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Cohesion Policy

European Parliament resolution of 26 February 2014 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 (2013/2008(INI))

(2017/C 285/07)

The European Parliament,

- having regard to the Commission's 'Seventh progress report on economic, social and territorial cohesion', of 24 November 2011 (COM(2011)0776), and its accompanying staff working paper (SEC(2011)1372),
- having regard to the Commission's 'Eighth progress report on economic, social and territorial cohesion — The regional and urban dimension of the crisis', of 26 June 2013 (COM(2013)0463), and its accompanying staff working document (SWD(2013)0232),
- having regard to the Commission's 'Cohesion policy strategic report 2013 on programme implementation 2007-2013', of 18 April 2013 (COM(2013)0210), and its accompanying staff working document (SWD(2013)0129),
- having regard to the Commission proposal of 6 October 2011 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 Regulation (EC) No 1083/2006 (COM(2011)0615),
- having regard to its resolution of 11 March 2009 on Cohesion Policy: investing in the real economy ⁽¹⁾,
- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013 ⁽²⁾,
- having regard to its resolution of 20 May 2010 on the contribution of the cohesion policy to the achievement of Lisbon and the EU2020 Objectives ⁽³⁾,
- having regard to the Commission proposal of 6 October 2011 for a 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)0614),
- having regard to the 4th CoR Monitoring Report on Europe 2020, Committee of the Regions, October 2013,
- having regard to the joint paper from the Commission's Directorates-General for Regional & Urban Policy and Employment, Social Affairs & Inclusion, entitled 'EU Cohesion Policy Contributing to Employment and Growth in Europe', July 2013,
- having regard to the study published by Parliament entitled 'Cohesion policy after 2013: a critical assessment of the legislative proposals', June 2012,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinions of the Committee on Employment and Social Affairs and the Committee on Women's Rights and Gender Equality (A7-0081/2014),

⁽¹⁾ OJ C 87 E, 1.4.2010, p. 113.

⁽²⁾ OJ C 371 E, 20.12.2011, p. 39.

⁽³⁾ OJ C 161 E, 31.5.2011, p. 120.

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- A. whereas 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 and bringing to an end a long period during which regional disparities in GDP per head, and unemployment within the EU, had been consistently decreasing, while at the same time affecting more severely the weaker regions in the Union;
- B. whereas public resources both at Member State and EU level have become scarcer and subject to increasing pressure, while the crisis and the ensuing recession, as well as the sovereign debt crisis in several Member States, have pushed Member States to finally implement the needed important structural reforms to contribute to the restoration of economic growth and job creation, sometimes leading to cuts in the co-financing of the Structural Funds and the Cohesion Fund;
- C. whereas the policies of fiscal consolidation have increased the role and importance of cohesion policy as a source of public investment, in particular at sub-national level, as this policy funding represents more than half of all public investment in a significant number of Member States and regions;
- D. whereas the crisis is adversely affecting all European regions and cities, thus increasing the importance of cohesion policy funding also in transition regions and in more developed regions;
- E. whereas the contribution to the aims of the Europe 2020 Strategy has a very strong regional dimension that should be taken into account in the preparation and implementation of the next generation of programmes under cohesion and other investment policies of the EU;
- F. whereas 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;
- G. whereas the cohesion policy continues to be the main source of EU public funding in the context of the multiannual financial framework 2014-2020, and whereas 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, employment (in particular youth employment), labour mobility, training and education, research and innovation, ICT, sustainable transport and the removal of bottlenecks, sustainable energy, the environment, promotion of the institutional capacity of public authorities and efficient public administration, urban development and cities;
- H. whereas the need to achieve more with fewer resources has led to the inclusion of smart specialisation in the new cohesion policy framework (the Common Provisions Regulation⁽¹⁾), in order for regions to take a strategic and less fragmented approach to economic development through targeted support for research and innovation;
- I. whereas partnership and multi-level governance constitute horizontal general principles in view of delivering the Union strategy for smart, sustainable and inclusive growth, in the context of the next legislative framework of cohesion policy;
- J. whereas the evaluations performed during the 2007-2013 programme did not look at the whole evaluation cycle including efficiency, effectiveness and impact;
- K. whereas the fund absorption rate is around 50 % within the Member States and around 30 % for the last year of the period;
- L. whereas SMEs are experiencing difficulty in accessing financing from the banking sector;

⁽¹⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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 and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

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General implementation challenges for the current programming period

