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P8_TA(2017)0053

Investing in jobs and growth — maximising the contribution of European Structural and Investment Funds**European Parliament resolution of 16 February 2017 on investing in jobs and growth — maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))**

(2018/C 252/27)

The European Parliament,

- having regard to Article 174 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to 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 (hereinafter ‘the CPR’) ⁽¹⁾,
- having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 ⁽²⁾,
- having regard to Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 ⁽³⁾,
- having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 ⁽⁴⁾,
- having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal ⁽⁵⁾,
- having regard to Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings ⁽⁶⁾,
- having regard to Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council ⁽⁷⁾,

⁽¹⁾ OJ L 347, 20.12.2013, p. 320.⁽²⁾ OJ L 347, 20.12.2013, p. 289.⁽³⁾ OJ L 347, 20.12.2013, p. 470.⁽⁴⁾ OJ L 347, 20.12.2013, p. 487.⁽⁵⁾ OJ L 347, 20.12.2013, p. 259.⁽⁶⁾ OJ L 347, 20.12.2013, p. 303.⁽⁷⁾ OJ L 149, 20.5.2014, p. 1.

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- having regard to Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments ⁽¹⁾,
- having regard to the Commission communication entitled 'Investing in jobs and growth — maximising the contribution of European Structural and Investment Funds' (COM(2015)0639),
- having regard to its resolution of 11 May 2016 on acceleration of implementation of cohesion policy ⁽²⁾,
- having regard to its resolution of 6 July 2016 on synergies for innovation: the European Structural and Investment Funds, Horizon 2020 and other European innovation funds and EU programmes ⁽³⁾,
- having regard to its resolution of 26 November 2015 entitled 'Towards simplification and performance orientation in cohesion policy 2014-2020' ⁽⁴⁾,
- having regard to the Council conclusions of 26 February 2016 on 'Investing in jobs and growth — maximising the contribution of European Structural and Investment Funds',
- having regard to the opinion of the European Economic and Social Committee of 25 May 2016 on the Commission communication 'Investing in jobs and growth — maximising the contribution of European Structural and Investment Funds' ⁽⁵⁾,
- having regard to the opinion of the Committee of the Regions of 9 July 2015 entitled 'Outcome of the negotiations on the partnership agreements and operational programmes' ⁽⁶⁾,
- having regard to the Sixth Report on Economic, Social and Territorial Cohesion (COM(2014)0473),
- having regard to the study by its Directorate-General for Internal Policies (Department B: Structural and Cohesion Policies) of June 2016 entitled 'Maximisation of synergies between European Structural and Investment Funds and other EU instruments to attain the Europe 2020 goals',
- having regard to the study by its Directorate-General for Internal Policies (Department B: Structural and Cohesion Policies) of September 2016 entitled 'Evaluation of the Report under Article 16(3) of the CPR',
- having regard to the analysis by its Directorate-General for Internal Policies (Department B: Structural and Cohesion Policies) of September 2016 entitled 'Financial instruments in the 2014-20 programming period: first experiences of Member States',
- having regard to Rule 52 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, the Committee on Budgets, the Committee on Transport and Tourism, the Committee on Agricultural and Rural Development and the Committee on Culture and Education (A8-0385/2016),

A. whereas cohesion policy represents a significant part of the EU budget, amounting to approximately one third of all expenditure;

⁽¹⁾ OJ L 169, 1.7.2015, p. 1.

⁽²⁾ Texts adopted, P8_TA(2016)0217.

⁽³⁾ Texts adopted, P8_TA(2016)0311.

⁽⁴⁾ Texts adopted, P8_TA(2015)0419.

⁽⁵⁾ OJ C 303, 19.8.2016, p. 94.

⁽⁶⁾ OJ C 313, 22.9.2015, p. 31.

