

**General Secretariat
Council of the European Union**

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SN XXXX

NOTE

For the attention of:

Mr Carlos Ocaña y Pérez de Tudela,

Secretary of State of Budget and Expenditure, Spain

**Subject: Contribution for your appearance before the Regional Development Committee of
the European Parliament on 25/26 January 2010 (tbc) at 15h00-16h30**

Please find attached background elements for your appearance in the EP on 25 January 2010.

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1. Legislative Files, in particular General Regulation on Structural Funds

The Council has, by unanimity, agreed at the level of Coreper on its general approach with regard to the suggested modification of the General Regulation (doc. 16490/09). As the views of Member States largely deviated from the proposal of the Commission, the Commission couldn't agree with the Council's general approach. On the other hand, it was clear that for many Member States the agreed approach, in particular in relation to the financial part of the proposal, presents the absolute maximum, and there is no additional flexibility in this regard. This is largely because all Member States, including the net payers, are having enormous budget deficit problems.

The Parliament's REGI Committee has informally started to work on the Commission proposal, but has in practice taken the Council's general approach as the basis for the work. There have been informal contacts between the Presidency and the rapporteur, Mr Kirilov.

It is important that the EP by and large follows the Council's general approach so that the Regulation could be adopted without unnecessary delays. This is necessary, because the financial parts of the Regulation are aimed at alleviating the liquidity problems in those Member States that have been most hard hit by the economic crisis.

Apart from the General Regulation, and the suggested modifications to the ERDF Regulation, where there is in practice already an agreement with the Parliament, and only the final formal steps need to be taken, the Commission is not expected to come up with new legislative proposals during this programming period.

2. Territorial Cohesion

The European Union (EU) has an incredibly rich territorial diversity. Territorial cohesion is about ensuring a balanced development of all these places and about making sure that our citizens are able to make the most of inherent features of their territories – to transform diversity into an asset that contributes to sustainable development of the entire EU.

The Lisbon Treaty states that the EU *shall promote economic, social and territorial cohesion, and solidarity among Member States.*

There are five specific strands of cooperation, which are quite different from a territorial point of view:

1. *cross-border cooperation*, i.e., cooperation between neighbouring regions separated by national borders;
2. *transnational cooperation*, i.e., cooperation covering larger areas, such as the Baltic Sea, the Danube basin, the Alpine and Mediterranean regions;
3. *interregional cooperation*, i.e., cooperation between non-neighbouring regional and local bodies in different countries.
4. *cooperation across the EU's external borders*;
5. *European Grouping of Territorial Cooperation (EGTC)*, a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation.

Cross-border cooperation

Border regions represent 39.5% of the population of the EU 277. They can include both areas on a local scale (agglomerations, metropolises, and rural or protected natural areas) and on a wider level (Euro-regions along a land or maritime border between two countries).

As with territorial development within an individual country, there is a vertical division of competences between these different levels. The local level is appropriate for integrated delivery of services to the population and businesses within functional areas (for instance in cross-border agglomerations to deal with daily mobility). The regional level covers coordination between regions and countries along their shared border (for instance for economic development, research, planning of large-scale infrastructure developments).

The Lisbon Treaty mentions "cross-border regions" as having "a severe and permanent handicap". Indeed, cross-border territories often face several difficulties due to geographical obstacles, such as mountain or rivers, and also barriers due to language, culture, etc, that need to be surpassed by cross-border information, education and training. Non-harmonised legislation (labour, taxes, etc) and indeed even European legislation may be implemented differently across borders. This hampers the mobility of labour and services. EU sectoral policies (e.g., Services of general interest, Natura 2000, competition, TEN- T, CAP) are not always appropriate for the specific context of the cross-border regions.

