REPORT

on economic, social and territorial cohesion in the EU: the 8th Cohesion Report (2022/2032(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on economic, social and territorial cohesion in the EU: the 8th Cohesion Report (2022/2032(INI))

The European Parliament,

– having regard to Articles 2 and 3 of the Treaty on European Union (TEU),

– having regard to Articles 4, 162, 174 to 178, and 349 of the Treaty on the Functioning of the European Union (TFEU),


– having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund³,

– having regard to Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments⁴,


¹ OJ L 231, 30.6.2021, p. 159.
⁴ OJ L 231, 30.6.2021, p. 94.

having regard to the ‘Fit for 55’ package adopted by the Commission on 14 July 2021,


having regard to Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve,

having regard to Regulation (EU) No 2020/461 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States and to countries negotiating their accession to the Union that are seriously affected by a major public health emergency (EU Solidarity Fund – EUSF),

having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget,

having regard to the Commission proposal of 29 May 2018 for a regulation of the European Parliament and of the Council on a mechanism to resolve legal and administrative obstacles in a cross-border context (COM(2018)0373),

having regard to the Commission communication of 4 February 2022 entitled ‘8th Cohesion Report: Cohesion in Europe towards 2050’ (COM(2022)0034),

having regard to the Commission communication of 3 May 2022 entitled ‘Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU’s outermost regions’ (COM(2022)0198),

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having regard to the Commission communication of 30 June 2021 entitled ‘A long-term Vision for the EU’s Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040’ (COM(2021)0345),

having regard to the Pact of Amsterdam establishing the Urban Agenda for the EU, agreed at the informal meeting of EU ministers responsible for urban matters held on 30 May 2016 in Amsterdam,

having regard to the European Pillar of Social Rights, proclaimed on 17 November 2017 in Gothenburg by Parliament, the Council and the Commission,

having regard to the UN Intergovernmental Panel on Climate Change report entitled ‘Climate Change 2022: Mitigation of Climate Change’,

having regard to the Committee of the Regions opinion of 10 December 2020 entitled ‘EU strategy for Rural Revival’,

having regard to the European Economic and Social Committee (EESC) opinion of 18 September 2020 on the role of EU structural and cohesion policy in driving forward the transformation of the economy in an innovative and smart manner,

having regard to the EESC opinion of 25 March 2016 entitled ‘The role of cohesion policy in combating inequalities in the new programming period following the COVID-19 crisis. Complementarities and possible overlaps with the Recovery and Resilience Facility (RRF) and national recovery plans’,

having regard to the EESC opinion of 27 April 2021 on the role of the social economy in the creation of jobs and in the implementation of the European Pillar of Social Rights,

having regard to Commission Recommendation (EU) 2021/402 of 4 March 2021 on an effective active support to employment following the COVID-19 crisis (EASE),

having regard to the Commission’s New European Bauhaus initiative launched on 14 October 2020,

having regard to the Commission’s Catching-up Initiative (also known as the Lagging Regions Initiative) launched in 2015,

having regard to the UN Sustainable Development Goals established in September 2015 under the 2030 Agenda for Sustainable Development,

having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (Paris Agreement),

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14 OJ C 37, 2.2.2021, p. 16.
having regard to its resolution of 8 March 2022 on cohesion policy as an instrument to reduce healthcare disparities and enhance cross-border health cooperation19,

having regard to its resolution of 8 March 2022 on the role of cohesion policy in promoting innovative and smart transformation and regional ICT connectivity20,

having regard to its resolution of 15 February 2022 on challenges for urban areas in the post-COVID-19 era21,

having regard to its resolution of 14 September 2021 towards a stronger partnership with the EU outermost regions22,

having regard to its resolution of 9 June 2021 on the gender dimension in cohesion policy23,

having regard to its resolution of 20 May 2021 on reversing demographic trends in EU regions using cohesion policy instruments24,

having regard to its resolution of 25 March 2021 on cohesion policy and regional environment strategies in the fight against climate change25,

having regard to its resolution of 13 March 2018 on lagging regions in the EU26,

having regard to its resolution of 13 June 2018 on cohesion policy and the circular economy27,

having regard to the final report of the Conference on the Future of Europe and its recommendations,

having regard to the study entitled ‘EU lagging regions: state of play and future challenges’, published by its Directorate-General for Internal Policies in September 202028,

having regard to Court of Auditors Review No 01/2020 on tracking climate spending in the EU budget,

having regard to Rule 54 of its Rules of Procedure,

having regard to the opinions of the Committee on Budgets and the Committee on Agriculture and Rural Development,

19 Texts adopted, P9_TA(2022)0058.
20 Texts adopted, P9_TA(2022)0059.
21 Texts adopted, P9_TA(2022)0022.
22 OJ C 117, 11.3.2022, p. 18.
23 OJ C 67, 8.2.2022, p. 16.
– having regard to the report of the Committee on Regional Development (A9-0210/2022),

A. whereas in the last financial period, between 2014 and 2020, cohesion policy, as the main public investment policy, supported over 1.4 million enterprises, contributed to 1,544 km of railway lines and safer roads, helped 45.5 million people to integrate into the labour market and increased GDP in the least developed regions by up to 5 %;

B. whereas during the pandemic, the risk of unemployment, increased poverty and the gender gap were particularly pronounced in less developed EU regions; whereas the gender employment gap was almost twice that of more developed regions;

C. whereas despite not being a crisis instrument, cohesion policy has repeatedly and efficiently helped regions to respond effectively in emergencies and to asymmetric shocks such as the COVID-19 crisis, Brexit and the current refugee crisis caused by the Russian invasion of Ukraine, including by supporting Member States on the front line when it comes to taking in refugees; whereas this emergency help should, however, not undermine the strategic approach of the funding period as a whole, as cohesion policy per se is a long-term investment policy;

D. whereas it is of the utmost importance that future cohesion policy be formulated on the basis of a strategy followed during the whole funding period, which could, however, be reassessed and adjusted during the mid-term review;

E. whereas developed eastern EU regions have been catching up with the rest of the EU, while several middle-income and less developed regions are in economic stagnation or decline, suggesting that they are in a development trap; whereas the distribution of funds should take into account the development of disparities not only between but also within Member States;

F. whereas convergence has been driven by strong growth in less developed regions, but the benefits that derive from lower costs and the returns on their investments are likely to diminish over time; whereas less developed regions will need to boost education and training, increase investment in research and innovation, and improve the quality of their institutions, while continuing to invest in infrastructure, in order to maintain steady growth, avoid falling into a development trap, close the connectivity gap, and ensure access to quality services and decent living conditions;

G. whereas while the number of people at risk of poverty and social exclusion fell between 2012 and 2019, 20 % of the total EU population remain at risk of poverty and social exclusion;

H. whereas infrastructure quality, the provision of services, access to healthcare, and transport and mobility solutions differ vastly between urban and rural regions;

I. whereas cities and functional urban-rural linkages are important drivers of local and regional development, cohesion and the just transition;

J. whereas the rising costs of raw and construction materials have a direct negative impact on many EU-funded infrastructure projects and put their implementation at risk;
K. whereas demographic decline is more pronounced in rural regions, and 50% of the EU population will be living in a region with a shrinking and ageing population by 2050; whereas these developments are likely to affect growth potential and access to services in rural areas; whereas, considering the ageing population, it is crucial to involve younger generations in the future development of their regions;

