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Secretariat

Professor Danuta Hübner

Chair of the Committee on Regional Development

in the European Parliament

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ROLE OF REGIONAL AND COHESION POLICY IN THE UNION'S ACTION

Cohesion policy is a fundamental objective of the European Union and the most visible, tangible and quantifiable expression of European solidarity.

From the very beginning, the cohesion policy aimed to contribute to the socio-economic development of least developed Member States and regions.

Following the enlargements, this policy has had to continually adapt itself to the presence of considerable territorial differences (outermost regions, regions targeted for industrial reconversion, areas of low population density etc.).

The European Parliament has contributed substantially to the shaping of this policy for the period 2007-2013, inter alia by fostering transnational and inter-regional co-operation, as well as by putting the emphasis on the use of the funds for better protection of the environment; and for promoting accessibility for people with disabilities.

More recently, new challenges have demanded measures which go beyond simply investing in infrastructure and promoting innovation aimed at job creation and sustainable growth, in accordance with the Lisbon and Gothenburg Agendas.

Cohesion policy should be complementary to Lisbon and Gothenburg objectives, and not seen as a mere financial instrument of the Lisbon strategy or for other policies.

Cohesion policy has -and must remain faithful to - its own objective, which is the proper economic and social cohesion of the European territory.

CONTRIBUTION OF THE COHESION POLICY TO FACE THE ECONOMIC CRISIS

Under the current economic uncertainty regional policy becomes a tool for economic recovery (according to Commission statistics in the majority of the new Member States, Community funds can represent up to 50% of public investment).

In order to boost and make the use of Structural Funds as easy as possible under the economic and financial crisis, in November 2008 the Commission proposed a series of reforms of the General Regulation on the Structural Funds, as well as the ERDF and the ESF.

These were specifically aimed at hastening and facilitating the mobilisation of Community funds and simplifying the implementation of operational programmes and their impact on the economy.

According to the estimations in 2009 Member States should receive a total of 11.2 billion Euros in advances.

Aware of its co-legislative responsibilities, the Committee on Regional Development has done everything possible to hasten its work.

It endorsed these reforms in an extraordinary meeting on 9 March 2008 in Strasbourg, aiming to wrap up the legislative process at the first reading in the plenary sitting on 2 April 2009.

This fast track allowed the possibility of implementing these reforms in the spring 2009.

In July 2009 a second set of modifications were adopted by the Commission as completion to the ones already into force and going in the direction of a simplification of rules applying to the SF.

The current proposal seeks a double objective: on the one hand to simplify the rules of the cohesion policy, on the other hand to further accelerate the implementation of interventions on the ground as a measure against the crisis.

In face of the current economic downturn the Parliament has continuously pushed in the direction of accelerating the expenditure and of simplifying the rules governing the Structural Funds with the aim of stimulating local and regional economic activity.

With its 347 billion Euro for the period 2007-2013, of which 250 billion Euro earmarked for Lisbon-related objectives, the European Cohesion policy, appears as one of the most credible and efficient instrument to face the effects of the crisis.

THE CURRENT IMPLEMENTATION AND PROBLEMS ENCOUNTERED

The implementation of the reformed structural funds started in the Member States in 2007.

The Commission will submit an interim report on the absorption of funds at the end of 2009.

Besides, the Commission has given the REGI committee before plenary an undertaking that it will submit a detailed report in 2010 about the state of the expenditure resulting from the extraordinary measures under the European Economic Recovery Plan.

In fact on the one hand it is important that funds are frontloaded in order to release the MS' budgets to face the crisis; on the other hand this requires a careful and continuous monitoring exercise in order to constantly verify that money is properly spent according to sound financial rules.

The Parliament must analyse in the upcoming months the results of this monitoring exercise and draw the relevant conclusions

The European Parliament as co-legislator is following with great interest and concerns the process of implementation and monitoring regional development spending closely to see if it meets the expectations and needs of regions and cities and thus the intentions of the co-legislators.

THE FUTURE OF COHESION POLICY

Despite the fact that implementation began only in 2007 the discussion on the future cohesion policy for the period 2014-2020 has already started.

In the Parliament perspective the cohesion policy after 2013 shall not only be maintained as a Community policy but also will be strengthened to effectively tackle any challenge faced by European regions in the coming years (climate change,

energy management, migration, demographic change, ageing of the population and urban concentration etc.)

Equally, future cohesion policy should incorporate policies of urbanism and urban mobility as well as research and development, education and the environment.

The European Parliament supports the idea of an integrated approach to all relevant policies of the EU. It is necessary to manage the territorial impact of sectoral Community policies in order to ensure a better coordination and synergies among those policies and the cohesion policy

It is essential to reinforce territorial governance. The European Parliament supports the idea to foster a system of multi-level governance and identify the appropriate territorial level at which intervention is most effective during the various stages of programme planning and implementation.

