordinary joint REGI-ECON meeting on 3 October for a hearing dedicated to a possible suspension of European Structural and Investment Funds (ESI Funds) for Spain and Portugal.

The hearing was the first step in the "structured dialogue" which the European Parliament may carry out with the Commission before the Commission makes a proposal to the Council to suspend ESI Funds for Member States failing to take effective action under the economic governance process.

The hearing was divided in two sessions in which the REGI and ECON Members had a chance to exchange views with the Commission. Representatives of four other committees participated in the debate (BUDG, EMPL, AGRI and PECH).

A large number of Members opposed the suspension of ESI funds underlining that it would be counterproductive and detrimental to the economic and political situation in the two Member States. Some others, on the other hand, stressed the importance to adhere to the rules.

The Commission reiterated its legal obligation to propose a suspension of ESI funds, while confirming that no deadline for this was foreseen by the relevant legislation. Vice-President Katainen repeated that he was confided that the draft budgetary plans of Spain and Portugal, due by 15 October, will be in line with the EU recommendations in which case there would be no reason for suspension.

In the coming days the Parliament will decide on the following steps it intends to take within the structured dialogue procedure.

Background

The process preceding the structured dialogue started on 12 July, when the Council found that Spain and Portugal had not taken effective action to reduce their deficits below the EU's reference value under the Stability and Growth Pact rules.

The Council's decision triggered sanctions under the excessive deficit procedure. The principal elements of this procedure were a possible:

- a) imposition of fines (Article 6 of Regulation (EU) No 1173/2011)
- b) suspension of ESI Funds (Article 23 of Regulation (EU) No 1303/2013).

The Council decided on 8 August, based on a recommendation from the Commission, not to impose fines to Spain and Portugal.

The Commission is now due, after the structured dialogue with the Parliament is concluded, to make a proposal to the Council to suspend part or all of the commitments or payments for the programmes of Spain and Portugal.

Recording of the hearing
Briefing prepared by the Economic Governance Support Unit (EGOV)

Last time - REGI meeting - 8 September 2016

Investing in jobs and growth - maximising the contribution of European Structural and Investment Funds (article 16(3) of CPR)



Rapporteur: **Lambert van Nistelrooij**

During the REGI meeting of 8 September, Mr Lambert van NISTELROOIJ (EPP) presented the main points of his draft report on the outcomes of the negotiations between the Member States and the European Commission on the partnership agreements and on the operational programmes, as requested by article 16(3) of the CPR.

The rapporteur, the shadow rapporteurs and the other MEPs referred to several key issues learnt from the previous negotiation period and which could be taking into consideration when formulating the future Cohesion Policy. They pointed out the importance of using thematic objectives, exante conditionalities, performance reserve and paying attention to the increased the link between the Cohesion Policy and the economic governance. Use of financial instruments, synergies among various funds, simplification process, and improvement of the administrative capacity of the Member States were also among the tackled points of the debate. The rapporteur, several MEPs and the Commission representative emphasized the need to improve the communication of the Cohesion Policy together with more visibility for the ESI Funds.

The draft report is scheduled to be voted on in the November REGI meeting.

*** VOTED IN THE LAST MEETING ***

During the last Committee meeting, the following text was adopted (for more information please follow the hyperlink):

TITLE	RAPPORTEUR
Measures to safeguard the security of gas supply 2016/0030(CODI)	Vir Tomasz Piotr Poręba (ECR)
General budget of the European Union for the financial year 2017 - all sections 2016/2047 (BUD)	Mr Derek Vaughan (S&D)
European Semester for economic policy coordination - implementation of 2016 priorities 2016/2101 (INI)	Mr Fernando Ruas (PPE)

Ahead of us

REGI meeting - 11 October 2016

(*) agenda of the forthcoming meeting might be changed after publication of the Newsletter

Establishment of the Structural Reform Support Programme for the period 2017 to 2020



Lambert van Nistelrooij Co-Rapporteur



Constanze Krehl
Co-Rapporteur

At the last REGI meeting, co-rapporteurs Lambert van Nistelrooij (EPP) and Constanze Krehl (S&D) presented their draft report on the establishment of a Structural Reform Support Programme (SRSP).

