

# EC 5th cohesion report and strategy for the post-2013 cohesion policy

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The Committee on Regional Development adopted an own-initiative report by Markus PIEPER (EPP, DE) on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy.

The report follows the [Communication of the Commission](#) of 9 November 2010 entitled 'Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy'.

**(1) Cohesion policy added value and investment priorities:** Members call for cohesion and structural policy programmes to place more emphasis on European added value. deems such added value to be achieved where:

- a) EU projects bring about a sustainable improvement in the economic, infrastructural, social and/or environmental status of disadvantaged, less-developed regions, and where that improvement would not have been achievable without the European stimulus;
- b) projects supported at national, regional and local level contribute to the achievement of pan-European objectives in the fields of European integration, economic growth, research, environmental protection, culture, resource management, sport, demographic change, sustainability of energy supply, social cohesion or cross-border development and this would not have been achieved without the European stimulus.

The committee makes the following comments:

- the achievement of European objectives in accordance with a **decentralised approach** and the principle of multi-level governance and shared management is one of the major advantages of cohesion policy ;
- **transparency** should be introduced (particularly regarding the list of beneficiaries) as a guiding cross-sectoral principle in the cohesion programming and decision-making processes in the next funding period;
- major imbalances still exist – and among/in some Member States are actually growing, inter alia as a result of the economic and financial crisis and cohesion policy must therefore continue to concentrate on reducing disparities and implementing harmonious and sustainable development **for all regions of the Union**, regardless of the Member State in which they are located;
- Member States and the Commission must retain special forms of preference in respect of the **particularly disadvantaged types of region** referred to in the TFEU (outermost regions, northernmost regions with a very low population density and island, mountain and cross-border regions);
- targeting Structural Fund resources in a broad territorial approach must also serve to compensate for structural weaknesses in the **stronger regions**;
- macro-regional strategies afford a major opportunity to harness forms of supranational potential, improve cooperation between the different levels of governance and take a joint approach towards shared challenges such as environmental protection or the use of resources and development capacities;

- **urban areas and regions** – including capital cities and their regions – play a key role in achieving the economic, environmental and social objectives of the Europe 2020 strategy; the dynamic process launched during the previous programming period for Integrated Urban Programmes in addressing problems of areas with disadvantaged communities should be supported;
- given the dynamic influence of towns and cities on economic development in the regions and in stimulating the economy in surrounding rural areas, Member States should guarantee the resources needed to implement the **urban and sub-urban projects required**;
- structural and cohesion funding should also take into account the educational, **cultural and socio-political challenges of the Europe 2020 strategy**, while remaining in line with the overarching EU objective of economic, social and territorial cohesion. Members call for further place-based local development approaches that could serve as models to be introduced, while retaining existing national and regional competences;
- cohesion policy should make a greater contribution to the rapid development of **environmental technology and renewables**;
- the trans-European transport networks play a decisive role in the cohesion of European regions and development of TEN infrastructure, Motorways of the Sea and designated E-roads must be stepped up and access to them improved, especially in border regions and outermost regions ;
- the fundamental principles of the **Small Business Act** for Europe (SBAE) must be considered one of the bases of cohesion policy, and these principles should be applied by Member States and regions in the definition of their operational programmes.

**(2) System of objectives and framework for programme planning:** Members take the view that the Europe 2020 challenges can be integrated very easily into the three objectives system (Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation). They stress that the **ESF is the most important instrument** for the implementation of the social dimension of the Europe 2020 strategy and that the fund can contribute significantly to the fulfilment of the central priorities of that strategy, namely employment, transition to a sustainable economy, a lower number of school drop-outs, fighting against poverty, discrimination and social exclusion.

The committee takes the view that **GDP must be retained as the key criterion** in the definition of areas eligible for maximum support (those with a per capita GDP below 75% of the EU average) and, where appropriate, cohesion countries (per capita GNI below 90% of the EU average). Cohesion policy must continue to target as a priority those regions that lag furthest behind. The neediest regions should be granted an appropriate share of the funding available under Objective 1 (Convergence).

