

**SSPA'S ASSESSMENT OF SEVERAL AMENDMENTS BY THE EUROPEAN PARLIAMENT'S COMMITTEE ON REGIONAL DEVELOPMENT TO THE PROPOSAL FOR COMMON PROVISIONS FOR TERRITORIAL COHESION FUNDS (MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027)**

**AMENDMENT 136:**

**Text proposed** by the Commission and amendment (in bold) **tabled by** por Julie Girling:

(1) (1) Article 174 of the Treaty on the Functioning of the European Union ('TFEU') provides that, in order to strengthen its economic, social and territorial cohesion, the Union is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, and that particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. *Reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, in particular rural areas, requires the further empowerment of women in those areas both in the economic and social terms and the promotion of work life balance. The collection of gender-disaggregated data allows for the identification and analysis of specific vulnerabilities and capacities of women and men, revealing gaps and inequalities and thus contributing to the building of a more fair and inclusive society and aiming at breaking the pattern of poverty and deprivation across generations.* Article 175 of the TFEU requires that the Union is to support the achievement of these objectives by the action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments. Article 322 of the TFEU provides the basis for adopting financial rules determining the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts, as well as for checks on the responsibility of financial actors.

**SSPA POSITION:**

The text proposed by the Commission takes into account the situation of rural areas and those suffering from serious or permanent natural or demographic disadvantages. However, this amendment introduces a gender perspective in the definition of European policies on territorial balance, a basic issue when it comes to understanding and effectively tackling the challenges of rural and sparsely populated areas.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENTS 622 TO 626:**

**Text proposed** by the Commission:

*Article 8*  
***Content of the Partnership Agreement***

The Partnership Agreement shall contain the following elements:

- (a) the selected policy objectives indicating by which of the Funds and programmes they will be pursued and a justification thereto, and where relevant, a justification for using the delivery mode of the InvestEU, taking into account relevant country-specific recommendations;
- (b) for each of the selected policy objectives referred to in point (a):
  - (i) a summary of the policy choices and the main results expected for each of the Funds, including where relevant, through the use of InvestEU;

- (ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes;
- (iii) complementarities between the Funds and other Union instruments, including LIFE strategic integrated projects and strategic nature projects;
- (c) the preliminary financial allocation from each of the Funds by policy objective at national level, respecting Fund-specific rules on thematic concentration;
- (d) where relevant, the breakdown of financial resources by category of regions drawn up in accordance with Article 102(2) and the amounts of allocations proposed to be transferred between categories of regions pursuant to Article 105;
- (e) the amounts to be contributed to InvestEU by Fund and by category of regions;
- (f) the list of planned programmes under the Funds with the respective preliminary financial allocations by fund and the corresponding national contribution by category of regions;
- (g) a summary of the actions which the Member State concerned shall take to reinforce its administrative capacity of the implementation of the Funds.

With regard to the European territorial cooperation goal (Interreg), the Partnership Agreement shall only contain the list of planned programmes.

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Amendment 622 **tabled by** Ramón Luis Valcárcel Siso, Francisco José Millán Mon, Verónica Lope Fontagné, Pilar Ayuso, Luis de Grandes Pascual, Esther Herranz García, Agustín Díaz de Mera García Consuegra and Esteban González Pons (PPE, ES):

*ga) where applicable, an integrated approach to address demographic challenges for the regions or the specific needs of geographical areas which suffer from severe and permanent natural or demographic handicaps as referred in Article 174 TFEU.*

Amendments 625 and 626 have the same text, so it can be deduced that they will be recast; in addition 623 and 624 are very similar.

**SSPA POSITION:**

The amendment obliges governments to fully address the demographic challenge and in particular the problems of areas suffering from severe and permanent natural or demographic handicaps in their Association Agreements with the Commission. This would avoid merely formal references to the issue which serve to justify the low profile shown by the programming documents for the funds. It also highlights the concept of an "integrated (holistic) approach" in dealing with these challenges. Without prejudice to all this, a definition by the EU of what can be understood as areas with severe and permanent demographic handicaps would be very useful for properly diagnosing the problem and accurately delimiting the territorial scope of action on which to apply specific policies.

**WE SUPPORT THIS AMENDMENT**

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**AMENDMENT 772:**

**Text proposed** by the Commission:

*Article 14*  
***Mid-term review***

1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall review each programme, taking into account the following elements:
- (a) the challenges identified in relevant country-specific recommendations adopted in 2024;
  - (b) the socio-economic situation of the Member State or region concerned;
  - (c) the progress in achieving the milestones;
  - (d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.