1. Welcomes the seventh and eighth progress reports, as well as the strategic report 2013, and calls 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 as stipulated in the former General Regulation, in order for clear lessons to be drawn with a view to the implementation of the new programming period;
2. Considers that policies of budgetary consolidation are in themselves insufficient to enhance growth and promote investments that generate good-quality, sustainable jobs, which require as well measures that support the economy and encourage the progress — still fragile and timid — made towards recovery;
3. Calls on the Commission and the Member States to increase investment in the areas of entrepreneurship, business start-ups and self-employment as a means of creating more jobs, in particular since SMEs and microenterprises provide over two thirds of the EU's private sector jobs; takes the view that special emphasis should be placed on the regional and local levels; in addition, considers that investment in social business and social entrepreneurship provides a good additional option with a view to meeting social needs that are not satisfied by public goods and services;
4. Expresses its concern over the lack of sufficient public financial resources, in particular at sub-national level, to implement the Europe 2020 Strategy adequately, owing to the impact of the economic crisis, and over the fact that a significant number of less-developed Member States and regions depend to a great extent on cohesion policy funding; considers that before taking any decision related to potential macro-economic sanctions, the huge dependence of certain Member States' development on cohesion funding should be carefully considered;
5. Believes 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;
6. Takes the view that in order to contribute to achieving the EU 2020 Strategy for smart, sustainable and inclusive growth in line with the objectives of economic, social and territorial cohesion, notwithstanding the need to focus on sectors with a long-term potential for job creation and innovation, it is important to take account of the significant needs of many less-developed regions regarding investment in infrastructure projects in basic sectors such as transport, telecommunication and sustainable energy;
7. Believes that — notwithstanding the evidence that local and regional authorities are being involved in the preparation of Partnership Agreements — 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, by ensuring real dialogue and complementarity among the different levels of governance, on the one hand, and consistency of the priorities established at those levels with the needs and specificities identified at national, regional and local levels, on the other; stresses in this regard the importance of ensuring that municipalities and regions are duly involved in establishing national strategies and defining their specific problems and challenges, while avoiding any increase in the administrative burden;
8. Considers that cohesion policy is best placed to give the Europe 2020 Strategy the territorial dimension needed to tackle the very relevant growth differentials within the Union and within Member States, to ensure that growth potential is also utilised in the Union's outermost and most sparsely populated areas, and to address the fact that differences in institutional capacity mean that the different regions cannot use the given targets as references in the same way;

Focus on employment and social inclusion

9. Is particularly worried 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, with greater prevalence in convergence regions and cities, and in particular in the regions around capital cities which, according to the indicators, are

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classified as developed, while also affecting more particularly women, single parent families, large families with four or more children, carers (especially carers of disabled family members), members of marginalised communities or older people close to retirement for whom access to equal opportunities is difficult;

10. Considers it urgent to tackle these issues — which severely undermine cohesion among regions and may put at risk the competitiveness of the Union in the medium and long term — by focusing on policies that ensure access to sustainable, good-quality employment and social inclusion, and in particular by young people, promoting the vital role of SMEs in this regard, reducing fragmentation and facilitating transition between jobs, focusing on professional retraining programmes for the long-term unemployed, drawing on the experience acquired by those at the end of their careers and promoting equal economic independence for women and men; considers it essential also to promote physical accessibility and access to information and communication media, the achievement of which must be assessed using reliable, objective and comparable indicators, and considering the demographic challenges;

11. Insists on the role that the European Social Fund (ESF) plays in reducing the disparities in human capital among regions and in helping to increase employment rates, in parallel and in combination with the European Regional Development Fund (ERDF), contributes to the fulfilment of some of the current major priorities of the Union, namely boosting youth employment and the labour market, promoting sustainable economy and growth, reducing the number of early school leavers, and combating poverty, discrimination and social exclusion; insists therefore that there is a need to reinforce the principle of sound financial management, in particular as regards the efficiency and effectiveness of ESF operations, and calls on the Commission to fully analyse the overall effect and real impact of the ESF on the unemployment rate and on job creation;

12. Acknowledges that a large proportion of ESF expenditure is allocated with a view to promoting more and better jobs, supporting integration and participation of disadvantaged groups, including disabled people, and developing an inclusive society that is accessible to all; stresses, however, that at times of crisis, more emphasis should be placed on the ESF being efficiently targeted to combat local and regional inequalities and social exclusion, to provide access to employment for the most vulnerable groups and young people in particular, and to assist women's re-integration into the labour market by reducing gender-based segregation;

13. Notes that the high proportion of early school-leavers in some regions is significantly above the target of 10 % and that early school-leavers must receive an offer of education, training or work that meets their needs; refers, in this context, to the importance of the Youth Guarantee for early school-leavers; stresses that in order to reduce the number of early school-leavers it is important that the education system is inclusive, offering equal chances to all young people; stresses that a solution must therefore be found to the problem of integrating poorly-trained young people into the labour market, by providing barrier-free, accessible and quality vocational and in-work training to help them acquire skills, taking into account the fact that a lack of qualifications can increase the risk of unemployment, which in turn increases the poverty risk and involves a multitude of social challenges linked to exclusion, alienation and failed efforts to build an independent life; points out that, to this end, the ESF's contribution is crucial in helping more young people to stay at school and acquire the appropriate qualifications needed for a job and career and in ensuring wider access to high-quality education with special projects for children from disadvantaged groups and minorities, including disabled people; calls on Member States to encourage appropriate vocational and on-the-job training for those who will benefit from it;

