



European Committee
of the Regions

SPEECH BY 1ST VICE PRESIDENT TZITZIKOSTAS

CALRE

DEBATE ON COHESION

17 MARCH 2023, 10H00 (CoR JDE 70)

Dear President Madrane,

I would like to thank you for your kind invitation: I am very pleased today to meet once more with the representatives of the CALRE, as I had the occasion to do during my presidency of the Committee of the Regions.

I would also like to thank you for choosing to gather your commission at the headquarter of the Committee of the Regions, as this is our common house in Europe, and we need to strengthen our ties at this very moment when we start talking about the future of cohesion, a topic of concern for many of us.

Today, I would like to share with you our worries about the future modalities of the **management of cohesion funds**.

Soon, we will need to plan a shared strategy in order to defend its **volume**, and this is in the context of the revision of the financial framework of the EU.

During the pandemic and the first year of the war, Member States and the European Commission favored centralisation over the partnership principle in order to manage the emergency.

If we had to accept this procedure over the last 3 years - so allowing funds to be swiftly redeployed in the darkest hours of the sanitarian crisis in all European regions, and in the first hours of the war in Ukraine by allowing local authorities to re-direct funds in order to shelter displaced people – we thought this practice was over.

But when the European Parliament's Commission on regional policy gave its green light also for further applying flexibility about cohesion funds in order to cope with the raising cost of energy and inflation, **our doubts started turning into worries.**

Indeed, the emergency modality **cannot become the new normal**, as cohesion policy is still needed to plan long-term strategies of investments.

Actually, it is the only European fund for that purpose.

New emergencies will happen again - just think of the climate crisis - **but you cannot further harm cohesion policy.**

We need to avoid funds being further diverted to other purposes, and bottom-up governance being hijacked.

The centralization experienced during the crisis management, I refer in particular to the Recovery and Resilience Fund, has widened the gap between expectations and deliveries, as the lack of territorial impact assessment has weakened the accuracy of the instruments, missing the territorial development.

In addition, we also experienced an **unhelpful 'competition' between the Recovery and Resilience Funds and Cohesion Policy**, with Member States under pressure to come up with their National Recovery and Resilience Plans fairly quickly, which led

to delays in the preparation of the Partnership Agreements across EU Member States.

This has caused strong delays in spending: we are two years into the programming period and no money has been spent yet.

Dear colleagues,

Point is that **we still need cohesion funds** to successfully implement the green and digital transition, with particular attention to new challenges provoked by the demography challenge or climate change.

Shrinking of population, low share of high education, and departure of young people from rural areas, just to give an example, must be counterbalanced through long-term investments which can bring 5G connection away from urban areas and this to allow the digital transition to happen everywhere: those instruments are grounded on the cohesion policy.

There is therefore a **need to alert all our allies**, and I think in particular to the European Parliament, which will co-draft the new regulations in 2025, and all the regions with legislative powers, which have a strong influence in their respective member states.

And we need to act quickly if we also want to maximize the advantage given by two consecutive forthcoming presidencies of the Council of the European Union, Spain and Belgium between July 2023 and June 2024, both countries with strong regions.

In this context, the Committee of the Regions' **Cohesion Alliance** will play a pivotal role to make emerge our voice for a strong cohesion policy.

As you know, the European Commission has recently established a **High-Level Expert Group on the Future of Cohesion Policy**, which is expected to put forward its strategic conclusions and recommendations in early 2024, so that these could feed into the 9th Cohesion report.

President Lambertz will be an active member of this Group and I believe we will all profit from his experience and influence there to put forward our concerns and draw some red lines. There, we will defend our common objective which is to promote cohesion as a political objective for all EU policies, in particular through the application of the **"do no harm to cohesion" principle**.

Dear colleagues,

I believe that it is worth looking back at the reasons why Cohesion Policy was set up in the first place, and in particular at its contribution towards the completion of the Single Market. **This link with the Single Market is strategically crucial**, as the main defenders of the Single Market are often the countries with the most challenging Cohesion.

The battle to safeguard Cohesion policy will not be easy: there are many in the Council that are not in favor of a strong Cohesion Policy, not least because it takes up about a third of the EU budget. **The fact that implementation is currently particularly slow will certainly not help our case.**

Let's, therefore, work together to help regions to accelerate the spending, and assure its quality, as it will make the difference in the future of cohesion.

And this with a view **to leave no one, and no place behind.**