



European Committee
of the Regions

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News from the Commission for Territorial
Cohesion and EU budget

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Isabelle Boudineau (FR/PES), Chair of the COTER commission, Vice-President of the Nouvelle-Aquitaine Regional Council

The coronavirus (COVID-19) pandemic has dramatically affected our world and our way of living, with dire losses and significant consequences for every aspect of our daily lives. The Commission for Territorial Cohesion Policy and the EU Budget (COTER) at the European Committee of the Regions will prepare regular bulletins on the policy areas within its remit, reflecting recent research, articles and discussions on the socioeconomic impact of the pandemic in Europe and on the various actions and response measures planned and implemented at EU, national, regional and local level. It will also provide some insight into recent policy developments at EU level as well as on COTER activities in general, such as activities of our COTER members.

Dear reader, welcome to this new edition of the COTER bulletin!

While the sanitary crisis is still ongoing, we now have in addition to fight against the economic consequences. In this respect, EU policies are shifting from the immediate health response to the long term economic response, towards the recovery.

Important policy developments have taken place in areas under the remit of the COTER commission. On 21 July an historic agreement was reached by the European Council on a new long term budget for 2021/2027 (multiannual financial framework) of €1 074.3 billion, as well as on a recovery package worth €750 billion, a total of €1 824.3 billion. Cohesion policy is marked by the discussions on the REACT-EU package (€55 billion), on which the CoR is preparing an opinion. On 14 July, the #CohesionAlliance issued a renewed Declaration for a cohesive, sustainable and resilient Europe. Rail and green transformation are the subject of developments in the transport sector, with, in particular, an opinion on the European Year of Rail being prepared by the CoR. Moreover, the CoR has recently adopted an action plan on cross-border cooperation.

In this bulletin, you will find some insight into the recent policy developments at EU level, as well as on COTER activities in general, such as activities of our COTER members. Please continue to share your comments and ideas and keep us informed of the situation on the ground using our email address: coter@cor.europa.eu.

May each of you have a well-deserved summer break while staying safe and well during these unprecedented times!

The COTER secretariat

Cohesion Policy

The CoR opinion on the REACT EU PACKAGE

On 28 May, the European Commission proposed an initiative to support the recovery in support of European cohesion and territories (REACT-EU). This initiative extends the two investment initiatives, CRII and CRII+, which aimed at mobilising the current European Structural and Investment Funds 2014-2020 to address the immediate impacts of the COVID-19 crisis. The REACT-EU package provides for **55 billion euros in additional funds** that will be made available to the European Regional Development Fund (ERDF) 2014-2020, the European Social Fund (ESF), as well as the Fund for European Aid to the Most Deprived (FEAD). These additional funds will be provided by "Next Generation EU" over the 2021-2022 period and, from 2020, through a targeted revision of the current financial framework. They will provide rapid and additional support to Member States and regions most impacted by the coronavirus outbreak.

More information: https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_948

At its meeting of 10 July, the COTER commission appointed **Mieczyslaw Struk (PL/EPP)** as rapporteur general for an opinion on the "REACT-EU package" (pending official appointment by the CoR president). It is planned to hold a general explanatory debate in COTER on 24 September and to adopt the opinion in the plenary on 12/14 October 2020.

The CoR opinion on The role of the EU's cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis

The German Presidency of the Council has asked the CoR to draw up an opinion on the EU's cohesion policy as regards intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis. The COTER commission, at its meeting of 10 July 2020, appointed Michiel Rijsberman (NL/Renew Europe) as rapporteur for this opinion. It is planned to adopt the opinion in COTER on 24 September and in plenary on 12/14 October 2020. The topic of the opinion is also linked to a High Level Conference on Cohesion, which is being organised by the German Presidency on 29 and 30 September in Halle/Germany and which will deal with a number of questions relating to the current context and challenges of regional development, in particular as regards the COVID-19 pandemic, and the role of the ESI funds to address them.

Bilateral meeting of the COTER chair with Commissioner Ferreira

On 10 July 2020, the Chair of the COTER commission, Isabelle Boudineau (FR/PES), took part in a bilateral remote meeting with the European Commissioner for Cohesion and Reforms, Elisa Ferreira, in order to discuss a number of important topical issues, including the current pandemic crisis and

economic situation and the cohesion policy reaction to the emergency, the state of play of the negotiations on the MFF 2021-2027 and the Recovery Plan, the question of own resources of the EU budget, the Just Transition Fund, and European Territorial Cooperation. The meeting allowed the COTER chair to reiterate the CoR's main messages on these matters, as outlined *inter alia* in the recent CoR Resolution on the MFF and the Recovery Plan for Europe, and to put forward a number of suggestions for future cooperation. Commissioner Ferreira appreciated the positive dialogue with the CoR and particularly welcomed the discussion with the COTER chair, which provides valuable input for the update and adjustment of the proposals of the European Commission.