To tackle the challenges and fully exploit the territorial potential, horizontal coordination of sectoral policies is required, as well as an integrated approach through the development of cross-border spatial development strategies. This does not necessarily imply a change of competences, but may also be done through networking of existing relevant players. In addition to horizontal coordination, there is also need for vertical coordination as asymmetrical competences across borders often hamper cooperation. More robust indicators also need to be developed to capture cross-border issues more succinctly.

The governance of cross-border regions should involve all regional and local, public and private actors, on both sides of the border. Networking must be further developed, involving private sector interests (often forgotten in programme partnerships), civil society, universities and public service bodies. The role of the citizens and elected representatives is of primary importance; involvement by the general public can be encouraged through citizen forums, people-to-people or cultural projects.

Transnational cooperation

Transnational cooperation allows for the development of global integration zones through horizontal and vertical coordination on the scale of macro regions, such as maritime and river basins.¹¹ The EU Strategy for the Baltic Sea Region¹² is a prime example of this particular aspect of territorial cohesion. Transnational cooperation areas may also present themselves as functional regions going beyond shared geographical features; for instance, the Alpine space covers an area wider than the mountains.

In the transnational context, national legislation along borders needs to be coordinated (just as for cross border cooperation). Many see transnational areas as an intermediate scale which allow regional, national and European levels to: reach a common understanding of the impact of European policies (TEN T, motorways of the sea; state aids; maritime safety; environment; energy; CAP; competition); define strategies covering sectoral and territorial policies, and; integrate various governance levels. In this respect, the EU Baltic Sea Strategy can be regarded as a test case. More robust indicators are, however, a key requirement to underpin this development.

In some cases, greater synergy between transnational programmes and existing macroregional cooperation platforms such as intergovernmental conferences is required.

Inter-regional cooperation

It is necessary to strengthen this form of cooperation as an instrument of territorial cohesion, to allow non adjacent regions with similar objectives to exchange experience, less affluent territories to access to innovation networks, and all regions to benchmark themselves.

Interregional cooperation should also be better adapted to the needs of local and regional authorities, with a thematic scope widened to include territorial, social and policy innovation.

External borders

The cross-border European Neighbourhood and Partnership Instrument (ENPI/CBC) needs to be strengthened, and include a better coordination (or even integration) of EU internal and external cooperation. Cooperation between EU countries, and countries concerned with ENPI or IPA (Instrument for the Pre Accession Assistance) should be facilitated. A part of their budget could be allocated to interregional cooperation, and non-member states could be associated to network programmes.

The geographical isolation of the EU's outermost regions, which have access often only to limited local markets, is an impediment for their development. Therefore a central objective for development is to improve integration with both neighbouring areas and the EU.

European Grouping of Territorial Cooperation (EGTC)

EGTC is an important tool for the multi level governance of programmes or projects. It promotes effective cooperation to cover a broad range of activities, brings people closer together, allows transfer of knowledge and exchange of good practices.

Integrated development at the infra-regional scale is based on a 'bottom-up' methodology that is: strategic and multidimensional; based on local partnerships, and; where networking and capacity building are important building blocks. This methodology - hereafter referred to as the Local Development Methodology (LDM) - can be implemented through specific instruments for integrated local development particularly in sub-regional territories such as urban and rural areas but also in functional areas such as urban-rural territories or cross-border regions.

The LDM can be an effective tool in addressing issues related to social and economic development. It is possibly the only effective way to address questions related to social inclusion and the specific challenges facing inhabitants in disadvantaged (urban and rural) areas. The LDM can also be a tool to tackle global challenges (e.g., energy, climate change, globalisation etc.) at the local level.

Through its strategic and cross-sectoral character, the LDM can be an effective tool for fostering an integrated approach to development built on local partnerships between public, private and voluntary organisations. The effectiveness of structural policies can be substantially increased if the different characteristics of regions are better taken into account, and if relevant lower levels fully participate and complement national measures with local ones. By being close to citizens, LDM helps to tailor actions to local needs and adds a local dimension to national policies. It can spur entrepreneurship and innovation by encouraging initiative and promoting participation, ownership and empowerment of local actors.