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- B. whereas, with a budget of EUR 454 billion for the period 2014-2020, the European Structural and Investment Funds (ESI Funds) are the EU's main investment policy tool and are a vital source of public investment in many Member States, resulting in more jobs, growth and investment being provided across the EU, as well as reducing disparities at regional and local level in order to promote economic, social and territorial cohesion;
- C. whereas the Partnership Agreements (PAs) form the basis for the Article 16(3) report presented by the Commission;
- D. whereas the negotiations for PAs and Operational Programmes (OPs) for the period 2014-2020 have been a modernised, strongly adjusted and intensive exercise with a new framework for performance, ex ante conditionalities and thematic concentration, but have also resulted in serious delays in the actual commencement of cohesion policy implementation, also because of shortcomings in the administrative capacity of several regions and Member States, matters being further slowed down by the procedure for designation of managing authorities;
- E. whereas it is undisputed that due to the late adoption of the regulatory framework at the end of 2013 as a consequence of the long negotiations and late agreement on the MFF, operational programmes could not be adopted on time; whereas consequently the implementation of OPs had a slow start, thereby impacting the take-up of the policy on the ground;
- F. whereas common provisions were established for all five ESI Funds, thereby strengthening the relationships between them;
- G. whereas cohesion policy is confronted in the current period with many political and economic challenges, deriving both from the financial crisis, leading to a decrease in public investment in many Member States, leaving the ESI Funds and co-financing by the Member States as the main tool for public investment in many Member States, and from the migration crisis;
- H. whereas in the programming period 2014-2020 cohesion policy has acquired a more focused policy approach, through thematic concentration and supporting the priorities and objectives of the Union;
- I. whereas the ESI Funds in the current funding period are more strongly result-oriented and are built on an investment environment that allows greater effectiveness;
- J. whereas there must be a stronger alignment of investment under cohesion policy with the priorities of the Europe 2020 strategy for smart, sustainable and inclusive growth and with the European Semester;
- K. whereas the Task Force for Better Implementation has helped ease bottlenecks and backlogs in the allocation of funds;

Sharing results, communication and visibility

1. Notes that Europe is going through a difficult phase in economic, social and political terms, so that an effective investment policy that is oriented towards economic growth and employment, close to the citizens and more suitable for specific territorial vocations, is needed more than ever, and should seek to tackle both unemployment and social inequalities within the Union, creating European added value; believes that in order to regain the trust of its citizens the EU must initiate adjustment processes to meet the requirements laid down in Article 9 TFEU;
2. Notes that cohesion policy over the period 2014-2020 has been thoroughly reworked, requiring a change in mentality and working methods at all levels of governance, including horizontal coordination and involvement of stakeholders as well as, to the extent possible, of Community-led Local Development (CLLD); points out that the recent forward-looking and exemplary reforms are often ignored, but that cohesion policy is still often perceived as a traditional expenditure policy rather than a development and investment policy offering tangible results;

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3. Considers that the key communication on cohesion policy projects should focus on European added value, solidarity and the visibility of success stories, while underlining the importance of exchange of best practices as well as learning from projects that fail to achieve their objectives; insists that communication on the subject of the ESI Funds should be modernised and intensified; stresses the need to identify and implement new tools for communicating the results of cohesion policy; considers it necessary to invest in regional intelligence and data gathering, as part of a continuous effort to create and update databases, taking account of local and regional needs, specificities and priorities, as in the case of the already-existing S3 platform, which would enable the interested public to effectively check the European added value of projects;

4. Highlights the fact that in order to improve communication on and the visibility of ESI Funds, greater focus must be placed on participation by stakeholders and recipients, and on involving citizens in the design and implementation of cohesion policy in a meaningful way; additionally, urges the Commission, Member States, regions and cities to communicate more on both the achievements of cohesion policy and the lessons to be learned, and to come forward with a coordinated and targeted action plan;

Thematic concentration

5. Welcomes thematic concentration, as it has proved a helpful tool for creating a focused policy and greater effectiveness for the EU's priorities and the Europe 2020 strategy, enhancing the process of converting knowledge into innovation, jobs and growth; calls, therefore, on the Member States and regional and local authorities to take clear decisions on investment priorities and to select projects on the basis of priorities set for the ESI Funds, as well as to use streamlined and efficient implementation processes;

6. Notes that an analysis of thematic concentration should point out how the strategic choices of Member States and allocation of resources across thematic objectives (TOs) meet the specific needs of the territories; regrets that this aspect is less apparent in the Commission's Article 16 report;

7. Considers that the results and benefits of cohesion policy need to be put across more effectively, not least in order to restore confidence in the European project;

