



EUROPEAN COMMISSION

Ursula von der Leyen
The President

Kancelář Senátu

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Dear Vice President, Dear Senator,

I would like to thank you for your letter of 14 July 2021, drawing my attention to the increased importance that Cohesion policy should have in reducing economic, social and territorial inequalities in the EU and the problems faced by the Northwest region of the Czech Republic.

Our common goal is for all the European regions to reach their full potential and Cohesion policy is here to enable this objective. It has been effective in achieving convergence, which had been interrupted by the economic crisis between 2009 and 2013 but had since resumed during the recovery period. On average, less developed and transition regions experienced a growth of their GDP per head over 5% a year. I nonetheless acknowledge that the convergence of the Northwest region has been unsatisfactory and significantly lower than other Czech regions. Whereas Cohesion policy cannot be held responsible for this, this situation is a source of concern and should be tackled. The Cohesion Fund and the European Regional Development Fund, together with the recovery package, will support recovery from the COVID-19 pandemic and the EU's long-term priorities including the green and digital transition.

The amounts allocated under Cohesion policy clearly favour regions whose GDP per capita is less than 75% of the average GDP per capita of the EU-27, such as the Northwest region. All together, they benefit from 73% of the overall resources from the European Regional Development Fund and the European Social Fund Plus.

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Mr Jan Horník

Vice-President, Senate

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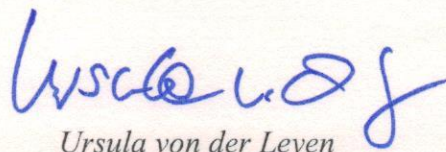
The support under the European Regional Development Fund and Cohesion Fund is governed by the principle of shared management. Accordingly, the decisions on for instance the projects supported and the source of national co-financing remains within the remit of the Member State.

Under Cohesion policy, for regions most affected by the transition towards a climate-neutral economy, the Just Transition Fund (JTF) was established to address the social, economic and environmental impacts by financing the diversification and modernisation of the local economy and by mitigating the negative repercussions on employment. The Czech authorities are currently working on the Just Transition Plan, which will open the door to financing from the JTF but also from the dedicated just transition scheme under InvestEU and the public sector loan facility. The Czech authorities informed the Commission services of their intention to transmit the first draft of the Territorial Just Transition Plan in September and to cover the Northwest region with the highest intensity of support per capita.

The Commission monitors the application of the partnership principle and bottom-up approach and the Ministry for Regional Development, together with regional authorities regularly share information about activities and workshops organised. The Commission also participates in specific meetings with the JTF regions. In particular, the Commission is encouraging the Czech authorities to establish a proper structure to support project development, particularly in the structurally underdeveloped regions.

Finally, beside its main objective of fostering the post-COVID recovery through the green and digital transition, the Recovery and Resilience Facility (RRF) also contributes to social and territorial cohesion. Although the Czech Recovery and Resilience plan does not earmark specific funding for less-developed regions, it foresees a number of measures that address social and territorial cohesion. These include in particular reforms and investments tackling inequalities in education and labour market challenges which are concentrated in the socially disadvantaged regions such as the Northwest region. While the Commission assisted the Czech authorities in preparing the Recovery and Resilience Plan that complies with legal requirements, the identification of particular reforms and investments to achieve the RRF objectives remains under national ownership. Let me reiterate my commitment to continuously engage with all the stakeholders to support the transition of European regions, including the Northwest region.

Yours faithfully,



Ursula von der Leyen