

## Newsletter



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### [In Focus](#)

#### *7th Cohesion Report*



*How is the Bulgarian presidency going to achieve its goals? Through 3 Cs - consensus, competitiveness and cohesion.*

Read more: [Presidency website](#)

### A word from the Chair



Dear Colleagues,

Dear Friends,

The New Year will be an interesting and eventful one in many ways. It is the last full parliamentary year before the approaching European Elections, and many forward-looking key legislative proposals will be published this year.

The discussions on the post-2020 framework are high on our agenda, as the proposal for the new Multiannual Financial Framework (MFF) will be published in May, and the legislative proposals for the next generation of Cohesion Policy are likely to follow soon after. There are also other important legislative and own-initiative files on our Committee's agenda - such as the new proposal on the SRSP, CPR amendment on performance reserve and the 7th Cohesion Report.

My native Bulgaria will hold its first Presidency of the Council of the EU during the first half of 2018. We will hear about their Cohesion Policy priorities during our January meeting.

With these words, I want to wish everyone a Happy New Year. All the best to you, your family and friends.

Yours,

Iskra Mihaylova



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## In Focus

### The 7th Cohesion Report: first step towards Cohesion Policy reform

The 7th Cohesion Report published by the European Commission at the beginning of October is a key document in the context of the upcoming reform of the European Union Cohesion Policy for the next programming period.

Commissioner Ms Corina Crețu presented the report, during a meeting on 10 October organised jointly by REGI and the Commission for Territorial Cohesion Policy (COTER) of the European Committee of the Regions in the framework of the 15th European Week of Regions and Cities.



**Marc Joulaud**

REGI decided to draw up an initiative report, in order to deliver the European Parliament position ahead of this reform and Mr Marc JOULAUD (EPP) has been appointed rapporteur.

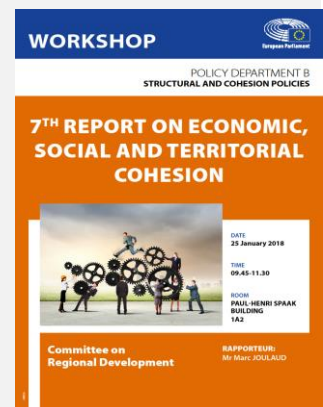
On 23 November 2017, the Committee held a **first exchange of views** on the subject. The debate was introduced by Commission representatives who highlighted the main issues of the 7th Cohesion Report and gave Members the opportunity to exchange their views on the future of EU Cohesion Policy.

This time, during the course of a **workshop** organised by the Policy Department, the Committee will have the opportunity to listen to different invited experts. The subjects under discussion focus mainly on two questions, as pointed out in the Commission's communication, namely: (1) Where should cohesion policy invest? (2) What should the investment priorities be?

The experts will explore several pertinent questions about the future development path of different EU territories, presenting themes such as the middle income trap, urban dimension of cohesion policy and urban agenda, relations between urban-rural areas, as well as the balance between European priorities and territorial needs. Experience from the ground (both national and regional level) will put theory into a more practical perspective, including the difficulties associated with the complexity of the policy and the lessons learned in relation to the new territorial tools introduced in this programming period.

Additionally, REGI is organising an **extraordinary meeting on 1st February**.

During this meeting, the Commission, the Presidency of the Council, the European Committee of the Regions, the European Economic and Social Committee and representatives from European local and regional authority associations (Eurocities); the Council of European Municipalities and Regions (CEMR), the Conference of Peripheral Maritime Regions (CPMR) and the Association of European Regions (AER)) will have the opportunity to present their points of views and debate with the REGI members.



## Last time

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### REGI meeting – 7 December 2017

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

#### The role of EU regions and cities in implementing the COP 21 Paris Agreement on climate change



**Ángela Vallina**

REGI Committee decided to draft an INI report on this important issue. After the workshop organised in June to present the study on “Cohesion Policy and Paris Agreement targets”, the Committee held an exchange of views on the draft report during its December meeting.

In her draft report, Mrs Vallina advocates climate change mitigation be considered an urgent priority in EU cohesion policies. She supports the approach of the Sustainable Development Goals (United Nations) and the Pact of Amsterdam (Urban Agenda for the EU) and welcomes the ‘Global Covenant of Mayors for Climate and Energy’ initiative.

As cohesion policy has a key role to play in tackling the challenges of climate change, the post-2020 cohesion policy budget has to be increased.

Mitigation measures must be planned on the basis of a fair distribution of efforts and benefits among the various actors and the socio-economic consequences of such measures have to be evaluated.

#### Competitiveness in low-income and low-growth regions – the lagging regions report



**Michela Giuffrida**

On 7 December Mrs Michela Giuffrida presented her report on “Lagging regions”. This report aims to identify possible solutions with a view to underpinning growth and increasing income in these regions.

This own-initiative report allows the Committee to reflect on the conclusions which should be drawn following the Commission’s report on the subject released last year. In that report, the Commission identified two types of regions in which cohesion policy was not showing its fully desired effect: low-income regions and low-growth regions.

