



2022/2046(INI)

10.10.2022

OPINION

of the Committee on Regional Development

for the Committee on Budgets

on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges
(2022/2046(INI))

Rapporteur for opinion: Manolis Kefalogiannis,

PA_NonLeg

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Reiterates its utter concern as regards the significant delay in the implementation of the cohesion policy for the 2021-2027 period, as well as its call for the Commission and the Member States to speed up the adoption of cohesion policy programmes, without undermining their quality and while respecting the EU's political priorities and the applicable principles; calls on the Member States to ensure that local authorities are included in the design and implementation of all programmes; reiterates the need for special consideration to be given to less-developed, transition and outermost regions, rural, remote, mountainous and depopulated areas, and islands in this context, as well as to urban areas with high levels of inequalities, all of which face significant challenges in pulling off the socially just and balanced structural changes needed to meet green transition requirements;
2. Stresses in particular the role of urban areas in tackling the climate crisis, and reiterates the need for further funding opportunities for cities to implement programmes locally; calls for the European Urban Initiative to be given a greater budget and scope, in order to support the delivery of the urban agenda in the next programming period; stresses further the high potential of rural areas and the necessity of increasing the amount of resources allocated to integrated territorial development in disadvantaged non-urban areas; highlights the importance of synergies between different funding tools through a multi-fund approach and reaffirms the importance of urban-rural linkages to prevent rural areas from shrinking;
3. Highlights that the COVID-19 pandemic has caused many serious, negative social consequences throughout Europe, such as the digital and gender gaps, which have been broadened; underlines the need for specific assistance to address these consequences and for sufficient funds to be allocated for the development of digital skills; calls for digital inclusion to be recognised as a right for all generations and for a clear commitment to achieve universal internet connectivity;
4. Considers that the EU's socio-economic situation has been aggravated by the consequences of the COVID-19 crisis and the Russian aggression against Ukraine; calls for the suspension of the Stability and Growth Pact in 2023 and for its revision; suggests that Member States may make a duly justified request for further flexibility within the current framework of the Stability and Growth Pact for the public or equivalent structural expenditure, supported by the public administration by way of co-financing investments made as part of the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the Just Transition Fund (JTF); believes that, when defining the fiscal adjustment under either the preventive or the corrective arm of the Stability and Growth Pact, the Commission must carefully assess this request in a manner reflecting the strategic importance of investments co-financed by the ERDF, CF and JTF; calls on the Commission, in the framework of the revision of the Stability and Growth Pact, to consider the possibility that public cohesion policy spending by

Member States and regional and local authorities under the ERDF, the European Social Fund Plus, the CF, the JTF and the EMFAF should not be considered national or equivalent structural expenditure;

5. Reiterates its call for the Commission to put forward a contingency plan to mitigate the risk of under-implementation and decommitments owing to the late start of the cohesion policy programmes, through a legislative proposal and, if need be, a corresponding revision of the multiannual financial framework (MFF);
6. Underlines the necessity of providing the regions with timely and appropriate financial means in order to deal with the migration and uncertainty caused by the Russian aggression against Ukraine, as well as migration caused by other crises, and their multifaceted consequences, which have affected disadvantaged social groups and the public sector in particular; recalls the widespread price hikes and pressing food security concerns and calls, in particular, for investments in increased grain storage capacity; emphasises the need to address the grave difficulties that the current rise in energy costs is causing for regions, regional and local authorities, citizens and social and economic actors; stresses the need to swiftly identify suitable and directly accessible financial instruments to deal with these issues at regional and local level, through a bottom-up approach involving local and regional authorities; stresses the need to further strengthen the Union's solidarity capacities in times of crisis;
7. Emphasises that compensating the social and economic consequences of the Russian invasion of Ukraine requires deploying adequate budgetary measures at Union level to offset the indirect costs of the conflict on businesses and citizens, by creating the necessary solidarity mechanisms between Member States and their regions; asks the Commission therefore to consider putting forward a legislative proposal establishing a temporary instrument outside the MFF for the mutualisation of war-related costs ('Ukrainian crisis Adjustment Reserve'), which would aim to support the most affected Member States;
8. Calls for a significant increase in the European Union Solidarity Fund (EUSF) budget, which would help regions to anticipate and mitigate the effects of climate change, such as large population displacements, and for the scope of the EUSF to be broadened, so that it can also support more climate-resilient restoration and construction of public and private infrastructure; calls on the Commission to propose tools to support local and regional authorities in their climate-adaptation and resilience-building projects and programmes; stresses the importance of the social dimension of the green transition and the need to provide targeted support to the regions, industries, workers and households facing the biggest challenges;
9. Takes note of the findings of special report 09/2022 of the European Court of Auditors¹, which points out that the likely share of the EU budget that is climate-relevant in the 2014-2020 programming period amounts to around 13 % (approximately EUR 144 billion) rather than 20 %; acknowledges the larger ambition of the 30% spending target on climate set out in the current MFF and encourages the Commission to establish guidelines applicable to all policy areas relevant to climate spending, and to clearly

