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EU Commissioner for Regional Policy
Exchange of views with the Committee on Regional Affairs
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Mr President, Honourable Deputies and members of the REGI
Committee,

I am delighted to meet you today to update you on the implementation of the Commission work programme in the field of Cohesion policy. I would also like to give you an outlook of our main actions in the framework of the Annual Policy Strategy for 2009.

In January I discussed with you our key political priorities and main initiatives planned for this year. I am pleased to say that our work programme for the implementation of the new European Cohesion Policy for 2008 is progressing very well.

1) On 14th May the Commission adopted **the communication on the results of the negotiations of the programmes 2007-2013**. This Communication provides an overview on the process and the results achieved in the negotiations of the 2007-2013 operational programmes. It demonstrates how the role and focus of European cohesion policy has changed compared to the previous programming periods.

The Communication shows the added value of the negotiation process in terms of aligning with and realising the Community priorities, helping to mitigate today's problems and to overcome future challenges. The change that we see is not only in terms of investment - Member States regions have committed themselves to invest cohesion policy funds differently this time round (in 2007-2013), better and smarter than ever before. But the bigger and more profound structural change is that we have opened minds. Opening minds is certainly the key achievement of this negotiation process.

The negotiation process was a real dialogue that helped to shape the policy – it was a catalyst for change.

We stimulated the debate inside MS and regions. Over the last 2 years, we had hundreds and hundreds of meetings, involving a huge number of people. As a result, the quality of the programmes took a quantum leap, breathing life into a real 'jobs and growth' agenda.

We involved regional and local actors, we included people from outside government, notably the civil society, the academic community, the

business community and NGOs. This is how we put the partnership principle into practice.

What are the results of negotiating with open minds? Compared to the past we see a big change in cohesion policy investments. It is clear to us now that MS and regions are really committed to catalysing growth and sustainable jobs. We see it in the way they have "earmarked" investment:

- Convergence objective: 65% of the funds (€ 183 billion). Note that not all convergence regions are in the new MS, as often assumed, many are in the EU-15 accounting for 39% (€ 111 bn) of total convergence objective investment (€ 283 bn) (EU-12: 61% or € 172 bn)
- Regional Competitiveness and Employment: 82% (€ 43 billion).

Let me now enumerate the major investment areas, Member States and regions have committed themselves to:

- **Improve accessibility** (€ 82 bn, 24% of the funds), with key focus on TEN-T projects (€ 38 bn = 11% of cohesion policy budget or 46% of total transport budget) and sustainable transport (€ 35 bn = 10% of cohesion policy budget). To mention of few types of investments in this area: railways, clean urban transport, regional/local roads.
- **R&D and innovation** is now one of the major priorities in financial terms: € 86 bn, $\frac{1}{4}$ of the Fund. Hence we make substantial contribution to Lisbon target of 3% of GDP. Investment examples:

R&TD infrastructure and centers of competence (€10 bn), measures to stimulate research and innovation in SMEs.

- **Prevent and combat climate change** (€ 48 bn, 14 %), investment in energy efficiency and renewable energies €9 bn, many programmes include a specific evaluation system to monitor effects as to the Kyoto of CO₂ emission targets.
- **Improve environment in general** (€105 bn, 1/3 of budget), we help Member States to comply with the EU environmental acquis, e.g. in the area of waste water treatment
- **Help develop knowledge-based service economies** by investing in ICT services and infrastructure € 15 bn (4% of cohesion budget). Other investment example: service and applications for citizens (e.health, e-government, e-learning etc).
- **Help businesses**, notably SMEs, prepare for global competition, €27 bn (8%). We work with them to plug them into the global market. Investment examples: technology transfer and improvement of cooperation networks between SMEs.

The Communication shows that the Cohesion policy is indeed a key Community policy advancing the growth and jobs agenda across all the Union's territories, and through the involvement of regional and local actors the policy ensures ownership of the Lisbon strategy on the ground.

2) On the 18th of June 2008 I will present the **Fifth Progress report on economic and social Cohesion**. The first part of this report will summarize the content of the contributions submitted by the

stakeholders (more than 100 responses) in the context of the public consultation which was launched at the Cohesion Forum in September 2007.

I hope that this summary will help us to pursue our reflection on the future of the cohesion policy and in the context of the coming budgetary review. I expect as well that the work undertaken by the Slovene Presidency, particularly the discussions in the conference of Maribor, will shape future discussions during the next Presidencies.

The main results can be summarized as follows: widespread support for the continuation of the policy; rejection of any attempt to renationalize it; full support for reinforcing the cooperation objective; clear request for further simplification, decentralization of its management, and improved coherence and coordination between funds (including the rural development fund).

A second part in the 5th Progress report will consist of an analysis of the European growth sectors and the related major regional trends in this context. Performance of these growth sectors will determine in a large extent the regional economic convergence in the coming years.

