Basic information

2022/2032(INI) INI - Own-initiative procedure	Procedure completed
Economic, social and territorial cohesion in the EU: the 8th Cohesion Report **Subject** 4 Economic, social and territorial cohesion 4.70 Regional policy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	KREHL Constanze (S&D)	10/02/2022
	Shadow rapporteur HETMAN Krzysztof (EPP) TOLLERET Irène (Renew) NIENASS Niklas (Greens /EFA) FITTO Raffaele (ECR) ROUGÉ André (ID) MICHELS Martina (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	RESSLER Karlo (EPP)	06/04/2022
AGRI Agriculture and Rural Development	CIOLOŞ Dacian (Renew)	01/04/2022

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	GENTILONI Paolo

Key events

Date	Event	Reference	Summary
		COM(2022)0034	

04/02/2022	Non-legislative basic document published		
07/04/2022	Committee referral announced in Parliament		
12/07/2022	Vote in committee		
19/07/2022	Committee report tabled for plenary	A9-0210/2022	Summary
14/09/2022	Debate in Parliament		
15/09/2022	Decision by Parliament	T9-0326/2022	Summary
15/09/2022	Results of vote in Parliament		

Technical information

Procedure reference	2022/2032(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic 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/9/08726

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE731.571	20/04/2022	
Amendments tabled in committee		PE732.581	17/05/2022	
Committee opinion	BUDG	PE731.610	23/06/2022	
Committee opinion	AGRI	PE731.615	01/07/2022	
Committee report tabled for plenary, single reading		A9-0210/2022	19/07/2022	Summary
Text adopted by Parliament, single reading		T9-0326/2022	15/09/2022	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2022)0034	04/02/2022	
Commission response to text adopted in plenary	SP(2022)624	16/12/2022	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary

Contribution	CZ_SENATE	COM(2022)0034	25/05/2022	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
TOLLERET Irène	Shadow rapporteur	REGI	06/05/2022	Régions de France
TOLLERET Irène	Shadow rapporteur	REGI	03/05/2022	Comité des Régions
TOLLERET Irène	Shadow rapporteur	REGI	03/05/2022	Association Nationale de la Cohésion des Territoires
TOLLERET Irène	Shadow rapporteur	REGI	02/05/2022	Montpellier Métropole
TOLLERET Irène	Shadow rapporteur	REGI	02/05/2022	Région Nouvelle Aquitaine
TOLLERET Irène	Shadow rapporteur	REGI	28/04/2022	Toulouse Métropole

Economic, social and territorial cohesion in the EU: the 8th Cohesion Report

2022/2032(INI) - 19/07/2022 - Committee report tabled for plenary, single reading

The Committee on Regional Development adopted an own-initiative report by Constanze KREHL (S&D, DE) on economic, social and territorial cohesion in the EU: the 8th cohesion report.

Need for solid funding

Members considered that cohesion policy can only continue to play its current role if it has solid funding based on the partnership principle and multi-level governance. This means providing at least the **same level of funding** as for the 2021-2027 funding period, taking into account the expected recession, with the addition of budgetary resources from the **Just Transition Fund** (JTF II). New challenges require new funds and cohesion policy needs to be topped up with **new budgetary resources**.

The original objective of cohesion policy, namely to promote and support the ‘overall harmonious development’ of its Member States and regions, should remain the key role of cohesion policy programmes. However, Members insisted that cohesion policy should not become a source of financing to make up for shortcomings in budgetary flexibility, nor face budgetary cuts in response to the crisis.

One CPR, but two separate parts

Regretting that the slow pace of negotiations on the Multiannual Financial Framework (MFF) has led to considerable delays in the programming period, Members called on the Commission to assess the legal possibility of creating two distinct parts within the Common Provisions Regulation (CPR), namely the content-related part (political) and the MFF-related part (financial resources), for the programming period post-2027. The content-related part should be negotiated and concluded before the MFF-related part, to allow for management authorities to start preparing in a timely manner.

Climate change

The report stressed that cohesion policy must promote the full consideration of climate issues. It insisted that future cohesion policy should distinguish between climate change mitigation and adaptation in its monitoring of expenditure and in its thematic focus.

Members called for a new fund, the Just Transition Fund II (JTF II), to be created in the post-2027 programming period at NUTS 3 level, with a revised allocation method. The Fund should be **fully integrated into the CPR**, while applying the principles of shared management and partnership. Regions with high CO2 intensity per capita, as well as industries in transition, should have access to this fund, which should have greater financial means than the current JTF and a wider scope.

Co-financing

Members believe that the co-financing rate under the ‘Investment for jobs and growth’ objective at the level of each priority, under normal circumstances, should not exceed: (a) **85%** for less developed regions and outermost regions, (b) **75%** for regions in transition, if maintained, (c) **70%** for more developed regions. All three rates should be increased in case of emergency, using the flexibility amount.

The report urged support for the industrial, social and environmental transition of deindustrialised regions. To address the potentially negative consequences of the transition of old industries, such as steel and aluminium, and to support these sectors, JTF II resources should be directed towards their modernisation where possible. The EU is invited to develop an ambitious reindustrialisation policy for the EU regions.

Support for rural and urban areas

The report stressed the importance of supporting rural areas by improving transport connectivity, broadband, service provision, economic diversification and job creation, and by helping them cope with challenges such as rural desertification, ageing, depopulation and rural depopulation. Given that only 11.5% of people in rural areas work in agriculture, forestry and fisheries, Members called for the **reintegration of the EAFRD** into the strategic framework of the CPR as a separate fund.

Members reiterated the importance of **urban-rural links** and of developing strategies based on functional areas, with particular attention to small and medium-sized towns, in order to prevent the decline of rural areas. They also called for a specific budget based on new resources that would provide solutions for the development of **sustainable and innovative urban areas**. Cities and urban authorities should have direct access to EU funding in the future.