The rapporteur, Mrs Michela Giuffrida, takes the view that public debt reduction obligations under the Stability Pact are limiting the scope for public investment, especially in the less developed regions. In order to ensure that cohesion policy can create growth and jobs, it is therefore necessary for co-funding to be exempt from budgetary constraints imposed by the Stability and Growth Pact.

Macroeconomic conditionality should still, in the rapporteur’s view, be considered a benchmark for the activation of cohesion measures, but in a positive and constructive manner, in order to stimulate and promote reforms. A total of 173 amendments have been tabled.

The report will be voted at the REGI Committee on 20 February.

## Study commissioned by Policy Department B on "Public Private Partnerships and Cohesion Policy"



At the request of REGI, a study on "[Public Private Partnerships and Cohesion Policy](#)", commissioned by Policy Department B, was presented on 7 December 2017 by Ms Laura Delponte, the leader of the research project.

The expert gave insight into the different definitions of PPPs, their potential benefits and risks as well as the different features of European PPP markets. The role of PPPs in cohesion policy was discussed, including the relevant provisions in the legislative texts, their use so far, the availability of data and lessons learnt for future reference.

During the ensuing discussion, the presentation Members wanted more information on the evaluation of using PPPs from the standpoint of the small and medium size projects and SMEs, which were not included in the data of this study.

Ms. Laura Delponte clarified that PPPs tend to include large projects and large investors. There are rare cases, for example in Germany, where the PPP market is more developed at the regional level and where medium size SMEs are participating in the PPP projects. It was considered that PPPs are still one of the key opportunities for local/national authorities to ensure sufficient level of investments in crucial projects.

The question was also asked whether there is a link between the level of development of institutions and use of PPPs.

In her answer, Ms Laura Delponte considered this link to be present for example in the case of Greece/Poland/Croatia where many PPPs are used for the implementation of EU structural funds. This use of PPPs is driven at the national level, but it is very difficult to convince the regions to use these instruments at lower levels of public administration. It always depends on the available level of expertise and support.

## Implementation report on Article 9(7) of the Common Provisions Regulation



**Andrey Novakov**

The REGI Committee has decided to draw up an implementation report entitled "Cohesion Policy and Thematic Objective 'promoting sustainable transport and removing bottlenecks in key network infrastructures' - Article 9(7) of the Common Provisions Regulation" to draw conclusions on the progress made so far and also to offer recommendations for concrete actions to be taken.

The rapporteur, Mr Novakov, presented his initial thoughts on the topic during an exchange of views on 7 December 2017. In his intervention, he stressed the significance of the topic and said that "transport is a sector that touches everyone's lives directly or indirectly". He went on to highlight the importance of good infrastructure for citizens and SMEs, and said that the priority status of transport should be reflected in the EU budget.

The presentation of the draft report is foreseen for the February REGI meeting.

## REGI extraordinary meeting – 14 December 2017

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

### Financial rules applicable to the general budget of the Union



Constanze Krehl

On 14 September 2016, the Commission adopted the so-called “Omnibus proposal” as part of a package of amended regulations connected with the mid-term review of the MFF. The proposal amends the Financial Regulation to promote simplification and reduce administrative burdens.

Following lengthy negotiations, an agreement was reached in the EP, foreseeing joint responsibility by BUDG and CONT (under Rule 55), REGI had an exclusive competence for Articles 262 (EUSF), 264 (ERDF) and 265 (CPR), and associated recitals of the Omnibus (Rule 54).

In total, more than 270 amendments were tabled at the stage of the draft opinion. Nine trilogues and seven technical meetings at civil servant level were necessary to reach agreement. The whole process was driven by Mrs Constanze Krehl, REGI Rapporteur for this file.

Between January and December 2017, EP amendments to the draft Articles for which REGI had exclusive competence, as well as subsequent inter-institutional negotiations with Council and Commission, resulted in an agreed set of amendments to the Commission’s proposal which amount to a radical simplification of EU Regional Policy. The key points are:

- Simplified rules: increased use of simplified cost-options, reduction of the number of audits, a better balance between more flexibility for beneficiaries and sufficient level of stability for authorities.
- Flexibility and support for migrants and refugees in order to deal with challenges arising from migration crisis, e.g. new investment priority to use ERDF to finance renovation
- Visibility of cohesion policy has been improved.

The outcome of the REGI negotiations will be integrated as a part of the final text of the “Omnibus” Regulation with necessary cross-reference adjustments, once negotiations in BUDG/CONT Committees are concluded. The whole legislative process should be concluded early in 2018.

