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***The challenges of negotiations of the legislative package of EU
Cohesion Policy 2014-2020***

*Joint meeting of the Committee of the Regions Commission for Territorial
Cohesion Policy and the European Parliament Committee on Regional
Development*

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Ladies and Gentleman,

It is a great pleasure for us, Members of the Committee on Regional Development (REGI) to have a joint meeting with Members of the COTER Commission as well as the stakeholders attending our workshop to reflect on the territorial dimension of Cohesion Policy after 2013.

As you know, the legislative package ruling cohesion Policy after 2013 was adopted and published by the European Commission last week. It is good news from the point of view of territorial cohesion. This package includes general regulation laying common rules for Cohesion Policy, rural development, maritime and fisheries policies: it sets out common rules for thematic concentration, greater performance through harmonized monitoring and reporting and eligibility rules. Specific provisions are developed in the regulations applying to existing funds (ERDF, ESF, Cohesion Fund). There is a new feature, a specific regulation on European Territorial cooperation (adding to the European Grouping of Territorial Cooperation), through which the territorial dimension of cohesion policy will be therefore clearly recognized as a key European added value. It was requested by the Committee I chair, and I'm very happy with this¹. The package includes the communication on

¹ This package also includes two regulations on the European Globalisation Fund (EGF) and the Programme for Social Change and Innovation.

the European Union Solidarity Fund (EUSF), as also requested by the REGI committee. Our duty will be to look at see.

I see it as our duty to ensure that the new cohesion policy is truly territorially sensitive. The context in which the evolution of cohesion policy is taking place are shaped on one hand by the clear “guidance” in the Treaty on the Functioning of the European Union, namely that to pursue harmonious development, the Union shall take actions that strengthen economic, social AND territorial cohesion. On the other hand, all EU policies need to be geared to support the Union’s 2020 strategy for smart, sustainable and inclusive growth. This double challenge is clearly stated in the proposal on the General Regulation². The European Parliament has endorsed the alignment of cohesion policy with the EU2020 goals, emphasising however, that room must be left for a sufficiently flexible regional response to the challenges and bottlenecks identified by the Europe 2020 strategy.³ In this context, we need to carefully analyse the proposals, and thrive to ensure that the new framework does not give with one hand and then takes away with the other one. So our first dilemma is related to the need to strike the right balance between thematically concentrated priorities of funding and the diverse realities of European territory.

We also have to realise the dramatically changing economic landscape in which European integration is now taking place. Regions have to deal with global competition, in particular from newly emerging big economies, and the crisis has revealed how fragile our structures and growth potential can be. Europe needs growth and jobs we all agree on this, but this crisis proves even more that these goals will be better achieved by successful strategies implemented at the local level. This opens up another dilemma that we have to take into account. Responses to global challenges are increasingly faced at local and regional level. I’m therefore very pleased that this context makes the

² PART THREE GENERAL PROVISIONS APPLICABLE TO THE ERDF, THE ESF AND THE CF TITLE I OBJECTIVES AND THE FINANCIAL FRAMEWORK CHAPTER I Mission, goals and geographical coverage of support

³ European Parliament resolution of 5 July 2011 on the Commission’s fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI)), P7_TA-PROV(2011)0316, paragraph 9

policymakers better understand the key importance of a territorial approach to implement Cohesion Policy.

What we find in the General Regulation shows that a broad territorial approach coupled with multi-level governance and shared management are clear added-values of cohesion policy. First of all, I am glad to endorse the fact that the proposals cover the entire territory of the EU, a fact that seemed to be menaced not so long ago.

