



Newsletter

A word from the Chair

Dear Colleagues,
Dear Friends,

We have gone through the first quarter of this year with full focus on the major political issues pertinent to cohesion policy, with our first priority to support as much as we can, all regions and Member States in closing the 2014-2020 programming period and starting the new 2021-2027 period. A challenge for most regions.



In our latest deliberations, we drew special attention to the current debate about regional aspects of state aid. We therefore held exchange of views with Executive Vice-President of the Commission, Ms Vestager, about the upcoming revision of state aid rules and its impact on EU regions, and we brought the question to a plenary debate. We expect state aid and de minimis rules to better take into consideration the principle set-up in Articles 174 and 175 of the Treaties. This is also necessary if we want to counteract the US Inflation Reduction Act (IRA) without harming cohesion. We thus underlined, both in committee and in plenary (in April), that the state aid rules should be adapted to the different type of regions and answer their different challenges, especially for outermost regions, sparsely-populated areas in the north, mountainous regions and islands, so that state aid rules can also contribute to cohesion objectives.

In January, we also had a debate with Commissioner Ferreira about a new EU mechanism to support EU regions most affected by the ongoing demographic transition. This new initiative called "Harnessing talent in Europe's Regions" was warmly welcomed by the REGI committee. April's REGI committee also held a structured dialogue with the Commissioner to have a full political review of the implementation of cohesion policy. Coordinators underlined the necessity to closely work with the Commission in order to modify the N+3 rules and avoid as much as possible any decommitments.

Lastly, I would like to underline the public hearing on a situation of regions caught in a development trap as well as a debate on outermost regions with Ángel Victor Torres, President of the Conference of Presidents of Outermost Regions.

In May we will have the pleasure of welcoming the European Prosecutor in Chief, Mrs Kovesi. Feel free to follow our next meeting online.

Keep up-to-date by following us on Twitter [@EP_Regional](#) and [@younousomarjee](#).

Yours, Younous Omarjee

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"As the situations diverge from region to region, we need a comprehensive, place-based approach to address the problem, with targeted measures adapted to each of these regions' specificities. Here is the relevance of cohesion policy in fact"
Commissioner Elisa Ferreira

"There are really important things that we will not sacrifice: the single market and our cohesion perspectives. These are the red lines because cohesion is one of the fundamental values of our Union".

Executive Vice-President
Margrethe Vestager

Last times

REGI meetings

25 January 2023

Exchange of views with Peter Kullgren, Minister for Rural Affairs on the priorities of the Swedish Presidency

On 25 January, REGI held an interesting exchange of views with Mr Peter Kullgren, Minister in charge of Rural Affairs and responsible for the EU cohesion policy at the Swedish government. He presented the [political priorities for the Presidency of the Council of the EU](#) over the first semester of 2023.

In his introductory statement, Mr Kullgren reminded REGI Members of the unprecedented support to Ukraine gathered by the EU and its Member States. He explained that the Swedish Presidency would mainly focus on four priorities: security, competitiveness, green and energy transitions, democratic values and the rule of law. Concerning the activities dealing with cohesion policy, the Minister highlighted the aim to work on the implementation of the EU macro-regional strategies. Moreover, the Swedish Presidency plans to promote some discussions under the “European Year of Skills 2023” and on the new communication on “Harnessing talent in Europe’s Regions”.

During the debate, REGI Members regretted the lack of reference to cohesion in the Swedish Presidency priorities. It was stressed that the impact of the last COVID-19 pandemic and the Russian aggression against Ukraine have affected the implementation of the EU cohesion policy and that it required several legislative reforms and a huge reprogramming exercise. Delays in absorption of the last programming period 2014-2020 and in implementation of a new generation of ESI Fund programmes were common topics of interest for most of the REGI Members.

The Swedish Minister underlined in his final intervention the relevance for the Presidency to promote the urban-rural linkages, as well as the importance of the challenges that the sparsely-populated areas face to achieve the goal of territorial cohesion in the EU.

Commission Delegated Regulation amending the Annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS)

Ms Teodora Brandmuller, Deputy Head of Unit of Regional statistics and geographical information of Eurostat, presented this Delegated Regulation on the NUTS classification of EU territorial units. The purpose of this classification is to collect, develop and harmonise European regional statistics, to analyse socio-economic aspects of regions and to better address EU regional policies.

