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Regions fear being sidelined in new EU infrastructure fund

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A new multi-billion euro EU fund for transport, energy and telecoms infrastructure is drawing concern among regions, which fear being sidelined by national authorities when it comes to allocating the money. EurActiv France reports.

Background

The size, structure and priorities of the EU's annual spending, which amounted to roughly €130 billion in 2010, are governed by the 'Financial Perspectives', which cover the period 2007-2013 (see EurActiv's [LinksDossier](#)).

The debate over the 2014-2020 framework for the budget is now beginning in earnest. At a time when many governments are involved in difficulty austerity measures and budget cuts, the issue of growing the European budget is controversial.

While several member states have called for freezing the EU budget, numerous officials have opposed such a move. The European Commissioner for the Budget [Janusz Lewandowski](#), the President of the European Parliament [Jerzy Buzek](#) and the [Polish government](#) (which will hold the EU's rotating for six months starting in July) have all strongly backed an increase, with 5% being the most-often cited figure.

They argue that such an increase of the budget is needed if the EU is to fulfil its commitments under the EU's so-called "Europe 2020 strategy" for competitiveness and growth.

The new funding instrument has been under discussion by officials in Brussels over the past few weeks and was explicitly mentioned by Johannes Hahn, the EU's Commissioner for Regional Policy, when he appeared before the European Parliament's committee for regional development (REGI) last week (22 June).

Hahn is cited in a Parliament [statement](#) confirming the existence of this new funding instrument for infrastructure while reassuring MEPs that its budget would in no way draw from existing regional funding.

Hahn was speaking last week ahead of the publication of the Commission's proposals for the EU's long-term budget for 2014-2020, where regional funding is expected to remain the second largest component, after agriculture policy.

A parliamentary source close to the dossier said the new fund would provide for so-called trans-European transport (TEN-T) projects, energy and telecommunications. Its

budget is expected to be in the range of €16 billion for the 2014-2020 period, according to the same source. The fund would be separate from Commission President Barroso's plans for an EU project bond, an idea he first floated in December last year.

When contacted by EurActiv.fr, Commissioner Hahn's office declined to give more details about the fund, preferring to "wait until proposals are on the table".

MEPs and region authorities wary

However, some regions are worried that this proposal could mean a loss of influence for regional governments in the use of EU funds in their areas, as transport and energy infrastructure are traditionally covered by regional policy.

Last May, the REGI committee overwhelmingly backed a non-legislative report on "The strategy for post-2013 cohesion policy" which said it "rejects absolutely all proposals to nationalise or sectoralise cohesion policy".

It goes on to argue that "new thematic funds (for climate, energy and transport) would undermine the tried and tested principle of shared management and integrated development programmes and jeopardise the availability of synergies and the effectiveness of interventions ". The report should be voted on in the Parliament's plenary session in early July.

While the report has no legal force, it will provide a strong indication of the Parliament's position in the upcoming budgetary debates. The Parliament has equal powers with the Council of the EU on budgetary matters since the entry into force of the Lisbon Treaty in 2009.

Speaking to EurActiv.fr, German MEP Marcus Pieper (European People's Party), who drafted the report, said he was opposed to "the creation of a new fund for infrastructure" and instead was "in favour of an infrastructure instrument which would be in the responsibility of the regions and in close coordination with the structural policies."

He went on to stress that he was not against new spending in these areas in principle, saying "European infrastructure needs to be strengthened, especially concerning the TEN-T and the access to the networks," he added.

Regions' representatives, such as the Conference of Peripheral and Maritime Regions (CPMR) and the Association of French Regions have expressed similar worries about such a new fund.

Based on reporting by EurActiv.fr.

Next Steps

- **5-7 July:** Vote on "The strategy for post-2013 cohesion policy" report in plenary.

Links

European Union

- European Parliament: "Report on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy"

- European Parliament: [Press release on Commissioner Hahn's appearance before the REGI committee](#)

Press articles

- EurActiv France: [Des domaines clés de la politique régionale renationalisés ?](#)