Role and effectiveness of cohesion policy in reducing disparities in the poorest regions of the European Union

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The Committee on Regional Development adopted the report by Lidia Joanna **GERINGER DE OEDENBERG** (PES, PL) on the role and effectiveness of cohesion policy in reducing disparities in the poorest regions of the EU. In so doing, it urged that resolute action be taken to reduce the most acute development shortfalls in the poorest EU regions, and notes in particular that the new Member States, which have come under cohesion policy since 2004, require special support owing to their ongoing institutional, administrative and economic difficulties.

The committee calls on the Commission, in cooperation with the Member States concerned, their regions, local authorities and other interested parties, to clearly highlight on one hand growth generating measures in successful regions (such as Ireland) and on the other hand the main obstacles in the regions lagging behind, so that the impediments do not arise again in the regions of the new Member States.

The report suggests that EU cohesion policy should take due account of the diversity of the needs of the poorest regions, with aid being tailored to their specific features and conditions and their potential being exploited, so as to implement projects that produce lasting results and genuine development on the basis of multiannual development plans taking due account of spatial development plans. It also recommends that EU cohesion policy should be adapted to the outermost regions through special, specific measures.

With a view to speeding up economic growth, further investment and balanced sustainable development in the poorest regions, regions and Member States are asked to give priority to projects designed to make regions more accessible by providing them with basic infrastructure, particularly in the transport and ITC fields, having due regard for the social and environmental impact of such projects. Member States and regional and local authorities are also asked to take due account of the need for balanced development within individual regions when planning future regional development programmes. The committee believes it particularly important for account to be taken of the specific needs of urban areas, with an appropriate urban policy including a housing policy for 'poor neighbourhoods', and for an appropriate rural policy to be pursued.

MEPs stress the importance of territorial cooperation (cross-border, transnational and interregional) in the context of the EU's cohesion policy in order to promote balanced development and encourage the setting up of regional and sectoral cooperation networks, involving, especially the poorest regions.

Member States are encouraged to:

- make the poorest regions more attractive to investors by drawing on those regions' natural and cultural assets in order to develop traditional forms of economic activity specific to each region and to create new forms of economic activity;
- support projects that increase regional capacity to generate and absorb new technologies, particularly those relating to environmental protection and the development of natural resources and involving the dissemination of models based on lower energy consumption and the use of renewable energies;
- promote entrepreneurship in the poorest regions by means of an integrated system of economic and social incentives for investors, and draw attention to the need for significant simplification of

administrative procedures, particularly in relation to the setting up of new, and expansion of existing, economic activities;

- promote entrepreneurship in schools and to support training schemes for future entrepreneurs, aimed in particular at young people, women, elderly persons and minorities exposed to social exclusion;
- set up public-private partnerships (PPPs) as an effective means of involving private capital in the funding of regional projects;
- further simplify procedures with a view to ensuring that funds are allocated in a transparent and efficient manner and delivered swiftly to final beneficiaries;
- ensure effective political, technical and administrative coordination and effective compliance with the partnership principle aimed at the sound management of funds.

The **Commission** is invited to:

- ensure that the poorest EU regions are included in the best-practice exchange network, while also describing such practices on a public website in all official EU languages;
- step up its effort to make directives, rules and guidelines easier to understand, with a view to preventing misinterpretation and to facilitating programme implementation;
- improve the system used to assess cohesion policy, and to devise a new means of measuring regional development, based not just on GDP but also on other indicators such as unemployment rates and other quantitative and qualitative indicators, whilst improving the methodology for the calculation of Power Purchasing Parities, namely through the development of regional rather than national indicators;
- provide it, on a regular basis, with up-to-date, reliable and comparable statistics enabling it to accurately assess progress in the development of the poorest EU regions;
- analyse the impact of cohesion policy and look into the causes of any undesirable outcomes arising from Community policies in its 2009 mid-term review of the Community budget and in the next report on economic and social cohesion, with a view to ensuring that cohesion policy is as effective as possible throughout the 2007-2013 programming period.