This delegated act, adopted on 26 December, was transmitted to Parliament on 9 January.

Implementation of funds 2014-2020 (Finland)

On this occasion, the committee discussed the implementation of cohesion policy funds in Finland. Mr Tokarski, Director in DG REGIO, noted that Finland is a Member State with a higher than average GDP per capita. In the last decade, however, Finland's growth slowed down. Mr Tokarski praised Finland for being an innovation leader and highlighted that, in the previous programming period, Finland's programmes progressed faster than the EU average and absorption rates both for ERDF and ESF stand above the Union's average. He reassured the committee that funds will be fully used and performance targets met without any loss.

With regard to REACT-EU, the programming has been completed whereas implementation is ongoing. Finland did not make use of CRII/CRII+ or CARE as the response to the pandemic and the needs of Ukrainian refugees respectively were ensured by national means. It is worth noting that the programmes involving Finland and the Russian Federation fully stopped following the unjustified military aggression of Russia against Ukraine.

Report on ongoing interinstitutional negotiations: Trilogue on REPowerEU



Mr Pascal Arimont (EPP)
Rapporteur

Mr Pascal Arimont, REGI rapporteur for opinion on the REPowerEU chapters in recovery and resilience plans, presented to the committee [the agreement on the file](#) reached between the Parliament and the Council.

Mr Arimont stressed that he managed to achieve the main REGI negotiating objective, i.e. providing for the possibility to support REPowerEU objectives within the cohesion policy framework, rather than transferring amounts from cohesion policy funds for that purpose, as initially proposed. [REGI committee proposal for a modification to the 2014-2020 Common Provisions Regulation](#) (so-called 'SAFE'), providing in the context of the increase of energy prices financial support to vulnerable households and SMEs from the unspent amounts, was also agreed in the negotiations. He thanked the shadow rapporteurs for their support and the excellent cooperation on the dossier.

Mr Younous Omarjee, REGI Chair, and Mrs Susana Solis Perez, Renew coordinator, who took the floor, both welcomed the agreement and congratulated REGI rapporteur on the result obtained. They pointed to the importance of SAFE, providing concrete solutions in view of the ongoing crisis of energy prices and proving REGI's ability to successfully initiate legislative solutions.

The agreement was submitted to the EP plenary for approval during the February session.

Presentation of the Communication on *Harnessing talent in Europe's Regions* with Commissioner Ferreira



Commissioner Ferreira introduced the first key initiative of the [European Year of Skills](#), the [Talent Booster Mechanism](#).

This new EU Mechanism aims to support EU regions most affected by the ongoing demographic transition and its accelerated decline of the working-age population, addressing as well the 'talent development trap'. The EC sees this as one of the key challenges for the EU and aims to bring further attention to it with this Mechanism. The Mechanism offers tailor-made, place-based and multi-dimensional solutions, including the use of existing EU funds and initiatives, to train, retain and attract people.

The Commissioner has highlighted the sharp decline of the EU's working-age population. [The population has decreased by 3.5 million between 2015 and 2020 and is expected to shed an additional 35 million by 2050](#). Eighty-two regions in 16 Member States (accounting for almost 30% of the EU population) are severely affected by this decline of the working-age population, a low share of university and higher-education graduates, or a negative mobility of their population aged 15-39.

Many Members commented, by and large welcoming the initiative. They inquired about the viability of the approach, ways to track the success of the initiative and how national governments and migrations to EU would factor into this.

Exchange of views on regional aspects of the revision of the GBER and De minimis with Commissioner Vestager



The second Commissioner to appear in front of the REGI committee on 25 January was the Executive Vice-President and Commissioner for Competition, Margrethe Vestager, with whom the Members had an interesting and lively exchange.

Commissioner Vestager underlined the necessity to [revise state aid rules](#), among others to face the consequences of the war in Ukraine and to counteract the impact of the US Inflation Reduction Act (IRA).

She reminded the committee that these rules are shaped to support cohesion and convergence. Any revision should aim at achieving a balance between flexibility and equal treatment between Member States, while ensuring fair competition between businesses. She added that this was somehow squaring the circle, as not all Member States have the same fiscal space for state aid.