Members call on the Commission to present a proposal for the duration of the next programming period that will ensure the provision of adjustable, robust and proportionate **transitional assistance for regions no longer coming under the Convergence Objective**, in order to address their specific situation, and for **regions with per capita GDP between 75% and 90% of the EU average**, in the form of an intermediate category, in order to avoid unequal treatment of regions in spite of their similar situations.

Members call for a **strengthening of Objective 2 (Regional Competitiveness and Employment)** through its horizontal nature to achieve results on a limited number of EU priorities, such as support for SMEs, green innovations, local economies, education and training, infrastructure, sustainable mobility, renewable energies and energy supply, resource efficiency and social inclusion.

Furthermore, **efforts under Objective 3 (European Territorial Cooperation) need to be stepped up** at all EU internal borders and at all three levels of such cooperation (cross-border, inter-regional and trans-national), and the committee calls for the relevant share of structural funds to be increased to 7%.

With a view to increasing synergies, the report asks for greater integration of sectoral policies (transport, energy, research, environment, education) under the cohesion and structural policies, so as to achieve greater effectiveness and better coordination between the Structural Funds, the CIP and the Framework

Programmes for Research and Development. It suggests that multi-fund programming could contribute to a more integrated approach.

It also calls for a common strategic framework for the ERDF, the ESF, the Cohesion Fund, the framework programmes, the EAFRD and the EFF, for the post-2013 funding period. The Common Strategic Framework should be adopted under the ordinary legislative procedure.

**(3) Incentives, conditionality, result-orientation, co-financing and financing options:** the report calls for funding under the development and investment partnerships to be made subject to certain specific commitments predetermined in a dialogue between the Commission and Member States. Those predetermined conditions must require Member States to undertake reforms in order to ensure that funds are used efficiently in areas directly related to cohesion policy. Members want it to be made possible for the actors involved in the management of operational programmes to influence conditionalities. They consider it fair for such conditions to include, in particular, full implementation of existing EU legislation (e.g. on price regulation, tendering procedures, transport, the environment and health) in order to prevent irregularities and ensure effectiveness.

They **reject, however, the imposition of conditions requiring Member States to undertake fundamental social and economic reform.** All conditions should fully respect the principles of subsidiarity and partnership. Any new conditionality must not result in extra administration burdens for the actors involved.

The report calls for the effectiveness and transparency of the ESF to be increased through more results-oriented action and asks for the ex ante setting of clear and measurable targets and outcome indicators, directly linked to the purpose of the funding, which measure, in particular, success in the fight against poverty and social exclusion and integration into high-quality employment.

**(4) Budget, financial processes, reducing red tape, budgetary discipline and financial control:** Members take the view that the system of seven-year programming periods has proved its worth regarding cohesion policy and should be retained at least until the end of the next planning period (2020). They call, however, for swifter strategic reassessment of the basic conditions so that the EU can respond even more quickly and more flexibly to exceptional events (such as the financial crisis, the energy crisis or natural disasters).

The report calls for the adoption of stricter rules on the monitoring of irregularities in the use of the Structural Funds in respect of Member States that have a high level of irregularities in connection with the use of monies from the Structural Funds. It also calls for the Commission to have, from the start of the next programming period, greater responsibility for the improvement of national administrative procedures. Members consider, in this connection, that there is an urgent need for simplification and clarification of the administration of support programmes, in particular in the area of financial implementation and financial control.

**(5) Neighbourhood and enlargement policies:** the report emphasises the importance of the European Neighbourhood and Partnership Instrument (ENPI) for cohesion policy with regard to cross-border cooperation with states outside the EU. It calls on the Commission to look into the feasibility of establishing better synergies between ERDF initiatives, the Instrument for Pre-Accession Assistance, the European Neighbourhood and Partnership Instrument (ENPI) and the European Development Fund (EDF).