

**Opinion of the Committee of the Regions on 'Proposal for a regulation on the ERDF'**

(2012/C 225/08)

## THE COMMITTEE OF THE REGIONS

- points out that excessive thematic concentration limits strategic choices and calls for greater flexibility to further strengthen regional competitiveness;
- calls on the European Commission to make the content and scope of individual investment priorities less rigid in consultation with the Member States and regions on a case by case basis;
- welcomes the common indicators, but sees still a need for improvement;
- is of the view, that ERDF resources must be flexible and used without giving preference to certain types of area or discriminating against them, taking into account all types of urban, rural and functional areas;
- suggests to ensure a better link between Horizon 2020 and the structural funds by providing interfaces and connecting points in both programmes;
- underlines that a list of cities in which sustainable urban development measures are to be implemented, should be an indicative one, worked out in a partnership with local and regional authorities, on the basis of a call for applications. Regions must have the option of adopting support measures in a flexible manner in accordance with regional and local needs;
- points out that the proportion of ERDF funds supporting sustainable urban development, and local development in general, should be the result of operational programme planning;
- highlights the work of the URBACT programme, and calls upon the Commission to justify the added value of the proposed urban development platform;
- offers to work together with the European Commission to ensure stronger political dialogue on urban development plans and cooperation between urban and rural territories in Europe;
- calls for the operational programmes to take greater account of the challenges of areas with natural or demographic handicaps, than is foreseen in Article 111 of the draft CPR.

<b>Rapporteur</b>	Michael SCHNEIDER (DE/EPP), State Secretary, Delegate of the State of Saxony-Anhalt for the German Federation
<b>Reference document</b>	Regulation of the European Parliament and of the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006  COM(2011) 614 final.

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

#### General assessment

1. welcomes the Commission proposal as a good basis for further negotiations on the future design of ERDF support in Europe;
2. believes that changes are still needed especially in order to meet the concerns of local and regional authorities in the European Union;
3. refers in this connection to the CoR's opinion on the framework regulation<sup>(1)</sup> as well as earlier opinions on the future design of the Cohesion Policy after 2013<sup>(2)</sup>;

#### General provisions (Articles 1-5)

4. stresses the *tasks of the ERDF* mentioned in Article 2, according to which the fund aims to strengthen economic, social and territorial cohesion by redressing regional imbalances, and maintains that ERDF support should continue to be geared towards this objective in future as well. However, the Committee points out that, in accordance with Article 174 and Article 176 TFEU, the tasks of the ERDF also include reducing the gap between the levels of development of the various regions and the extent to which the least favoured regions are lagging behind. Among these regions, particular attention should be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural and demographic handicaps, such as the northernmost regions with very low population density and islands, cross-border and mountain regions;
5. also emphasises that the ERDF's support priorities should focus on its task of strengthening economic, social and territorial cohesion, giving due attention to the specific and unique situation of the outermost regions as enshrined in Article 349 TFEU;
6. is of the view that the **scope of support from the ERDF** outlined in Article 3 is in principle suitable for strengthening economic, social and territorial cohesion and redressing regional imbalances while at the same time pursuing the goals of the Europe 2020 strategy. However, it draws attention to the fact

that, owing to internal development disparities, it may be necessary even in more developed regions to invest in infrastructure providing basic services to citizens in the areas of environment, transport, and information and communication technologies (ICT);

7. therefore urges, irrespective of the Connecting Europe Facility, that the exclusion of infrastructure from support be explained in concrete terms and that it be made less rigid, in consultation with Member States and regions. It is therefore important to take account of the production structure of each region;

8. welcomes the fact that the competitiveness of SMEs is listed among the priority investments (article 5 ERDF draft regulation) considering that the issue is particularly at stake in times of crisis where SMEs encounter particular difficulties in access to financing and investments while their role in terms of employment and innovation is absolutely essential for cohesion and recovery. On the other hand, highlights that investment aid for large enterprises must remain a possibility. These businesses play an important structural policy role in meeting the goals of the flagship initiative on *An Industrial Policy For The Globalisation Era*, for example as partners in the development of industrial clusters and not least as contracting entities for SMEs;

9. believes that there is a fundamental need to clarify the relationship between the scope of support in Article 3 and the investment priorities listed in Article 5 and calls for clarification on this point;

10. believes that, in view of limited public budgets, private sector initiatives could assume greater importance in future and that therefore the scope of ERDF support should include public and private research and innovation bodies. It underlines the importance of continuing to promote at the EU level research done jointly by private companies, universities and research centres;

11. believes that the networking, cooperation and exchange of experience between regions, towns and relevant social, economic and environmental actors provided for under Article 3(1)(d)(iv) should also involve stakeholders from the worlds of science and research and that clarification is needed here;

<sup>(1)</sup> CdR 4/2012.