She underlined that long-term competitiveness relies on robust and fair competition, and more importantly on the level-playing field in the Single Market. She highlighted the fact that the Single Market was a jewel in the crown of the EU, but that this was a fragile mechanism that should not be taken for granted.

The main question she repeatedly stressed was how to stay on course to implement the EU's long-term objectives: the green and digital transitions. That is the reason why the Commission recently launched a consultation on a proposal to revise the de minimis Regulation with a view to increasing the threshold to adapt it to the current economic context. In addition this is to improve transparency requirements by introducing a mandatory register of beneficiaries. Commissioner Vestager also gave this as the objective behind a new Temporary Crisis and Transition Framework that she is working on, that should allow Member States to more easily subsidise renewable energy technologies. Furthermore, this could implement tax breaks for companies in strategic sectors that are at risk of diverting investments to third countries outside Europe. The Commissioner also mentioned in this context an upcoming revision of the General Block Exemption Regulation (GBER). This Regulation exempts certain categories of state aid from the requirement of prior notification to the Commission, when the benefits outweigh the possible distortions of competition.

The main focus of the debate was on the upcoming revision of state aid rules and its impact on EU regions.

Many Members underlined that the thresholds for de minimis aid should be adapted to the type of regions, especially the outermost regions, sparsely-populated areas in the north, mountainous regions, and even more importantly, islands, so that the aid can contribute to a fair development of those regions and compensate for their permanent handicaps.

Members also raised questions about the fair distribution of financial support under the temporary crisis framework, the administrative burden that should be reduced and the risk of distortion of competition due to the gaps between Member States in their capacity to support their enterprises.

27 and 28 February 2023

Presentation of the Cohesion Open Data Platform by the Commission

The representative of the European Commission, Mr John Walsh, Team leader on Evaluation and European Semester for the Directorate on Regional and Urban Policy (DG REGIO) presented the "[Cohesion Open Data Platform](#)", a tool that provides data on the use of the European Structural and Investment Funds. The platform includes charts and tables with details of planned and implemented expenditure, as well as payments made to Member States.

The tool offers the facility to explore the distribution of funding and the expected achievements within the framework of the "thematic objectives" set for the European Structural and Investment Funds. The representative of the European Commission explained that all data is continuously updated. There are also filters to allow users to explore the performance of different Member States, local and regional authorities and operational programmes, as well as to compare changes over financing periods.

This online platform represents one of the three main communication tools on cohesion policy, besides the website [Inforegio](#) and the "[kohesio.eu](#)" database of projects, which are complementary and available to researchers. Over the last years, the Cohesion Open Data Platform has provided regular information on the Coronavirus Regional Investment Initiative (CRII+) and on the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) initiative, which have represented a significant addition to the EU budget to support Member States in managing difficulties arising from the pandemic. Furthermore, the platform provides responses and interactive stories in more detail with narrative and explanatory texts.

During the debate, some Members mentioned the importance of ensuring accessibility to the information in several EU languages, as well as to ensure the link with the Common Agricultural Policy as there are many rural areas in the EU. Members suggested that the Platform should be presented to stakeholders and citizens on the ground. To conclude, the representative of the European Commission informed that preliminary data on the implementation of the Just Transition Fund will be shortly available, as well as on the implementation of the European Structural and Investments Funds over the 2021-2027 programming period.

Presentation of the ECA Special report 22/2022 on EU support to coal regions and Study presentation on Cohesion Policy in EU coal regions by PolDep B

The coal regions of the EU have diverse socio-economic and territorial characteristics, which can make it difficult to identify common challenges. With a few exceptions, the coal-mining regions generally have lower levels of GDP per capita and a higher proportion of people experiencing poverty or at risk of social exclusion than their corresponding national averages. The economic and social dynamics of the coal-mining regions have been adversely affected by the COVID-19 pandemic, with declines in regional GDP per capita observed in all regions.

REGI committee took an opportunity to delve deeper into this area.

There was first a presentation of the European Court of Auditors' [Special report on EU support to coal regions](#). It was followed by the presentation of the [Study on cohesion policy in EU coal regions](#).

