

Cohesion policy: investing in the real economy

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The Committee on Regional Development adopted an own-initiative report drafted by Evgeni **KIRILOV** (PES, BG) on Cohesion Policy: Investing in the real economy in response to the Commission's Communication on the subject. Members strongly welcome the adoption of the European Economic Recovery Plan and consider that EU cohesion policy can make an important contribution to overcoming the current financial crisis.

They endorse the use of the Structural Funds, in preference to precipitating the invention of new economic tools. Due to the significant pressure on national budgets, EU cohesion policy funds and interventions should be accelerated, in order to give a timely boost to the economy and provide support especially to people hit by the crisis. The committee supports the Commission's legislative proposals to amend 3 of the existing Structural Funds Regulations 2007-2013 (Regulations (EC) No 1083/2006, No 1080/2006 and No 1081/2006). The Commission is asked to monitor the economic measures taken by Member States, so as to ensure that these do not violate free market competition, and social standards which have been essential pillars of European integration since its foundation, as well as the implementation of requirements of Community legislation on the environment and on climate protection.

Members highlight the important role that grass-roots organisations, NGOs and the social economy play in promoting social cohesion and call on the Commission to ensure that any simplification of the Structural Funds will reduce administrative burdens on such organisations.

The committee is particularly concerned by the asymmetric territorial impact of the crisis across the EU and its harder impact on the Member States that already have a lower quality of life than the EU average. It asks the Commission in particular to ensure a suitable geographical balance when presenting the list of specific projects, requested by the European Council for strengthening investment in infrastructure and in energy efficiency. Measures such as flexibility and acceleration of payments, the use of lump sum payments and flat rates will stimulate and accelerate policy implementation especially in infrastructure, energy and environmental sectors and of ESF projects. In this regard, the Commission should provide Member States with clear guidance. Members regret, nonetheless, that other important measures have not been taken into account, such as proposals for the immediate increase of liquidity on the ground by intervening to a greater extent in the coming years on interim payments. Whilst welcoming the Commission's proposal to increase advance payments, the committee nevertheless urges banks to make full use of the facilities granted to them to maintain lending to the economy and pass on key interest rates reductions to borrowers. It calls on Member States to make wide use of Structural Funds to secure job creation, to promote small and medium-sized enterprises (SMEs), entrepreneurship and professional training. m

Welcoming also the proposal that investments in energy efficiency, and the use of renewable energies in the housing sector should be eligible for ERDF funding, the report urges Member States to make comprehensive use of this new possibility and to adapt their operational programmes accordingly.

Member States are encouraged to explore synergies between cohesion policy financing and the other sources of Community funding (TEN-T, TEN-E, the Seventh Research and Technological Development Framework Programme, Competitiveness and Innovation Framework Programme) as well as the financing provided by the European Investment Bank and the European Bank for Reconstruction and Development. They should also simplify access to the funds' allocation made available by the financial instruments JESSICA, JASMINE and JEREMIE.

With regard to the ESF, Members highlight the role of education and training in ensuring long-term economic recovery and demand that the measures available under the ESF be updated, both in terms of ensuring a higher availability of resources and reaching a higher level of flexibility.

Lastly, the Commission is asked to develop detailed criteria for close monitoring of the effectiveness of the recovery plans at national and regional levels particularly with regard to compliance with transparency requirements. The report requests an evaluation in 2010 of the effectiveness of the reforms following the adoption of the revised Structural Fund Regulations.