The report addresses a number of issues regarding the implementation and the governance of the new programme, and the rapporteurs underlined the role of the European Parliament, as well as the complementarity between economic, social and territorial cohesion on the one hand and economic governance on the other.

Their presentation was followed by a lively debate indicating the contributions of other Members to the report. This discussion will resume at the next REGI meeting on 11 October with an exchange of views on the amendments that have now been tabled to the report. REGI still expects also opinions from a number of other committees - ECON being associated under Rule 54-, in view of preparing a vote on the draft report in November.

Amending Regulation (EU) No 1303/2013 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability



Rapporteur: **Iskra Mihaylova**

Following the discussions in the previous REGI committee meeting, the Members of the Committee will vote on this draft report. In the last meeting the suggestion from the chair to proceed without amendment gained wide support.

The financial and economic crisis has had a serious impact on the budgets of many Members States and those worst affected are finding it hard to produce sufficient funds for national co-financing of regional policy projects.

Articles 24 and 120(3) of the Common Provisions Regulation (CPR) allow higher co-financing rates for projects in Member States facing financial challenges. The Commission has made a proposal extending the time period when higher co-financing is possible. The amendment to Article 24 concerns mainly Greece and to Article 120(3) Cyprus.

Financial rules applicable to the general budget of the Union: Exchange of views with Nicholas Martyn, European Commission, DG REGIO



Nicholas Martyn

On 14 September, the European Commission adopted a package of proposals connected with the mid-term review of the Multiannual Financial Framework: this includes a so-called « <u>Omnibus Regulation</u> ». Mr Nicholas Martyn, Deputy Director-General will present the new legislative proposal to the REGI Committee.

During the discussion members will have an opportunity to learn more about the new proposal, which will be one of the major topics for the European Parliament in the few next months. Simplification, synergies with other EU instruments, flexibility for Member States and streamlining of Financial Instruments are only a few keywords of this new proposal.

Presentation of a study on "Review of adopted European Territorial Cooperation programmes" REGIO



Mr François Levarlet (T33 Srl), will present the main findings of a study requested by REGI and commissioned by Policy Department for Structural and Cohesion Policies.

The objective of this study is to provide the European Parliament with a first 'map' and a comprehensive synthetic analysis of adopted 2014-2020 ETC programmes. 30 Cross-border and 10 Transnational Cooperation programmes adopted at the end of 2015 were subject to the review.

The analysis offers insights on the strategic choices made by Member States and programme authorities for content and management, synergies with other EU, national and regional level instruments, implementing tools and simplification measures foreseen by the regulations.

Recommendations are grouped into two categories: for follow-up of programmes in the current programming period and recommendations related to the design of future Cooperation Programmes beyond 2020.

REGI-COTER annual meeting – 12 October 2016

(*) agenda of the forthcoming meeting might be changed after publication of the Newsletter



Iskra Mihaylova, REGI Chair & Raffaele Cattaneo, COTER Chair

Members of the REGI and COTER will meet in the Committee of the Regions on the 12 of October within the framework of the 14th European Week of Regions Cities.

The discussions are intended to support the implementation of the 2014-2020 ESIF programmes, demonstrate the results of EU investment, showcase examples of good practice and encourage input for possible future improvements.

The dialogue between REGI and COTER members would be also focused on the performance and results oriented approach, in the light of an early debate on the future Cohesion policy.

Venue: European Committee of the Regions, room JDE 62 Rue Belliard 101- B-1040 Brussels

Upcoming events in Brussels or near to your home

Date	Event	Place	Additional info
10-13 October 2016	European Week of Cities and Regions	Brussels	
11 October 2016	REGI committee meeting	Brussels	
12 October 2016	REGI-COTER meeting	Brussels CoR	Room JDE 62
8-9 November 2016	7th Strategy Forum of the EU Strategy for the Baltic Sea Region	Stockholm, Sweden	

Useful internet links

REGI Website
EP studies Website
EP Library - Info on items related to regional development
OEIL - The Legislative Observatory
EUR-Lex
Regional Policy Inforegio
Committee of the Regions