<sup>(2)</sup> CdR 210/2009 fin (EN) SD/HB/as.

12. agrees in principle that resources should be geared towards clear thematic goals. However, regional operational programmes are the right framework in which this process should take place. The Committee is therefore against the central allocation of quotas and resources for individual funds or investment priorities. The **thematic concentration** provided for in [Article 4](#) must be determined – with due consideration for the subsidiarity principle – within the framework of the partnership. The Partnership Contract between the Member State and the European Commission must be based on the agreements between the Member State and regional and local authorities. The Member States and regions and local authorities must – in line with their responsibilities – have the possibility of drawing up their territorial development strategies independently as part of the planning process and of setting and justifying their individual priorities in connection with both the Europe 2020 goals and their specific regional policy requirements;

13. therefore is opposed to the restrictive concentration of ERDF funds on the thematic objectives of ‘strengthening research, technological development and innovation’, ‘enhancing the competitiveness of SMEs’ and ‘supporting the shift towards a low-carbon economy in all sectors’ especially regions where per capita GDP during the 2007-2013 period was less than 75 % of the average GDP of the EU 25 during the reference period;

14. points out that concentration on these three objectives alone limits the scope of the ERDF to comprehensively support smart, sustainable and inclusive growth as well as its ability to reduce economic, social and territorial disparities in the EU. It should be remembered that, as Article 176 of the Treaty on the Functioning of the European Union points out, the aim of the ERDF is to help to redress the main regional imbalances in the Union. Therefore, while it is appropriate to use the ERDF to give a boost to the Europe 2020 strategy, this should not lead to less attention being paid to the primary objective of reducing regional disparities. Concentrating on these three objectives alone also renders it difficult for Member States and regions to comply fully with the requirements of Article 7 (Promotion of equality) and Article 8 (Sustainable development and climate change) as the limited thematic objectives do not lend themselves well to addressing these. Excessive concentration also limits the strategic choices that are subject to ex ante evaluation and devalues the ex ante evaluation process. Implementation of complex programmes to support sustainable integrated regional economic development requires greater flexibility locally and is essential in order to further strengthen regional competitiveness;

15. rejects once again the rigid system for allocating expenditure by quota for individual or consolidated thematic goals. The considerable differences between regions in terms of potential and need, which exist even within the various regional categories, are at odds with an undifferentiated

weighting of thematic objectives. The added value of cohesion policy, which lies in the tailor-made design of regional and territorial development strategies, is cancelled out by the centrally determined spending quotas;

16. notes that the **investment priorities** proposed in [Article 5](#), which the ERDF should support within the framework of individual thematic objectives, cover important areas of the fund’s scope of support. However, it is not clear why certain investments such as the shifting of traffic flows, which clearly serve to support the Europe 2020 strategy, are not counted by the European Commission as investment priorities;

17. welcomes the prioritisation of investment in ‘the shift towards a low-carbon economy’, and would point out that this is important for the future of Europe. However, the Committee feels that the percentage of ERDF funds to be dedicated to this objective, as proposed by the Commission, should be determined in the partnership contract concluded between the Commission, the Member State concerned and local and regional authorities, as this would allow the percentage of ERDF funds allocated to be adapted appropriately for different Member States and regions;

18. sees a need for action in this area primarily in connection with the thematic objective of ‘enhancing the competitiveness of SMEs’. Given the importance of this objective for growth and jobs in Europe and in view of the very broad spectrum of promising support opportunities, it is in this area that a clear expansion of investment priorities is required. In the view of the Committee of the Regions, key importance should be attached first and foremost to support for productive investment, which in connection with the establishment, expansion or diversification of businesses or with an overhaul of procedures for generating products and services, helps to create and maintain sustainable jobs. Such investments in businesses are the prerequisites for ensuring that the necessary structural change in Europe succeeds and that the growth and employment objectives can be met. Limiting ERDF business investment support to start-ups, as the European Commission clearly intends, would fail to meet development requirements in the regions and in Europe;

