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EU budget proposal: a sound basis for Dutch regions

The European Commission published May 2, 2018 its proposals for the new Multiannual Financial Framework (MFF) for the period 2021-2027. This publication marks the official start of European negotiations about how much the EU is permitted to spend on what. The stakes are high for the Dutch provinces. After all, with support from European funds provinces contribute substantially to tackling the challenges facing Europe in the field of climate, energy, sustainability, rural development and innovation.

The provinces can work with these Commission proposals. Important themes such as innovation, climate change, energy transition and sustainability get the attention they deserve. Despite the proposed spending cuts, the proposals allow for a continued contribution to tackling economical and societal challenges facing the Netherlands also after 2021” commented Bert Pauli, Regional Minister for Noord-Brabant and Chairman of the Regional Economy Committee of the Dutch provinces.

For the forthcoming negotiations, the Dutch provinces call upon the national Government to join forces in arriving at a good deal for the Netherlands. **The net result of costs and benefits is decisive for the provinces. It is not only a question of what the Netherlands pays to Europe but above all also what Europe generates for the Netherlands, in the broadest sense.** For Dutch public and private parties, it is vital that they continue to benefit from European investment opportunities that help them tackle the societal challenges facing Europe together.

European funds: catalysts for the regional economy and rural quality

The 12 Dutch provinces are responsible for regional spatial-economic policy in the Netherlands, which is in turn partially determined and supported by Europe. In the period 2007-2013, European regional policy created more than one million (additional) jobs. In the Netherlands, during this same period, every one euro from the European Regional Development Fund (ERDF) resulted in an investment of 3.34 euro in the regional economy, amounting to a total investment budget of 2.76 billion euro. In the current period 2014-2020, to date, around 4000 start-up businesses in the Netherlands, have received support in making the step to the market. Bert Pauli: **“European funds are an effective means for the Dutch provinces to strengthen the economy and to increase competitiveness. Maintaining European funding is therefore of great importance to our future economic growth and employment”**.

In terms of rural policy, the combination of sustainable agriculture, the food supply chain and physical quality of the environment is of central importance. It is a key instrument for tackling the

societal challenges faced by the regions, including climate change. In the current period, the Netherlands will receive 6.4 billion euro from the Common Agricultural Policy (CAP), of which 600 million euro in rural funding, which thanks to the efforts of the provinces will eventually result in a boost to Dutch investments of 1.23 billion euro. Henk Staghouwer, Regional Minister for Groningen and spokesperson CAP within the Vital Rural Development Committee of the Dutch Provinces explained, ***“The difference between urban and rural areas should not be allowed to grow any further, in economic terms. The Dutch rural areas demand an area-specific approach: tailored to each region, depending on the challenges facing that region. In the current period 2014-2020, it has become clear that powerful guidance by the provinces helps to ensure effective, continuous development in rural areas. Provinces would welcome greater investments in the rural development programme with a key role for the regions. However, it should not be taken for granted that the provinces will take responsibility for all national co-financing.”***

In the run-up to the new sectoral proposals at the end of May, the 12 provinces are calling for a balanced European regional and rural policy, that takes account of the specific characteristics of the Dutch regions and rural areas. In its country analysis in the framework of the European Semester, the Commission must take full account of the regional dimension. Pauli and Staghouwer concluded: ***“It is vital that our hotspots for agro-food, horticulture, high-tech, energy, chemicals and biotechnology are able to continue to make a contribution to the overall competitiveness of Europe. A strong regional and rural policy leaving sufficient scope for decentralised implementation and supporting cooperation between European regions is essential.”***

Note for editors:

-In the [Brochure Cohesion policy](#), an overview is provided of the best practices for ERDF resources, January 2018

-The Dutch provinces have signed up to the so-called [#CohesionAlliance](#) to promote solid regional policy for all regions.

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