L. whereas brain drain disproportionately affects less developed regions and, if left unaddressed, the phenomenon will have long-term and permanent effects on the Union’s future;

M. whereas cohesion policy is of paramount importance in government capital investment, providing more than half the total public investment funding in some Member States; whereas the support provided by the European Structural and Investment Funds (ESI Funds) should be additional to, and not replace, public expenditure by Member States;

N. whereas the goal of a carbon-neutral Europe by 2050 at the latest should be coupled with the goal of a fair and just transition; whereas air and water pollution generally remain too high in many less developed regions; whereas all EU regions have to play a significant role in tackling the challenges of climate change, through measures coordinated with the surrounding regions;

O. whereas the regional innovation divide has grown, and education, training and skills gaps between more and less developed regions are often wide; whereas skills endowments are concentrated in capital regions in particular, and a large urban-rural divide has emerged;

P. whereas the New European Bauhaus initiative, through the transformation of the built environment, connects the European Green Deal to living spaces in both urban and rural areas;

Q. whereas disparities remain in the speed of the digital transition across Europe; whereas very high-speed internet connections are only accessible to two in three city residents and one in six rural residents;

R. whereas housing and energy prices are rising, demonstrating the need for cheaper social housing and accelerated housing renovation to fight energy poverty;

S. whereas significant progress has been made in improving employment and social inclusion, but regional disparities remain larger than before the 2008 financial crisis; whereas cohesion policy should provide efficient responses for tackling poverty and social exclusion, creating employment and growth, increasing competitiveness, promoting investment in education, including in digital education, health, research and innovation, fighting climate change and tackling demographic challenges; whereas cohesion policy can only fulfil all these tasks if it is embedded in solid funding;

T. whereas the regions and areas listed in Article 174 TFEU require particular attention; whereas the specific measures and additional funding should continue for sparsely populated outermost and northernmost areas in order to offset the severe and permanent natural and demographic handicaps of these regions;
U. whereas cohesion policy should be implemented in line with the principles of good
governance and with full respect for the common EU values set out in Article 2 TFEU,
the EU Charter of Fundamental Rights and the European Code of Conduct on
Partnership; whereas the rule of law has deteriorated over time in several Member
States; whereas cohesion policy should contribute to the strengthening of democracy
and the rule of law;

V. whereas the COVID-19 pandemic and the current geopolitical tensions have confirmed
the need to reflect on the economic governance framework, including a temporary
suspension (until 2023) and a revision of the Stability and Growth Pact, and to envisage
the possibility that public spending under cohesion policy by Member States and
regional and local authorities as part of the ESI funds should not be considered national
or equivalent structural expenditure as defined in the Stability and Growth Pact;

W. whereas the budget of the EUSF is nowhere near enough to mount an adequate response
to major natural disasters and give expression to European solidarity with disaster-hit
regions; whereas this mismatch will grow because of an expected increase in natural
disasters stemming from climate change and bringing about more drastic changes in
peoples’ lives; whereas contributions from EU funds only cover the restoration of the
status quo ante of infrastructure and equipment, while the additional costs of rebuilding
more climate-resilient structures have to be (co)financed by the Member States;

1. Is convinced that cohesion policy can only continue to play its present role as a vector
for investment and job creation, an instrument to reduce regional and intraregional
disparities, and a solidarity mechanism for all EU regions if it has solid funding based
on the principles of partnership and multi-level governance; stresses that this implies
providing for at least the same level of funding as in the 2021-2027 financial period,
also in the light of the expected recession, topped up with the Just Transition Fund
(JTF) II budgetary resources; recalls that new challenges need fresh money and asks for
cohesion policy to be topped up with new budgetary resources to enable Member States
and regional authorities to address the different challenges and crises affecting the
Union;

2. Notes that Member States may make a duly justified request for further flexibility
within the current framework of the Stability and Growth Pact for public or equivalent
structural expenditure, supported by the public administration by way of the co-
financing of investments activated as part of the European Regional Development Fund
(ERDF), the Cohesion Fund (CF) and the Just Transition Fund (JTF); recalls that when
defining the fiscal adjustment under either the preventive or the corrective arm of the
Stability and Growth Pact, the Commission must carefully assess this request in a
manner reflecting the strategic importance of investments co-financed by the ERDF, the
CF and the JTF;

3. Reaffirms its strong commitment to cohesion policy, which forms part of the acquis
communautaire, is therefore inseparable from the European project, and is based on the
principle of solidarity between Member States and regions; underlines that cohesion
policy has proven itself to be a modern and flexible tool, which can quickly be deployed
in emergency situations; stresses that the original aim of cohesion policy – to promote
and support the ‘overall harmonious development’ of its Member States and regions –
should remain the key role of cohesion policy programmes; highlights, however, that cohesion policy should not become a source of financing to make up for shortcomings in budgetary flexibility, nor face budgetary cuts in response to the crisis, and that as a long-term investment policy, cohesion policy should help to prepare regions for future challenges;

4. Regrets that delays in the multiannual financial framework (MFF) negotiations led to considerable delays in the programming period, impacting management authorities and beneficiaries; urges the Commission and the Member States to speed up the adoption of partnership agreements and programmes, as the prolonged under-implementation of cohesion policy leads to an abnormal backlog in payments in the second half of the MFF implementation period, putting additional pressure on payments during the negotiations on the post-2027 MFF; calls on the Commission, therefore, to assess the legal possibility of creating two distinct parts within the Common Provisions Regulation (CPR), namely the content-related part (political) and the MFF-related part (financial resources), for the programming period post-2027; believes that the content-related part should be negotiated and concluded before the MFF-related part, to allow for management authorities to start preparing in a timely manner; underlines, within this framework, the need for the swift adoption of the next MFF, so that Member States and regional and local authorities have a clear vision of their financial envelopes and are in a position to make political choices and establish investment priorities;

5. Welcomes the Recovery and Resilience Facility (RRF) as an important tool to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions; underlines the importance of ensuring its complementarities and synergies with cohesion policy; criticises the lack of a territorial dimension within the RRF and reiterates the importance of the partnership principle within the territorial policies of the EU; regrets that the deployment of the RRF has been highly centralised and has lacked consultation with regions and municipalities and stresses that the formulation and implementation of the Union’s policies and actions must take into account the objectives set out in Article 174 TFEU and contribute to their achievement; considers, furthermore, that national recovery plans financed by the RRF should not affect the ability to mobilise the ESI Funds;

6. Emphasises that the European Court of Auditors has criticised the lack of differentiation between climate mitigation and climate adaptation; stresses that future cohesion policy should include such a differentiation in the monitoring of spending and its thematic concentration; stresses that climate change represents the most serious threat to human societies all over the world and affects all regions; therefore highlights the need to step up efforts to fight climate change and enhance climate mitigation; emphasises that cohesion policy needs to support strong climate mainstreaming;

7. Welcomes the Commission’s introduction of the JTF to support regions facing challenges in the transition towards carbon neutrality; urges reluctant Member States to go ahead with its implementation and calls on the Commission to draw lessons from the implementation of the JTF; asks for a new fund, JTF II, to be established in the post-2027 programming period on NUTS 3 level, with a revised allocation method; believes
that the fund should be fully integrated into the CPR, while applying shared management and partnership principles; believes that regions with high CO\textsubscript{2} per capita, as well as industries in transition, should have access to this fund, which should be endowed with more financial means than the current JTF and a wider scope; calls for the new JTF II to differentiate between climate mitigation and adaptation, and emphasises the need to design a simple architecture for future cohesion policy;