(...)

Amendment 772 **tabled** by Martina Michels (GUE/NGL, DE):

*(d a) any major negative financial, economic, social, demographic or environmental developments which require an adjustment of the programs, including negative consequences of symmetric or asymmetric shocks in the Union and its regions.*

**SSPA POSITION:**

This amendment makes possible changes in the programs if negative situations arise in their application due to circumstances that have a greater impact in areas as fragile as sparsely populated areas.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENT 900:**

**Text proposed** by the Commission:

*Article 17*  
***Content of programmes***

(...)

3. Each programme shall set out:
- (a) a summary of the main challenges, taking into account:
    - (i) economic, social and territorial disparities, except for programmes supported by the EMFF;
    - (ii) market failures, investment needs and complementarity with other forms of support;

- (iii) challenges identified in relevant country-specific recommendations and other relevant Union recommendations addressed to the Member State;
  - (iv) challenges in administrative capacity and governance;
  - (v) lessons learnt from past experience;
  - (vi) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies;
- (vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union *acquis* and action plans;
- (...)

.....

Amendment 900 **tabled by** Andrey Novakov (PPE, BU) and Constanze Krehl (PSE, DE):

*(iv a) an integrated approach to address negative demographic trends;*

**SSPA POSITION:**

It transposes into the design of programs the mandatory premise outlined in Amendment 772 of addressing the demographic problem by focusing on the holistic approach, which we consider so necessary in order to properly understand the nature of demographic challenge in rural areas and cope with it successfully.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENT 973:**

**Text** not proposed by the Commission. **New Article.**

Amendment 973 **tabled by** Ramón Luis Valcárcel Siso, Francisco José Millán Mon, Verónica Lope Fontagné, Pilar Ayuso, Luis de Grandes Pascual, Esther Herranz García, Agustín Díaz de Mera García Consuegra and Esteban González Pons (PPE, ES):

*Article 17a*

***Programming in areas with severe and permanent natural or demographic handicaps***

In programmes covering areas with severe and permanent natural or demographic handicaps, as referred to in Article 174 TFEU, particular attention shall be paid to the specific difficulties of those areas. In particular, NUTS level 3 areas or clusters of local administrative units (LAUs) with a population density below 12.5 inhabitants per km<sup>2</sup> for sparsely populated areas or below 8 inhabitants per km<sup>2</sup> for very sparsely populated areas, or with an average annual population decrease of more than 1% between 2007 and 2017, shall be subject to specific regional and national plans to enhance attractiveness, increase business investment, and promote social inclusion, through preparatory programmes for people living in declining regions, social and digital inclusion for women, young people, and older adults, and digital and public service accessibility, including dedicated funding under the partnership agreement .<sup>1 a</sup>

NUTS level 3 areas where the fall in GDP has been above the national average since 2007 shall also be subject to regional and national plans to enhance economic attractiveness and build capacity within the existing labour force, and build and attract new capacities and workers, which shall be financed by dedicated funding under the partnership agreement.

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<sup>1 a</sup> As called for in the 2012 ESPON study entitled ‘Making the best of Europe’s sparsely populated areas on making geographic specificity a driver for territorial development in Europe’

**SSPA POSITION:**

The proposal is very interesting as it explicitly links the implementation of EU territorial cohesion funds to planning and investment efforts to be devoted specifically to NUTS 3 with less than 12.5 inhabitants per km<sup>2</sup>. In addition, it considers both low population density and population loss over time and economic growth. However, the wording of the latter paragraph could be improved: on the one hand, it should be clarified that the 1% population decline refers to the annual average over the period considered; on the other hand, the problem of economic sluggishness does not translate necessarily in terms of declining GDP but usually as a GDP growth consistently below the national average, which gradually widens the gap between regions.

SSPA finds very interesting to introduce the geographical-statistical criterion of LAU 2 groupings with low population density for the territorial diagnosis and the implementation of these policies. However, after repeated contacts with the European Commission in this respect, it has been pointed out to us that the LAU2 statistic collected by Eurostat is not politically validated by the Member States and that, therefore, it cannot be used in its current state to agree on provisions of general scope in European legislation. Such is the reason why SSPA is forced to demand actions against depopulation that, at least, respond to the smallest territorial scale officially recognized by the EU: NUTS3.

