

Newsletter



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*EU Cohesion Policy – 30 years of
creating jobs and growth*

[Read more about the anniversary](#)

A word from the Chair



Dear Colleagues,

Dear Friends,

This year, we celebrate the 30th anniversary of EU Cohesion Policy. It is a significant milestone that allows us to reflect on the past, but also to look to the future.

Our year has begun with a strong post-2020 focus: in our first meeting in January we had a workshop with cohesion policy experts discussing the content of the 7th Cohesion Report and more specifically two important questions: where the policy should invest and what the priorities should be in the years to come.

The debate continued at the beginning of February in our extraordinary meeting entitled “The future of cohesion policy after 2020”. There, the Commission, the Bulgarian presidency, the Committee of the Regions, the Economic and Social Committee and representatives of European local and regional authority associations all presented their views on the future and answered questions posed by our Members.

The same topics will also appear on the agenda of our February meeting, when we will discuss Mr Joulaud’s draft report on “strengthening economic, social and territorial cohesion in the European Union: 7th report of the European Commission” which intends to deliver the European Parliament position ahead of the EU cohesion reform currently prepared by the Commission.

I look forward to seeing you in our next meeting and continuing these discussions,

Yours,

Iskra Mihaylova



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In Focus

New proposals: the Performance Reserve and the Structural Reform Support Programme

In the context of the Commission's December proposals on the Economic and Monetary Union relating to economic governance, it has submitted two very short legislative proposals modifying key legislation in the area of cohesion policy.

The first proposal (2017/0336(COD)) seeks to amend the Common Provisions Regulation, essentially in order to allow the performance reserve (6% of the resources allocated to the ERDF, ESF and CF Investment for Jobs and Growth Goal, to the EAFRD and to the EMFF) to be used for structural reforms instead of for the 'specific priorities' set out in Partnership Agreements. In particular, the proposal inserts Articles 22(1a), 22(8) and 23a into the CPR, setting out the principles and procedures for using cohesion policy monies for structural reforms. In addition, consequential amendments affect CPR's provisions on its objective, definitions and reporting obligations accordingly.

The second proposal (2017/0334(COD)) seeks to amend Regulation (EU) 2017/825 to increase the financial envelope of the SRSP and adapt its general objective. In particular, the amending act seeks to amend the article on the objective of the SRSP by adding support for preparations for Eurozone membership to the goals of the programme (the words 'which will also prepare for participation in the euro area' are added to the article). It also inserts an article permitting funding for euro preparation actions and activities. Finally, the overall financial envelope for the SRSP is increased from EUR 142,8 million to EUR 222,8 million, which could be further complemented through the technical assistance budget, taking the total to around EUR 300 million.

The coordinators have decided to appoint two co-rapporteurs for the first file, namely Constanze Krehl and Lambert van Nistelrooij. The rapporteur for the second file is to be Ruža Tomašić. Work on these two files will not start until the competency dispute has been resolved.

Last time

REGI meetings – 24-25 January & 1st February 2018

The impact of EU cohesion policy on Northern Ireland



Derek Vaughan

At the last meeting, on 24 January, the rapporteur, Derek Vaughan, led the committee's first exchange of views on its implementation report on the impact of cohesion policy in Northern Ireland. Mr Vaughan explained the importance of cohesion policy for Northern Ireland, and gave examples of major EU-funded projects in the province. Other Members' contributions focused on the importance on continuing cohesion funding, on the EU's role in supporting the Peace Process in Northern Ireland, on the problems that would arise following the UK's withdrawal from the European Union, and on cross-border projects.

The fact-finding mission to Northern Ireland has now been authorised by the parliamentary authorities, and is due to take place from 21 to 23 March. Members plan to visit EU-funded projects in Belfast, Derry/Londonderry and rural Northern Ireland. The rapporteur will draw up the draft implementation report following the mission.

The report is to form part of the committee's reflection on the functioning of cohesion policy in practice across the EU, and will contribute to forming 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 on the island of 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 from the Structural Funds and later 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 from the ERDF.

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



Tomislav Donchev

Bulgaria holds its first presidency of the Council of the European Union this spring. Deputy Prime Minister Mr Tomislav Donchev attended the January REGI meeting to discuss Bulgaria's priorities and plans for cohesion policy with the REGI members. The presidency takes place in the midst of the post-2020 debate, and many key proposals for the future, such as the proposal for the next Multiannual Financial Framework (MFF), are going to be published during the first half of 2018.

First common vision and goals, then decisions on budget - this was one of Mr Donchev's main messages. He made a strong case for creating a "Europe 2030" strategy that would succeed the current 10-year framework and highlighted that "we can only be successful if we know where we are going".