8. Welcomes the idea of a ‘do no harm to cohesion’ principle, meaning that no action should hamper the convergence process or contribute to regional disparities; believes that the European Committee of the Regions should be involved in the design of this principle and that it should be set in legislation in order for the scope and modalities of its application to be clearly defined so as to establish it as a cross-cutting principle in EU policies;

9. Notes that, even though cohesion policy is not a crisis instrument, an unallocated flexibility amount as high as in the current period should be maintained until after the mid-term review to strengthen regions’ resilience and responsiveness, enabling them to address new and upcoming challenges and absorb asymmetric shocks; maintains that a strong cohesion policy with increased funding should be ensured in the post-2027 MFF, but that the policy should not be used to address every new challenge; invites the Commission to propose the mobilisation of unused 2021 cohesion allocations for further flexibility as of 2022 in order to find solutions to the increased costs of EU-financed infrastructure projects (transport, energy, digital etc.); recalls that the price of raw and construction materials puts the implementation of many EU-funded infrastructure projects at risk;

10. Stresses that, in the decades ahead, climate change represents the most serious threat to human societies all over the world; recalls that the rise in the number and intensity of natural disasters and extreme climate phenomena (floods, storms, cyclones, droughts, heatwaves, forest fires etc.) is already a visible and tangible consequence of climate change; considers that the costs to the Union, for each country and for each region, of not anticipating and not adapting to climate change will be extremely high; calls for a significant increase in the EUSF budget in order to help regions to anticipate and mitigate the effects of climate change and for the scope of the EUSF to be broadened so that it can also support the more climate-resilient restoration or construction of public and private infrastructure; asks the Commission to assess whether the EUSF budget can be increased through a kind of insurance in which Member States pay an annual fee based on their number of inhabitants, to be invested in safe assets and made available if crises occur;

11. Believes that the co-financing rate for the ‘Investment in jobs and growth’ goal at the level of each priority should, in normal circumstances, not be higher than:

   a) 85 % for less developed regions and the outermost regions,

   b) 75 % for transition regions, in the event that they are maintained,

   c) 70 % for more developed regions;
believes that all three rates should be increased in urgency situations, using the flexibility amount;

12. Takes the view that the Cohesion Fund should support those Member States whose GNI per capita, measured in purchasing power standards and calculated on the basis of Union figures for the period 2025-2027, is less than 90% of the average GNI per capita of the EU for the same reference period;

13. Stresses that GDP as the sole indicator of development fails to take into account environmental sustainability, resource efficiency, integration and social progress; recalls that in addition to economic issues, health, education, sustainability, equity and social inclusion are integral parts of the EU development model; calls for GDP to be complemented with new criteria (e.g. social, environmental, demographic), in order to give a better socioeconomic overview of the regions, address the Union’s current priorities, such as the European Green Deal and the European Pillar of Social Rights, and better reflect the ecological, digital and demographic transitions and the wellbeing of people;

14. Suggests opening a reflection on the contribution of cohesion policy to the achievement of the long-term EU strategic objectives, especially in the light of the new challenges ahead; believes that the green and digital transitions remain major challenges on which we should focus our investments in order to prevent the development of new disparities; invites the Commission, the Member States and the managing authorities to strengthen dialogue and join forces in the identification of the strategic objectives on which future cohesion is expected to contribute;

15. Notes that ‘rust belts’ still exist in most Member States; urges support for the industrial, social and environmental transition of these regions and believes that, to address the potentially negative impact of the transition of old industries such as steel and aluminium and to support such industries, JTF II resources should be directed towards modernising them where possible, creating smart specialisation strategies tailored to the needs of each of the regions in industrial transition, fostering innovation-led growth and ensuring the spread of growth benefits;

16. Believes that, while some regions in industrial transition face specific challenges such as deindustrialisation due to the outsourcing of industrial production to emerging economies, low levels of productivity and a lack of real strategy for future-oriented occupations, other regions have comparatively strong potential, such as a tradition in manufacturing and sophisticated innovation activities in local niche industries; notes that more industrialised regions are more resilient to various economic and social shocks and calls on the Commission to develop an ambitious reindustrialisation policy for EU regions; underlines the importance of local and regional production and consumption; calls, furthermore, for a specific EU initiative to support the Union’s low-growth and poorer regions that are diverging both internally and externally from the EU average, building on the lessons learned from the Catching-up Initiative; reiterates the need for place-based policymaking via an appropriate analysis of low growth patterns and the necessary tools to address them;

17. Notes that in 2019 more than a quarter of the EU population was living in a region
where real GDP had still not returned to its pre-financial crisis level in 2007, in particular in Greece, Cyprus, Italy and Spain; stresses that these same countries have again been more significantly affected by the economic and social crisis caused by COVID-19;

18. Stresses the importance of supporting rural areas by valuing their diversity and potential, improving transport connectivity, high-speed broadband, the provision of services, economic diversification and job creation, and helping them respond to challenges such as rural desertification, population ageing, depopulation and rural abandonment, the decline of communities in general, including city centres, and insufficient healthcare and education opportunities, while also stressing the importance of urban-rural links within the context of functional urban areas; emphasises the role in rural areas of young women in particular, which tends to be precarious; is of the opinion that the New European Bauhaus initiative would contribute to making rural areas more attractive; notes that all these measures would also help growing cities tackle the challenges they are facing;

19. Stresses the importance of sustainable mobility solutions throughout the EU; calls on the Commission to promote smart and green mobility and the phasing out of fossil fuels in order to contribute to the EU Green Deal and the ‘Fit for 55’ package; highlights the importance of the Green Deal and the ‘Fit for 55’ package and notes that investments at a regional and local level are essential to their success; urges the Commission to further support climate-related spending and to bolster the ‘do no significant harm’ principle;

20. Stresses the multi-dimensional nature of rural development, which goes beyond agriculture per se; insists on the need to implement a rural proofing mechanism to assess the impact of EU legislative initiatives on rural areas; notes, however, that only 11.5% of people living in rural areas work in agriculture, forestry and fisheries; calls, therefore, for the reintegration of the EAFRD under the strategic framework of the CPR as a separate fund; emphasises that being part of the cohesion policy funds strengthens the possibilities and synergies – via an integrated, multi-fund approach – for investments in rural areas beyond agriculture and for regional development; highlights the valuable contribution to rural development made by the LEADER programme, which aims to engage local actors in the design and delivery of strategies, decision-making and resource allocation for their rural areas;