I also welcome the explicit mention of partnership and multi-level governance, as well as the fact that “the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes”.⁴ REGI has called for clear commitments from the side of Member States to the appropriate involvement of partners in the development and investment partnership contracts. We expected appropriate provision for this in the regulations governing the Structural Funds.⁵

The proposal of the Commission genuinely tries to live up to the Treaty, and puts forward several elements allowing for a strong territorial dimension in the future policy. The idea of strengthening local community-led initiatives, facilitating the implementation of integrated local development strategies and forming local action groups should result in reinforcing the implementation of multi-dimensional and cross-sectoral interventions. Furthermore, several elements point in the direction of a reinforced urban dimension⁶. In addition, it will be possible to combine funds in a joint operational programme, that should favour the integrated approach. REGI welcomes the strengthening of

⁴ Proposal for “General Regulation”, COM(2011) 615 final , 2011/0276 (COD), Article 5 Partnership and multi-level governance

⁵ European Parliament resolution of 5 July 2011 on the Commission’s fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI)), P7_TA-PROV(2011)0316, paragraphs 3, 57, 59

⁶ (1) increased focus of ERDF on sustainable urban development with at least 5% of the ERDF resources allocated at national level “earmarked” for integrated actions, delegated to cities for management

(2) creation of an urban development platform, building on the experience of URBACT

(3) using 0.2% of the ERDF allocation to finance innovative actions in urban areas

the urban dimension, many elements of which are in line with its position.⁷ However, we have clearly rejected the use of obligatory quotas, in particular for national allocations under ESF/ERDF programmes, believing that that this needs to be negotiated on the basis of the principles of multi-level governance.⁸

We are pleased to discover that our main requests have been taken into account concerning European territorial cooperation (ETC), putting a clear emphasis on the European added value of the ETC and its potential as a source of competitiveness in its two main aspects : First, concerning the increase of its funding, it is well below our request of 7% of the overall budget of the Cohesion Policy, but taken into account the current fiscal difficulties, an increase compared with current programming period has been granted. Second, the need to reinforce the specific provisions for the European Territorial Cooperation has been recognized both within the existing funds such as European Regional development Fund and European Social Fund, and through the creation of a specific regulation for European territorial cooperation that clarifies and simplifies provisions for territorial cooperation programmes. On this new regulation, I welcome that the current structure of Objective 3 has been retained, with an emphasis on the cross-border component. New forms of territorial cooperation, such as macro regional strategies and the expansion of European Grouping of Territorial Cooperation have been taken into account, the proposed regulation explicitly foreseeing that transnational cooperation can support the development and implementation of macro regional strategies, and a better coordination with the specific needs and provisions of the EGTCs⁹.

⁷ European Parliament resolution of 23 June 2011 on European Urban Agenda and its Future in Cohesion Policy (2010/2158(INI)), P7_TA-PROV(2011)0284: e.g. requesting sub-delegation, continuation of URBACT, enhancing platforms for platforms to allow of an experimental approach to urban regeneration and development

⁸ European Parliament resolution of 5 July 2011 on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI)), P7_TA-PROV(2011)0316, paragraph 15

⁹ Extract from ETC proposal presentation : the implementation modalities have been streamlined for cooperation programmes: for instance, a uniform maximum co financing rate applies to operation irrespective of the categories in which the participating regions fall. Common indicators have been defined. Eligibility rules are more harmonized at the EU level, and specific provisions for the application of the rules on State aids and the conversion of foreign currencies into euro, that will further facilitate programme implementation.

Finally, coming back to the notion of “giving with one hand, and taking away with the other”: I believe, that many elements of this proposal will allow cohesion policy to better pursue the triangle of economic, social and territorial cohesion. However, I can only repeat my conviction, that macroeconomic conditionalities are counterproductive and unfair, even more so when approached from the perspective of “territorial dimension”: suspending funding will have the most direct impact in regions, whereas it is to punish misbehaviour on the national level. Conditionality measures should be directly linked to areas linked to cohesion policy implementation and they should be determined in dialog with Member States and regions – a principle also emphasised by the European Parliament in its recent resolution.¹⁰

Thank you once again for your participation and for your attention, and I encourage you to actively join the debate and to challenge us with questions today and throughout the process leading up to the agreement on the future Cohesion Policy.

¹⁰ European Parliament resolution of 5 July 2011 on the Commission’s fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI)), P7_TA-PROV(2011)0316, paragraph 64