ECA's report and study did not contradict themselves. Coal regions are here to stay for some time yet, and transition wildly varies depending upon the location. More assistance and better exchange of information and best practices is recommended. More data needs to be collected.

Challenges highlighted by Members were, among others, a need for greater involvement and support of local communities so that people do not feel their lives and futures are out of their control. Transition is a very complex process and if done improperly, it can cause social strife and deepen inequalities. Further support of managing authorities was also underlined and presenters emphasised the usefulness of exchanging best practices.

Mission to Finland (Rovaniemi and Helsinki)

From 20 to 24 February, REGI went on a [mission to Finland](#): to Rovaniemi in the Lapland region, and to Helsinki. Four MEPs took part: Mr Omarjee (REGI Chair), Mr Pekkarinen (RENEW), Mr Panza (ID), and Mrs Michels (GUE). The REGI delegation met the Lapland County Governor, as well as representatives of actors such as the Lapland Chamber of Commerce, Sami Parliament, Lapland universities, research centres and businesses, and visited projects financed by the EU funds. In Helsinki, Members had the opportunity to meet the Minister of Economic Affairs, Mr Lintilä, among others.

Mr Omarjee and Mr Pekkarinen took the floor in the REGI meeting to report. Both Members underlined the particularities of the situation of the Lapland region (a particularly heavy impact of climate warming; its situation as a Northern and sparsely-populated region, presence of natural resources). Mr Pekkarinen spoke of the necessity to reconcile mining activities with other uses of the land, also in the context of the upcoming Commission proposal on raw materials. Mr Omarjee underlined the smart use of cohesion policy support in Finland, in synergy with other instruments, such as Horizon 2020 and stressed the need for reflection on how to make sure that the cohesion policy remains one for the 27 Member States, including the net contributors such as Finland.

Both Members also referred to the impact of the Russian aggression on Ukraine on the border regions in Finland, in terms of the security challenges as well as the consequences of the suspension of cooperation programmes with Russia under Interreg. Mr Pekkarinen stressed the resulting difficulties for the relevant Finland border regions, which already bear the economic impact of the limitations in border traffic with Russia. REGI Chair called for a solution for the regions at the EU Eastern border impacted by the war in Ukraine, both in Finland and beyond; recalling the example of the Brexit Adjustment Reserve introduced to address the impact of Brexit.

Other topics raised included the situation of the Sámi, the indigenous people of Finland.

Implementation of funds 2014-2020: Poland - Greece

REGI continued to devote part of its meetings to the implementation of cohesion policy funds in the programming period 2014-2020. It was now the turn of Poland and Greece to be in the spotlight. Both Permanent Representatives, Andrzej Sadoś and Ioannis Vrailas, were present in the debate.

Mr Popens, Acting Director General in DG REGIO, presented the implementation in both countries. With a cohesion envelope of 78,7 billion EUR for the programming period 2014-2020, Poland received the highest amount of resources from cohesion policy amongst all Member States. The country joined the EU with low GDP, but today Poland's GDP reached 77% of the Union's average. Regional disparities, however, continue to grow.

As for Greece, the cohesion envelope for the same period is 25,6 billion EUR. Contrary to Poland, which saw its GDP growing over the years, Greece followed the opposite direction, as the country lost some 25% of GDP (from 88% in 2007 to 63% in 2019) due to the severe impact of the economic crisis. In both Member States however, the absorption rates are high and the implementation of programmes is good.

In their interventions, both Ambassadors appeared confident of a successful closure to this programming period.

Presentation by DG REGIO on Interreg implementation

The "European Territorial Cooperation", supported by the ERDF and external financing instruments, is one of the main priorities of the Union's cohesion policy.

Mr Tokarski from the Commission's DG REGIO made a presentation on Interreg for both programming periods: the previous, which is now coming to an end (2014-2020), and the current one (2021-2027), where implementation is just starting. It is the first time the resources allocated to Interreg are less than in the previous period, the Commission's official commented, qualifying this as very unfortunate, as this type of cooperation is more needed than ever. He cited interesting examples of successful Interreg cooperation programmes, such as promoting telemedicine, regenerating terrestrial and aquatic habitats, helping refugees to find employment or providing cross-border medical assistance.

