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# Putting EU's regions first

## **Group of the European People's Party Committee on Regional Development 2019-2024**



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**It has been five unprecedented years for EU's regions.** From the legacy of the 2014-2016 migration waves to the rise of populism across the continent. From the COVID-19 pandemic to its fallout - shortage of raw materials and lockdowns. From Russian aggression against Ukraine to the energy crisis. From floods, to wildfires, earthquakes, heatwaves and the local implications of climate change.

**One and only EU policy was there to react first, to save lives, to provide lifeline to small businesses and to keep the poorest regions afloat.** Because of that, the 2019-2024 period is the most important in the history of cohesion policy.

In 2019, the EPP Group promised a strong, flexible, simplified and reformed cohesion policy. What we promised back then is our reality now. **It is time for talks on the future cohesion policy and regional development - an opportunity window for EPP Group leadership.**



## The EPP REGI Team

The Group of the European People's Party in Committee on Regional Development (REGI) consists of **22 Members of the European Parliament from 14 Member States**. Among them, there are **two committee Vice-Chairs, former ministers, governors and mayors**.

The EPP Group in REGI was directly **responsible for nine major pieces of EU legislation** - **Common Provisions Regulation, Just Transition Fund, REACT-EU, Interreg, Brexit Adjustment Reserve, REPowerEU, Social Climate Fund, secure and sustainable supply of critical raw materials, Reform and Growth Facility for the Western Balkans**.

Its Members also authored five reports on reversing demographic trends in EU regions, on cohesion policy as an instrument to reduce healthcare disparities, on outermost regions, cross-border cooperation with neighbouring countries, on the outcomes of cohesion policy and the future cohesion.

## Key achievements

### 01. Common Provisions Regulation (CPR)

The CPR is establishing the common policy framework for **cohesion policy funds and financial rules** for shared management funds, with five policy objectives: **a smarter Europe; a greener, low-carbon Europe; a more connected Europe; a more social Europe; a Europe closer to citizens**. The Parliament negotiating team, co-led by EPP Group committee co-ordinator **Andrey NOVAKOV**, managed to obtain **increased EU co-financing rates** for the cohesion policy investments at the level of **up to 85% for the less developed regions and 60% and 40% for the transition regions and more developed regions**, respectively. The CPR for 2021-2027 introduced a number of simplification measures in order to reduce the unnecessary administrative burden for beneficiaries and management bodies while maintaining a high level of assurance on legality and regularity. The co-legislators agreed on an overall **budget of EUR 392 billion** (in 2018 prices) for all the cohesion policy investments in EU regions, cities, towns and villages.

*Procedure File: 2018/0196(COD) | Legislative Observatory European Parliament (europa.eu)*

### 02. European Regional Development Fund and the Cohesion Fund (ERDF-CF)

The regulation, due to the actions of the Parliament's negotiating team, adds to the scope of ERDF investments by **allowing support for: safeguarding and creating jobs; activities for applied research and innovation, including industrial research; mid-cap companies and companies other than SMEs where they cooperate with SMEs in research and innovation activities or support energy efficiency and renewable energy**. In terms of exclusions from support it adjusts, owing to the leadership of the EPP shadow rapporteur, **Krzysztof HETMAN**, the provisions on energy delivery and storage projects (to which it then adds a number of exceptions, e.g. for gas-fired heating systems and gas networks). The regulation also raises the earmarked allocation for sustainable urban development from 6% to 8%. The co-legislators agreed on an overall **budget of EUR 330 billion** (in 2018 prices) for the ERDF, ESF+ and the Cohesion Fund in 2021-2027.

*Procedure File: 2018/0197(COD) | Legislative Observatory European Parliament (europa.eu)*



### 03. Just Transition Fund (JTF)

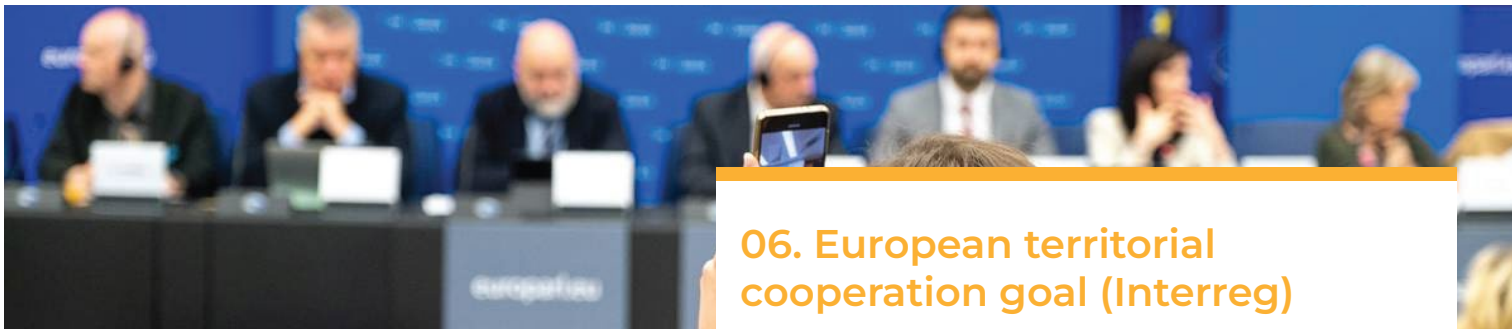
The Fund has been established for the first time for the 2021-2027 multiannual programming period in order to **assist regions formerly dependent on industries like coal-mining or steel production** in all Member States. In the JTF regulation, following the lead of **Manolis KEFALOGIANNIS** as rapporteur, the Parliament's key concern was to **broaden the scope of eligible projects**, taking into account the social dimension and sustainability of supported investments, including in the end e.g. energy storage technologies and district heating networks based on renewable energy sources. Parliament also managed to include universities, public research institutions, training centres and child and elderly care facilities among the recipients of support. The **budgetary allocation for the JTF amounts to EUR 7.5 billion under the MFF**, complemented by an **additional EUR 10 billion under the EU Recovery Instrument** (2018 prices).