8. Insists that cohesion policy should continue to have thematic focus, while allowing for the degree of flexibility that is sufficient in order to take on board the specific needs of each region, especially the specific needs of the less developed regions, as laid down in the regulations; calls for continued ESI Fund investment in transition regions in order to preserve what has been achieved by the resources and efforts already deployed;

9. Underlines, in particular, that consideration should be given to the circumstances of urban or rural regions, the so-called 'lagging regions', transition regions and regions with permanent natural or geographical handicaps, and appropriate support policies should be drawn up for the development of these areas, which without cohesion policy might have been unable to catch up with more developed regions; calls on the Commission to pursue and expand strategies to implement the urban agenda, together with local authorities and metropolitan regions conceived as EU growth centres; recalls in this context that it is important to allow sufficient flexibility for Member States and regions to support new policy challenges, such as those relating to immigration (while keeping in mind the original and still relevant goals of cohesion policy and the specific needs of regions), as well as the broadly understood digital dimension of cohesion policy (including ICT and broadband access issues, which are linked to the completion of the Digital Single Market); draws attention to the Energy Union Strategy, the Circular Economy Strategy, and the EU's commitments under the Paris climate change agreement, as the ESI Funds have an important role to play in delivery;

10. Considers that more attention should be given to sub-regional areas with a considerable accumulation of challenges, often found in pockets of poverty, segregated communities and deprived neighbourhoods with an overrepresentation of marginalised groups such as Roma;

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11. Supports the gradual shift of focus from one based on major infrastructure-related projects towards one based on stimulating the knowledge economy, innovation and social inclusion, as well as on capacity building and empowering of actors, including from civil society, in cohesion policy, while taking into consideration the specific features of less developed regions that still need support in the field of infrastructural development and for which market-based solutions are not always feasible, also keeping in consideration that there should be flexibility to enable each Member State to make investments according to its priorities as laid down in the PAs in order to promote its economic, social and territorial development;

12. Is of the opinion that the ESI Funds, including in particular the European Territorial Cooperation Programmes, should be used to create and boost quality jobs, as well as quality lifelong learning and vocational (re)training systems, including school infrastructure, to allow workers to adapt under good conditions to the changing realities of the world of work, and to stimulate sustainable growth, competitiveness and development and shared prosperity aimed at achieving a socially just, sustainable and inclusive Europe, while focusing on the least developed areas and sectors having structural problems and supporting the most vulnerable and exposed groups in society, in particular young people (in conjunction with programmes such as Erasmus+) and those with fewest skills or qualifications, promoting greater employment through a circular economy, and preventing early school leaving; draws attention to the fact that ESF is an instrument which supports implementation of policies of public interest;

13. Expresses concern that unemployment — in particular youth and women unemployment, as well as unemployment in rural areas — remains very high in many Member States, despite all efforts, and cohesion policy must provide answers to this too; recommends to the Commission that it pay more attention to the impact of cohesion policy on promoting employment and reducing unemployment; notes in this context that the Youth Employment Initiative (YEI) has been integrated into 34 ESF programmes in the 20 eligible Member States, thus allowing unemployed young people to benefit from the YEI with the purpose to find their skills and qualifications; is concerned, however, about the delayed start to the implementation of the YEI and at the way in which the Youth Guarantee is being implemented in certain regions; urges Member States to intensify their efforts in order to achieve substantial and tangible effects rapidly and successfully from the funds invested, particularly with respect to funds made available in the form of advance payments, and that the YEI is implemented correctly and ensure decent working conditions for young workers; calls, in particular, for account to be taken of the real needs of the business community in using ESI Funds to meet training requirements, so as to create real employment opportunities and to achieve long-term employment; considers that the fight against youth unemployment, social inclusion and the future demographic challenges that Europe is facing nowadays and in the mid-term future should be the main areas where cohesion policy should be focused; calls for a continuation of the YEI beyond 2016, so as to sustain efforts to combat youth unemployment, while subjecting it to a thorough operational analysis designed to achieve the corrections necessary to make it more effective;

14. Expresses serious concern that in the case of the Youth Guarantee scheme, which in 2014-2020 will receive a total of EUR 12,7 billion from the ESF and the special YEI, and which, on the basis of this funding, is already seen as the driving force behind efforts to boost youth employment, the Commission has not carried out a cost-benefit analysis, which is standard procedure for all major Commission initiatives; consequently there is a lack of information on the potential overall cost of implementing the guarantee throughout the EU and, as the European Court of Auditors has stressed, a risk that the total amount of funding may be insufficient;

