European Structural and Investment Funds and sound economic governance: guidelines for the implementation of Article 23 of the Common Provisions Regulation

2015/2052(INI) - 28/10/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 482 votes to 100 with 51 abstentions, a resolution on the European Structural and Investment Funds and sound economic governance: in response to the Commission communication on the guidelines on the application of the measures linking effectiveness of the European Structural and Investment Funds to sound economic governance according to **Article 23** of Regulation (EU) 1303/2013 on the common provisions (the CPR).

A proposal for a replacement resolution, tabled by the GUE/NGL group, was rejected in plenary by 54 votes to 521 with 89 abstentions.

Linking effectiveness of the ESI Funds to sound economic governance: it was recalled that the Guidelines concern the first strand of measures linking the effectiveness of the ESI Funds to sound economic governance under Article 23 CPR. This relates to a **reprogramming and a suspension of payments** which are not compulsory, unlike the second strand of Article 23 CPR, which requires the suspension of commitments or payments where Member States fail to take corrective action in the context of the economic governance process.

Parliament believed that the achievement of the ESI Funds' policy objectives and goals should not be hindered by the economic governance mechanisms, while acknowledging their relevance in contributing to a stable macroeconomic environment and an efficient, effective and result-oriented cohesion policy. It considered that Article 23 of the CPR must only be used as a last resort to contribute to an efficient implementation of the ESI Funds.

The Commission was asked to:

- submit a **white paper** taking account of the effects of public investment in the long term and establishing a typology of quality investments, so that those which produce best effects in the long term can be clearly identified;
- **provide further analytical data** on the impact and significance of the macroeconomic mechanisms for regional development, for the effectiveness of cohesion policy and for the interaction between the European economic governance framework and cohesion policy.

Members States, for their part, were asked to **make best use of the flexibility** existing under the rules of the Stability and Growth Pact.

Reprogramming under Article 23 CPR: Members made the following observations:

- any decision regarding reprogramming or suspension under Article 23 CPR must **only be used in exceptional situations**, and must be well-weighed, thoroughly justified and implemented in a cautious fashion, with indication of the programmes or priorities concerned in order to ensure transparency and allow for verification and review;

- **frequent reprogramming would be counter-productive** and should be avoided in order not to disrupt fund management or undermine the stability and predictability of the multiannual investment strategy and to prevent any negative impacts.

Members welcomed the cautious approach of the Commission with regard to reprogramming and its intention to keep it to the minimum necessary. It called for an **'early warning'** approach in order to inform Member States concerned of the launching of the reprogramming procedure under Article 23 CPR, and emphasised that any reprogramming request should be preceded by consultation of the monitoring committee.

The Commission is asked to:

- carry out, in close cooperation with the Member State concerned, **a comprehensive analysis of all available options** other than the application of Article 23 CPR to address issues that may trigger a reprogramming request;
- **evaluate the impact and cost-efficiency at regional and local levels** of any measures adopted under Article 23 CPR;
- read Article 23 CPR in line with the principle of proportionality, by taking into account the situation of those Member States and regions which face socio-economic difficulties.

Members recalled that **strong institutional coordination** is essential for ensuring the right policy complementarities and synergies. They considered it essential to **ensure transparency and accountability** by giving Parliament democratic oversight of the system of governance in the context of Article 23 CPR.

Suspension of payments: Parliament emphasised the penalising nature of any suspension of payments, and asked the Commission to use its discretionary power to propose the suspension of payments **with utmost caution**, after due consideration of all relevant information and elements arising from and opinions expressed through the structured dialogue.

Role of the European Parliament: Members regretted that the Guidelines do not make any reference to the role of Parliament, despite the fact that the CPR was adopted under the ordinary legislative procedure. They considered that **the involvement of Parliament should be formalised by way of a clear procedure** allowing Parliament to be consulted at all stages as regards the adoption of reprogramming requests or of any proposals and decisions on suspension of commitments or payments.

They set out the **steps** that were needed for a procedure for constant, clear and transparent collaboration at interinstitutional level.