¹ European Court of Auditors, 'Special Report 09/2022: Climate spending in the 2014-2020 EU budget – Not as high as reported', Publications Office of the European Union, Luxembourg, 2022.

disclose a consistent basis for reporting and consistent treatment of similar projects (e.g. applying the same climate coefficient) across the EU budget and NextGenerationEU;

10. Underlines that the existing possibility of transfers from the cohesion policy funds to other EU instruments of up to 5 % of the initial allocation provides for sufficient flexibility; underlines that cohesion policy funding must continue to primarily serve its long-term policy objectives; strongly opposes the proposal of additional transfers from the cohesion policy funds put forward under the RePowerEU initiative and instead calls for additional financial resources to be made available in order to reach these objectives;
11. Underlines that promoting gender equality, paying special attention to women with disabilities, is crucial for reducing regional economic and social disparities and ensuring the long-term development of regions; strongly believes that publicly available gender assessments of the EU budget should be made on a yearly basis and should allow adjustments within the subsequent annual budget; calls on the Commission to strengthen the institutional framework for supporting gender budgeting, and to implement a gender budgeting analysis as part of the midterm review of the 2021-2027 MFF; highlights the need to systematically collect, analyse and report sex-disaggregated data for EU programmes, and to develop a system using gender-based indicators for tracking funds allocated to support gender equality, in accordance with the data protection rules in force; welcomes the European care strategy as an initiative with a strong gender dimension, and calls on the Commission to propose a dedicated investment package to promote the EU care sector and to ensure coordination among different programmes and initiatives in order to effectively implement the strategy;
12. Stresses the need for Parliament and the Council to swiftly approve the Commission's proposal on the three new categories of own resources: the Carbon Border Adjustment Mechanism, the revised Emission Trading System and the minimum corporate tax; considers that the expected additional revenues are necessary but not sufficient for a fully updated and ambitious MFF, which should be able to tackle the multidimensional challenges that the EU as a whole will have to face in the coming months, such as the investment gap for the ecological transition, the socio-economic consequences of Russia's aggression against Ukraine, digital connectivity throughout the EU and the need to increase citizen-driven energy actions that contribute to the clean energy transition; calls therefore on the Commission to bring forward the expected new proposal on additional own resources, currently scheduled for the end of 2023, to the coming months.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	6.10.2022
Result of final vote	+: 37 -: 0 0: 3
Members present for the final vote	Matteo Adinolfi, François Alfonsi, Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Franc Bogovič, Vlad-Marius Botoș, Rosanna Conte, Christian Doleschal, Matthias Ecke, Chiara Gemma, Krzysztof Hetman, Manolis Kefalogiannis, Ondřej Knotek, Cristina Maestre Martín De Almagro, Nora Mebarek, Martina Michels, Alin Mituța, Dan-Ștefan Motreanu, Andželika Anna Możdżanowska, Niklas Nienaaß, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Maxette Pirbakas, Caroline Roose, Marcos Ros Sempere, André Rougé, Susana Solís Pérez, Valdemar Tomaševski, Monika Vana
Substitutes present for the final vote	Katalin Cseh, Stelios Kympouropoulos, Ana Miranda, Rovana Plumb, Peter Pollák
Substitutes under Rule 209(7) present for the final vote	Pietro Fiocchi

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ECR	Pietro Fiocchi, Anđelika Anna Mozdžanowska, Valdemar Tomaševski
ID	Matteo Adinolfi, Rosanna Conte, Alessandro Panza
NI	Chiara Gemma, Maxette Pirbakas
PPE	Pascal Arimont, Tom Berendsen, Franc Bogovič, Christian Doleschal, Krzysztof Hetman, Manolis Kefalogiannis, Stelios Kypouropoulos, Dan-Ștefan Motreanu, Andrey Novakov, Peter Pollák
RENEW	Stéphane Bijoux, Vlad-Marius Botoș, Katalin Cseh, Ondřej Knotek, Alin Mituța, Susana Solís Pérez
S&D	Matthias Ecke, Cristina Maestre Martín De Almagro, Nora Mebarek, Tsvetelina Penkova, Rovana Plumb, Marcos Ros Sempere
THE LEFT	Martina Michels, Younous Omarjee
VERTS/ALE	François Alfonsi, Ana Miranda, Niklas Nienäb, Caroline Roose, Monika Vana

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ID	André Rougé
PPE	Isabel Benjumea Benjumea
S&D	Erik Bergkvist

Key to symbols:

+ : in favour

- : against

0 : abstention