Following the LDM approach, integrated urban development can be said to coordinate different sectoral policies on the ground. Promoted within EU regional policy for the last 20 years, it is closely linked to the regeneration of deprived urban neighbourhoods. The URBAN Community Initiative has provided an experimental, but potentially highly effective framework to develop and implement solutions for such areas during the 1994-1999 and 2000-2006 programming periods.

Contrary to the previous programming periods, the current legal basis for integrated urban development in cohesion policy is based on provisions in the ERDF Regulation and in the General Regulation. There is potentially a larger share of budget available than previously, as funding is no longer limited to the URBAN Community Initiative (€ 727 Mio. in 2000-2006 or 0.4 % of the Structural Funds budget) In addition, the introduction of JESSICA instrument which – by regulatory definition – requires the creation of integrated urban development plans and expands the financial capacities for urban development can be seen as a further strengthening of the integrated approach to urban development. However, as it is based on revenue generation, the role of this revolving instrument in supporting regeneration of deprived neighbourhoods has its limits.

Cohesion policy does not explicitly target rural areas, but it plays an important role for their development. The key fields of intervention of cohesion policy in rural areas, concern the development of economic activities and employment in the wider rural economy, e.g., ensuring a minimum access to services of general interest - particularly transport infrastructures and ICT networks - supporting environmental infrastructures and services, renewable energy, developing the endogenous capacity and economic diversification of rural areas (including tourism).

The Structural Funds support rural as well as urban development. However, until now the linkages between urban and rural areas have not been specifically addressed by cohesion policy. Exploiting the potential which could be mobilised through innovative partnership between urban and rural areas could contribute significantly to territorial cohesion. A cornerstone of such approach is the principle of integrated and cross-sectoral development, i.e., the LDM approach.

The coordination of policies with territorial impact is a major challenge. In most of the cases it concerns all territorial levels – from the local and regional, to the national and the EU level.

On territorial cooperation, there is *a need to apply an integrated approach to territorial development at the scale of functional cooperation areas*, ranging from cross border agglomerations to macro-regions. For such a cooperation to function well, horizontal and vertical co-ordination issues need to be tackled. This involves not only an alignment of regulations, but also of local, regional, national and European strategies (through coordinated planning), as well as funding. It also requires adapted monitoring systems, and multi-level governance.

There is also *a need to enhance EU wide networking on thematic as well as territorial issues*. EU support through cooperation programmes is needed to improve strategy, coordination, facilitation, monitoring, capitalisation and transfer of experience. It is also important to find a balance between bottom-up and top-down approaches, between strategic focus and adaptation to different territorial contexts. The three strands of cooperation (cross border, transnational, interregional) are not questioned, but some projects may have difficulty in finding their way through existing programmes, raising the question of *greater flexibility*.

On the urban and rural dimension, as well as urban-rural linkages, there is *need for cohesion policy to foster liveable urban and rural communities within a framework based on an LDM model*, building on the experience of Community based initiatives such as URBAN and LEADER. As regards integrated urban development, the current period has seen the mainstreaming of the urban dimension. However, a number of *weaknesses have been identified in the current system that future instruments for assisting urban development will need to address*.

The cohesion policy allocation to the development of rural areas far exceeds the allocation of what is commonly known as wider rural development under the CAP. Key issues are *how to better valorise what is currently being done by Cohesion Policy*, as well as how to achieve *better complementarity and synergy with EAFRD*. The debate on urban-rural linkages has identified a need for *better coordination of funds and possibilities to assist urban-rural partnerships at the level of functional areas*.

There is also need for *better coordination of public policies to maximise synergies and to avoid possible conflicts on the ground*. This calls for *better analysis and understanding of the territorial impacts of policies*, together with an improvement of existing strategic coordination tools. This could be done by intensifying inter-service work on the territorial dimension and impacts of EU policies using a solid evidence base (e.g. ESPON, general as well as targeted sectoral ex-ante and ex-post impact assessments, etc.), considering common or better coordinated strategic guidelines or regulations, etc.