22 March 2023

Public hearing: EU regions in a "development trap": targeted solutions through cohesion policy instruments

The morning session was dedicated to the [public hearing](#). There were two experts Andrés Rodríguez-Pose, Professor of Economic Geography at the LSE, and Claire Charbit, Head of the Regional Attractiveness and Integration of Migrants Unit at the OECD Centre for Entrepreneurship, SMEs, Regions and cities. Both experts intervened remotely, from London and Paris respectively.

During the hearing, it was explained why regions that are stuck in a development trap are unable to keep their dynamism in terms of prosperity and what the main reasons are for the lack of improvement in relation to their past performance. The LSE Professor explained how the trap is measured in terms of intensity and duration and showed which regions are most affected or at greater risk. Slower growth, particularly in the South, and stagnation in transition regions, are the main trends he highlighted. Ms Charbit made some policy recommendations. A region's attractiveness to visitors, the state of the local economy, the affordability of housing, the well-being of residents in terms of health and social amenities, the quality of the environment, the transport-connectivity and digital infrastructure are crucial factors that seem to determine a region's fate.

Mr Berkowitz stressed that the Commission first looked at NUTS 2 level, but they are now looking at NUTS 3 level, which will enable them to draw conclusions in greater detail.

Members called for the introduction of additional socio-economic criteria, apart from the GDP, when measuring the trap, and stressed the need to help regions face the green transition and digital challenge and use the cohesion funds more efficiently. All seemed to agree that regional development traps go beyond cohesion and are a threat for the future of Europe.

Exchange of views with Àngel Victor Torres, President of the Conference of Presidents of Outermost Regions and the President of the Canary Islands

After the vote on the Amaro report on the new Commission communication on outermost regions, an exchange of views took place remotely with Àngel Victor Torres, the President of the Canary Islands, who is currently chairing the Conference of Presidents of Outermost Regions.

Mr Torres expressed his great satisfaction at the result of the vote and thanked the REGI committee for its unwavering support in favour of outermost regions. He stressed again the importance of Article 349 of the TFUE and of taking the specificities of the ORs duly into account in the regulations adopted by the EU.

Several Members took the floor, starting with the rapporteur, who insisted on the unique assets of the ORs, namely extensive maritime economic zones, a rich biodiversity as well as the capacity for the development of EU activities regarding space sciences. He recalled new proposals made in the report such as the idea to replicate the POSEI model in other economic sectors of the ORs, especially fisheries, transport, energy and digital transition. Several Members

mentioned the need to protect the ORs' interests in the international agreements concluded by the EU and the problem of the emission trading system. They recalled the vulnerability of outermost regions in the face of increasingly frequent extreme weather events, such as the volcanic eruption that occurred in Las Palmas, and they reiterated their solidarity and support to the region concerned, which they had already shown by conducting an on-site visit with a delegation in May 2022. They called for better funding of the EU Solidarity Fund.

Implementation of funds 2014-2020 (Hungary and Austria)

In his introduction, the Chair highlighted that the EP joins the Commission in taking Hungary to Court for discrimination of LGBTIQ.

The absorption rates in both Member States are above average, stated Mr Popens, the Acting Director General of DG REGIO who represented the Commission. Austria, on one hand, has eight more developed regions and one transition, with a relatively small cohesion envelope of less than one billion for the programming period 2014-2020. Key challenges for Austria are labour shortage, energy dependence on Russian gas and ageing of population. Hungary on the other hand, benefits from a cohesion envelope of EUR 22.5 billion for the same period. The discrepancy in the level of development between the capital region and the other regions is extremely pronounced.

Presentation of the ECA Review 01/2023: EU financing through cohesion policy and the Recovery and Resilience Facility: A comparative analysis

The Cohesion Policy Fund and the Recovery and Resilience Facility (RRF) are both important instruments, but differ in many respects. Cohesion policy is the main long-term investment instrument available to the EU to promote economic, social and territorial development, while the RRF is a one-off and temporary 'crisis response' tool designed to mitigate impact of the COVID-19 pandemic on the EU economy and to strengthen the resilience of the Union and its Member States.

The review underlined the difference in the implementation and control mechanisms for the cohesion policy funds on the one side and RRF on the other.

