Basic information

2017/2208(INI) INI - Own-initiative procedure	Procedure completed
Lagging regions in the EU **Subject** 4.70 Regional policy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	GIUFFRIDA Michela (S&D)	25/04/2017
	Shadow rapporteur RUAS Fernando (PPE) TOMAŠIĆ Ruža (ECR) VAN MILTENBURG Matthijs (ALDE) PAPADIMOULIS Dimitrios (GUE/NGL) ROPĖ Bronis (Verts/ALE) D'AMATO Rosa (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development	DĂNCILĂ Viorica (S&D)	20/06/2017
PECH Fisheries	CAPUTO Nicola (S&D)	21/06/2017

European Commission

Commission DG	Commissioner
Regional and Urban Policy	CREȚU Corina

Key events

Date	Event	Reference	Summary
05/10/2017	Committee referral announced in Parliament		
20/02/2018	Vote in committee		

27/02/2018	Committee report tabled for plenary	A8-0046/2018	Summary
12/03/2018	Debate in Parliament		
13/03/2018	Decision by Parliament	T8-0067/2018	Summary
13/03/2018	Results of vote in Parliament		
13/03/2018	End of procedure in Parliament		

Technical information	
Procedure reference	2017/2208(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/10527

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE612.353	26/10/2017	
Amendments tabled in committee		PE615.495	19/12/2017	
Committee opinion	AGRI	PE612.186	25/01/2018	
Committee opinion	PECH	PE612.274	31/01/2018	
Committee report tabled for plenary, single reading		A8-0046/2018	27/02/2018	Summary
Text adopted by Parliament, single reading		T8-0067/2018	13/03/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2018)366	30/08/2018	

Lagging regions in the EU

2017/2208(INI) - 27/02/2018 - Committee report tabled for plenary, single reading

The Committee on Regional Development adopted an own-initiative report by Michela GIUFFRIDA (S&D, IT) on lagging regions in the EU.

According to a Commission report on lagging regions, 47 regions in eight Member States are lagging behind. There are two types of lagging regions:

- low-growth regions: regions with a GDP that is close to the EU average but with no growth, this being the case of Italy, Spain, Greece and Portugal;
- low-income regions: regions with a GDP that is still very low but with a very encouraging upward curve. In those regions (in Bulgaria, Hungary, Poland and Romania), which were seriously lagging behind at the outset, cohesion policy is working extremely successfully though.

Members noted that the Commission report proposes a number of positive solutions to support economic growth, sustainable development and job creation in these regions. They considered that the EU as a whole, in order to promote its overall harmonious development, should carry out actions which strengthen its economic, social and territorial cohesion and reduce disparities between the levels of development of the various regions and the backwardness of lagging regions.

The Commission is called on to:

- define lagging regions at NUTS III level, on the basis of general economic and social conditions, and to better target the financing of these areas in line with ESI fund programming cycles;
- create tailor-made strategies, programmes and actions for the different lagging regions.

The report stressed that unemployment remains drastically high, particularly among young people, and represents one of the most serious and pressing problems in the vast majority of lagging regions. The role of secondary and higher education, of professional, on-the-job training should be enhanced.

Members hoped that the implementation of the EU 2020 Strategy in the area of employment, education and training, as well as the forthcoming EU long-term strategy and its objectives, will continue to take due account of the specific needs of lagging regions. In this regard, Members called on the Commission to look into the impact of a possible **increase in the ESF co-financing** rate for the next financing period. They highlighted the adverse effects of the economic and financial crisis, especially for low-growth regions, which have reduced the margins of budgetary policies, leading to public investment cuts.

The report stressed the need to apply the agreed position on the Stability and Growth Pact regarding flexibility for cyclical conditions, structural reforms and government investments aimed at implementing major structural reforms and similar projects, with a view to achieving the Europe 2020 goals.

Members also stressed the importance of ensuring easier access to **credit** in order to assist SMEs, to encourage new business models, and to promote growth in lagging regions. They also suggested that the Commission should look into the possibility of proposing the allocation of a larger share of support to **community-led local development** (CLLD).