The European Parliament rejects any attempt to renationalise the cohesion policy, as this would mean putting at risk the fundamental principle of solidarity between Member States and regions, which would threaten the process of European integration.

Complementarity with the Lisbon strategy and environmental policies cannot replace the fundamental objective of regional policy, i.e. solidarity.

The strengthening of cohesion policy has to go together with a sufficient allocation of financial resources to allow the most appropriate response to the challenges raised.

In the future, cohesion policy should

- **continue to be a truly European policy for the whole of the Union's territory with its own core principles and adequate financial resources;**
- **cover in a differentiated way the whole of the Union;**
- **be complemented by a strengthened territorial dimension;**
- **adapt to new challenges (demographic change, urban concentration, climate change, energy supply, migratory movements**
- **reduce administrative procedures also through a clear division of responsibilities in the Multi-Level-Governance system: importance of real partnership and implementation of genuinely multi-level governance involving every level – Community, national, regional and local, in consultation with economic and social partners – in defining and implementing regional development objectives, in order to avoid any risk of excluding players involved in local development and cohesion;**

The debate on the future cohesion policy needs of course constant exchange of views and cooperation with the other EU institutions, Commission and Council.

In this process the EP also strongly supports also the involvement in this discussion of the civil society and of the regional and local representatives and the constructive dialogue with the CoR

RELATIONS WITH THE COR

The Committee of the Regions is a precious ally and a source of information on the situation of the regions and on implementing regional and cohesion policy on the ground.

In the previous legislature the Parliament consulted regularly with the CoR on several dossiers and CoR rapporteurs were invited to meet EP rapporteurs and on occasion, present their views during committee meetings.

This continuous exchange of opinions and fruitful cooperation shall be further strengthened during the current legislature

The transmission of the CoR opinions on the different dossiers to the EP can help the Parliament to take the CoR position into consideration in the course of its works.

With this same aim a constant bilateral contact and exchange of information at the level of Committees on specific items of competence is as well essential. The commissions of the CoR should be able to inform rapidly the EP's committees on the opinions they adopt.

The REGI Committee, to which the EP rules of procedure assign the role of keeping the relations with the Committee of Regions, will be keen in putting these priorities into practice.

As it has done for many years, the Parliament has supported the CoR and Commission initiative "*Open Days - European Week of Regions and Cities*" and welcomes the Opening Session of the Open Days in its Hemicycle.

Following the successful experience of 2008 a joint meeting between REGI and COTER committees will take place on 6 October on the benefits of cohesion policy and its future challenges.

This workshop will look at the past achievements of cohesion policy, namely, how cohesion policy has helped to overcome social and economic disparities in Europe.

It will also discuss the indirect effects and less visible benefits of cohesion policy in terms of capacity building or internal market dynamics, thereby going beyond a mere discussion on net returns.

Furthermore this workshop will consider recent contributions from academia, policy makers and stakeholders to the debate on the future of cohesion policy. The aim is to assess which benefits may be expected from a reformed cohesion policy and what would be its impact on European regions and the EU as a whole.

The Parliament should develop a dynamic dialogue between MEPs and Members of the Committee of the Regions whilst respecting the respective roles of the two institutions.

ROLE OF THE EP IN THE COHESION POLICY

In case the Lisbon Treaty enters into force the Parliament will gain a stronger role in the field of cohesion policy, getting to be a full co-legislator together with the Council in the process of approval of all the Structural funds regulations (currently only for the ERDF, ESF and EGTC but not for the General Regulation and the Cohesion Funds where it follows the assent procedure) and all related legislation.

Very important is also its role as controller of the implementation of the regulations and of the expenditure in the Member States should be further strengthened.

This legislature will be of paramount significance for the future of cohesion policy, which, lets not forget it, is already not only the biggest part of the Community budget, but, more decisively, a policy which more and more is deeply interconnected with other policies such as environment, agriculture, social affairs or internal market.

The Parliament, through its committee on Regional Development, will have to examine in detail how the current strategic guidelines are being applied by Member States and regions and how the EC is monitoring its application.

The Parliament will have to look into how the newly established strategy of linking the Lisbon and Gothenburg agendas and objectives with those of the cohesion and regional policy is working.

The transition from a cohesion policy mostly focused on building infrastructures to a policy which interacts with other policies without losing sight of their prior objective (helping less developed regions to catch up with the others) is a challenge for the European Parliament.

The thinking and design of the cohesion policy after 2013 is a matter of the utmost importance for the Union and the Parliament counts with the CoR's help to succeed in this task.