19. calls for support for investment in economically-oriented infrastructure, development of tourist infrastructure, development of vocational education and training infrastructure and start-up centres in all regions to be counted among those ERDF investment priorities to which special attention can be devoted in the thematic concentration to be carried out when operational programmes are established;

20. therefore calls on the European Commission to make the content and scope of individual investment priorities less rigid in consultation with the Member States and regions on a case by case basis. Conversely there should not be single ERDF priorities per Member State but rather each operational programme would be able to prioritise those which are relevant;

### Indicators for ERDF support under the Investment for growth and jobs goal (Article 6)

21. welcomes the *common indicators* proposed under [Article 6](#) to measure the results of ERDF support under the Investment for growth and jobs goal. In individual cases, there is still a need for improvement. For example, the number of new products brought onto the market in connection with R&D plans is difficult to measure and only then with a significant time lag. This indicator is as unsuitable for Europe-wide performance assessment as the indicator on 'Estimated reduction of leakage in the water distribution network';

22. calls on the European Commission, in partnership with the Member States and the regions, to once again assess the 43 indicators in terms of value, clarity and above all workability and to simplify them if necessary. Each operational programme should be able to choose only those indicators that are appropriate to their priorities. Conversely, managing authorities and beneficiaries cannot be held accountable for under achievement against outcomes for which they do not have direct responsibility;

### Specific provisions on the treatment of particular territorial features (Articles 7-11)

23. welcomes the fact that the ERDF should be able, among other things, to promote comprehensive measures of sustainable urban development to tackle the economic, environmental, climate and social challenges affecting urban areas. It notes that the ERDF already supports the urban dimension comprehensively in the current funding period and therefore also endorses the European Commission's intention to strengthen the urban dimension in the next funding period;

24. is of the view, however, that in principle ERDF resources must be flexible and used without giving preference to certain types of area or discriminating against them, mainly for fear of preventing rural or peri-urban and functional areas from benefiting from the ERDF. The various kinds of area which ERDF resources will be directed towards should be determined as part of the planning process, to be carried out in partnership with local and regional authorities;

25. suggests to ensure a better link between Horizon 2020 and the structural funds by providing interfaces and connecting points in both programmes. Up to now it is not possible to support integrated projects through the European research programme and the structural funds. A closer linkage of both programmes would increase synergy and would contribute strengthening the knowledge base in all regions and therefore the complementarity of Horizon 2020 and the structural funds should be also properly reflected in the operational programmes and in the strategies for research, innovation and smart specialisation;

26. notes, in reference to the obligation on Member States provided for in [Article 7](#) to draw up in advance a list of cities in which *sustainable urban development* measures are to be implemented, that this list should merely be indicative. It could be the outcome of a partnership discussion with the competent local and regional authorities on the basis of a call for applications open to all towns and cities in individual Member States. Sustainable urban development should in principle be a possibility for all towns and cities, including small and medium-sized ones, in the respective programme area. Regions must have the option of adopting support measures in a flexible manner on the basis of their operational programmes and their financial framework and in accordance with regional and local requirements;

27. points out that the proportion of ERDF funds allocated in a Member State to support sustainable urban development, and local development in general, should be the result of operational programme planning. Points out, however, that each Member State will have the right to increase the proportion, so that it remains possible to carry out a wide range of support measures in the operational programmes in order to support sustainable urban development. This requires the establishment of partnerships with neighbouring peri-urban, rural and functional and, where applicable, with supra-municipal integrated strategic programming areas when local geographical considerations make this necessary. Member States and regions require the necessary flexibility to carry out these measures during the funding period in accordance with regional and structural policy requirements and to select projects on the basis of quality;

28. stresses that a delegation of tasks to cities under the integrated territorial investment instrument defined in Article 99 of the Common Provisions Regulation should be proposed as an option. Local and regional authorities should, with regard to their institutional and technical capacity be able to decide themselves whether and to what extent they take on tasks;

29. highlights, in connection with the *urban development platform* proposed in [Article 8](#), the current work of the URBACT programme, which is geared in particular towards exchanging experience of urban development plans in the European Union, and therefore calls upon the European Commission to justify the added value of a new platform in the form proposed by the European Commission, to avoid any duplication between the platform and URBACT and to be more precise as to the future of the URBACT programme in the future programming period;