#CohesionAlliance: a renewed Declaration of the #CohesionAlliance for a cohesive, sustainable and resilient Europe

Following the "Regions and cities: vital for Europe's recovery" web-conference organised on 9 May – Europe Day, which kicked off the preparation of a renewed #CohesionAlliance Declaration in view of the upcoming decisions on the EU's next Multi-Annual Financial Framework and the EU Recovery Plan, a final version of the **renewed Declaration was agreed upon by the partners of the #CohesionAlliance and adopted during a #CohesionAlliance meeting on 14 July**. Isabelle Boudineau had the opportunity to represent the COTER commission at this event, participating alongside the CoR President, Apostolos Tzitzikostas, the Commissioner on Cohesion Policy and Reforms, Elisa Ferreira, the EP REGI Chair, Younous Omarjee and representatives of the European Association of regions and cities.

Isabelle Boudineau, Chair of the COTER commission of the European Committee of the Regions and Vice-President of the Nouvelle-Aquitaine Region in France, said: "*The EU needs a strong budget alongside an ambitious recovery plan to prepare the future. The green and digital transitions are paramount if we are to build a sustainable and cohesive European society. We cannot sacrifice our long-term objectives to emergency measures. Solidarity is the only option. Our Heads of State and government have a huge responsibility on 17-18 July. We, at local and regional level, need results now. The EU has to demonstrate that it can deliver. The European project is at stake and we cannot disappoint Europe's citizens again.*"

For more information and for the **#CohesionAlliance declaration 2.0 in 23 languages**:
<https://cor.europa.eu/en/engage/Pages/cohesion-alliance.aspx>

The #CohesionAlliance press release (15/7/2020): "**Europe's recovery will fail without a strong cohesion policy and a real partnership among EU, national, regional and local actor**"
<https://cor.europa.eu/en/news/Pages/Europe-recovery-will-fail-without-strong-cohesion.aspx>

The Just Transition Fund: interview with the COTER rapporteur, Vojko Obersnel(HR/PES),

Vojko Obersnel (HR/PES), rapporteur for the Just Transition Fund (JTF) opinion, answers five questions on the Just Transition Fund, the EU initiative that aims to support the regions most affected by the transition to a low carbon economy. In the context of COVID-19, the proposed JTF budget has increased from €7.5 to €40 billion. The European Committee of the Regions adopted its JTF opinion during the July 2020 plenary session, stressing it welcomes the EU's support for a socially fair and sustainable green transition. The opinion also welcomes the increased budget for the JTF and argues that additional contributions from the European Regional Development Fund (ERDF) and the European Social Fund + (ESF+) should be made on a voluntary basis. This will give local and regional authorities the flexibility needed to finance labour market programmes via the ESF+ and projects that contribute to the green transition with the JTF.



*Mr. Vojko Obersnel
(HR/PES), Mayor of Rijeka*

<https://cor.europa.eu/en/news/Pages/Social-and-environmental-criteria-must-be-at-the-core-of-the-Just-Transition-Fund.aspx>

Budget and Finance

Agreement on the new long term budget (Multiannual financial framework (MFF)) and EU recovery package (21 July)



After 4 days and 4 nights of negotiation, the European Council agreed, on 21 July, on a recovery package worth €750bn and on the 2021-2027 budget that will help the EU to rebuild after the pandemic and will support investment in the green and digital transitions.

EU leaders have agreed to a comprehensive package of **€1 824.3 billion** which combines the **multiannual financial framework (MFF)** and an extraordinary recovery effort under the **Next Generation EU (NGEU)** instrument.

Long-term EU budget

The new Multiannual Financial Framework (MFF) will cover seven years between 2021 and 2027. The MFF, reinforced by Next Generation EU, will also be the main instrument for implementing the recovery package to tackle the socio-economic consequences of the COVID-19 pandemic.

The size of the MFF is **€1 074.3 billion**.

Recovery fund

Next Generation EU will provide the Union with the necessary means to address the challenges posed by the COVID-19 pandemic. Under the agreement the Commission will be able to borrow up to **€750 billion** on the markets. These funds may be used for back-to-back loans and for expenditure channelled through the MFF programmes. Capital raised on the financial markets will be repaid by 2058.