**WE SUPPORT THIS AMENDMENT WITH CORRECTIONS**



**AMENDMENT 1965:**

**Text proposed** by the Commission:

*Article 106*

***Determination of co-financing rates***

1. The Commission decision approving a programme shall fix the co-financing rate and the maximum amount of support from the Funds for each priority.
2. For each priority, the Commission decision shall set out whether the co-financing rate for the priority is to be applied to either of the following:
  - (a) total contribution, including public and private contribution;
  - (b) public contribution.
3. The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than:
  - (a) 70 % for the less developed regions ;

- (b) 55 % for the transition regions;
- (c) 40 % for the more developed regions.

The co-financing rates set out under point (a), shall also apply to outermost regions.

The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 70 %.

The ESF+ Regulation may establish higher co-financing rates for priorities supporting innovative actions in accordance with Article [14] of that Regulation.

- 4. The co-financing rate for Interreg programmes shall be no higher than 70 %.  
The ETC Regulation may establish higher co-financing rates for external cross-border cooperation programmes under the European territorial cooperation goal (Interreg).
- 5. Technical assistance measures implemented at the initiative of, or on behalf of, the Commission may be financed at the rate of 100 %.

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Amendment 1965 **tabled by** Ramón Luis Valcárcel Siso, Francisco José Millán Mon, Verónica Lope Fontagné, Pilar Ayuso, Luis de Grandes Pascual, Esther Herranz García, Agustín Díaz de Mera García Consuegra and Esteban González Pons (PPE, ES):

The co-financing rates *laid down in* point (a) shall also apply to outermost regions *and those regions which have depopulation problems (less than 12.5 inhabitants per square kilometre at NUTS 3 level)*.

**SSPA POSITION:**

This amendment extends the most favoured treatment accorded to the outermost regions to NUTS3 with a population density of less than 12.5 inhabitants per square kilometre, on the understanding that this low population density is the result of their depopulation problems. The proposal also involves moving beyond the NUTS2 scale of less than 8 inhabitants per square kilometre in order to apply a more favourable treatment (additional funding) on territories with low population density, a rule which limited recognition of the problem to the northern regions and excluded other situations in the rest of the EU in which sparsity is not only the result of adverse geographical conditions but also of a process of structural and long-term economic and demographic decline.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENT 2022:**

**Text proposed** by the Commission:

**ANNEX XXII<sup>1</sup>**

**Methodology on the allocation of global resources per Member State – Article 103(2)**

<sup>1</sup> In the amendments document it appears as "Annex XXIV", although the Commission proposal only contains 22 annexes. The amendment certainly refers to Annex XXII.

(...)

**Allocation method for the more developed regions eligible under the Investment for jobs and growth goal - Article 102(2)(c)**

1. The total initial theoretical financial envelope shall be obtained by multiplying an aid intensity per head and per year of EUR 18 by the eligible population.
2. The share of each Member State concerned shall be the sum of the shares of its eligible regions, which are determined on the basis of the following criteria, weighted as indicated:
  - a) total regional population (weighting 20%);
  - b) number of unemployed people in NUTS level 2 regions with an unemployment rate above the average of all more developed regions (weighting 15%);
  - c) employment to be added to reach the average employment rate (ages 20 to 64) of all more developed regions (weighting 20%);
  - d) number of persons aged 30 to 34 with tertiary educational attainment to be added to reach the average tertiary educational attainment rate (ages 30 to 34) of all more developed regions (weighting 20%);
  - e) number of early leavers from education and training (aged 18 to 24) to be subtracted to reach the average rate of early leavers from education and training (aged 18 to 24) of all more developed regions (weighting 15%);
  - f) difference between the observed GDP of the region (measured in PPS), and the theoretical regional GDP if the region were to have the same GDP per head as the most prosperous NUTS level 2 region (weighting 7,5%);
  - g) population of NUTS level 3 regions with a population density below 12,5 inhabitants/km<sup>2</sup> (weighting 2,5%).