### \*\*\* VOTED IN THE LAST MEETINGS \*\*\*

*During the Committee meetings on 7 and 14 December 2017 the following texts were adopted (for more information please follow the hyperlink):*

TITLE	RAPPORTEUR
<b>Draft opinion on " Accelerating Clean Energy Innovation "</b> <a href="#">2017/2084(INI)</a>	Monika Smolková (S&D)
<b>Provisional agreement resulting from interinstitutional negotiations on the Articles 262, 264 and 265 (REGI exclusive competence) of the proposal on “Financial rules applicable to the general budget of the Union”</b> COM(2016)0605[01] - <a href="#">2016/0282A(COD)</a>	Constanze Krehl (S&D)

## Ahead of us

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### REGI meeting – 24-25 January 2018

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

#### The impact of EU cohesion policy on Northern Ireland



Derek Vaughan

At this meeting, the rapporteur, Derek Vaughan, will lead the Committee's first exchange of views on its Implementation Report on the Impact of Cohesion Policy in Northern Ireland. The idea is that this report will form part of the Committee's reflection on the functioning of cohesion policy in practice across the EU, and will contribute to establishing its position on the next generation of the policy. It could also help to inform the position that the EP takes on the outcome of negotiations between the UK and the EU concerning the withdrawal of the UK from the Union and the possible consequences of this for the peace process in Ireland.

The EU has played an important role in promoting the economic development of Northern Ireland and its recovery from decades of conflict and division, especially since the 1998 Belfast Agreement (also known as the Good Friday Agreement) and the subsequent establishment of a devolved administration.

The EU has provided financial support for the peace process since 1989, both through EU regional policy and through EU contributions to the International Fund for Ireland. The PEACE I (1995-1999), PEACE II (1999-2006), and PEACE III (2007-2013) programmes, funded by the Structural Funds and later by the European Regional Development Fund, provided a financial contribution of EUR 1.3 billion. The programmes were implemented as cross-border cooperation programmes (in the context of European Territorial Cooperation) between the UK and the Republic of Ireland, and had two aims: (i) cohesion between the communities involved in the conflict in Northern Ireland and the border counties of the Republic; and (ii) economic and social stability. The PEACE IV programme (2014-2020) has a total value of EUR 270 million, of which EUR 229 million (85%) will be provided by the ERDF.

The next step in regard to this proposal should be the organisation of a fact-finding mission, scheduled for March (subject to authorisation).

#### Exchange of views with Tomislav Donchev, President in office of the Council of the European Union, on the priorities of Bulgarian Presidency



Tomislav Donchev

On January 24th, the Committee will hold an exchange of views on the priorities of the Bulgarian Council Presidency for the next six months with Tomislav Donchev, the Deputy Prime Minister for EU Funds and Economic Policies and the President-in-office of the Council of the European Union.

Over the course of their Presidency, Bulgaria will be carrying out further work on the future of the EU's Cohesion Policy post-2020 and its Multiannual Financial Framework. Moreover, it will promote culture as a strategic resource to accomplish cohesion within the EU and its regions. Another important aspect for them is to promote unity within the EU. Bulgaria also aims at increasing connections and connectivity between the Western Balkans and the EU. The Presidency will lay out its work programme for the field of cohesion policy.



## Cohesion policy and the circular economy



**Davor Škrlec**

Circular Economy is a concept that entails structural changes to the traditional linear economy, from a “take, make and dispose” model of production to a cyclical model that is more in line with the respect for our environment and the management of natural resources.

The Cohesion Policy is a key instrument for making Circular Economy a reality in Europe. In the current programming period of 2014-2020, significant funding has been provided to actions related to the transition towards a circular economy, especially for waste management, water treatment, research and innovation, support to SMEs, enhancement of resource efficiency and low-carbon investments. Besides that, the Cohesion Policy has also been offering a policy framework for integrated regional development in order to help regions achieve the transition towards a circular economy.

The implementation report of Mr Davor Škrlec (Greens/EFA) offers an opportunity to analyse the contribution of the Cohesion Policy to the achievement of a circular economy as well as possibilities for improvement in this area.

After the first exchange of views in the January REGI meeting, the rapporteur will present his draft report in March 2018. A vote in REGI is foreseen for May 2018.

## Upcoming events in Brussels or near to your home

Date	Event	Place	Additional info
24-25 January 2018	REGI committee meeting	EP, Brussels	
25 January 2018 4.00 - 6.00 pm	<a href="#">Czech Perspective on Territorial Dimension of Cohesion Policy and European Territorial Cooperation after 2020</a>	CoR, Brussels	
30 January 2018	<a href="#">Briefing on the future of Cohesion Policy beyond 2020</a>	CoR, Brussels	
1 February 2018	Extraordinary REGI committee meeting	EP, Brussels	
5-6 February 2018	<a href="#">21st European Forum on Eco-innovation: eco-innovation for air quality</a>	Sofia, Bulgaria	

## Useful internet links

[REGI Website](#)

[EP studies Website](#)

[EP Library - Info on items related to regional development](#)

[OEIL - The Legislative Observatory](#)

[EUR-Lex](#)

[EC Regional Policy - InfoRegio](#)

[Committee of the Regions](#)

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