15. Stresses the importance of communication, particularly digital communication, through which information on potential assistance in finding training, a traineeship or work cofinanced through EU funds can reach the greatest number of young people; calls for more communication to promote such portals as DROPPIN and EURES and to increase young people's opportunities for mobility in the internal market, which is considered the biggest untapped potential in the fight against unemployment in the EU;

16. Calls on the Commission to ensure that Member States comply with the Convention on the Rights of People with Disabilities when implementing projects supported by the ESI Funds, including the aim of fostering a shift from institutional to community living for persons with disabilities;

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17. Recalls that completion of the core TEN-T network is a European transport policy priority, and that the ESI Funds are a very important tool in the implementation of this project; emphasises the need to tap the potential of the ESI Funds in order to connect the potential of the core and comprehensive TEN-T networks with regional and local transport infrastructure; recognises the importance of the Cohesion Fund for improving infrastructure and connectivity in Europe, and insists that this fund be maintained in the new post-2020 financial framework;

18. Emphasises that the multimodality of transport should be a vital factor in the assessment of infrastructure projects financed by the ESI Funds, but that it should not be the only criterion used to assess proposed projects, especially in the case of Member States with major investment needs in the area of transport infrastructure;

19. Emphasises the need to maintain traditional trades, including the craft tradition and associated skills, and to establish strategies to foster growth for traditional trade entrepreneurship in order to maintain the cultural identity of the traditional trade sectors; draws attention to the importance of supporting work linked to professional training and to the mobility of young craftsmen and women;

Ex ante conditionalities

20. Underlines that effective monitoring of ex ante conditionalities is necessary to record efforts and achievements; considers that ex ante conditionalities, in particular the one on Research and Innovation Strategies for Smart Specialisation (RIS3), have proved their usefulness, and suggests that they be further improved; points out that more attention should be paid to the strengthening of micro, small and medium-sized enterprises;

21. Draws attention to the fact that a significant proportion of ex ante conditionalities have not yet been fulfilled; calls, therefore, for an analysis of the current situation and the adoption of targeted action to counteract this, while not compromising the optimal take-up of the funds or making cohesion policy less efficient;

Performance-based budgeting

22. Emphasises that the regulatory framework for the period 2014-2020 and the PAs have led to a strongly results-oriented focus in cohesion programmes, and that this approach can be exemplary for other parts of EU budget expenditure as well; welcomes the introduction of common indicators which would allow measuring and benchmarking results; considers that work on indicators has to continue in order to improve evidence on ESI Funds spending and optimise project selection;

23. Points out that an important innovation has been the introduction of thematic concentration, whereby investments are focused on specific objectives and priorities corresponding to performance indicators and targets specifically agreed for all the themes;

24. Recalls that a performance reserve was introduced for each Member State, consisting of 6% of the resources allocated to the ESI Funds; recalls that, on the basis of the national reports of 2017 and the performance review of 2019, the reserve is to be allocated only to those programmes and priorities which have achieved their milestones; calls for flexibility in the launch of new commitments from the performance reserve when the programmes have attained their targets and milestones in the coming years; asks the Commission to assess whether the performance reserve actually creates added value or whether it has led to more red tape;

The European Semester

25. Takes note of the fact that, in the course of the programming process, Member States have found more than two thirds of the Country Specific Recommendations (CSRs) that were adopted in 2014 relevant to cohesion policy investments, and welcomes the fact that they have taken this into account in their programming priorities; acknowledges that in the near future CSRs might trigger amendments to ESI Funds programmes, ensuring support for structural reforms in Member States; points out that CSRs and National Reform Programmes (NRPs) represent a clear linkage between the ESI Funds and the processes of the European Semester;

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26. Stresses the importance of establishing a balanced link between cohesion policy and the European Semester, as both work towards achieving the same aims under the Europe 2020 strategy, without prejudice to achieving the social, economic and territorial cohesion objectives in order to reduce disparities as established by the treaties; is of the opinion that we should rethink the rationale behind suspension of the ESI Funds in case of a deviation from the objectives of the European Semester, as this could be counterproductive for boosting growth and jobs;