Loans and grants

€390 billion from the package will be distributed in the form of grants to Member States and €360 billion in loans.

Other important elements of the MFF cover climate action, the rule of law, rebates and own resources.

The EU budget now has to be approved by the European Parliament (which cannot, however, propose any change).

More information: <https://www.consilium.europa.eu/en/meetings/european-council/2020/07/17-21/>

Annual budget for 2021

On 24 June, the European Commission presented a draft EU annual budget for 2021, closely linked to the new proposal for the next MFF and the European stimulus instrument. The Commission proposed to focus the EU support on Member States via the REACT-EU mechanism, the European Fund for

Resilience and Recovery (ERRF), as well as via strengthening programmes such as Horizon, InvestEU, the Neighbourhood, Development and International Cooperation Instrument (NDICI) and humanitarian aid. The draft budget relies heavily on the next MFF, putting additional pressure on the Council and the European Parliament to reach an agreement before the end of the year.

Transport

CoR opinion on the "European Year of Rail 2021" (COTER-VI-006)



On 8 June, as part of the preparation of his draft opinion on the European Commission's proposal to make 2021 the European Year of Rail, **COTER rapporteur Jaroslaw Stawiarski (PL/ECR)**, Marshal of Lubelskie Region, took part in a bilateral meeting with MEP Anna Deparnay-Grunenberg, rapporteur for the European Parliament's TRAN committee.

In the context of the European Green Deal and the decarbonisation of transport, the online bilateral meeting was an important opportunity for the representatives of the two committees to identify a number of key issues for the EYR, in particular the need to involve all EU territories in the EU's modal shift objectives, the need for increased investment and more efficient use of infrastructure and rolling stock, as well as for the completion of missing links, and to lay the foundations for joining forces over the year ahead, promoting the active involvement of regional stakeholders during the EYR.

Further shared objectives identified by the rapporteurs include the promotion of culture and tourism by rail, outreach to the education and training sectors to raise awareness about future employment profiles in the rail sector and the need for targeted adjustments to the EU legislative framework in parallel to the EYR initiative.

The draft CoR was adopted following the COTER commission's meeting on 10 July and will be submitted for adoption to the CoR Plenary on 9-10 October.

Upcoming CoR event: European Week of Regions and Cities (EWRC) workshop on "Smart Regional Rail for EU Green Recovery" – October 2020 (date tbc)

The COTER commission will co-organise with the European Commission's DG MOVE and other partners a workshop as a precursor to the European year of Rail (EYR) during the EWRC 2020, which aims at bringing together political and sectoral decision-makers at European, regional and local level, in order to discuss the specific needs of LRAs linked to rail transport and the promotion of modal shift on their territories. In addition to the relevance of rail for cohesion, the workshop will also focus on sustainable tourism and the impact of the COVID-19 crisis, digitalisation and the changing nature of employment profiles in the rail sector.

Further information and registration details will be circulated by the COTER secretariat in due course (the workshop will take place in hybrid format). For further information please contact Lucy Tober in the COTER secretariat (lucy.tober@cor.europa.eu or coter@cor.europa.eu).

Upcoming CoRevent: EWRC workshop on green transformation (14/10)

During the next European week of Regions and Cities (EWRC), the CoR's automotive intergroup will organise the **Green Transformation Summit: "Automotive Regions - crucial to success!"**, which will take place immediately after the plenary session on **14 October 2020** from 2.30 to 4.30 p.m. The event will discuss the long-term effects of alternative fuels and connected mobility for the automotive industry and the regions concerned (job market, new skills needed). All CoR members are welcome to take part, especially if they are from regions with important automotive industry clusters.

Urban policy and territorial development

Activities of the German Presidency (second semester 2020) in the field of urban and territorial development

The German presidency plans to adopt the **renewed Leipzig Charter** at the informal ministerial meeting on urban matters on 30 November 2020.

The **CoR opinion on the Renewal of the Leipzig Charter on Sustainable European Cities** will be adopted at the plenary session of 12-14 October (rapporteur: Juan Espadas Cejas (ES/PES)).

With regard to European spatial development, the German presidency's goal is to finalise the renewal process of the **Territorial Agenda 2030**, to be adopted by the ministers responsible for territorial cohesion on 1 December 2020.