30. offers to cooperate closely and work together with the European Commission (annual joint conferences) to ensure stronger political dialogue on urban development plans and cooperation between urban and rural territories in Europe, because it sees this as an important task for the Committee of the Regions;

31. welcomes the **innovative actions in the field of sustainable urban development** proposed in Article 9 of the proposed regulation as an opportunity to promote innovative projects, without increasing red tape for the regions which are actually responsible as a result of these special support measures. Also welcomes the fact that the concept of 'innovation' is not limited to technology, but also includes social innovation. In addition, the Committee of the Regions calls for regions to be given the option of testing out innovative support measures themselves, including in the area of smart specialisation, within the framework of operational programmes;

32. in connection with the reference to **areas with natural or demographic handicaps** in Article 10 of the proposed regulation, calls for the operational programmes to take greater account of the challenges of demographic change than is foreseen in Article 111 of the draft CPR which refers to modulating co-financing rates. Against a backdrop of a sharp drop in population, the migration of young and highly skilled people in particular as well as an ageing population, demographic development presents severe and permanent difficulties which, in accordance with Article 174 of the Treaty on the Functioning of the European Union, merit special attention in the Cohesion Policy. This should be borne in mind in connection with the possible uses of the ERDF. Thematic concentration and investment priorities should provide adequate scope for developing and implementing innovative solutions;

33. supports the proposals on **outermost regions** in Article 11 and views them as a good basis for further development of these regions; believes that an appropriate level of support should be provided to these regions and that provision should be made for greater flexibility as regards thematic concentration;

#### Final provisions (Art. 12 to 17)

34. in connection with the **exercise of the delegation** provided for in Article 13 of the proposed regulation, refers

to the general concern about the use of delegated acts. In accordance with Article 290 TFEU, the delegation must refer only to certain non-essential rules and the objectives, content, scope and duration of the delegation must be explicitly defined;

#### Subsidiarity and proportionality evaluation

35. is of the view that the European Commission's draft regulation overly restricts the ERDF's scope for funding and does not allow Member States and regions the necessary room for manoeuvre in terms of regional and structural policy to meet the goals of the treaty and the Europe 2020 strategy with tailor-made territorial measures. It restricts the scope for using the ERDF to support the introduction of integrated territorial development strategies which take account of the respective territorial strengths and needs and in so doing make a major contribution to boosting economic growth and employment;

36. is of the opinion that greater account should be taken of the principles of subsidiarity and proportionality in the ongoing negotiations so that ERDF support does not become centralised, overregulated and highly bureaucratic. This would be detrimental to the acceptance and perception of the European Cohesion Policy among citizens and businesses in the regions;

37. therefore sees considerable room for improvement and calls on the European Commission to review the draft regulation accordingly in consultation with the Council and the European Parliament;

38. continues to offer the European Commission, the Council and the European Parliament the expertise of local and regional authorities in this negotiation process;

## II. RECOMMENDATIONS FOR AMENDMENTS

### Amendment 1

#### Article 2

Insert paragraph 2:

Text proposed by the Commission	CoR amendment
...	<p><u>In accordance with Article 174 in conjunction with Article 176 TFEU, the tasks of the ERDF also include reducing the gap between the levels of development of the various regions and the extent to which the least favoured regions are lagging behind. Among these regions, particular attention should be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural and demographic handicaps, such as the northernmost regions with very low population density and island, cross-border and mountain regions.</u></p>

**Reason**

See point 4.

When referring to a Treaty article, the whole article should be quoted, not just parts of it.

**Amendment 2**

Article 3

Amend paragraph 1:

Text proposed by the Commission	CoR amendment
In more developed regions, the ERDF shall not support investments in infrastructure providing basic services to citizens in the areas of environment, transport, and ICT.	<u>In order to reduce internal development disparities it may also be necessary in</u> more developed regions, <del>the ERDF shall not support investments to invest</del> in infrastructure providing basic services to citizens in the areas of environment, transport, and ICT.

**Reason**

See point 6.

**Amendment 3**

Article 3

Amend paragraph 1(a)

Text proposed by the Commission	CoR amendment
(a) productive investment, which contributes to creating and safeguarding sustainable jobs, through direct aid to investment in small and medium-sized enterprises (SMEs);	(a) productive investment, which contributes to creating and safeguarding sustainable jobs, <u>primarily</u> through direct aid to investment in small and medium-sized enterprises (SMEs);

**Reason**

See point 8.

