Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund; general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

2011/0276(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 479 votes to 126 with 85 abstentions, a legislative resolution on the amended proposal for a regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

Alignment with Europe 2020 strategy: the Common Strategic Framework (CSF) should facilitate sectoral and territorial coordination of Union intervention under the five European Structural and Investment Funds and with other relevant Union policies and instruments. The CSF must set out:

- how the European Structural and Investment Funds (ESI) will contribute to the objectives and targets of the Union's strategy for smart, sustainable and inclusive growth;
- the arrangements to address key territorial challenges;
- the arrangements to promote the integrated use of ESI Funds;
- the arrangements for coordination with other relevant Union policies and cooperation activities.

Particular attention shall be paid to urban and rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, taking account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions.

Effectiveness of the Funds: given the fact that Member States and regions increasingly face complex and interrelated challenges, the solutions supported by the European Structural and Investment Funds should be **integrated, multi-sectoral and multi-dimensional**. In order to increase the effectiveness and efficiency of the policies, it should be possible for the ESI Funds to be combined into integrated packages which are tailor-made to fit the specific territorial needs.

Arrangements for the implementation of the European Structural and Investment Funds, shall take into account the **overall aim of reducing administrative burden** for bodies involved in the management and control of the programmes.

Financial framework: the resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014 to 2020 shall be **EUR 325 145 694 739** at 2011 prices, of which **EUR 322 145 694 739** represents global resources allocated to the ERDF, the ESF and the CF and **EUR 3 000 000 000 represents a specific allocation for the Youth Employment Initiative.**

Resources for the **Investment for growth and jobs goal** shall amount to 96.33 % of the global resources and shall be allocated as follows:

- 52.45 % for less developed regions;
- 10.24 % for transition regions;
- 15.67 % for more developed regions;
- 21.19 % for Member States supported by the Cohesion Fund;
- 0.44 % as additional funding for the outermost regions.

Partnership agreement: the partnership principle was strengthened. On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners, and in dialogue with the Commission, a Partnership Agreement. The ESI should be implemented through programmes covering the programming period of the Partnership Agreement.

The provisions on Partnership Agreement were amended so as to **give local and regional authorities and partners representing civil society** the right of further scrutiny regarding planning and implementation.

A code of conduct would establish a framework within which Member States would support the implementation of partnership.

Ex ante conditionalities: the amended regulation defines ex ante conditionalities to ensure that the necessary prerequisites for the effective and efficient use of Union support are in place. To this end, an ex ante conditionality should apply only when it has a direct and genuine link to the effective achievement of the objectives of the ESI Funds. The Commission should assess the information provided by the Member State in the framework of evaluating the Partnership Agreement.

Performance framework: the performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each priority over the course of the programming period. The Commission should undertake a performance review based on a performance framework and in cooperation with the Member States in 2019.

A performance reserve of 6% of the resources allocated to the ERDF, ESF and CF under the Investment for Growth and Jobs goal as well as to the EAFRD and to Title V of the EMFF, shall be established for each Member State. The effectiveness of expenditure under the European Structural and Investment Funds must be underpinned by sound economic policies. The ESI Funds should be able to be, if necessary, **redirected to addressing the economic problems** a Member State was facing.

Where a Member State fails to take effective action in the context of the economic governance process, the Commission should make a proposal to the Council to **suspend part or all of the commitments or payments** for the programmes of that Member State. In such an event, **the European Parliament shall be kept informed** at all stages of the procedure on suspension of funds, through the structured dialogue with the Commission. Furthermore, the suspension of Funds would be adapted to the social and economic circumstances of the Member state concerned.