













# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2017/2208(INI)</a>	Procedure completed
Lagging regions in the EU		
Subject 4.70 Regional policy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Regional Development	 <a href="#">GIUFFRIDA Michela</a>	25/04/2017
		Shadow rapporteur	
		 <a href="#">RUAS Fernando</a>	
		 <a href="#">TOMAŠIĆ Ruža</a>	
		 <a href="#">VAN MILTENBURG Matthijs</a>	
		 <a href="#">ROPÉ Bronis</a>	
		 <a href="#">D'AMATO Rosa</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Agriculture and Rural Development	 <a href="#">DĂNCILĂ Viorica</a>	20/06/2017
	 Fisheries		21/06/2017
		 <a href="#">CAPUTO Nicola</a>	
European Commission	Commission DG <a href="#">Regional and Urban Policy</a>	Commissioner CREU Corina	

Key events			
05/10/2017	Committee referral announced in Parliament		
20/02/2018	Vote in committee		
27/02/2018	Committee report tabled for plenary	<a href="#">A8-0046/2018</a>	Summary
12/03/2018	Debate in Parliament		
13/03/2018	Results of vote in Parliament		

13/03/2018	Decision by Parliament	<a href="#">T8-0067/2018</a>	Summary
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 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/10527

### Documentation gateway

Committee draft report		<a href="#">PE612.353</a>	26/10/2017	EP	
Amendments tabled in committee		<a href="#">PE615.495</a>	19/12/2017	EP	
Committee opinion	AGRI	<a href="#">PE612.186</a>	25/01/2018	EP	
Committee opinion	PECH	<a href="#">PE612.274</a>	31/01/2018	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0046/2018</a>	27/02/2018	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0067/2018</a>	13/03/2018	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2018)366</a>	30/08/2018	EC	

## Lagging regions in the EU

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

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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.