*Procedure File: 2020/0006(COD) | Legislative Observatory European Parliament (europa.eu)*

### 04. REACT-EU

The purpose of the regulation on exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to **provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)** was to introduce more flexibility in the support provided by the European Structural and Investment Funds to help repair the damage following the crisis caused by the pandemic. The Parliament negotiating team, co-led by **Andrey NOVAKOV**, successfully introduced retroactivity of the regulation since 1 February 2020 as well as prolonged eligibility of projects for funding until the end of 2023. These proposals made it possible, in particular, to address the increased pressure on healthcare systems and to help employers and workers to overcome the exceptional situation. **Additional resources of EUR 47.5 billion** were made available to the Structural Funds in order to repair the damage of the crisis caused by the COVID-19 pandemic.

*Procedure File: 2020/0101(COD) | Legislative Observatory European Parliament (europa.eu)*



### 05. REPowerEU

Initiated with the purpose to **eliminate dependence on Russian fossil fuels and accelerate the clean energy transition**. In order to finance the package, the idea was to amend several regulations, including the **Common Provisions Regulation (CPR) by adding new, dedicated chapters to the RRP**s. Having exclusive competence on certain chapters REGI committee gave an opinion with **Pascal ARIMONT** being EPP shadow rapporteur. According to REGI, for the programmes supported by the ERDF, Cohesion Fund or ESF+, the Member State or the managing authority may request, an **amount of up to 7.5% of the budget of the initial national allocation** to finance measures supporting the objectives of the REPowerEU.

### 06. European territorial cooperation goal (Interreg)

The regulation is about cooperation between communities, regions and countries in the EU and its immediate neighbours. According to it, four Interreg strands are supported: **cross-border cooperation, transnational cooperation, interregional cooperation and outermost regions' cooperation**. The largest share of the **EUR 8.05 billion** (in 2018 prices) of the ERDF resources provided for Interreg programmes goes to cross-border cooperation (72.2%), whereas the allocation for transnational, interregional, and outermost regions' cooperation is 18.2%, 6.1% and 3.5% respectively. Overall, the Parliament, led by its rapporteur, **Pascal ARIMONT**, contributed to delivering an Interreg Regulation that ensures the continuity of this much-needed support for the next programming period.

*Procedure File: 2018/0199(COD) | Legislative Observatory European Parliament (europa.eu)*

## 07. Raw materials

The general objective of the regulation for ensuring a secure and sustainable supply of critical raw materials is to **improve the functioning of the internal market, including by fostering efficiency and circularity throughout the value chain**. The committee, led by its draftsman, **Franc BOGOVIĆ**, contributed to achieve the general objective, by identifying and supporting a more practical list of **34 critical raw materials and 17 strategic raw materials** than initially foreseen.

*Procedure File: 2023/0079(COD) | Legislative Observatory European Parliament (europa.eu)*



## 09. Healthcare

Cohesion policy, through the **coronavirus response investment initiative (CRII)** and the **coronavirus response investment initiative plus (CRII+)**, was the first line of defence against the COVID-19 pandemic, proving that this policy can **contribute significantly to reducing health disparities and inequalities between the Member States and within them**, in particular in border, outermost, remote and rural regions, including in regions with low population density. In the report on "Cohesion policy as an instrument to reduce healthcare disparities and enhance cross border health cooperation", **Tomislav SOKOL** called for **better synergies and complementarities between cohesion policy programmes to be ensured**, with the aim of reducing regional disparities.