21. Calls for the strengthening of Articles 174 and 349 TFEU in all Union policies in order to promote the achievement of the objectives set out therein; regrets that the 8th Cohesion Report does not pay particular attention to the progress made in achieving economic, social and territorial cohesion in regions which suffer from severe and permanent natural and demographic handicaps, such as the outermost regions, the northernmost sparsely populated regions, islands, mountainous areas and cross-border regions; recalls the vital role played by cohesion policy in the outermost regions; underlines the importance of designing tailor-made programmes and measures for these regions and stresses the need to maintain all the measures specifically designed for them, as the majority of the outermost regions are still among the less developed regions, making up 6 of the 30 EU regions with the lowest GDP per capita; reaffirms, in this context, the importance of dynamic regional cooperation in order to unleash the potential of the outermost regions;
22. Is convinced that the role of small cities, towns and villages should be bolstered in order to support local economies and address demographic and climate challenges; reaffirms the importance of urban-rural linkages and of the development of strategies based on functional areas, paying particular attention to small and medium-sized towns, with the aim of preventing rural areas from shrinking; underlines the importance of implementing tailor-made territorial approaches and investing in particular in the smart villages initiative, with the aim of revitalising rural services through digital and social innovation; stresses the importance of synergies between different funding tools, such as the EAFRD, the ERDF, ESF+ and the European Maritime, Fisheries and Aquaculture Fund, to channel an adequate level of funding towards rural areas through a multi-fund approach;

23. Reiterates the role of cohesion policy in harmonising and improving living conditions for all throughout the Union; notes, however, the increasing emergence of disadvantaged and impoverished areas, including within more developed regions and areas; underlines that, while cities are regional drivers of growth and transition, and living and working in them has many advantages, a high population concentration and above-average population growth in certain urban areas may also have repercussions on housing affordability, pollution levels and quality of life; therefore asks the Commission to present a proposal for the New European Bauhaus initiative to become an EU programme for the MFF post-2027, with a dedicated budget based on new resources which would provide solutions for the development of sustainable and innovative urban areas; believes that urban authorities should have direct access to EU funding in the future; reiterates the importance of safeguards that would prevent the unfair penalisation of regional and local authorities situated in countries that may be subject to the activation of the rule of law mechanism, and asks the Commission to establish avenues through which it can deliver the funds directly to their final beneficiaries;

24. Highlights the importance of strengthening the bottom-up approach to rural and local development, which is a vehicle for social innovation and capacity-building, thereby empowering citizens to take ownership of the development of their areas; insists, therefore, that local and regional authorities, as well as NGOs and citizens, be fully included in the decision-making and implementation process to ensure that their needs are properly addressed; notes that the potential which exists at local level could be better mobilised by strengthening and facilitating community-led local development (CLLD); takes the view that CLLD should be mandatory for Member States;

25. Emphasises that societies and economies should unlock their creative potential while addressing the challenges posed by the transition towards carbon neutrality, such as in the case of old industrial regions, which should use creative industry as a multidisciplinary catalyst for transition processes, integrating ideas from the cultural and creative industries into administrative processes; believes that managing authorities can help old industrial regions; stresses the need, therefore, to support multidisciplinary cooperation; highlights, furthermore, the importance of culture in cohesion policy, which helps to ensure lively regions and increase their attractiveness, encourage cultural exchanges, and promote diversity and solidarity;

26. Notes with concern the demographic challenges faced by the EU, especially in certain regions, such as ageing populations, the depopulation of rural and remote areas,
demographic pressure on other areas, such as coastal and urban areas, and migratory flows and the arrival of refugees; insists on the need to prepare an immediate response to the arrival of refugees in order to ensure their quick and easy integration; encourages Member States, furthermore, to design and implement specific measures to promote training and employment, as well as safeguard fundamental rights; stresses that local and regional authorities, professional associations and NGOs are essential to identifying and assessing specific investment needs and basic services for mobility and territorial accessibility in rural and urban areas and that they should play a decisive role as active participants in developing territorial strategies stemming from local communities; highlights the importance of including a specific budgetary response for rural areas, including for reversing negative demographic trends in relevant EU programmes;

27. Underlines the need to improve the relationship between cohesion policy and EU economic governance, while avoiding a punitive approach; stresses that the European Semester should comply with cohesion policy objectives under Articles 174 and 175 TFEU; calls for the participation of the regions in the fulfilment of these objectives and for a stronger territorial approach; calls for a process of reflection on the concept of macroeconomic conditionality and for the exploration of the possibility of replacing this concept with new forms of conditionality to better reflect the new challenges ahead of us; considers that the socio-economic situation of the EU, aggravated by the consequences of the COVID-19 crisis and of the Russian aggression against Ukraine, calls for the suspension of the Stability Pact until 2023 and for its revision;

28. Observes that some middle-income regions are facing a ‘middle-income trap’, and that they often suffer from shrinking and ageing populations, weak manufacturing industries, low growth, innovation, competitiveness, productivity, and institutional and government quality, a lack of progress towards a just transition and vulnerability to shocks caused by globalisation; draws attention to the worrying aggravation of this trend and urges the Commission and the Member States to take serious steps to address this challenge and to find solutions for these regions so that they are not left behind in the long term, but instead are supported in developing their specific strengths;

29. Notes that many drivers of growth remain concentrated in more developed regions and urban areas; is convinced that a major challenge for future cohesion policy will be to provide appropriate support to underdeveloped regions, and that cohesion policy should both reduce disparities and prevent these regions from falling behind, by taking account of the different trends and dynamics and by providing specific budgetary support for rural areas, including for reversing negative demographic trends in relevant EU programmes;

30. Notes with concern the severe drop in recent years of funding allocated by Member States to their poorer regions; recalls the importance of respecting the EU’s additionality principle; calls on the Commission to ensure that national authorities duly take into account internal cohesion while drafting and implementing ESI Fund projects;

31. Emphasises that the regions in, or at risk of falling into, the middle-income trap have differing characteristics and need tailor-made solutions to boost investments in high-quality education, human capital, research and development, workforce training, social services and mitigation strategies; urges the Commission to define these regions in order
to better understand the structural factors that lead to the middle-income trap, to support them through a differentiated and place-based approach and to allocate higher amounts to them under the ESF+ in the next programming period;

32. Is of the opinion that simplification should be one of the key drivers of future cohesion policy; asks the Commission and the Member States to avoid putting an additional administrative burden on managing authorities and recalls the need to minimise the administrative burden for regional and local authorities and for beneficiaries; invites the Member States to avoid over-regulation, make programmes strategic and concise and instruments flexible, and make funding agreements between management authorities and the beneficiaries a tool for simplification; encourages the continued use of simplified cost options (SCOs), by possibly raising the thresholds below which the use of such SCOs should be compulsory; calls on the Member States to speed up the implementation of e-cohesion; highlights the potential of digitalisation as regards monitoring and reporting activities; invites the Commission, furthermore, to improve the transparency of its audit rules and expand the usage of the single audit principle to avoid duplication of audits and management verification of the same expenditures; believes that the relationship between the Commission and managing authorities should evolve towards a ‘contract of confidence’ built on the development and establishment of objective criteria, and considers it necessary to introduce a label to reward managing authorities that have demonstrated their ability to comply with the rules and reduce their rate of error;

33. Takes the view that maintaining a proper and suitable funding allocation under the Cohesion Fund is particularly necessary for Member States with a major deficit in transport and environmental infrastructure, provided that there is shared management of the fund;

34. Believes that EU, national and regional structural policies should go hand in hand with a place-based approach in order to contribute to territorial cohesion, address different levels of governance, ensure cooperation and coordination, and unleash the unique potential of regions, while recognising the need for tailor-made solutions; believes, furthermore, that cohesion policy should be geared more towards investment in people, as regional economies can be boosted by an effective mix of investments in innovation, human capital, good governance and institutional capacity;