The report stressed the importance of the partnership principle, and of **multilevel governance**, which needs to be strengthened without prejudice to the principle of subsidiarity and that the involvement of all levels of government and interested stakeholders in designing and implementing strategies and specific programmes and actions aimed at these regions is fundamental in order to create effective European added value for citizens.

Members are of opinion that the Commission should consider adjustments to how the European Semester and cohesion policy are linked. A system of positive incentives should be proposed, with margins to be created in the new multiannual financial framework (MFF), which could serve as an envelope to be used when Member States comply with the country-specific recommendations and other requirements under the **European Semester**. They called for cohesion policy to continue to be a priority for the Union and to be backed by **ambitious funding** accordingly, even in the light of pressures on the EU budget, and for the synergies with other EU funds to be increased and complementary financial support via financial instruments in the post-2020 multiannual programming framework to be attracted.

Lagging regions in the EU

2017/2208(INI) - 13/03/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 488 votes to 90 with 114 abstentions a resolution on lagging regions in the EU.

According to a Commission report on lagging regions, 47 regions in eight Member States are lagging behind. There are two types of lagging regions:

- **low-growth regions**: regions with a GDP that is close to the EU average but with no growth, this being the case of Italy, Spain, Greece and Portugal;
- **low-income regions**: regions with a GDP that is still very low but with a very encouraging upward curve. In those regions (in Bulgaria, Hungary, Poland and Romania), which were seriously lagging behind at the outset, cohesion policy is working extremely successfully though.

Strengthen economic, social and territorial cohesion: Parliament stressed that cohesion policy plays a key role in ensuring and promoting public and private investment in all EU regions. The EU as a whole should **carry out actions in order to promote its overall harmonious development** and reduce disparities between the levels of development of the various regions and the backwardness of lagging regions.

The Commission is called on to:

- define lagging regions at NUTS III level, on the basis of general economic and social conditions, and to better target the financing of these areas in line with ESI fund programming cycles;
- create tailor-made strategies, programmes and actions for the different lagging regions.

Fight unemployment: Parliament stressed that unemployment remains drastically high, particularly among young people, and represents one of the most serious and pressing problems in the vast majority of lagging regions. It stressed the key role of secondary and higher education, and of professional training in combating the alarming levels of youth unemployment and the large numbers of young people departing these regions.

Members hoped that the implementation of the EU 2020 Strategy in the area of employment, education and training, as well as the forthcoming EU long-term strategy and its objectives, will continue to take due account of the specific needs of lagging regions. In this regard, Members called on the Commission to look into the impact of a **possible increase in the ESF co-financing rate** for the next financing period.

Addressing weak investment: Parliament highlighted the adverse effects of the economic and financial crisis, especially for low-growth regions, which have reduced the margins of budgetary policies, leading to public investment cuts. It stressed the need to apply the agreed position on the **Stability and Growth Pact** regarding flexibility for cyclical conditions, structural reforms and government investments aimed at implementing major structural reforms and similar projects, with a view to achieving the Europe 2020 goals.

Members also stressed the importance of ensuring easier access to **credit** in order to assist SMEs, to encourage new business models, and to promote growth in lagging regions. They suggested that the Commission should look into the possibility of proposing the allocation of a larger share of support to **community-led local development**.

Improving governance: the resolution stressed the importance of:

- promoting the **quality of administration and institutions** in the regions concerned by disseminating examples of good practice;
- the partnership principle, and of **multilevel governance**, which needs to be strengthened without prejudice to the principle of subsidiarity; and
- involving all levels of government and interested stakeholders in designing and implementing strategies and specific programmes and actions aimed at these regions in order to create effective European added value for citizens.

Members were of opinion that the Commission should consider **adjustments to how the European Semester and cohesion policy are linked**. A system of positive incentives should be proposed, with margins to be created in the new multiannual financial framework (MFF), which could serve as an envelope to be used when Member States comply with the country-specific recommendations and other requirements under the European Semester. They called for:

- cohesion policy to continue to be a priority for the Union and to be backed by **ambitious funding** accordingly, even in the light of pressures on the EU budget;
- the synergies with other EU funds to be increased and complementary financial support via financial instruments in the post-2020 multiannual programming framework to be attracted.