25 April 2023

Structured dialogue with Elisa Ferreira, Commissioner for Cohesion and Reforms

The morning session was largely dedicated to the structured dialogue with Commissioner Ferreira, as foreseen by Annex IV of the Framework Agreement between Parliament and the Commission.

Both the Chair, in his introduction, and Ms Ferreira, in her speech, stressed how hard REGI and the Commission have worked in the last years to tackle the several crises the Union has faced such as Brexit, the COVID pandemic, the impact of the Russian war against Ukraine and the energy crisis. The Commissioner focused on the joint efforts and the common achievements. She emphasized instruments such as CRII and CRII+ (total resources of around 23 billion), REACT EU (around 50 billion), CARE and FAST-CARE (1,1 billion). It has been a shared effort, the Commissioner pointed out, praising the Institutions for achieving additional liquidity, flexibility and simplification.

Implementation now stands at 80%, compared with 81% at the same time of the previous programming period, the Commissioner added, sharing her optimism that the programming period should be concluded smoothly. Ms Ferreira also spoke about the EU Solidarity Fund, which was mobilised in a number of natural catastrophes such as earthquakes, forest fires and floods. Its resources are precious but symbolic, she regretted, pointing out that they are not enough for an adequate crisis response and underlining the need to reinforce the funds allocations.

All partnership agreements are now adopted, Ms Ferreira added, amounting to a total value of 378 billion euros. The total investment to be mobilised will exceed 500 billion, resulting in more growth, more jobs and more tools to achieve climate neutrality.

The Commissioner also mentioned the JTF, the fulfilment of enabling conditions, and latest developments such as the just adopted strategy for outermost regions. Like last year, the Commissioner made a specific reference to the positive impact of the New European Bauhaus, which she described as the cultural dimension of the European Green Deal ambition.

Overall, the discussion was the highlight of this REGI meeting. The attendance during this two-hour debate with the Commissioner was high, as no less than fifteen Members were in the room at any time. More than ten Members took the floor and asked pertinent questions, for example about the N+3 rule and the difficulties encountered by some Member States in successfully concluding the cohesion programmes for the programming period 2014-2020; the cohesion dimension of state aid and de minimis rules, which was the subject of the latest REGI OQ in plenary; the amount of resources for cohesion policy in the future MMF; the EUSF; the RRF; the need for simplification.

Both 2023 and 2024 are fundamental for implementation, Ms Ferreira pointed out. She informed the Members about the group of specialists that looks into how cohesion policy can best address the challenges ahead. Ms Ferreira stressed that cohesion needs to evolve, that discussion is pursued without taboos, and that the results are published online in full transparency. The Commissioner also announced that the 9th Cohesion report is to be published at the beginning of 2024.

Presentation of the 4th report on the implementation of EU's macro regional strategies by DG REGIO

REGI held a presentation of the Commission's [fourth report on the implementation of the four EU macro-regional strategies](#), released in December 2022 and covering the mid-2020 – mid-2022 period. The Commission stressed the macro-regional strategies being a cooperation framework rather than a separate tool, discussed the impact of the war in Ukraine and of the pandemics, and presented the improvements in governance of the strategies.

In the debate which followed, the question of creation of new macro-regional strategies featured prominently, in particular of those for the Atlantic region and for the Mediterranean. MEPs spoke in favour of their creation, referring to the report on the role of the Cohesion Policy in addressing multidimensional environmental challenges in the Mediterranean basin (rapporteur: François Alfonsi), adopted in REGI in March. Mr Mauri Pekkarinen (FI, Renew) further reminded of the investments envisaged under the proposal for the Net Zero Economy Regulation, in the context of the macro-regions and the macro-economic approach; the Commission, in their answer, referred to the nature of the macro-regional strategies working as a cooperation framework, without any additional financing.

Exchange of views on the fulfilment of enabling conditions by the Member States

The Commission reported on the implementation of the enabling conditions. These are four horizontal and sixteen thematic conditions set out in the Common Provisions Regulation (CPR) for 2021-2027, which Member States need to fulfil in order to be able to request reimbursements under programmes financed from the funds covered by the CPR.