**Amendment 4**

Article 3

Amend paragraph 1(c)

Text proposed by the Commission	CoR amendment
(c) investments in social, health and educational infrastructure;	(c) investments in social, health, <u>cultural heritage</u> and educational infrastructure;

**Amendment 5**

## Article 3

## Amend paragraph 1(d) (i)

Text proposed by the Commission	CoR amendment
d) development of endogenous potential by supporting regional and local development and research and innovation. These measures shall include:  i) fixed investment in equipment and small-scale infrastructure;	d) development of endogenous potential by supporting regional and local development and research and innovation. These measures shall include:  i) fixed investment in equipment and <del>small-scale</del> infrastructure;

**Reason**

This amendment concerns point 9 in the opinion. Limiting possible ERDF support for investment in equipment and infrastructure to 'small-scale investments' is inconsistent with the development needs of the regions in various areas. One example is a contradiction with the provisions of Article 5(1)(a), regarding the enhancing of research and innovation infrastructure to develop R&I excellence.

**Amendment 6**

## Article 3

## Amend paragraph 1(d)

Text proposed by the Commission	CoR amendment
iii) support to public research and innovation bodies and investment in technology and applied research in enterprises;	iii) support to <del>public</del> research and innovation bodies and investment in technology and applied research in enterprises as well as research and innovation operations carried out by public research entities in partnership with private enterprises;

**Reason**

See point 10.

**Amendment 7**

## Article 3

## Amend paragraph 1(d)

Text proposed by the Commission	CoR amendment
iv) networking, cooperation and exchange of experience between regions, towns, and relevant social, economic and environmental actors;	iv) networking, cooperation and exchange of experience between regions, towns, and relevant social, economic and environmental actors <u>as well as stakeholders from the worlds of science and research</u> ;

**Reason**

See point 11.

**Amendment 8**

## Article 4

Amend as follows:

Text proposed by the Commission	CoR amendment
<p>The thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR] and corresponding investment priorities set out in Article 5 of this Regulation to which the ERDF may contribute shall be concentrated as follows:</p> <p>(a) in more developed regions and transition regions:</p> <p>i) at least 80 % of the total ERDF resources at national level shall be allocated to the thematic objectives set out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR]; and</p> <p>ii) at least 20 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR];</p> <p>(b) in less developed regions:</p> <p>i) at least 50 % of the total ERDF resources at national level shall be allocated to the thematic objectives set out in out in point 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].</p> <p>ii) at least 6 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR];</p> <p>By derogation from point (a) (i), in those regions whose GDP per capita for the 2007-13 period was less than 75 % of the average GDP of the EU-25 for the reference period but which are eligible under the category of transition or more developed regions as defined in Article 82(2)(b) and (c) of Regulation (EU) No [ ] /2012 [CPR] in the 2014-2020 period, at least 60 % of the total ERDF resources at national level shall be allocated to each of the thematic objectives set in out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].</p>	<p>The thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR] and corresponding investment priorities set out in Article 5 of this Regulation to which the ERDF may contribute shall be concentrated as follows:</p> <p>(a) in more developed regions <del>and transition regions</del>:</p> <p>i) at least <del>80 %</del> <u>60 %</u> of the total ERDF resources at national level shall <u>in principle</u> be allocated to the thematic objectives set out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR]; and</p> <p>ii) at least <del>20 %</del> <u>15 %</u> of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR];</p> <p>(b) in less developed regions <u>and transition regions</u>:</p> <p>i) at least 50 % of the total ERDF resources at national level shall be allocated to the thematic objectives set in out in point 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].</p> <p>ii) at least 6 % of the total ERDF resources at national level shall be allocated to the thematic objective set out in point 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR];</p> <p>By derogation from point (a) (i), in those regions whose GDP per capita for the 2007-13 period was less than 75 % of the average GDP of the EU-25 for the reference period but which are eligible under the category of transition or more developed regions as defined in Article 82(2)(b) and (c) of Regulation (EU) No [ ] /2012 [CPR] in the 2014-2020 period, at least <del>60 %</del> <u>50 %</u> of the total ERDF resources at national level shall be allocated to each of the thematic objectives set in out in points 1, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR].</p>

**Reason**

See points 12-15.

**Amendment 9**

Article 5

Insert paragraph 4(c)

Text proposed by the Commission	CoR amendment
...	c) <u>supporting productive investment, which in connection with the establishment, expansion or diversification of businesses or with an overhaul of practices for generating products and services contributes to the creation and retention of sustainable jobs.</u>

**Reason**

See point 18.