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Amendment 2022 **tabled by** Elsi Katainen (ALDE, FI):

*ga) to the amount obtained in accordance with point (g) is added, an amount resulting from the allocation of a premium of EUR 70 per person per year, applied to the population of NUTS 3 level regions with a population density below 12,5 inhabitants/km<sup>2</sup>.*

**SSPA POSITION:**

The amendment seeks to ensure an extra allocation per inhabitant to NUTS3 of less than 12.5 inhabitants per km<sup>2</sup>. Those sparsely populated areas located in the less developed and transitional NUTS2 already benefit from the advantages allocated to their region but the problem of low population density is ignored in the more developed NUTS2 containing sparsely populated NUTS3. Undoubtedly, the total amount of this measure would be quite small within the EU budget but very positive for the beneficiary territories.

**WE SUPPORT THIS AMENDMENT**

**SSPA'S ASSESSMENT OF SEVERAL AMENDMENTS BY THE EUROPEAN PARLIAMENT'S COMMITTEE ON REGIONAL DEVELOPMENT TO THE PROPOSAL FOR A REGULATION ON THE EUROPEAN REGIONAL DEVELOPMENT FUND AND THE EUROPEAN SOCIAL FUND (MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027)**

**AMENDMENT 197:**

**Tabled by** por Fernando Ruas, Maurice Ponga, Sofia Ribeiro, Cláudia Monteiro de Aguiar and Ramón Luis Valcárcel Siso.

*(26a) For the purpose of strengthening economic, social and territorial cohesion, as envisaged in Article 174 TFEU, the European Urban Initiative and support for rural, mountainous and isolated areas, particularly those most affected by demographic decline, should be the two sides of the same coin, that is to say, they should focus not only on the more central urban hubs and their surrounding fabric, but also on the more remote rural areas located further away from them. Indeed, priority could even be given to more remote, rural or mountainous areas with low urban or demographic density, through the formulation and development of specific measures encompassing.*

**SSPA POSITION:**

The amendment introduces the theme of rural, mountainous and isolated areas, especially those most affected by demographic decline, as a complementary element to urban areas, so that the challenge can be fully addressed, also through the Urban Initiative European Union, designing specific actions for the development of these areas. In addition, the amendment focuses on the importance of services and infrastructures, as fundamental elements to develop operational and successful initiatives.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENTS 752 AND 753:**

**Tabled by** Mercedes Bresso:

*Article 10 a*

*Areas with natural, geographic or demographic handicaps*

*The ERDF shall support integrated territorial development focused on areas with natural or demographic handicaps. At least 6% of the ERDF resources at national level under the Investment for jobs and growth goal, other than for technical assistance, shall be allocated to sustainable development for areas with natural or demographic handicaps in the form of community-led local development, integrated territorial investments or another territorial tool as set out in article 22 CPR.*

Amendment 753 is more generic and does not propose a specific percentage.

**SSPA POSITION:**

The amendments would oblige governments to provide a minimum percentage of the funds they receive from the ERDF for the sustainable development of areas with natural or demographic handicaps through different tools: ITI, community-led local development or other. It should be stressed that there was no specific article on these areas in the Commission's proposal, and that this integration would strongly bind the Member States to implement measures and funds for this purpose.

**WE SUPPORT THIS AMENDMENT**



**AMENDMENTS 762 TO 769:**

**Tabled by** Iratxe García Pérez:

*Article 12  
Areas with natural or demographic handicaps*

*In programmes co-financed by the ERDF covering areas with severe and permanent natural or demographic handicaps as referred to in Article 174 TFEU, particular attention shall be paid to addressing the specific difficulties of those areas.*

*In particular, NUTS level 3 areas with a population density of below 12.5 inhabitants per km<sup>2</sup>, or with an average annual population decrease of more than 1% since 2007, shall be subject to specific regional and national plans designed to attract more people to the region and encourage them to stay, as well as to increase business investment and access to digital and public services, including specific funding as part of the association agreement.*

.....

Amendments 768 and 769 also propose to add an article relating to areas with demographic challenges, although they incur the same problem to be corrected as indicated above in amendment 973 to the Commission's proposal for a Common Provisions Regulation. In addition, the wording should clarify that the population decrease of 1% refers to the annual average over the period considered.

**SSPA POSITION:**

As commented in the previous commentary, the amendment to create a completely new article obliges governments to pay special attention to areas with natural or demographic disadvantages, although in this case no minimum percentage is set, nor the tools to be used such as: ITI, community-led local development or other. However, here the areas are defined giving the value of 12.5 inh/km<sup>2</sup>, it also focuses on investments and access to services.

**WE SUPPORT THIS AMENDMENT WITH CORRECTIONS**