Good governance with regards to the EU regional policy: procedures of assistance and control by the European Commission

2009/2231(INI) - 14/12/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 615 votes to 20, with 39 abstentions, a resolution on good governance with regards to the EU regional policy: procedures of assistance and control by the European Commission.

Parliament underlines that cohesion policy plays a forerunner role in the application of multi-level governance, as an instrument to improve the quality of decision-making processes. It sets out its multi-level approach by focusing on the following elements:

Applying multi-level governance: Parliament recalls that 'multi-level governance' means coordinated action by the Union, Member States and local and regional authorities, as well as socio-economic partners and NGOs, based on the principles of partnership and co-financing. In its view, this approach should be used in all Union policies for which responsibility is shared between the different tiers of government, including cohesion policy. It considers that multi-level governance is a **precondition** for achieving territorial cohesion in Europe. Parliament therefore calls for this **principle to be made compulsory for Member States in policy areas with a strong territorial impact** in order to ensure balanced territorial development in line with the subsidiarity principle.

To be satisfactory, this governance should take into account the diversity of administrative arrangements existing in the different Member State; calls on the Member States to identify the most efficient means of implementing governance at the various levels and to improve their cooperation with the regional and local authorities.

In the same breath, Parliament:

- recommends that the **territorial impact analysis should become standard practice** through the involvement, upstream of the policy decision, of the various parties concerned in order to understand the economic, social and environmental repercussions on the regions of Community legislative and non-legislative proposals;
- urges those Member States which have not yet done so to adopt as soon as possible the necessary provisions allowing the setting up of European Groupings of Territorial Cooperation (EGTC);
- calls on national, regional and local authorities to intensify their use of the integrated approach during the current programming period and that this approach be made compulsory in the context of the future cohesion policy;
- calls on the Commission to undertake a comparative assessment of the outcomes of cohesion policy and to ensure that the territorial impact should become standard practice;
- calls on national, regional and local authorities to intensify their use of the **integrated approach** during the current programming period and for this approach be made compulsory in the context of the future cohesion policy;
- urges the Commission to develop a **guide for public and private actors** on how to implement in practice the principles of multi-level governance and the integrated approach;
- suggests that a European multi-level governance label be launched and put in place in all regions across the EU as from 2011;

- calls on Member States and regions to take the decentralisation measures required, at both legislative and budgetary levels, so that the system of multi-level governance can work effectively;
- urges the Member States to involve relevant regional and local authorities and civil society actors from the very early stages of negotiations on Union legislation and on programmes benefiting from the Structural Funds
- calls on the Commission to improve its administrative capacity in order to increase the added value of the cohesion policy and ensure the sustainability of the actions undertaken.

Parliament considers that the principles of partnership and co-financing foster the assumption of responsibility by sub-national authorities in the implementation of cohesion policy. It reiterates, in this context, their commitment to these principles of good management and call for their continued application despite the restrictions on public spending arising from the economic crisis. Members also call for a **common definition of the concept of partnership to be agreed**.

Stressing the importance of dialogue with citizens through civil society organisations and NGOs, Parliament calls on the Commission to improve citizens' involvement from the outset of the next Structural Funds programming period. In addition, the call for the multi-level governance principle to be integrated into all phases of design and implementation of the EU2020 Strategy.

Members call, in particular, for the implementation of the pilot project initiated by the European Parliament entitled **'Erasmus for elected local and regional representatives'** with a view to raising the standard of proposed projects and meet the objective of efficiency. A budget line needs to be created to this effect. It would involve a training and mobility scheme for local and regional actors involved in running cohesion policy programmes.

Strengthening of the Commission's role in supporting regional and local authorities: Members are of the opinion that a stronger role for the regional and local level must correspond to a strengthened supervisory role for the Commission. In this connection, they call for an EU certification system for national audit bodies and for the completion of the approval of the compliance assessment reports, so as to avoid delays in payments and loss of funds due to decommitment. They also call for the Commission to come up with a proposal on the tolerable risk of error before 2012.

Parliament also calls for:

- strengthened coordination in the Commission between DG REGIO, which is responsible for cohesion and structural policy, and the DGs responsible for the relevant sector-specific initiatives;
- more control of results by the Commission on the spot, so as to improve evaluation both of the efficiency of project structures and of the effectiveness of measures in terms of the objective they seek to achieve;
- the reinforcement of the 'Train the trainers' initiative for managing and certifying authorities;
- the launch of the new portal in the SFC 2007 database allowing direct access to relevant information for all actors dealing with Structural Funds;
- the putting in place of additional technical assistance mechanisms to promote knowledge at regional and local level on implementation-related problems;
- a standardised application of the single information, single audit (SISA)- model at all audit levels and the issuing of a single audit manual including all the guidance notes produced so far.

To strengthen policy on results, Parliament invites Member States to further exploit the financial engineering instruments as a means to increase the quality of the projects and the participation of private actors. It also asks the Commission for a more result-oriented policy in the future, **focusedon quality performance and strategic project development rather than on controls**. To this end, it urges the Commission to develop objective and measurable indicators for better monitoring and evaluating systems. Once again, Members reiterate their call for the simplification of the Structural Fund rules and for the

implementation of legislation that is comprehensible and that will not require frequent modifications. Overall, Members call for a **simpler architecture for the Funds after 2013**in order to facilitate absorption of the funds and toencourage greater transparency and flexibility in the use of the EU Funds in order to avoid an additional administrative burden.

Recalling their attachment to a **strong and appropriately funded cohesion policy**, Members call for the budget for the policy to be maintained after 2013 and for **any attempt to renationalise it to be rejected**.

With regard to **principles**, Parliament calls on the Commission to take on board the principles of **differentiation and proportionality** in future regulations and to adapt requirements according to the size of programmes and nature of partners.

It also calls for:

- wider use of lump-sums and flat rates for all Funds;
- more flexible evaluation criteria with a view to encouraging innovative projects;
- the development of the principle of a '**bond of trust'** with Member States which undertake to, and succeed in, making good use of the Funds;
- **deeper harmonisation and integration of the Structural Funds rules**, avoiding the breakdown of a project into different parts to apply to different funds;
- focus be put not just on the regularity of expenditure but on the quality of interventions.

As far as **negotiations** are concerned, Members call on the Commission to facilitate the process of negotiations and approval of the operational programmes in order to avoid any delay in the cohesion policy implementation and absorption of funds after 2013.