14. Stresses that the employment situation of young people is highly dependent on the overall economic situation and that therefore it is very important to support, guide and monitor young people in their move from education to professional life; takes the view that the Commission could therefore align any future policy proposals in this area with the 'Youth on the Move' and 'Youth Opportunities' initiatives;

15. Stresses that employment in some regions remains below 60 % and that some regions are missing their national targets by a factor of 20-25 %, which is having a particularly adverse effect on young people, women, older people, carers and people with disabilities; stresses that certain crisis measures have had an adverse effect on cohesion and have fundamentally increased inequalities in the EU; stresses that keeping high-risk groups in employment or creating employment options for them requires targeted measures addressing job creation, training opportunities and job retention;

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stresses that unemployment has been a feature of certain isolated settlements for generations, and this poses a particular threat to marginalised communities;

16. Points out that employment rates have remained well below the Europe 2020 target of having at least 75 % of the population aged 20–64 in employment by 2020; notes that while there are no specific employment rate targets at a regional level, Member States have individually set national targets which, in most cases, have not been met as the financial and economic crisis has had a major asymmetrical impact on regional labour markets, predominantly in Southern Europe, with a marked increase in youth unemployment;

17. Believes that all regions face the challenge of creating sustainable growth and enhancing resource efficiency; emphasises in this regard the need for policies, which include the prioritisation of spending in the areas of education, life-long learning, research, innovation and development, energy efficiency and local entrepreneurship, as well as the creation of new financial instruments for all kinds of businesses, and especially for SMEs;

18. Recalls the potential that SMEs have for job creation and urges the Member States to develop policies that improve access to financing and financing conditions for SMEs; calls on the Commission to work with the Member States with a view to increasing the transparency and predictability of the system of invitations to tender and reducing the amount of time that elapses between the issuing of an invitation to tender and the award of a contract, in particular for SMEs, which compete in a rapidly changing environment;

19. Urges that particular attention be given to the cultural and creative sectors, contributing to the achievement of the Europe 2020 Strategy objectives, in particular job creation; stresses the vital contribution of these sectors to the development of regions and cities; calls for sustained measures to promote continuing education for women specifically relating to these sectors in a bid to ensure that their qualifications can be effectively turned to account and new job prospects created;

Evaluation evidence

20. Recalls that while there is strong evidence that implementation of cohesion policy has accelerated, and that the resulting programmes have made important contributions in many areas where investment is necessary for economic modernisation and competitiveness (such as research and development, SME support, re-industrialisation, social inclusion, and education and training), a number of Member States are at risk of failing to implement their programmes before the end of the current programming period; urges the Commission, in this regard, to analyse in depth the causes of the low absorption rates, and urges the Member States to provide co-financing in order to accelerate the implementation of funds;

21. Encourages the Member States to explore synergies between cohesion policy financing and other sources of EU funding (such as for TEN-T, TEN-E, CEF, Horizon 2020, COSME and other programmes) as well as with financing provided by the European Investment Bank and the European Bank for Reconstruction and Development; urges the Member States 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

22. Considers that evaluation has an essential role to play in the policy debate and learning, but is concerned that, although the provision of monitoring data and information on implementation is improving the quality of targets set, the uneven quality of progress reporting in many cases nevertheless makes it difficult to develop a full and accurate picture of progress towards the targets at regional and local level; emphasises that evaluation should also assess and propose measures to relieve unnecessary burdens on beneficiaries, including SMEs, local and regional authorities and NGOs; considers that any additional burdens connected with monitoring must not be imposed;

23. Believes that the progress reports do not fully provide a clear picture of the progress made in the implementation of cohesion policy and towards the established targets, owing either to the unavailability of data at relevant level or to the insufficiently clear linkage between the statistical data provided and the extent to which the cohesion policy aims that require monitoring have been met;

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24. Asks the Commission and the Member States, in order to strengthen the transparency of reporting and the quality of programming and its implementation, 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);

25. Considers that while the evaluations of cohesion policy programmes over the 2007-2013 period co-financed by the ERDF and the Cohesion Fund show good overall awareness in the Member States of the gender equality requirement when setting up such programmes (70 % ⁽¹⁾), they also indicate that gender equality is by no means effectively integrated into the programmes through clear identification of problems or quantified targets (less than 8 %); calls on the Commission to further 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;

26. Urges the Commission 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;

27. Calls on the Commission's Internal Audit Service and the European Court of Auditors to increase their performance audits on Cohesion and Structural Funds, and in particular on the ESF;

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28. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

⁽¹⁾ http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/2009-03-16-inception-report.pdf