As the UK withdraws from the Union, there will be a need to do more with less. On Mr Donchev's opinion, for this reason, the EU should invest in things that produce high added value. The cohesion policy can become a motor for this reform.

For the post 2020 period, simplifying and streamlining the cohesion policy rules will be very important, Mr Donchev said. He also stressed that when programming for the future "we must not only learn from crisis, we must also follow our dreams".

More information: [Priorities of the Bulgarian presidency](#), [Bulgarian Presidency priorities discussed in committees](#), [Video recording of the meeting](#)

Cohesion policy and the circular economy



Davor Škrlec

On 24 January, the Committee held a first exchange of views on the report on "Cohesion policy and the circular economy". Mr Davor Škrlec (Greens/EFA), the rapporteur on this file, outlined his initial thoughts and ideas on the topic. In his view, circular economy is one of the most important European public policies that the Commission has presented during this mandate. He believes this report will help REGI committee carry out a timely analysis of successes of the cohesion policy in promoting transition to a new economic model of circular economy, as well as an assessment of the current situation and an opportunity to offer guidelines and suggestions for the future programming period. The rapporteur stressed that both transition to a circular economy and cohesion policy are governed by the same logic, in the sense that they will both succeed if they are led by local and regional communities.

According to Mr Škrlec, circular economy is the answer to the obsolete linear economic model we know and to the scarcity of resources we experience in Europe. The rapporteur mentioned that the annual cost of linear business practices in the EU is estimated 7.2 trillion €, that is twenty times the cohesion policy budget 2014-2020, making a shift to a circular model even more pressing. Circular economy and cohesion policy are not only about infrastructure or construction policies, but also about social cohesion and solidarity. They provide answers to the challenges faced by local and regional communities.

The future draft report will consider the possibility for circular economy to become a separate thematic objective within the cohesion policy framework in order to allow for new operational programmes to better reflect these goals. The report will also focus on SMEs which know the local markets better and can raise awareness about positive practices through cooperation with the communities, create local value and sustainable local jobs. It will also address the topics of green public procurement and waste management, in link with the adoption of the waste package.

After this 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.

The future of cohesion policy after 2020 in debate



Marc Joulaud

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. 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.

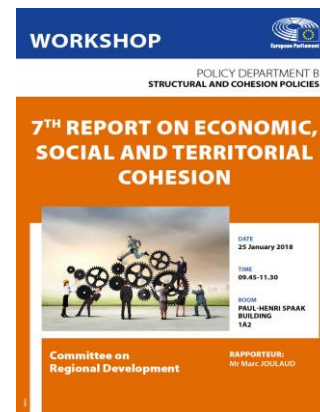
The draft report of Mr Joulaud will be discussed during 20 February meeting but, in the course of the preparation of this report, the committee has held several debates.

On 25 January a workshop was organised by the Policy Department and the Committee had the opportunity to listen to different invited experts. The subjects under discussion mainly focus on two issues, as pointed out in the Commission's communication, namely: (1) Where should cohesion policy invest? (2) What should the investment priorities be?

The experts explored several 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) 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.

The debate that followed the expert presentation revolved, among other things, around the potential policy solutions to address the middle income trap and unequal territorial development, the need to better tailor cohesion policy to territorial needs, the difficulties associated with the complexity of the policy and potential solutions such as a smarter approach to control, as well as the lessons learned in relation to the new territorial tools introduced in this programming period. (Workshop proceedings summarizing the expert presentations and the debate with MEPs will soon be available online.)

An extraordinary Committee meeting was also organised on 1 February. During this meeting, REGI Members had the opportunity to exchange views with representatives of 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 network of major European cities); the Council of European Municipalities and Regions, the Conference of Peripheral Maritime Regions and the Association of European Regions.



Ahead of us

REGI meeting – 20 February 2018

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

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



Andrey Novakov

Andrey Novakov, the rapporteur of 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”, will present his draft report in the REGI February meeting.

The report looks at one of the investment priorities of ESI Funds entitled “promoting sustainable transport and removing bottlenecks in key network infrastructures” and aims to draw conclusions on the progress made so far and to offer recommendations for concrete actions to be taken.

Mr Novakov presented his initial thoughts on the topic during an exchange of views on 7 December 2017. He highlighted the importance of good infrastructure for citizens and SMEs, and said that the need for transport investments should be reflected in the EU budget.

The vote on the draft report is foreseen for the REGI March meeting.