**Amendment 10**

Article 5(3) and 5(4)

Amend

Text proposed by the Commission	CoR amendment
5(3) enhancing the competitiveness of SMEs: ...5(4) ... b) promoting energy efficiency and renewable energy use in SMEs ...	5(3) enhancing <del>the</del> competitiveness, <u>particularly that</u> of SMEs: ... <u>d) Promoting business-related infrastructure</u> 5(4) ... b) promoting energy efficiency and renewable energy use, <u>in particular</u> in SMEs; ...

**Reason**

Article 5(3): In the context of regional policy, the focus of efforts to boost economic competitiveness is on small and medium enterprises. However, larger companies play an important structural role, for example, as partners in the development of industrial clusters. In line with the flagship initiative, 'An Industrial Policy for the Globalisation Era', the possibility of supporting large companies should in principle remain, but the emphasis should continue to be placed on SMEs.

Article 5(3)(d): economic infrastructure projects are regional economic development activities that are directly linked with the establishment and development of businesses. A modern infrastructure supports business performance and is an important factor affecting a location's economic attractiveness.

Article 5(4)(b): The ERDF Regulation should provide realistic prospects for promoting climate and environmental protection measures in the interests of sustainable development. The original exclusive focus on SMEs seems too narrow to meet this objective fully.

### Amendment 11

#### Article 6

#### Amend paragraph 1

Text proposed by the Commission	CoR amendment
1. Common indicators, as set out in the Annex to this Regulation, shall be used where relevant and in accordance with Article 24(3) of Regulation (EU) No [...] /2012 [CPR]. For common indicators, baselines shall be set at zero and cumulative targets shall be set for 2022.	1. Common indicators, as <del>set out</del> <u>listed</u> in the Annex to this Regulation, shall be used where relevant <u>following consultation with Member States and regions</u> and in accordance with Article 24(3) of Regulation (EU) No [...] /2012 [CPR]. For common indicators, baselines shall be set at zero and cumulative targets shall be set for 2022.

#### Reason

See points 21-22.

The regions have a key role to play in defining indicators, as highlighted in point 22 of the opinion. We feel therefore that Amendment 11 should include a reference to the regions.

### Amendment 12

#### Article 7

#### Amend paragraph 2

Text proposed by the Commission	CoR amendment
2. Each Member State shall establish in its Partnership Contract a list of cities where integrated actions for sustainable urban development are to be implemented and an indicative annual allocation for these actions at national level.  At least 5 % of the ERDF resources allocated at national level shall be allocated to integrated actions for sustainable urban development delegated to cities for management through Integrated Territorial Investments referred to in Article 99 of Regulation (EU) No [...] /2012 [CPR].	2. Each Member State shall establish in its Partnership Contract <u>an indicative</u> list of cities where integrated actions for sustainable urban development are to be implemented and an indicative annual allocation for these actions at national level. <u>This list may be the outcome of a call for applications, open to all towns and cities in each Member State, evaluating the quality of integrated urban strategies.</u>  At least 5 % of the ERDF resources allocated at national level shall be allocated to sustainable urban development- <del>delegated to cities for management</del> . <u>These may also be managed</u> through Integrated Territorial Investments referred to in Article 99 of Regulation (EU) No [...] /2012 [CPR].

**Reason**

See points 26-28.

The amendment accommodates the Commission's proposal to allocate at least 5 % of the ERDF resources allocated at national level to sustainable urban development, without determining in advance which instrument shall be used for this.