From the analysis it clearly emerges that the great majority of the poorest regions is and will continued to be confronted with massive processes of restructuring, with important job losses in the agriculture and need to modernize traditional sectors and diversify in high- and medium- tech manufacturing and advanced services. Cohesion policy and regional development policies more in general, should be geared toward

supporting this process so to anticipate change rather than protecting declining sectors and risking to face painful adjustments later on.

3) In February this year we discussed here your report on Territorial Agenda and Leipzig Charter prepared by Ms Kallenbach. We all agreed that the introduction of the notion of territorial dimension in the Lisbon Treaty opens up new avenues for the future of Cohesion policy. The **Green Paper on European territorial cohesion** will be adopted by Commission in September. This document will provide an updated analysis on the disparities of the European territory, discuss the definition and implementation of the concept of territorial cohesion at the European and Member States levels and will propose a few key questions for debate, in the context of the new Lisbon Treaty. These questions will be determined by the analysis and guided by the new framework of the Lisbon Treaty and its implications for territorial cohesion. Thanks also to those of you who took part in April 15th to the meeting which we organized with stakeholders.

4) Regarding the **outermost regions**, you remember that the Commission published a communication "Strategy for the Outermost Regions: Achievements and Future Prospects" on 12 September 2007. As invited by the European Council in December 2007, and following a large consultation process, I will present, in October, relevant proposals for the identification of areas and measures that could reinforce the current strategy and prepare better the outermost regions to consolidate and reinforce their development.

The report drafted by Ms Sudre and adopted in Strasbourg last week will be very useful in this frame. In the meantime, as you also know, we have

organized in Brussels, on 14-15 May, a meeting with the outermost regions in which members of the European Parliament and in particular of the REGI Committee were present and active in the discussions. I would like to thank for your active involvement in that conference.

5) Some key events will contribute to wider promotion and **better communication** of our policy and will help get our messages through like our open days in October or, on 17th June, the conference for regional and national communication officers where they will agree on a guide for better communicating the policy as well as sharing best practices on how to communicate towards the beneficiaries.

The Directorates General for Regional Policy and Employment prepared a guidance note for Member States on how to implement the new reinforced provisions on the publication of beneficiaries, in an effort to ensure that the same type of information is made available in the same format everywhere. The note has been discussed and agreed with Member States in the Committee on the Coordination of the Funds.

It will take some time before the information is published. This is because the programmes were adopted for the most part in the second half of 2007, and the project selection process and financial allocations are just beginning. However, we expect that in the course of 2008 all Member States will be providing key information on "who gets what" under EU regional policy. The services of the Commission will also strictly examine the communication plans that the management authorities in the Member States have prepared after the adoption of each programme.

6) Let me now add a few words on **our main priorities for 2009**.

First of all, we will ensure that the operational programmes agreed for the period of 2007-2013 are managed effectively and efficiently in particular in the domains of Lisbon priorities.

It is also important that the programmes relating to the 2000-2006 period are successfully closed, in full accordance with the principles of sound financial management. The **results of ex-post evaluation of the 2000 – 2006 ERDF programmes** being carried out by DG REGIO will be a basis for a stocktaking report to be issued next year.

In 2009 we will issue the **Sixth Progress Report on Economic and Social Cohesion**, with an update on the situation and trends in European regions.

We will certainly ensure the follow up to the debate after the adoption of the Green Paper on **territorial cohesion**.

Last but not least, I'm leading the Commission interservice group preparation of the **EU Strategy for the Baltic Sea** by June 2009. As you know, this strategy was strongly promoted by this house and we need your continuous support in order to have a strategy that clearly adds value to the region. We will have two large stakeholder summits one in Stockholm in October 2008 and one in Rostock in January 2009. We will present this strategy in June 2009, at the latest.

7) Each time when we met you ensured me about a continuous support of the Parliament for the revised and enlarged **Solidarity Fund**

regulation. Well, I guess I have to share with you my last information about it. The recently presented report of the Court of Auditors on the implementation of this regulation seems to be interpreted by the Member States as confirming that there is no real need to modify the current instrument. And it is very likely that the European Council will make such a decision.

8) I would like to thank you very much for interesting debates in plenary on a number of own initiatives reports proposed to the plenary of the European Parliament by your Committee. Our discussions on the role of volunteering for the Cohesion policy, on the evaluation of PEACE programme, on the strategy for the outermost regions are important part of our work on these issues. I will follow up with pleasures the upcoming reports on the Cohesion policy and rural development (rapporteur: Mr Roszkowski), on governance and partnership (Beaupuy), on tourism in costal areas (Ms Madeira). I am looking forward to the report of Ms Krehl on the best practices in the field of regional policy.

Thank you very much.