Better policies also rely on *a solid knowledge base on territorial development across the EU*.

3. The Future of the Cohesion Policy

(NB. See also in Annex an article by Agence Europe on the EP debate on the future of cohesion policy held during the plenary in December 2009.)

Today's world is undergoing rapid changes with the global economy becoming increasingly interdependent and a multiplicity of actors interacting in a myriad ways. The financial and economic crisis has shown that global interdependences generate asymmetric effects and offer a new set of constraints and opportunities for development. Against the background of rapidly changing circumstances, it is essential to ensure that public policies continuously evolve and effectively address market failures. A distinct challenge for public policy in Europe will be to make a successful exit from the extraordinary measures undertaken in response to the crisis and ensure that the necessary preconditions for long-term sustainable development across Europe are in place.

The reflection process on the future cohesion policy takes place in an evolving European policy context. A fundamental review of the Union's policies is underway with the aim to establish the vision of an integrated EU2020 strategy. The Lisbon Treaty gives explicit recognition to territorial cohesion as a fundamental objective of the Union in addition to economic and social cohesion implying that territory matters and Community policies should ex-ante give more consideration to their territorial impact. The Treaty also introduces a new definition of subsidiarity providing the opportunity to strengthen the role of regional and local actors.

The past few months have been particularly rich in discussions. The communiqué signed by ministers in charge of regional policy in Mariánské Lázně in April 2009 underlined the contribution cohesion policy makes to European integration and stressed the need for cohesion policy to 'continue to promote its basic objectives as laid down in the Treaty'. Ministers endorsed shared management, multi-annual programming and multi-level governance as key assets and 'preconditions of the success of cohesion policy on the ground'.

Resolutions adopted by the European Parliament in early 2009 underlined the need for cohesion policy to evolve in the context of global challenges which will have a differentiated impact across Europe and called for enhanced policy coordination at EU level. The complexity and rigidity of rules and procedures were considered as major obstacles hindering cohesion policy to fulfil its potential.

The financial crisis and subsequent economic recession has revealed inherent structural weaknesses in many countries and regions in Europe regardless of their level of economic and social development. Processes of convergence between Member States and regions could be slowed over the coming years by lower growth rates, weaker public investment and fiscal retrenchment. This will put further strain on the capacity of national and regional authorities to deliver public services and on economic and social cohesion. It will be essential to find the right exit strategies from the crisis and position European economies for the long-run, to ensure that the full benefits of economic integration are reaped over the coming years.

However, there are also opportunities to implement structural reforms, reassess comparative and competitive advantages, identify new sources of growth and design development strategies with accompanying policy instruments. In this respect, Member States and regions are essential actors in providing structural responses to these challenges in the changing context.

Cohesion policy will continue to play an important part as a pillar of European integration by facilitating adjustment to new circumstances. Its role in promoting overall harmonious development and addressing regional imbalances will be more relevant than ever in the post-crisis period. In particular, cohesion policy can help address these challenges by:

- Supporting the development and structural adjustment of regions through investments of the European Regional Development Fund; and
- Improving employment opportunities, facilitating adaptation to industrial changes and fighting social exclusion through the European Social Fund;
- Improving connectivity and environmental sustainability through the Cohesion Fund. European cohesion policy, with its strong focus on social, economic and environmental development, is the clearest expression of Europe's commitment to solidarity, which should remain at the heart of European integration.

The mission of cohesion policy is defined in the Treaty without ambiguity; to promote balanced and harmonious development, in particular by reducing social and economic disparities between regions. Cohesion policy is a development policy aiming at promoting long-term sustainable growth and prosperity in European regions through removing barriers to growth and facilitating processes of structural adjustment. A further motivation behind a development policy run at EU level lies in the existence of strong cross-border interdependencies and the need for reinforcing linkages between leading and lagging areas, maximising cross-border spill-over effects and gearing investments towards EU priorities.