**Amendment 13**

## Article 8

## Amend paragraphs 1 and 2

Text proposed by the Commission	CoR amendment
<p>1. The Commission shall establish, in accordance with Article 51 of Regulation (EU) No [...] /2012 [CPR], an urban development platform to promote capacity-building and networking between cities and exchange of experience on urban policy at Union level in areas related to the investment priorities of the ERDF and to sustainable urban development.</p>	<p>1. The Commission shall <u>organise regularly</u> <del>establish</del>, in accordance with Article 51 of Regulation (EU) No [...] /2012 [CPR], <u>in cooperation with the Committee of the Regions and with support from the relevant territorial cooperation programmes</u>, an urban development platform to promote capacity-building and networking <del>between cities and</del> <u>as well as political dialogue and</u> exchange of experience on urban policy at Union level <u>especially</u> in areas related to the investment priorities of the ERDF and to sustainable urban development.</p>
<p>2. The Commission shall adopt a list of cities to participate in the platform on the basis of the lists established in the Partnership Contracts, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 14(2).</p>	<p><del>2. The Commission shall adopt a list of cities to participate in the platform on the basis of the lists established in the Partnership Contracts, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 14(2).</del></p>
<p>The list shall contain a maximum number of 300 cities, with a maximum number of 20 per Member State. Cities shall be selected based on the following criteria:</p>	<p><u>The forum shall also include the cities which were identified by the Member States in the partnership agreements and in which comprehensive measures for sustainable urban development are to be carried out.</u></p>
<p>The list shall contain a maximum number of 300 cities, with a maximum number of 20 per Member State. Cities shall be selected based on the following criteria:</p>	<p><del>The list shall contain a maximum number of 300 cities, with a maximum number of 20 per Member State. Cities shall be selected based on the following criteria:</del></p>
<p>a. population, taking account of the specificities of national urban systems;</p>	<p><del>a. population, taking account of the specificities of national urban systems;</del></p>
<p>b. the existence of a strategy for integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas.</p>	<p><del>b. the existence of a strategy for integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas.</del></p>
<p>3. The platform shall also support networking between all cities which undertake innovative actions at the initiative of the Commission.</p>	<p>3. The platform shall also support networking between all cities which undertake innovative actions at the initiative of the Commission.</p>

**Reason**

See points 29 and 30.

Change to the proposed amendment: there is no reason to restrict the scope for networks and exchanges of experience between cities. The Urbact programme will continue to be very important for cities not involved in the platform, but could also become a programme to expand cooperation between cities both within and outside the platform.

**Amendment 14**

Article 9

Amend

Text proposed by the Commission	CoR amendment
<p><b>Innovative Actions in the field of Sustainable Urban Development</b></p> <p>1. At the initiative of the Commission, the ERDF may support innovative actions in the field of sustainable urban development, subject to a ceiling of 0.2 % of the total annual ERDF allocation. They shall include studies and pilot projects to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level.</p>	<p><b>Innovative Actions in the field of Sustainable Urban Development</b></p> <p>1. At the initiative of the Commission, the ERDF may support innovative actions in the field of sustainable urban development, <u>which would be bound to take into account problems of peri-urban and functional areas</u>, subject to a ceiling of 0.2 % of the total annual ERDF allocation. They shall include studies and pilot projects to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level, <u>including projects to develop networks of urban, rural and peri-urban stakeholders</u>.</p>

**Reason**

Sustainable urban development can only be achieved in the framework of strong partnerships between cities and neighbouring peri-urban and rural areas. It is important for the innovative actions implemented to be able to promote city-countryside relations and incorporate local stakeholders in peri-urban areas as partners in their own right.

**Amendment 15**

Article 9

Insert new point 4

Text proposed by the Commission	CoR amendment
	<p>2. <u>In the framework of the relevant operational programmes, regions and local authorities shall also have the opportunity to test out innovative support measures.</u></p>

**Reason**

See point 31.

There should be taken into account different institutional frameworks of the Member States. There should be noted, that in some Member States there is one-level municipal system.

**Amendment 16**

Article 10

Amend as follows

Text proposed by the Commission	CoR amendment
<p>Operational programmes co-financed by the ERDF covering areas with severe and permanent natural or demographic handicaps referred to in Article 111(4) of Regulation (EU) No [...] /2012 [CPR] shall pay particular attention to addressing the specific difficulties of those areas.</p>	<p>Operational programmes co-financed by the ERDF covering areas with severe and permanent natural or demographic handicaps referred to in Article 111(4) of Regulation (EU) No [...] /2012 [CPR] <u>and in Article 174 TFEU</u> shall pay particular attention to addressing the specific difficulties of those areas.</p>

**Reason**

See point 32.

**Amendment 17**

Article 13

Amend paragraph 1

Text proposed by the Commission	CoR amendment
The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article. <u>In accordance with Article 290 TFEU, the delegation must refer only to certain non-essential rules and the objectives, content, scope and duration of the delegation must be explicitly defined.</u>

**Reason**

See point 34.

Brussels, 3 May 2012.

*The President  
of the Committee of the Regions*  
Mercedes BRESSO

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