35. Notes that European territorial cooperation is a key objective of cohesion policy; highlights the added value of territorial cooperation in general and cross-border cooperation in particular; observes that border regions were particularly affected by the pandemic and that their recovery tends to be slower than that of metropolitan regions; stresses the importance, therefore, of removing obstacles to cross-border cooperation and emphasises that the European Cross-Border Mechanism (EBCM) proposed by the Commission would have helped to remove more than 50 % of the existing barriers; deeply regrets the fact that the legislative procedure relating to the ECBM has been blocked by the Council; invites the Commission to take all necessary initiatives, including relaunching the ECBM, to make this cooperation more dynamic and effective for the benefit of the people; highlights the importance of increased funding for Interreg to support the cooperation of regions across borders; therefore emphasises the importance of small-scale and cross-border projects in bringing people together; stresses
the importance of cross-border investments in enhancing innovation, technology transfer, common solutions and synergies;

36. Stresses the crucial role of investments in high-quality public services on building social resilience and coping with economic, health and social crises;

37. Notes that cohesion policy reform for the financial period 2021-2027 has contributed to the simplified and flexible use of funding for beneficiaries and management authorities; welcomes the flexibility proposed by the Cohesion’s Action for Refugees in Europe (CARE) and Coronavirus Response Investment Initiative Plus (CRII+) proposals, which have proven that cohesion policy is an excellent tool in crisis situations; recalls, however, that cohesion policy is a long-term investment policy and a dedicated crisis response mechanism should therefore be created within the next MFF; calls on the Commission to survey the practical effects of the simplification measures and promote further simplification, including in the form of digitalisation, flexibility and the participation of citizens; therefore asks the Member States to help beneficiaries, especially beneficiaries of small-scale projects, support private initiatives as generators of jobs and research, development and innovation, and bring cohesion policy closer to all EU citizens;

38. Stresses that the Rule of Law Conditionality Regulation\(^\text{29}\) establishes respect for the rule of law as a condition for cohesion policy funding; considers it necessary to reinforce respect for the rule of law and fundamental rights in the implementation of cohesion policy; calls on the Commission to therefore use all the tools at its disposal to establish ways to ensure that citizens of Member States towards which Article 7(1) TFEU has been triggered are not deprived of the benefits of EU funds as a result of the actions of their governments and that regional and local authorities of these Member States are not penalised where the rule of law mechanism has been activated; expects the Commission, therefore, to fully take aspects of the rule of law into consideration throughout the whole preparation and implementation process of the cohesion policy programmes;

39. Calls on Member States to launch bold strategies to unlock public and private investment in green, digital and demographic transitions in order to restructure their social market economy model in a positive way for society;

40. Encourages a reduction of the number of intermediate bodies involved in the management and control of cohesion funds by strengthening the coordination and competences of intermediate bodies of a critical size and identifying one-stop shops for beneficiaries, where possible;

41. Stresses the need to establish a framework which guarantees legal stability through simple, clear and predictable rules, particularly as regards management and auditing; asks for any retrospective application and interpretation of the rules to be avoided as much as possible; suggests launching a process of reflection on the threshold of the total error rate for each year under which the programme’s management and control system is considered to be functioning effectively and the capacity of managing authorities to

comply with this provision of the regulation without penalising beneficiaries; takes the view that this threshold should be raised to 5%.

42. Regrets that the UN SDGs seem to have progressively lost ground in the EU narrative, particularly as regards crisis mitigation effects, which is jeopardising their chances of implementation by 2030; encourages the continued strong commitment of EU cohesion policy funds to help implement the SDGs at regional and local level, e.g. with regard to the circular economy; stresses, in this context, that aspects of equality and inclusion should be strengthened even further in regional development; recalls the importance of gender mainstreaming in cohesion policy and highlights the specific role of women, in particular in remote rural areas, who play a major role in civil society and sustainable economic growth, but at the same time face difficulties in accessing the labour market, as well as equal pay, and public services, such as healthcare and childcare;

43. Supports the increase in the budget allocated for the period 2021-2027 to the new cohesion policy which, in line with the strong focus on smart, green and social actions, will provide sufficient confidence for new innovative projects; calls for strong coordination between these funds and New European Bauhaus programmes and actions;

44. Stresses that investment in people is crucial to helping develop their skills, encouraging their creativity and stimulating innovation, to which volunteering could certainly contribute; believes that quality, well-paid employment, along with support for (re)training should be maintained or created in order to combat poverty and encourage the integration of migrants and refugees, while strengthening social cohesion and ensuring that no one is left behind;

45. Highlights the importance of upholding the partnership principle in all programming, implementation and monitoring of EU cohesion policy and of establishing strong cooperation between regional and local authorities, NGOs and other stakeholders; stresses that the Commission should be more active in protecting the cohesion policy funds from threats arising from pressure on democracy and its values in certain Member States;

46. Recalls that the impact of Brexit has contributed to the disruption of the economy, interregional cooperation, research ecosystems, and education and training systems for EU regions; invites all involved to continue supporting regional and local authorities suffering from the withdrawal of the UK from the EU; considers that reflection on the cohesion policy post-2027 requires continued consideration of the lasting economic and social consequences of Brexit on EU regions; furthermore, invites the UK Government to fund the UK’s participation in the Interreg programmes;

47. Recalls that Article 175 TFEU provides for Commission reporting on the progress made towards achieving economic, social and territorial cohesion every three years; considers that the combined impact of the COVID-19 crisis and the war in Ukraine will need to be assessed in detail in the 9th Cohesion Report by May 2025 at the latest;

48. Calls for better access to funding to enable investments in the local energy transition, including energy efficiency, the decentralised distribution of energy and a strong focus on renewables; highlights, in this context, the need for cohesion policy to support energy-efficient renovation in order to save resources and ensure housing for all;
furthermore, emphasises the need for the preservation and transformation of historically and socio-economically significant buildings;

49. Calls on the Commission to consider the possibility that public cohesion policy spending by Member States and regional and local authorities under the ESI Funds should not be considered national or equivalent structural expenditure as defined in the Stability and Growth Pact, especially if they do not deviate from the fulfilment of the Paris Agreement objectives;

50. Underlines that State aid rules should be aligned for EU policies so that cohesion policy programmes which need to follow all State aid rules are not put at a disadvantaged position in comparison with other EU policies that are exempt from it; furthermore, calls for the introduction, where possible, of a presumption of compliance with the State aid regime, in order to place all EU investment policies on an equal footing and avoid competition between them;

51. Calls on the Commission and the Member States to continue making efforts to enhance communication and visibility by improving information exchange on operations of strategic importance and upcoming calls for proposals; welcomes the launch of the new database Kohesio and asks for the website to be made available in all EU official languages as soon as possible; stresses that Kohesio should provide data on all cohesion and territorial projects, including those related to rural development, co-financed under the EARDF and the Leader programme, and enable users to search for projects related to their thematic areas, with the aim of providing a platform that shares good practices and promotes projects of excellence;

52. Stresses that other EU policies can undermine cohesion; welcomes the Commission’s view, therefore, that horizontal policies should incorporate regional proofing and invites the Commission to also assess the impact that other policies have on the effectiveness of cohesion policy;

