European Commission's seventh and eight progress reports on the EU cohesion policy and the 2013 strategic report on programme implementation 2007-2013

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The Committee on Regional Development adopted the own-initiative report by Vilja SAVISAAR-TOOMAST (ALDE, EE) on the European Commission's 7th and 8th progress reports on the EU Cohesion Policy and the Strategic Report 2013 on programme implementation 2007-2013.

Empirical evidence shows that the economic, financial and social crisis has brought the convergence process to a halt or has even reversed it, thus aggravating disparities between regions. Public resources both at Member State and EU level have become scarcer. The crisis is adversely affecting all European regions and cities, thus increasing the importance of cohesion policy funding.

The report noted that the emphasis of cohesion policy has up until now rather been on **absorption than on defining and monitoring** – and evaluating the achievement of – objectives, while the monitoring and evaluation systems fail to fully achieve their purpose of improving the definition of differentiated targets according to the local, regional and interregional features, specificities and needs.

The cohesion policy continues to be the main source of EU public funding in the context of the multiannual financial framework 2014-2020, and within the new framework for the cohesion policy all the emphasis is placed on the need to concentrate investment at regional and local level in important areas such as job creation, SMEs, training and education, urban development and cities.

General implementation challenges for the current programming period: the report welcomed the seventh and eighth progress reports, as well as the strategic report 2013, and called on the Commission – which is now launching the 2007-2013 ex-post evaluation – and the Member States to ensure that the monitoring and evaluation are based on reliable data, to look at the efficiency, effectiveness and impact of operations, and to ensure that the ex-post evaluation is completed by the end of 2015, in order for **clear lessons to be drawn** with a view to the implementation of the new programming period.

Members stated that, although the resources allocated to cohesion policy in the current multiannual financial framework are relatively small as compared to the needs on the ground, ensuring greater efficiency as well as synergies between the EU budget and the national budgets may nevertheless constitute important levers for growth-enhancing policies.

Further action must be taken to **reinforce the territorial dimension** of the governance system of cohesion policy, the Europe 2020 strategy and the European Semester.

Focus on employment and social inclusion: the report noted that, owing to the crisis, the percentage of the population at risk of poverty or social exclusion, suffering of material deprivation, environmental degradation and poor housing conditions, or having very low work intensity and threatened by exclusion and energy poverty has increased considerably. The European Social Fund (**ESF**) should play a role in reducing the disparities in human capital among regions and in helping to increase employment rates.

Evaluation evidence: the report recalled that while there is strong evidence that implementation of cohesion policy has accelerated, a number of Member States are at risk of failing to implement their programmes before the end of the current programming period. It urged the Commission, in this regard, to analyse in depth the causes of the **low absorption rates**, and urged the Member States to provide **co-financing in order to accelerate the implementation of funds**. Member States should also explore synergies between cohesion policy financing and other sources of EU funding as well as with financing provided by the European Investment Bank and the European Bank for Reconstruction and Development. They were also urged to accelerate implementation and to simplify and improve access to the funds available in order to encourage SMEs, civil society organisations, local municipalities and other interested beneficiaries to make use of them.

Monitoring and evaluation challenges: Members considered that evaluation has an essential role to play in the policy debate and learning, but are concerned that the **uneven quality of progress reporting in many cases makes it difficult to develop a full and accurate picture of progress towards the targets at regional and local level**. They emphasised that **evaluation should also assess and propose measures** to relieve unnecessary burdens on beneficiaries, including SMEs, local and regional authorities and NGOs.

In this respect, the Commission and the Member States are asked to make full use of the monitoring and evaluation tools available in the context of the current legislative framework (stronger result orientation, use of common output indicators, choice of programme-specific result indicators and a clear performance framework).

The Commission is urged to **improve Member States' reporting systems** by introducing and utilising **indicators** so as to make it possible to assess the support provided under cohesion policy for genuine progress on gender equality and to what extent this is being achieved. It is also urged to check whether Managing Authorities apply the Late Payment Directive in relation with beneficiaries of projects and take adequate measures to **decrease the payments' delays**.