Cohesion policy is the primary EU instrument for mobilising territorial assets and potentials and addressing the territorial impacts generated by European integration. The strong territorial dimension of the policy has been recognised in the Lisbon Treaty with the introduction of the concept of territorial cohesion. It is a policy that mobilizes endogenous potentials across Europe and facilitates finding new innovative solutions to improve competitiveness and to effectively respond to pressing challenges.

Through its territorial approach, cohesion policy offers a unique and modern governance system which values and exploits local and regional knowledge, combines it with strategic direction, and coordinates interventions between levels of government. Through place-based approaches it provides the framework for integrated solutions tailored to people's knowledge and preferences avoiding a one-size-fits-all approach. It invests in improving the capacity of national and regional administrations and it is the only Community policy which has the capacity to mobilise actors across all EU boundaries.

Cohesion policy is an essential part of the economic policy framework of the Union alongside macroeconomic and micro-economic policies. For this reason, the policy must be strongly linked to the Single Market and key Community priorities, in particular those of the EU2020 strategy. Cohesion policy can facilitate transition to a smarter and greener economy across Europe. By mobilising territorial potential and complementing EU policies, cohesion policy can contribute to maximise the impact of other EU priorities.

To achieve its overall development goals, cohesion policy must address three key territorial issues in maximising the benefits of European integration – the failure of lagging regions to fulfil their development potential, the need for continued adjustment at regional level to increase competitiveness and employment in the context of a low carbon economy, and the need to address cross-border barriers to integration.

Cohesion policy must ensure faster convergence through economic and social integration and greater connectivity in the Single Market. To achieve this, the policy should continue to focus on addressing market failures and ensure that regions make full use of their development potential in the context of European economic integration.

In achieving its development objectives assigned by the Treaty, cohesion policy should focus on activities that foster development, provide high European added value and are directly linked to key EU policy priorities.

Policy effectiveness is determined by a complex interplay of factors arising from many areas. Cohesion policy operates in the context of broader social, economic and political realities. Strategic choices, spending priorities, delivery systems and administrative capacities are key determinants of policy effectiveness along with socio-cultural values, governance arrangements and national policy contexts.

The effectiveness of cohesion policy needs to be increased. The emerging results of the ex-post evaluation of the programming period 2000-2006 show that the performance of cohesion policy varies widely between countries and regions. Sound macroeconomic conditions, a favourable microeconomic environment, strong institutions and experience in management of development programmes are conducive to the success of the policy. The evaluations also demonstrate the need for use of more rigorous methods, in order to generate more credible evidence on the performance of the policy.

The preparation of the next generation of programmes will provide the opportunity to increase the effectiveness and the quality of delivery of cohesion policy. It is important to seize this opportunity to review cohesion policy in order to increase its focus on results and impact.

Increasing the effectiveness of cohesion policy requires (i) a concentration of the policy on a limited number of priorities in line with the future EU 2020 strategy, (ii) a stronger link between performance/results and incentives/conditionalities (iii) a strengthened strategic dimension of the policy including the introduction of a high-level debate, (iv) increased coherence and coordination with sectoral policies at national and EU levels to achieve greater synergies and (v) a decisive move toward a simpler, more efficient and transparent management and control system.

The financial and economic crisis has also shown the necessity to examine new ways to react swiftly to shocks in close coordination with existing instruments.

Effective responses to challenges facing Europe require co-ordinated and coherent policy approaches and instruments acting at different levels - European, national and sub-national. In this context, cohesion policy has a unique (and irreplaceable) role to play in the delivery of integrated development strategies that link interventions in different fields - infrastructure, human resources development and business environment - into a coherent policy package that fits the regional or local context. Evidence however increasingly suggests that the potential dividends between cohesion policy and other Community and national policies are not being fully realized. It is therefore necessary to review existing coordination mechanisms and overcome divisions between functionally divided systems in order to ensure adequate policy coordination among a multiplicity of actors and institutions.