53. Highlights that cohesion policy spending, as is the case with all other EU spending, may be subject to irregular activities linked to corruption and fraud; calls for adequate financing and staffing of the relevant agencies and bodies, notably the European Public Prosecutor’s Office and the European Anti-Fraud Office, so that they can properly conduct investigations and recover misused funds; calls on the Commission to carry out an in-depth assessment to prevent any abuse of EU funds and breaches of the rule of law, and to ensure compliance with the Charter of Fundamental Rights before approving any partnership agreements and cohesion policy programmes;

54. Expresses concern that the Commission’s REPowerEU proposal includes increased scope for transferring budgetary allocations to the RRF from cohesion policy; underlines that over EUR 100 billion of cohesion policy resources will be invested in energy transition, decarbonisation and renewables by 2030; calls, therefore, for an accelerated implementation of cohesion policy;

55. Points to the need for an effective and harmonised EU level implementation of the contingency plan for ensuring food supply and food security in times of crisis, set out in the Commission’s communication on this (COM(2021)0689);
56. Instructs its President to forward this resolution to the Council, the Commission, the European Economic and Social Committee, the European Committee of the Regions, and the national and regional parliaments of the Member States.
EXPLANATORY STATEMENT

The Commission published the eighth Cohesion Report on 9 February 2022, a few months after the adoption of the common provisions regulation for the 2021-2027 funding period. In this particular context, the rapporteur has sought to draw the lessons from the report published by the Commission and, together with the lessons learned from the negotiation of the CPR, take them as a basis for concrete proposals for the future of cohesion policy.

The Commission report states that cohesion policy can reassure Europeans in three ways: first, by offering them a positive economic perspective for their region; second, by addressing their concerns about their quality of life, employment opportunities and social inclusion; and third, by ensuring that the costs and benefits of meeting new challenges are shared fairly.

Drawing lessons from the negotiations of the last funding period, the rapporteur has drawn the conclusion that it seems unlikely for the programs to start in time if the MFF negotiations always delay the negotiations of the Common Provisions Regulation and the start of the programs. The rapporteur therefore suggests – as an attempt to find a solution to this problem – to have one single CPR but with two separate parts: one dealing with political aspects and one with financial issues. The rapporteur hopes that the regions will then be able to rely on the outcome of the political negotiations at an earlier point in time and already start writing their programs.

The report has highlighted that in the next 30 years, the EU’s growth will be driven by the green and digital transitions. These will bring new opportunities, but will require significant structural changes that are likely to create new regional disparities. In line with the Commission report, the rapporteur argues that support by a new “JTF II” is needed to help regions transition to climate neutrality by 2050 and avoid new regional disparities. The budget of this “JTF II” should be additional to the current cohesion Funds and the JTF II should be fully integrated in the CPR and the partnership principle. It should support regions that have high CO₂ emissions per capita and industries in transition such as steel or aluminium industry. Regions (on NUTS 3 level) irrespective of their category should have access to the “JTF II”.

In order to further simplify cohesion policy and with the perspective of having a new “JTF II”, which will cover most of transition regions, the rapporteur advocates to no longer have transition regions, but to only have less developed regions and more developed regions instead. Less developed regions with up to 90 % GDP per capita compared to EU average should receive 85 % co-financing and more developed regions with over 90 % GDP per capita should receive 70 % co-funding.

The Commission report emphasises the commitments the EU has adopted with the European Green Deal, with the goal of making the EU economy climate-neutral by 2050. This will require a rapid reduction in greenhouse gas (GHG) emissions, more investment in green technologies and protection of the natural environment. Biodiversity loss and the degradation of ecosystem services continue in the EU across terrestrial, freshwater and marine ecosystems. In the 2021-2027 programming period, the ERDF and the Cohesion Fund shall contribute with 30 % and 37 % respectively of the Union contribution to expenditure supported for the achievement of the climate objectives set for the Union budget. However,
there is no differentiation between climate change mitigation and climate change adaptation, which has been criticised by the European Court of Auditors and not only. Therefore, it is not clear how much cohesion policy contributes to the EU’s goal of climate neutrality by 2050. The rapporteur considers it crucial to differentiate this in the next programming period, as Cohesion policy is an Union’s instrument with the power to steer regions towards the future.

The Commission report states that there is increased pressure on democracy and its values in certain Member States. Territorial instruments to engage local actors in cities, towns, rural areas, coastal areas and islands and the partnership principle in cohesion policy can help address pressure on democracy by increasing ownership of European policies. The rapporteur nevertheless is of the opinion that the Commission has to take further steps to protect the Union’s budget in these Member States.

The share of agriculture, forestry and fisheries in employment in rural regions in the EU has decreased from 21 % to 11.5 % between 2000 and 2018, as the Commission noted in its long-term Vision for the EU’s Rural Areas and its Report on a toolkit for national and regional decision-makers. The rapporteur therefore thinks it is necessary that the EAFRD invests more in the needs of people in rural areas who are not working in these sectors and face problems such as rural desertification, the decline of city-centre communities, areas without sufficient healthcare services or a lack of broadband infrastructure. To achieve this, the rapporteur argues it would be beneficial for the EAFRD to be under the umbrella regulation of the CPR.

The Commission report draws particular attention to regions in the “middle income trap”. To avoid a development trap in the future, less developed regions will need to boost education and training, increase investments in research and innovation, and improve the quality of their institutions. In the light of these findings, the rapporteur considers it is crucial for the Commission to define these regions and allocate them a higher amount of ESF+ funding for education in the next programming period.
23.6.2022

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Regional Development

on economic, social and territorial cohesion in the EU: the 8th Cohesion Report (2022/2032(INI))

Rapporteur for opinion: Karlo Ressler

SUGGESTIONS

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses the key role of cohesion policy in fostering economic, social and territorial convergence across the EU; expresses concern, however, about persistent inequalities, socio-economic disparities and uneven demographic decline, with many less developed regions falling behind and getting caught in a ‘development trap’ in the wake of the COVID-19 pandemic; is convinced, however, that cohesion policy can only continue to play its present role as a vector for investment and job creation with solid funding;

2. Recalls that cohesion policy must contribute to the implementation of general EU policy objectives and targets, notably the UN Sustainable Development Goals, the Paris Agreement and the European Pillar of Social Rights, and that it must comply with horizontal principles such as respect for fundamental rights, anti-discrimination and the ‘do no significant harm’ principle;

3. Highlights the need for cohesion policy to further support the fight against climate change, which disproportionately affects underdeveloped regions, mainly those located in the southern and eastern parts of Europe, as well as a fair and just transition, in particular with regard to energy poverty, gender equality and mainstreaming, entrepreneurship, employment, education and training, research, innovation and infrastructure development, while addressing the problem of the brain drain;

4. Calls for a specific focus in cohesion on low-growth and poorer regions, building on the lessons learned from the Catching-Up Initiative; highlights the need for territorial proofing and impact assessments in cohesion policy implementation, and looks forward to the forthcoming publication of specific guidelines in this regard;

5. Is concerned by the impact of the pandemic and of the war in Ukraine on the implementation of cohesion policy, the social and economic situation of the Member States and the development perspectives of local and regional actors highlights that the current influx of Ukrainian refugees disproportionately affects neighbouring Member States, which runs the risk of further exacerbating socio-economic disparities; calls on the Commission to assess the impact of the pandemic and the war in Ukraine on the
implementation of projects and to come forward with the necessary adjustments to ensure full implementation, including to consider, where relevant, an extension period for the implementation of the impacted projects;