In order to implement the Territorial Agenda 2030, it is envisaged to launch four pilot actions at the end of the German presidency and gain momentum under the subsequent Portuguese and Slovenian presidencies:

1. A future for lagging regions – fostering the implementation of spatial strategies (led by Germany)
2. Understanding how sector policies shape spatial imbalances in-depth Territorial Impact assessment (led by Poland)
3. Understanding how small places can boost their role for the development of a wider territory (led by Norway)
4. Cross-border spatial planning – a vision for a cross border functional region (led by Luxembourg).

The CoR has already adopted an opinion on the matter in October 2019 (**opinion on *The CoR's contribution to the renewed Territorial Agenda, with special emphasis on community-led local development***, rapporteur: Radim Sršen (CZ/EPP)), which fed into the renewal process of the Territorial Agenda.

Territorial Impact Assessments

TIA report on TEN-T guidelines

Further to the territorial impact assessment expert online workshop on the Union guidelines for the development of the trans-European transport network (TEN-T guidelines) that was organised by the European Committee of the Regions and ESPON EGTC on 9 and 10 June 2020, the CoR produced a report, which documents the results of the expert workshop. The report is available here:

<https://cor.europa.eu/en/events/Documents/COTER/20200609-TIACoRTENT.pdf>

RHOMOLO analysis of the territorial economic impact of COVID-19 in the EU

On 27 May the European Commission presented a proposal for a rescue and recovery plan at the European Parliament in response to the COVID-19 crisis. The JRC supported the Commission proposal by applying the RHOMOLO territorial impact assessment model to analyse the potential economic impact of the COVID-19 crisis on the NUTS 2 regions of the EU.

<https://ec.europa.eu/jrc/sites/jrcsh/files/jrc121261.pdf>

The response to symmetric perturbations is uneven across regions. The GDP impact is on average -12.15%, with a standard deviation of 4.25, implying a fair variation of results across the EU regions. The results of the scenario accounting for the policy responses show that in most of the EU, the policy reaction only partially alleviates the adverse effects of the crisis (the average unweighted impact being -7.43%). Given the lack of fiscal space in several countries, this result calls for a strong and coordinated response at EU level, as well as for an enhanced Cohesion Policy for the next multiannual financial framework.

Cross-border cooperation

CoR Action Plan on cross-border, transnational and interregional cooperation and COVID-19 and cross-border and transnational stories

The CoR has partnered with the European Commission (DG REGIO) and leading associations working in the field of cross-border cooperation in Europe (the Mission Operationnelle Transfrontalière (MOT), the Association of European Border Regions (AEBR) and the Central European Service for Cross-

border Initiatives (CESCI)), to pool resources and publish cross-border and transnational stories and experiences in one single place: the CoR's COVID-19 platform. So far, **over 70 cross-border and transnational stories have been published on the CoR's COVID-19 platform**. These stories and experiences will be used to support an in-depth analysis of what the crisis means for cross-border and transnational cooperation and how cooperation across borders can help address this new situation. The outcome will subsequently serve as the basis for our future policy proposals.

<https://cor.europa.eu/en/engage/Pages/covid19-stories.aspx>

COTER activities

ON-GOING COTER OPINIONS

- Opinion on the **Renewal of the Leipzig Charter on Sustainable European Cities**

Rapporteur: Juan Espadas Cejas (ES/PES)

Adoption planned for the plenary session on 12/14 October.

- Opinion on **Challenges for public transport in cities and metropolitan regions**.

Rapporteur: Adam Struzik (PL/EPP)

Adoption planned in COTER on 24 September and in the plenary session on 9/10 December.

- Opinion on **Equitable standards of living as a joint challenge for all levels of government in Europe**

Rapporteur: Bernd Lange (DE/EPP)

Adoption planned for the plenary session on 12/14 October.

- Opinion on **Cross-border public services (CPS) in Europe**

Rapporteur: Pavel Branda (CZ/ECR)

Adoption planned in COTER on 26/27 November

- Opinion on the **European Year of Rail 2021**

Rapporteur: Jarosław Piotr Stawiarski (PL/ECR)

Adoption planned for the plenary session on 12-14 October.

- Opinion on the **European Commission report on the implementation the renewed strategic partnership with the EU's outermost regions**

Rapporteur: Ángel Victor Torres Perez (ES/PES)

Adoption planned in COTER on 24 September and in the plenary session on 9/10 December.

- Opinion on **REACT-EU package**

Rapporteur: Mieczysław Struk (PL/EPP)

Adoption planned in the plenary session on 12/14 October, preceded by a general exploratory debate in COTER on 24 September.