In his opening remarks, REGI Chair Mr Omarjee reminded of the procedure relating to the respect of the enabling conditions established in Article 15 of the CPR Regulation. He also referred to the current suspension of the

reimbursements for Poland and Hungary, linked to the non-fulfilment of the horizontal enabling condition on the respect of the [EU Charter of Fundamental Rights](#), as well as expressing his concern about recent developments in France, in particular Mayotte.

The Commission provided an overview of the state of play. Concerning the horizontal enabling conditions, PL and HU are the only countries that have not fulfilled one of them; both are in contact with the Commission, in order to remedy that. As to the thematic enabling conditions, applying to particular specific objectives under the ERDF, ESF+ and the Cohesion Fund, the situation varies from one country to another; the cumulative funding concerned by those which are not fulfilled amounts to EUR 82 bln, or 22% of allocations under the Investments for Jobs and Growth goal.

Questions of MEPs concerned prospects for the eventual fulfilment of the horizontal enabling condition, the aspect of the judiciary reforms and rule of law, as well as the more general issue of monitoring of the situation by the Commission, and risks in terms of expenses of beneficiaries not being reimbursed. The Commission insisted on the importance of the continuous monitoring of the fulfilment of the enabling conditions – a novelty in this programming period, achieved by the EP in the CPR negotiations with the Council. Mr Omarjee closed the debate stressing the importance that REGI attach to the enabling conditions, and insisting that the committee expects vigilant controls by the Commission on their fulfillment, throughout the implementation period and for all the EU Member States.

Exchange of views with Vaughan Gething, Minister for Economy of Wales on Brexit and the cooperation of Wales with the European Union

Mr Vaughan Gething, the Minister for the Economy of Wales, attended the REGI committee meeting to discuss opportunities for cooperation between Wales and the EU. Mr Derek Vaughan, long-time Member of REGI and current Welsh Government Representative in the EU, also attended the debate.

The Chair introduced the discussion by reminding that the Parliament had called for the launch an Atlantic macrorregion and that efforts are ongoing to turn this idea into a reality, hopefully with the support of the incoming Spanish Council presidency.

Mr Gething was favourable to this idea and stressed the outward-looking character of Wales and its commitment to keep working with its European partners. He insisted that Wales shares many of its values with the EU, as well as many of its policy goals in areas such as sustainability, environment, research and innovation, education and social affairs. He added that Wales is very much interested in continuing its cross-border cooperation with its European partners, as demonstrated by its commitment to initiatives such as the Irish Sea Framework, the European Regions Research and Innovation Network, the Vanguard Initiative, and the Conference of Peripheral and Maritime Regions, where Wales is part of the Atlantic Arc Commission.

In the discussion that ensued, Mr Arimont, REGI's standing rapporteur for UK-related matters, referred to the recent Ostend Declaration on offshore wind power generation, involving several EU and non-EU countries, including the UK, as an example of the kind of cooperation that can be pursued from now on. He underlined the need to build administrative capacities in the EU and the UK in a way that helps both partners identify shared challenges and address them together. Several Members took the floor to enquire about the status of former EU investments in the UK, the public perception of the recently agreed Windsor Framework and the differences between the UK's and the EU's approach to regional policy, among other issues.

Mr Gething explained that, in his view, the approach to a new relationship between the UK and the EU should be eminently practical: try to find shared answers to shared challenges. He also commented on the limitations of the current funding instruments in the UK that are meant to replace cohesion policy investments. On the Windsor Framework, he added that the agreement had been well received by those actors, such as ports and businesses, most affected by the frictions caused by the implementation of the Northern Ireland protocol.

To wrap up the debate, the Commission presented its view on the future cooperation between the EU and the UK, including its devolved administrations, and underlined its commitment to the TCA and the structures foreseen in it.

Presentation of the ECA Special report 02/2023: Adapting cohesion policy rules to respond to COVID-19 (Coronavirus Response Investment Initiative (CRII, CRII Plus) and REACT-EU) by Ms Iliana Ivanova

The [Court audited three policy instruments](#), looking into how cohesion policy rules were adopted to respond to COVID-19: CRII - Coronavirus Response Investment Initiative, CRII+ and REACT-EU – Recovery Assistance for Cohesion and Territories. They looked into the time it took to adopt cohesion policy legislation, assistance provided to Member States, which were the targeting sectors most in need, use of cohesion policy to respond to crises.