Strengthening economic, social and territorial cohesion in the EU: REGI prepares the Cohesion Policy reform



Marc Joulaud

Mr Joulaud's draft report on the 7th Cohesion Report published by the Commission on 9 October will be discussed during this meeting. The report intends to deliver the Parliament's position ahead of the upcoming reform of the Cohesion policy for the next programming period.

In his report, the rapporteur highlights the added value of cohesion policy and considers that it should continue to cover all European regions, with a budget commensurate with the challenges they face. He supports a strong thematic concentration on a limited number of priorities linked to major European political objectives and a balanced link with economic governance; and calls on the Commission to overhaul the European Semester to strengthen its territorial dimension. Mr Joulaud also calls for a genuine single set of rules to be introduced for the various funds and for the Commission to provide a framework which guarantees legal stability through simple, clear and predictable rules.

The rapporteur supports a shift towards a greater focus on results, allowing managing authorities more flexibility as to how to achieve targets (contract of confidence), and supports the need to take account of indicators complementary to per capita GDP. Respect for proportionality and subsidiarity and the need for better administrative capacities are also underlined.

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



Michela Giuffrida

At the meeting on 20 February, the Committee on Regional Development will vote on Michela Giuffrida's own-initiative report on competitiveness in low-income and low-growth regions.

The REGI committee has received the opinions of the AGRI and PECH committees on this topic, and 173 amendments have been tabled in the committee. The shadow rapporteurs have met and agreed on compromise amendments, which cover the most important aspects of the report.

This own-initiative report allows the committee to reflect on the conclusions which should be drawn following the Commission's lagging regions report released earlier this 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.

Low-income regions were mostly found in Central and Eastern Europe, with often relatively high growth rates, but insufficient increases in incomes. Low-growth regions were mostly found in Southern Europe, and were regions where overall wealth was not necessarily low, but where economic growth was lacking.

This analysis of lagging regions should allow the European Union to draw conclusions as to the operation of cohesion policy, with some considering that changes are needed in order to better assist the regions affected.

Michaela Giuffrida takes the view that the Commission report gives food for thought and deeper reflection, taking into account many aspects that affect the competitiveness of the regions in question. She considers that the heart of the problem resides in the definition of the relationship between cohesion policy and European economic policy.

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



Angela Vallina

After the workshop organised in June to present the study on “Cohesion policy and Paris Agreement targets” and the exchange of views on the draft report in December, the Committee will vote on Ms Vallina’s draft report.

In her draft report, Ms Vallina considers that climate change mitigation should 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.

Exchange of views with Ms Iliana Ivanova, Member of the European Court of Auditors



Iliana Ivanova

On 20 February, the Committee will hold an exchange of views with Ms Iliana Ivanova, who is a member of the European Court of Auditors.

Ms Ivanova will be talking about the ECA’s work in relation to cohesion policy. Last time she was a guest speaker at the committee meeting, in January 2017, she presented the ECA special report on financial instruments. Now, she will use the opportunity to go further into details of the Court’s role in cohesion policy and its functioning.

ECA has published several reports on cohesion. In its work programme for 2018, the ECA sets the simplification of the EU cohesion policy as one of the main priority areas. Additionally, the Court aims to review the landscape on transport and mobility.

Members will have the opportunity to ask questions in the debate that follows the presentation.

Exchange of views with Commissioner Valdis Dombrovskis on the Structural Reform Support Programme



Valdis Dombrovskis

On 20 February, the committee will hold an exchange of views with Mr Valdis Dombrovskis, Vice-President of the European Commission for the Euro and Social Dialogue. Furthermore, he is in charge of Financial Stability, Financial Services and Capital Markets Union, and the Structural Reform Support Programme (SRSP).

The Structural Reform Support Programme is an EU-funded program to help the Member States administering growth-enhancing reforms. The support that is received is tailor-made to specific needs in order to assure maximum efficiency. The program currently has a budget of €142.8 million over the period 2017-2020. On 6 December, the Commission adopted a proposal to increase the programme budget substantially and to supplement the programme objectives with a reference to support for projects to prepare for eurozone membership.

Upcoming events in Brussels or near to your home

Date	Event	Place	Additional info
20 February	REGI committee meeting	EP, Brussels	
22 February	Cohesion, jobs, growth, and investment; Subsidiarity and proportionality (live debate)	CoR	14:00-15:00
22 February	EU Covenant of Mayors Ceremony 2018	EP & CoR	15:00-17:00
27 February	Quality of Government in EU Regions: Patterns across Space and Time	CoR	12:45 – 14:00
21-23 March	REGI mission	Northern Ireland	

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](#)