Cohesion policy is delivered under shared management. One of the key strengths of the policy is the specific delivery system which has been reinforced over the past 20 years and has generated positive spill-overs to domestic policies. There nonetheless remains scope for examining how management and control mechanisms could further evolve to become more efficient, simpler and appropriate to different types of risk. A better balance should be found, on the one hand, between the rules and procedures required for ensuring the legality and regularity of EU expenditure and on the other making cohesion policy more performance-oriented and cost-efficient.

The delivery system for cohesion policy in place today has been developed on the basis that this important part of the EU budget is subject to shared management. The system which has evolved effectively ensures that funding under cohesion policy is programmed, implemented and undergoes control and audit in a partnership including EU, member state, regional and local levels. Successive reforms of cohesion policy have also rendered management and control systems more effective, clarified the division of tasks between the different levels and simplified some elements. However, there is a need to address the complexity of cohesion policy delivery through simplification, without weakening the measures which give assurance on the regularity of spending.

The triennial review of the Financial Regulation in 2010 provides an opportunity for simplifying financial rules and streamlining modes of management prior to agreement on the next financial framework. One key area for simplification relates to the rules and procedures governing financial engineering. Work has also started towards a common understanding of the tolerable risk of error for different policy areas. It would be desirable for cohesion policy if this could lead to an acceptance of a differentiated level of tolerable error year on year during programme implementation and at programme closure, to reflect the multiannual governance arrangements of the policy. Furthermore, all audit bodies involved in auditing structural actions should apply a common approach to determining errors and error rates. Better coordination between different levels of controls will be essential as well.

There is also scope to review and possibly adjust certain elements of the cohesion policy implementation system to ensure greater efficiency and effectiveness in the use of EU funds. This concerns in particular: (i) management and control systems (differentiation), (ii) financial flows, (iii) eligibility rules, (iv) co-financing, (v) the de-commitment rule, (vi) verification of additionality and (vii) the role of the private sector and financial engineering.

4. Strategic Report on Cohesion Policy

According to Article 30 of the General Regulation, the Commission should by 1 April 2010 present a strategic report summarising the reports of the Member States on the functioning of Structural Funds, and on how the use of the Funds has contributed towards reaching the overall objectives of cohesion and structural policy.

This will be the first time when such a report is presented in the middle of the programming period. Another, final report will be presented by the Commission by 1 April 2013.

The Council will examine carefully the Commission's report, and is prepared to take any necessary follow-up action. Whether this will take place by adoption of Council Conclusions based on the report or by some other means, needs still to be considered.

5. Activities (meetings etc.) during the Spanish Presidency

To be elaborated by the Presidency itself.

(Agence Europe, 19 December 2009)

(EU) EP/COHESION: MEPs call for Commission to set clear position on the future of regional policy

Brussels, 18/12/2009 (Agence Europe) - "There is no question: the cohesion policy will be integrated into the strategy of the EU 2020. The cohesion policy is the key element at the disposal of the European Union and the Member States. It is the long-term political instrument needed to allow the regions to develop their full potential. The Commission is prepared to continue discussions with the European Parliament and, in the months to come, it will give them an answer to their questions". It was with these words that Pawel Samecki, the Commissioner for Regional Policy, sought to appease the concerns of the members of the European Parliament after the draft budgetary revision of the European Commission was made known to them (EUROPE 10004), and which appears to call into question the fundamental principles of regional policy. The MEPs grilled the Commissioner on the lack of clarity in the positions of the Commission, fears that regional policy could be renationalised post-2013 and the risk that Objective 2 (competitiveness/employment) may no longer be covered. The MEPs also sought reassurance that all of the regions will be eligible for financial aid from the EU. The vast majority of them pleaded in favour of a reinforcement of the cohesion policy, which they feel must continue to be implemented at regional level, in all the regions of Europe, and allow the EU to face current challenges by funding targeted projects. However, Pawel Samecki declined at this stage to reveal the Commission's official position on the future of this cohesion policy, but promised that his successor would adopt a "clear position by autumn 2010".