The results show positive outcomes of additional flexibility provided. For example, through CRII/CRII+ Member States could spend 10% more of cohesion policy funding and there was an easing of pressure on national budgets. Through REACT-EU there was €50 billion of additional funding for the Member States, more freedom for the use and some savings were made.

When it comes to challenges, for CRII/CRII+, a shift of funding away from poorer regions was noted. REACT-EU, having to be used by the end of 2023, posed an administrative and coordination challenge for Member States and their managing authorities: wrapping up the old programming period, entering the new one, new rules to follow.

The EU overall reacted quickly, for example, the CRII/CRII+ was adopted more than twelve times quicker than the average cohesion policy legislation. The question remains, and the Court recommends, for the Commission to analyse the impact of using cohesion funding to tackle crises on the long-term objectives of the cohesion policy, and monitor Member States' spending to help them achieve performance targets.

The Commission, for their part, is already working on it, and expresses confidence that it will be able to measure, analyse and deliver.

Implementation of funds 2014-2020: Croatia - Ireland

The Committee continued the discussion on the implementation of cohesion policy funds in the programming period 2014-2020. It was now the turn of Ireland and Croatia to be in the spotlight. Both Permanent Representatives, Thomas Hanney and Irena Andrassy, were present in the debate. Ms Alves from DG REGIO, presented the implementation in both countries.

When Ireland joined the EU 50 years ago, its GDP was low, but the country today has one of the highest GDP in the Union. The country turned from net beneficiary to net contributor. Population is growing and labour markets perform well, Ms Alves pointed out, however, Ireland faces regional inequalities. Large cities like Dublin and Cork attract large enterprises and young people, but the other regions lag behind comparatively (it's a so-called dual economy).

As Ireland's regions are more developed, the cohesion envelope is relatively limited. Implementation of funds is going very well, well above EU average. In his intervention, Mr Hanney spoke about an impressive [ten-year development plan](#) of 116 billion EUR - plan - to enhance villages, towns and cities in Ireland.

Croatia is the newest Member State, as it joined ten years ago. Its regions are less developed and the country faces the challenge of demographic decline. The Commission highlighted that absorption rates are below EU average but there is optimism that implementation will be concluded successfully for the 2014-2020 programming period.

Ambassador Andrassy underlined cohesion's importance and contested the absorption rates mentioned by the Commission, claiming that they stand higher. The cohesion policy funds support, among others, the country's education system, improved energy consumption for households and infrastructure projects, such as the [Pelješac bridge](#), for which the EU contributed 85% of the cost.

*** VOTED IN THE LAST MEETINGS ***

During the Committee meetings so far this year, the following texts were adopted (for more information please follow the hyperlink):

TITLE	RAPPORTEUR
2021 discharge: General budget of the EU - Commission 2022/2081(DEC)	Younous Omarjee (The Left)
The New EU Urban Mobility Framework 2022/2023(INI)	Marcos Ros Sempere (S&D)
European Semester for economic policy coordination 2023 2022/2150(INI)	Younous Omarjee (The Left)
The role of Cohesion Policy in addressing multidimensional environmental challenges in the Mediterranean basin 2022/2059(INI)	François Alfonsi (Verts/ALE)
Assessment of the new Commission communication on outermost regions 2022/2147(INI)	Álvaro Amaro (PPE)

Upcoming events

Date	Event	Place	Additional info
14-15 June	ESPON seminar: Territorial perspective of green industrialisation	Lulea, Sweden	

News from Policy Department and Research Projects

[Research for REGI, CONT and BUDG Committees - Cohesion Policy Calendar \(2021-2027 and 2014-2020 Programming Periods\)](#)

[Cohesion policy and EU coal regions](#)

[Impact of the Crisis Caused by the COVID-19 Pandemic on EU Cohesion - Part 2: medium term assessment](#)

[Cohesion policy in the northernmost regions of the EU - Study](#)

[Cities and Ukrainian refugees](#)

[Social challenges in cities](#)

[EU tools to respond to natural disasters](#)

[EU regions in the transformation towards a climate-neutral future](#)

[Outermost regions of the EU](#)

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