*Procedure File: 2021/2100(INI) | Legislative Observatory European Parliament (europa.eu)*

## 08. Demography

In an own-initiative report - Harnessing talent in Europe's regions - voted in November 2023 REGI committee addressed multiple aspects of the demographic challenges EU is facing, seeking to find **solutions against population decline that particularly affects rural, mountainous, isolated and outermost areas**, which tend to have older populations compared to cities and suburbs. EPP Group position has been sustained by **Dan-Stefan MOTREANU**, calling for clear criteria to define regions at risk of talent loss and suggests **creating a dedicated fund to address brain drain**. The report calls for integration of the young people in the labour market and for a fund for regions in a "talent development trap". It underlines the need to **create synergies, between Cohesion Policy and CAP to tackle depopulation of rural areas and calls for improving access to basic services in the regions lagging behind**.

EPP REG's work on demography dates back to 2021 when **Daniel BUDA** authored a report on reversing demographic trends in EU regions.

## 10. Outcomes of cohesion policy and the future cohesion policy

As a decade of cohesion policy investments drew to an end, the committee decided to take stock of the policy's implementation during the past programming period and to contribute to a **reflection on its future through a report on "Cohesion policy 2014-2020 - implementation and outcomes in the Member States"**. The rapporteur, **Andrey NOVAKOV**, examined the implementation of the main cohesion policy funds for the period 2014-2020, as well as of the cohesion instruments adopted as a response to the COVID-19 pandemic, the Russian aggression against Ukraine, and the energy crisis. The report concluded that **cohesion policy investments had resulted in unparalleled positive impacts in every EU Member State and had, at the same time, contributed to achieving the EU's overarching priorities**. The report contains 85 recommendations on the future cohesion policy, linked to strengthening the place-based approach of the policy and enhancing the role of regional and local authorities in its implementation.

*Procedure File: 2023/2121(INI) | Legislative Observatory European Parliament (europa.eu)*



## II. EPP Cohesion Monitoring Group (CMG) and the EPP Cohesion Missions

The CMG is an EPP Group format established as a **cross-committee platform open to all EPP Members** who are interested in observing, via meeting and fact-finding-missions, how approximately **one third of the EU budget is channelled towards investments, delivering the EU political priorities and strengthening the EU economic, social and territorial cohesion**. **Andrey NOVAKOV**, EPP REGI coordinator, chairs the CMG.



### The Mission to Croatia and Slovenia, 26th-27th October 2023:

The aim of the mission was to **see the already-existing EU-funded projects in the municipalities of Podčetrtek (HR) and Lenart (SL)**. There were meetings with representatives of local communities in the mentioned municipalities and the organisation of a press briefing with the representatives of local authorities, state level and members of the EPP political group with representatives of the media, entitled **“The importance of EU funding for the development of local communities and the challenges of the future EU cohesion policy”**. The purpose of this press briefing was to discuss the importance of sufficient EU funding for the development of local communities and the challenges of the future EU cohesion policy. **The mission was co-hosted by Sunčana GLAVAK and Franc BOGOVIČ.**

### EPP Group Cohesion Mission to Braga, Portugal (25-26 January 2024)

The beautiful Braga area was a particularly suitable place to **demonstrate the huge impact cohesion policy had on people and the economy** as well as to **discuss implementation challenges and the future of cohesion**. Two distinct working groups provided the chance to **discuss the benefits, problems and future** of cohesion policy with all stakeholders impacted by cohesion policy; namely political actors from rural and urban areas, representatives of education institutions and business associations.

**The cohesion mission to Braga was co-hosted by José Manuel FERNANDES, Carlos COELHO, and Maria da Graça CARVALHO.**







## EPP Group Cohesion Mission to Tenerife, Spain (22-23 February 2024)

The EPP Cohesion Mission to Tenerife demonstrated **the importance EPP Group is giving to the EU's outermost regions**, besides the fact that the 2021-2027 **cohesion policy offers almost 2 billion euro of assigned Interreg funding and 85% of EU co-financing to the outermost regions**. EPP Cohesion Mission to Tenerife managed to **highlight the success stories in the region** and to **underline their local impact of regional policy** on people and the economy.

Members also had the opportunity to discuss **implementation challenges and the future of cohesion** with representatives of the local authorities and beneficiaries. **The EPP cohesion mission to Tenerife was hosted by Gabriel MATO.**

## EPP Group Cohesion Mission to the border region of Romania and Ukraine (21-22 March 2024)

The Mission **highlighted the pivotal role of cross-border cooperation in European regional policy**, especially following the Russian aggression against Ukraine. **The financial allocation of 54 million euros for the Interreg NEXT Romania-Ukraine Program** brings a significant contribution to enhancing the **quality of life for people on both sides of the border**.

The delegation **met with politicians and stakeholders** of the **city of Cluj** and visited large-scale bridge project in **Sighetu Marmăției**, financed from EU cohesion funds. Members also got an **insight about how such infrastructure projects** could contribute to the post-war reconstruction efforts.

**The Mission was hosted by Daniel BUDA.**



## 12. Events

The EPP REGI also **organised events** such as the '2014-2020 cohesion policy investment in urban mobility and transport infrastructure - success stories' as well as the Breakfast briefing on Experiences, insights and ideas for the future cohesion policy.