6. Recalls that cohesion policy, with a budget of EUR 392 billion between 2021 and 2027, remains the EU’s primary investment tool and notes that its share of public investment in Member States increased considerably over the 2014-2020 period, resulting from the contraction of national public investments owing to the economic and financial crisis, which affected poorer regions in particular; highlights the importance of the additionality rule;

7. Stresses that, while financial instruments could play a greater role in unlocking investments from the private sector, these should be complementary to direct grants and aid; believes that regional and local authorities should be granted direct access to cohesion funds;

8. Emphasises the importance of cross-border projects and investments, and urges the Commission to develop funding opportunities to bring actors from different regions closer together (through Interreg);

9. Highlights that cohesion policy spending, as is the case with all other EU spending, may be subject to irregular activities linked to corruption and fraud; calls for adequate financing and staffing of the relevant agencies and bodies, notably the European Public Prosecutor’s Office and the European Anti-Fraud Office so that they can properly conduct investigations and recover misused funds; calls on the Commission to carry out an in-depth assessment to prevent any abuse of EU funds and breaches of the rule of law, and to ensure compliance with the Charter of Fundamental Rights before approving any partnership agreements and cohesion policy programmes;

10. Is concerned by the significant delay in cohesion policy implementation for the 2021-2027 period; calls on the Commission to ensure that national authorities duly take into account internal territorial cohesion when drafting and implementing projects under the Structural and Investment Funds; urges the Commission and the Member States to speed up the adoption of partnership agreements and operational programmes; stresses that the prolonged under-implementation of cohesion funds could lead to an abnormal backlog in payments in the second part of the current multiannual financial framework (MFF), putting additional pressure on payments and the ‘Reste à liquider’ (RAL) during the negotiations on the post-2027 MFF;

11. Recalls that, as a result of delayed implementation in 2021, the Member States have not committed EUR 46.4 billion under Heading 2a of the EU budget; calls, therefore, on the Commission to assess the risk of under-absorption and, where relevant, to come forward with the necessary adjustments to ensure the full implementation of the 2021-2027 programmes; calls for further simplification and flexibility regarding the use of EU funds for the period 2014-2020, in particular for projects heavily impacted by the war or the pandemic;

12. Is concerned about the lack of genuine implementation of the Partnership Principle and is of the opinion that local and regional authorities and other stakeholders, including civil society organisations and citizens, should be better included in the decision-making
and funding processes; recalls the need to minimise the administrative burdens for local and regional authorities to the extent possible;

13. Regrets that the time-limited nature of the Recovery and Resilience Facility (RRF) has prompted Member States to prioritise the implementation of the national recovery and resilience plans, and is concerned that this could affect the speed of implementation of cohesion policy; highlights the need to ensure complementarities and synergies between cohesion policy, the RRF and other policy instruments, to ensure maximum impact;

14. Underlines that technical assistance remains crucial for the implementation of cohesion funds; calls, therefore, on the Commission to support and assist Member States to speed up the preparation and adoption of the partnership agreements and operational programmes, in particular in the regions neighbouring Ukraine, to increase its presence on the ground and to prioritise technical assistance in cases where project implementation has been delayed;

15. Welcomes the flexibility introduced through the Cohesion’s Action for Refugees in Europe (CARE) proposals to help Member States deal with the impact of the war in Ukraine, following the model of the Coronavirus Response Investment Initiatives, CRII and CRII+; underlines, however, that cohesion policy funding must primarily serve its long-term policy objectives and not become a source of financing to make up for shortcomings in budgetary flexibility or crisis response mechanisms within the MFF;

16. Calls, therefore, on the Commission to ensure, as a matter of urgency, that sufficient funding is in place and that assistance is channelled to the responsible authorities and NGOs dealing with Ukrainian refugees in the EU Member States, with a specific focus on the Member States absorbing the greatest proportion of the flow of refugees; highlights that a co-financing rate of 100 % should always be applied for support to the hosting entities and families, so as to alleviate the burden on the households hosting the refugees;

17. Expresses concern that the Commission’s REPowerEU proposal includes increased scope for transferring budgetary allocations to the RRF from cohesion policy; underlines that over EUR 100 billion of cohesion policy resources will be invested in energy transition, decarbonisation and renewables by 2030; calls, therefore, for an accelerated implementation of cohesion policy.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| Result of final vote | +: 24  
| | −: 3  
| | 0: 3  |
| Substitutes present for the final vote | Anna-Michelle Asimakopoulou, Rosa D’Amato, Jonás Fernández, Fabienne Keller, Petri Sarvamaa |
| Substitutes under Rule 209(7) present for the final vote | Asim Ademov, Sunčana Glavak, Gilles Lebreton, Christian Sagartz, Marc Tarabella |
## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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**Key to symbols:**
- **+**: in favour
- **-**: against
- **0**: abstention
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT
for the Committee on Regional Development

on economic, social and territorial cohesion in the EU: the 8th Cohesion Report (2022/2032(INI))

Rapporteur for opinion: Dacian Cioloș

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Points out that the farming and livestock breeding sector has been suffering from numerous crises such as the climate crisis, trade wars, the effects of the pandemic and the impact of the war in Ukraine, accompanied by rises in the prices of energy, raw materials and supplies; points out, furthermore, that various crises are posing particular challenges for cohesion policy and European solidarity, as they are destabilising the agricultural sector, reducing food security within the EU as well as the Union’s agricultural production and the supply of food to third countries, and increasing the risk of widespread economic stagflation, which will highlight and increase the perceived disparities in wealth between EU countries and regions, especially rural areas, which are at particular risk of job losses and poverty; stresses that all these crises are affecting the economic and social development of agricultural areas and hence social and territorial cohesion; stresses therefore the need for immediate and appropriate responses to urgent needs and future threats, making use of the instruments under both the common agricultural policy (CAP) and cohesion policy;

2. Recalls the key role that farmers and the agri-food sector play and have played, especially during the COVID-19 pandemic, despite also facing extensive hikes in input costs and logistical difficulties in ensuring continuity of access to quality and affordable food, especially in short supply chains and for locally grown food; considers, therefore, that local supplies should be developed so as to make them permanent, as they ensure increases in farmers’ incomes and allow consumers to have access to quality products;

3. Recalls that the ecological transition in food production could be a win-win-win situation for primary producers, the environment and society as a whole; highlights, therefore, that the European Green Deal, and in particular the Farm to Fork strategy, can be tools for more harmonised, cohesive and sustainable development in the EU;

4. Applauds the role played by migrant workers during the pandemic, who assisted our farmers in the labour-intensive sectors of agriculture;
5. Stresses that rural areas have become more attractive to people from other regions because of the COVID-19 pandemic, thereby creating the conditions for the reversal of certain negative trends affecting rural areas; calls on the Member States, in this regard, to focus more attention and resources on developing these regions, especially in fields such as developing digital infrastructure in regions where levels of internet access penetration are below the EU average;

6. Points to the need for an effective and harmonised EU level implementation of the contingency plan for ensuring food supply and food security in times of crisis, set out in the Commission’s communication on this (COM(2021)0689);