Outermost regions

Members regretted that the 8th report pays no particular attention to the progress made in achieving economic, social and territorial cohesion in regions that suffer from severe and permanent natural or demographic handicaps, such as the outermost regions. They stressed the importance of designing **tailor-made measures and programmes**, as the majority of the outermost regions are still among the least developed regions.

Middle-income regions

Members noted that some regions face the ‘middle income trap’ and often have declining and ageing populations, struggling manufacturing industries, low growth, lack of innovation, low competitiveness, low productivity, poor quality of government, little progress towards just transition, and vulnerability to shocks caused by globalisation. They believe it is crucial that the Commission identifies these regions and allocates **more ESF+ funds** to them in the next programming period.

Simplification

Members believe that simplification should be one of the main drivers of future cohesion policy. They called on the Commission and Member States to avoid placing an additional administrative burden on managing authorities. They also stressed the importance of respecting the partnership principle in all programming, implementation and monitoring of EU cohesion policy, and of close cooperation between regional and local authorities, NGOs and other stakeholders.

Territorial cooperation

The report regretted the Council's freezing of the legislative process on the European cross border mechanism. It called on the Commission to take all necessary initiatives, including the **relaunch of the European cross-border mechanism**, to make this cooperation more dynamic and effective for the benefit of the people.

Lastly, Members believe that the reflection on the future of cohesion policy after 2027 needs to continue to take into account the lasting economic and social consequences of **Brexit** in the EU regions. They also called on the UK government to fund the UK's participation in Interreg.

Economic, social and territorial cohesion in the EU: the 8th Cohesion Report

2022/2032(INI) - 15/09/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 448 votes to 61, with 75 abstentions, a resolution on economic, social and territorial cohesion in the EU: the 8th cohesion report.

Need for solid funding

Members considered that cohesion policy can only continue to play its current role if it has solid funding based on the partnership principle and multi-level governance. This means providing at least the same level of funding as for the 2021-2027 funding period, taking into account the expected recession, with the addition of budgetary resources from the Just Transition Fund (JTF II). New challenges require **new funds** and cohesion policy needs to be topped up with new budgetary resources.

Members insisted that cohesion policy should not become a source of financing to make up for shortcomings in budgetary flexibility, nor face budgetary cuts in response to the crisis. As a long-term investment policy, cohesion policy should help to prepare regions for future challenges.

One CPR, but two separate parts

Regretting that the slow pace of negotiations on the Multiannual Financial Framework (MFF) has led to considerable delays in the programming period, Members called on the Commission to assess the legal possibility of creating two distinct parts within the Common Provisions Regulation (CPR), namely the **content-related part (political) and the MFF-related part (financial resources)**, for the programming period post-2027. The content-related part should be negotiated and concluded before the MFF-related part, to allow for management authorities to start preparing in a timely manner.

Climate change and Just Transition Fund

Stressing that cohesion policy must promote the full consideration of climate issues, the resolution insisted that future cohesion policy should distinguish between climate change mitigation and adaptation in its monitoring of expenditure and in its thematic focus.

Members called for a new fund, the **Just Transition Fund II** (JTF II), to be created in the post-2027 programming period at NUTS 3 level, with a revised allocation method. The Fund should be fully integrated into the CPR. Regions with high CO2 intensity per capita, as well as industries in transition, should have access to this fund, which should have greater financial means than the current JTF and a wider scope.

Members also called for a significant increase in the EU Solidarity Fund (EUSF) budget to help regions anticipate and mitigate the effects of climate change.

Co-financing

Parliament considers that the co-financing rate under the 'Investment for jobs and growth' objective at the level of each priority, under normal circumstances, should not exceed: (a) **85%** for less developed regions and outermost regions, (b) **75%** for regions in transition, if maintained, (c) **70%** for more developed regions. All three rates should be increased in case of emergency, using the flexibility amount.

Middle-income regions

Some regions face the '**middle income trap**' and often have declining and ageing populations, struggling manufacturing industries, low growth, lack of innovation, low competitiveness, low productivity, poor quality of government, little progress towards just transition, and vulnerability to shocks caused by globalisation. Members consider it crucial that the Commission identifies these regions and **allocates more ESF+ funds** to them in the next programming period.

Parliament also recommended, inter alia:

- supporting the industrial, social and environmental transition of **de-industrialised regions**, including the transition of old industries, such as steel and aluminium, by directing JTF II resources towards the modernisation of these sectors where possible. Members called for an ambitious reindustrialisation policy for the EU's regions;

- supporting rural areas by improving transport connectivity, broadband, service provision, economic diversification and job creation, and by helping them to tackle challenges such as rural desertification, ageing, depopulation and rural depopulation. Members called for the **reintegration of the EAFRD** into the strategic framework of the CPR as a separate fund;

- recognising the importance of **urban-rural links** within the context of functional urban areas, with a particular focus on small and medium-sized towns, to prevent the decline of rural areas. Members called for a specific budget based on new resources that would provide solutions for the development of **sustainable and innovative urban areas**;

- designing measures and programmes adapted to the outermost regions, given that the majority of these regions are still among the least developed;

- taking all necessary initiatives, including the relaunch of the European cross-border mechanism, to make **territorial cooperation** more dynamic and to continue to address the lasting economic and social consequences of Brexit in the EU regions.

Simplification

Members believe that simplification should be one of the main drivers of future cohesion policy. They called on the Commission and Member States to avoid placing an additional administrative burden on managing authorities. They also stressed the importance of respecting the partnership principle in all programming, implementation and monitoring of EU cohesion policy, and of close cooperation between regional and local authorities, NGOs and other stakeholders.