"Cohesion is a notion which excludes exclusion. The cohesion policy cannot sow discord. For political, economic and social reasons and reasons of legitimacy, it must be the policy of everyone. As is the internal market and single currency. Single market, single currency and cohesion mutually reinforce each other and depend upon each other. They are our European public good", said Danuta Hübner, (EPP, Poland), president of the committee on regional development, going on to ask the current position of the Commission on the following points: (1) multi-level governance, (2) the possibility of abandoning Objective 2 (competitiveness/employment), (3) the weakening of the principle of additionality for the renationalisation of various elements of the current cohesion policy of the EU, (4) the regional dimension of the cohesion policy post-2013, (5) the involvement of the various levels of regional and local governance in achieving European objectives laid down in the framework of the cohesion policy post-2013, (6) the eligibility of all of the European regions, (7) the local dimension of the cohesion policy and, in this framework, how long before the Commission will publish a White Paper on territorial cohesion, as requested by the EP, (8) the role of the European Social Fund (ESF) in the cohesion policy, and, (9) the role of the cohesion policy in relation to the other Community policies.

Commissioner Samecki told Ms Hübner: (1) multi-level governance has been acknowledged as the fundamental mechanism of the cohesion policy; (2) the possibility of abandoning Objective 2 and eligibility of all the regions: over the period 2007-2013, they will all be eligible for the structural funds. Post-2013, "*the Commission has no official position at this stage*"; (3) additionality is a basic principle of the cohesion policy which guarantees that the measures of the EU have a genuine economic impact and bring considerable European added value to the cohesion policy; (4) the regional dimension of the cohesion policy post-2013: the Treaty keeps in place the objective of reducing the disparities between the various regions and supporting the least-developed regions. Article 176 stresses that the objective of the ERDF (European Regional Development Fund) is to redress the main regional imbalances in the EU and to support the regions lagging behind in terms of development, particularly regions in decline; (5) local and regional governance: the Commission has "*still not specified its position on the role to be played by cohesion policy in the strategy of the EU 2020*", but the cohesion policy has the power to support all stakeholders (local and regional players, unions, employers, etc) in targeting European objectives; (6) publication of a White Paper on territorial cohesion: "*at this stage, no White Paper on this subject is planned*"; (7) role of the ESF: it will target its own objectives as laid down in chapter 11 of the new Treaty; (8) role of the cohesion policy in relation to the other policies: the cohesion policy is the greatest source of investment in the real economy.

Lambert van Nistelrooij (EPP, Netherlands) lamented the fact that the EP's request to have a mid-term assessment of the use of the funds had not been accommodated in the Commission's non-paper. *"The new Commission must come before the Parliament with real documents and not make fun of regional policy, which is the framework to consolidate the green and sustainable economy"*. He went on to tick Commissioner Samecki off: *"You say that you will not publish a White Paper on territorial cohesion. But it is the EP which makes this decision, under co-decision!"*. *"It is not right of the Commission to publish strategic documents when money is so scarce"*, said Elisabeth Schroedter (Greens/EFA, Germany), adding: *"We need a Commission which says yes to the mechanisms of solidarity, yes to regions which get to decide for themselves what they need"*. Bruno Gollnisch (Independent, France) voiced his astonishment at the *"secrecy surrounding the Commission's non-paper"*. He is therefore awaiting *"clear explanations"* from the Commission. Rodi Kratsa-Tsagaropoulou (EP, Greece) is also awaiting a *"very clear"* statement from the Commission on two points: *"Do you intend to make innovative proposals that we can accept, without any desire for renationalisation? What will be the future of Objective 2? We need it for the competitiveness of the regions!"*