7. Stresses the importance of increasing the resilience of the Union’s agri-food system and of equipping it with the necessary tools and flexibility to face new crises, such as the Russian aggression against Ukraine, by investing in research and innovation, technical assistance to farmers in accessing different types of funding digitalisation, promotion campaigns to grow the organic sector and the transition to more sustainable and territorially connected agriculture; recalls the primary need to ensure food security in the European Union and globally, in particular in vulnerable third countries, and the Union’s responsibility towards third countries dependent on food imports; stresses, in this connection, that the full use of Europe’s sustainable agricultural production potential is a prerequisite for the food security of our continent;

8. Notes that the cohesion policy and regional environmental strategies offer opportunities to support farmers and forest managers’ sustainable investments in climate change adaptation, in particular the prevention of floods, drought and fires; suggests that these opportunities be highlighted in the future in order to encourage Member States and regional authorities to make full use of them;

9. Recalls the positive impact the CAP has had on European regions over the last 60 years, in particular on mitigating demographic trends; calls on the Commission to enhance complementarity, coordination, flexibility, coherence and to adopt a cross-cutting approach to all European policies for the implementation of EU funds, to prioritise the acceleration of synergies and access to funding, particularly for cohesion and agriculture policy, including projects funded through Recovery and Resilience facility, by ensuring coordination, complementarity and coherence in rural development, agricultural sustainability and territorial cohesion; stresses the need for effective coordination between European and national policies as well as for the removal of administrative burdens during implementation so that regions and territories can fully harness the opportunities offered by these financial instruments;

10. Notes the importance of highlighting the fact that rural development in insular regions faces special challenges;

11. Stresses the importance of EU cohesion policy for the rural areas, where almost 30 % of the EU’s population live and which account for more than 80 % of its territory; recalls that our rural areas are at the heart of our food production and are part of the wealth of our continent; emphasises the role that a long-term vision for the EU’s rural areas should play in fostering synergies between different EU policies by establishing a framework for flexible cooperation based on continuous assistance for farmers, between
authorities and stakeholders and by implementing the initiatives provided for in the rural action plan; stresses the importance of the partnership principle and of the involvement of local and regional actors in programming, implementation and monitoring of rural development and territorial cohesion; stresses the need to set cohesion policy and CAP objectives that are consistent and comparable with each other; stresses that these processes should take into account the gender perspective;

12. Notes that depopulation has a negative impact on the EU’s social, economic and territorial cohesion, especially in rural and remote areas; emphasises that this increases economic exclusion as well as the risk of poverty and social exclusion; calls on the Commission and the Member States, therefore, to devote more Regional Development Fund and cohesion policy funding to the financing of rural areas;

13. Underlines the importance of the agricultural sector for the creation of employment and securing livelihoods in rural areas and of the need to combat the depopulation and abandonment of rural areas, which is particularly serious in remote and mountainous regions owing to the low income and productivity potential of agricultural activities in these areas; stresses the problem of demographic ageing in the Union, which could be exacerbated in the coming years; stresses the importance of promoting measures designed to stabilise population levels in rural areas through targeted policies and the allocation of the necessary funds, by creating and facilitating conditions favourable to quality job creation and attracting new inhabitants and young people to rural areas and to the promotion of employment of young people in the agricultural sector by reducing wage gaps between agriculture and other sectors, by pinpointing solutions to ensure income compensation for farmers in line with accelerated rise in prices, by increasing labour productivity and business competitiveness, improving digital connectivity through high-capacity networks in rural areas, by increasing funding for the modernisation and digitalisation of farming and livestock breeding, and improving quality of life by encouraging investments in infrastructure and especially in health, school and road infrastructure and in services;

14. Stresses the need to continue investing in the digital and green transitions and in innovation and rural skills training in order to reduce the gaps between rural and urban areas and improve the attractiveness and dynamism of rural areas overall; regrets that today only one in six people in rural areas of the Union have access to very high-speed broadband networks; stresses that the transition to a digital and modernised agricultural model will not be possible without improving the connectivity of rural EU areas; stresses the role of local authorities, workers and companies in underdeveloped regions in providing education and training to better prepare inhabitants to respond to new challenges, which would help local authorities, workers and companies to take greater account of the new challenges faced by underdeveloped regions; notes that the digital transformation in Europe is still uneven; stresses the urgent need to strengthen the EU’s core digital capabilities;

15. Notes that improving access to green transport and services in rural and remote areas is crucial to tackling the social and digital exclusion of the population in the regions; calls on the Member States, therefore, to recognise the importance of rural and remote areas, given their diversity, and to develop their potential by stimulating investment in the local economy, promoting entrepreneurship and improving their infrastructure;
16. Notes that less developed regions depend significantly more on agricultural employment and as a result feel a greater negative impact from economic restructuring and agricultural modernisation that requires less labour; calls therefore for new opportunities to be explored for keeping people in these areas, such as the development of rural tourism;

17. Notes that land abandonment can have a negative impact on biodiversity, as farming practices maintain high biodiversity habitats and landscape features;

18. Highlights the important role played by the LEADER programme in rural areas by involving local actors in the design and delivery of strategies, in decision-making and in resource allocation for the development of their rural areas; notes that community and citizens’ initiatives can provide substantial support for the local economy and social cohesion, the ecological transition, as well as climate change mitigation and adaptation; notes, further, that local action groups and the LEADER programme can be primary tools for achieving these; calls on Member States to reinforce the LEADER programme, particularly its budget, and to ensure that its financial resources reach the projects on the ground;

19. Underlines the need to better study and adapt to the impact climate change is having on European regions, particularly in the agricultural sector, as this presents a significant threat to the future of these regions;

20. Stresses that equality and inclusion issues play an even more central role in regional development; highlights the special role of youth in cohesion policy;

21. Points out that some Member States have been harder hit by the effects of the war in Ukraine and calls on the Commission to allocate the additional funds needed to implement cohesion policies in these countries, with a focus on flexibility of transfers between different funds if funds have not been used;

22. Highlights that women are disproportionately impacted by the gaps in development between EU Member States and regions; notes the crucial need for providing women entrepreneurs in rural areas with an enabling environment, including legal and political support, leading to greater access to information, knowledge and skills, as well as for facilitating access to financial resources, leading to the creation of more jobs in rural areas;

23. Calls on the Commission to identify and implement the necessary flexibility measures to ensure the transfer of unspent EU funds, channelling them to different agricultural sectors, particularly with a view to developing the raw product processing sector and to strengthening short supply chains and the trade in locally grown food;

24. Recalls that Article 174 of the Treaty on the Functioning of the European Union, which deals with economic, social and territorial cohesion, provides for priority to be given to rural areas; notes, however, that the allocation of cohesion funds does not take sufficient account of rural areas and their specific needs; calls on the Commission, therefore, to consider developing a clear methodology for assessing the share of cohesion funding to be assigned to rural areas;
25. Stresses the importance of increasing the number of jobs that can be filled by Ukrainian refugees, and calls on the Commission to develop urgently needed policies and measures to this end.
## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| Substitutes present for the final vote | Asim Ademov, Eric Andrieu, Franc Bogovič, Lena Düpont, Claude Gruffat, Pär Holmgren, Tilly Metz, Alin Mituța, Tonino Picula, Michaela Šojdrová, Tom Vandenkendelaere |
| Substitutes under Rule 209(7) present for the final vote | Vlad Gheorghe, Ondřej Kovafík, Andrey Kovatchev |
**FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION**

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Key to symbols:
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- : against
0 : abstention
## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

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### FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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