- Opinion on **The role of the EU's cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis**

Rapporteur: Michiel Rijssberman (NL/RE)

Adoption planned in COTER on 24 September and in the plenary session on 9/10 December.

ON-GOING WRITTEN CONSULTATION

The rapporteur, Adam Struzik (PL/EPP), would like to consult relevant stakeholders by means of a written consultation and gather their input in order to draft his **opinion on The challenges for public transport in metropolitan regions**.

More information: <https://cor.europa.eu/en/events/Pages/coter-sc-public-transport-metropolitan-regions.aspx?cldee=ZGVscGhpbmUubGFuZ2xvaXNAY29yLnV1cm9wYS5ldQ%3d%3d&recipientid=contact-d6b66fd664bae8118113005056a043ea-f0cdb0a4ddd7498f9cbcf840faae3e30&esid=98fc5f3b-e4c6-ea11-8118-005056a043ea>

Please send your contribution to the COTER secretariat as soon as possible: coter@cor.europa.eu.

UPCOMING EVENTS

- 18 September: (virtual) forum **Towards a Common European Framework for Sustainable Urban Mobility Indicators** Active participation of the COTER secretariat
- 29/30 September: **High level Conference of the German Presidency on Cohesion in Halle/Saale**. Planned participation of the COTER rapporteur for the opinion on *The role of the EU's cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis*, Michiel Rijssberman (NL/RE).
- 14 October: **European Week of the Regions and Cities (EWRC) workshop on Automotive Regions' "Green Transformation Summit"**. Active participation of various COTER members from regions with automotive industries.
- October (date tbc): **EWRC workshop on Smart Regional Rail for EU Green Recovery**, co-organised by DG MOVE and the CoR.

NEXT COTER meeting: 24 September (in hybrid mode)

Opinions to be discussed:

- *REACT-EU package* (M. Struk): general exploratory debate
- *Challenges for public transport in cities and metropolitan regions* (A. Struzik): first discussion and adoption

- European Commission report on the implementation the renewed strategic partnership with the EU's outermost regions (V. Torres Perez): first discussion and adoption
- The role of the EU's cohesion policy with respect to intelligent and innovative economic change in the regions against the backdrop of the coronavirus crisis (M. Rijsberman): first discussion and adoption
- Cross-border public services (CPS) in Europe (P. Branda): exchange of views

USEFUL LINKS

Timeline of the EU response to the COVID crisis: https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/timeline-eu-action_en

Overview of the European Commission's response to the coronavirus:

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/overview-commissions-response_en#healthmeasures

Updates on EU regional policy: https://ec.europa.eu/regional_policy/en/newsroom/news/

European Parliament news: <https://www.europarl.europa.eu/news/en/press-room>

EU Legislative observatory (state of play on EU legislative procedure):

<https://oeil.secure.europarl.europa.eu/oeil/search/search.do?searchTab=y>

Updated figures about the scale of outbreaks and number of deaths around the world

Financial Times: <https://www.ft.com/coronavirus-latest>

EPRS and other EP publications: <https://www.europarl.europa.eu/thinktank/en/home.html>

EU local news: <https://www.themayor.eu/en>

OECD data and policy responses to coronavirus: <http://www.oecd.org/coronavirus/en/>

ESPON programme:

<https://www.espon.eu/collecting-experiences-and-evidence-local-and-regional-responses-covid19>

Regional Studies Association (RSA):

<https://www.regionalstudies.org/about/pandemics-cities-regions-industry/>

Eurocities: <https://covidnews.eurocities.eu/>

CEMR: <https://www.ccre.org/en/actualites/view/3994>

European Policy Centre: <http://www.epc.eu/en> (various policy analyses)

EC learning resources (during the coronavirus crisis):

https://ec.europa.eu/education/resources-and-tools/coronavirus-online-learning-resources_en

CEPS: <https://www.ceps.eu/ceps-news/> (various EU policies, incl. coronavirus news)

Notre Europe (Paris): <https://institutdelors.eu/en/tag/covid-19-en/>

EURACTIV: <https://www.euractiv.com/sections/coronavirus/>

Reuters: <https://www.reuters.com/subjects/euro-zone>

EU observer (coronavirus news): <https://euobserver.com/coronavirus/>

POLITICO.eu: <https://www.politico.eu/coronavirus-in-europe/>

<https://www.politico.eu/article/coronavirus-live-updates-latest-news-blog/>