In the view of Constanze Angela Krehl (S&D, Germany), the main point for regional policy post-2013 is *"the solidarity between the regions, and that is non-negotiable"*. We cannot do everything with European funding, she added. We must concentrate on infrastructure and bear in mind the bigger picture, climate and demographic change, globalisation, urban developments (80% of European citizens live in towns and cities, Ms Krehl pointed out) and remember human beings in the framework of a social cohesion policy. She regretted the fact that rural development is not dealt with by regional policy. On the subject of infrastructure, Oldrich Vlasak (ECR, Czech Republic) called for an *"agenda of intelligent cities, a system of intelligent transport to put an end to congestion in the cities"*. *"Reinforcing support to the cities is extremely important, because this is where the greatest economic potential lies"*, said Cornelia Ernst (GUE/NGL, Germany).

Filiz Hakaeva Hyusmenova (ALDE, Bulgaria) warned against the tendency to allow the gaps between the regions to increase. Charalampos Angourakis (GUE/NGL, Greece) noted that above all, the cohesion policy helps to *"contribute to capitalism. The gap between the regions is replaced by competition"*. *"The very fact of wanting to be more integrated and federated leads us to abandon the regional dimension"*, said John Bufton (EFD, UK). *"The absence of regional policy would be a total absence of the regions at European level"*, said Markus Pieper (EPP, Germany). This would mean that the European context was lost from view, spelling a *"return to renationalisation! This would be unacceptable"*, he said. He concluded the need for greater transparency and efficiency. *"This is what we expect from the cohesion policy and we will do all we can to defend the regional policy"*. Georgios Stavrakakis (S&D, Greece) regretted the fact that *"some people within the Commission seem to forget that the cohesion policy is a policy of development solidarity, for all the citizens in all regions. But we intend to remind them of this fact!"*, he warned. For Michaël Theurer (ALDE, Germany), the cohesion policy gives Europe visibility. Tamas Deutsch (EPP, Hungary) is also hoping to see a *"clear position of the Commission"* on the cohesion policy, a policy which he believes should be integrated into the rural development policy. François Alfonsi (Greens/EFA, France) believes that territorial cohesion is a political priority which should come under the heading of the budgetary policy. Sophie Briard-Auconie (EPP, France) identified with what Danuta Hübner said, adding that *"those who believe that regional policy can be limited to Brussels and the national capitals have no idea of European reality"*. Alain Cadec (EPP, France) took position in favour of a cohesion policy which is *"strong and well-funded, which allows the convergence of European regions"*. He added that *"it is also vital to reject any prospect of the renationalisation of the cohesion policy, which would remove from the regions the choice on how to divide up the structural funds and reduce to virtually zero the regional dimension of this policy"*. Lastly, Mr Cadec said that he hoped for a *"more forthcoming attitude on the preparation of a White Paper on territorial cohesion, so that we can work together with proper cooperation"*. Defending the cohesion policy and fighting against any form of renationalisation was also the credo of Ricardo Cortes Lastra (S&D, Spain), Wojciech Michal Olejniczak (S&D, Poland) and Luis Paulo Alves (S&D, Portugal). Nuno Teixeira (EPP, Portugal) welcomed the fact that article 344 Treaty of Lisbon refers to the extremely remote regions and stresses their specific natures. Sean Kelly (EPP, Ireland) stressed the need to acknowledge the existence of considerable gulfs between the regions. *"Very often, the comparison criteria are related to national GNI, but this is not how it should be done. It should be based on purchasing power of the people"*, he concluded. (G. B./trans.fl).

Defensive points

The only issue, where the Presidency may have to be defensive, is the General Regulation. The line to be taken in this issue is already explained above in the background.

As to the other matters, in particular the future of the cohesion policy, the article Agence Europe, which is in the Annex to the background, gives a comprehensive picture of the views of the MEPs on this matter.