Synergies and Financial Instruments

27. Notes that the regulatory framework for ESI Funds for the period 2014-2020 supports financial instruments; underlines, however, that the use of grants is still indispensable; observes that there seems to be a focus on a gradual shift from grants to loans and guarantees; emphasises that this trend has been strengthened by the Investment Plan for Europe and the newly established European Fund for Strategic Investments (EFSI); notes also that the use of the multi-fund approach still appears to be difficult; stresses, given the complexity of these instruments, the vital importance of providing appropriate support to local and regional institutions in the training of the officials responsible for managing them; points out that financial instruments could offer solutions for efficient use of the EU budget, contributing alongside grants to bringing about investment to stimulate economic growth and create sustainable jobs;

28. Points out that a separate agenda is being pursued with EFSI, which is presented as a success story when it comes to fast implementation and results in the form of existing operations, despite considerable shortcomings such as lack of additionality; against this background, asks the Commission to provide specific data on EFSI's impact in terms of growth and employment and to come forward after the evaluation with learning points to enable the ESI Funds to be put to use more successfully in the new programming period from 2021 onwards; requests, in addition to the European Court of Auditors' opinion No 2/2016 ⁽¹⁾, an analysis of EFSI's contributions to the objectives of the ESI Funds and a stocktaking of what EFSI has achieved in terms of its own priorities;

29. Notes, however, the lack of evidence on the outcomes and results achieved by financial instruments and the loose link between those financial instruments and the overarching objectives and priorities of the EU;

30. Notes that the Commission's Article 16 Report provides little information on coordination and synergies among different programmes and with instruments of other policy areas, and in particular has not always presented reliable data on the expected results of the ESF and YEI programmes; emphasises that having a common regulation for the five ESI Funds has increased synergy among them, including in the second pillar of the common agricultural policy; is convinced that synergies with other policies and instruments, including EFSI and other financial instruments, should be enhanced in order to maximise the impact of investment; stresses that state aid rules apply to the ESI Funds, but not to EFSI or Horizon 2020, and that this causes problems with regard to increasing the level of synergy among the funds, programmes and instruments; underlines the fact that in order to ensure the necessary complementarity and synergy between EFSI, the financial instruments and the ESI Funds, the question of state aid rules needs to be further examined in order to be clarified, simplified and adapted accordingly; calls on the Commission to deliver comprehensive guidance to managing authorities on combining EFSI with shared and direct management instruments, including the ESI Funds, the Connecting Europe Facility and Horizon 2020;

31. Argues for continuing a balanced use of financial instruments where they have an added value and are not prejudicial to traditional support from cohesion policy; emphasises, however, that this should only take place after a careful assessment of the contribution of financial instruments to cohesion policy objectives; stresses that all regions must keep a diversified range of sources of financing, while subsidies remain the most suitable instruments in certain sectors for achieving growth and employment targets; asks the Commission to come forward with incentives to ensure that managing authorities are fully informed on the opportunities for using financial instruments and their scope, and to analyse the management costs of grants and of repayable assistance implemented in shared and centrally managed programmes; stresses that clear, consistent and focused rules on financial instruments to help simplify the preparation and implementation process for fund managers and recipients are key to improving their effective implementation; draws attention to the forthcoming own-initiative report of its Committee on Regional Development entitled 'The right funding

⁽¹⁾ European Court of Auditors Opinion No 2/2016 'concerning the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1316/2013 and 2015/1017 and the accompanying Commission evaluation in accordance with Article 18(2) of Regulation (EU) 2015/1017'.

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mix for Europe's regions: balancing financial instruments and grants in EU cohesion policy' (2016/2302(INI));

Simplification

32. Notes that one of the main goals of the 2014-2020 programming period is further simplification for beneficiaries of the ESI Funds, and acknowledges that simplification is one of the key factors for better access to funding;

33. Welcomes the fact that the current modernised regulatory framework for the ESI Funds provides new possibilities for simplification in terms of common eligibility rules, simplified cost options and e-governance; regrets, however, that the Commission communication on Article 16(3) CPR does not include any specific information as regards the use of Simplified Cost Options (SCOs); underlines that there is a need for further efforts to develop the full potential of SCOs in terms of alleviating administrative burden; notes that significant simplification measures are still needed for both beneficiaries and managing authorities, focusing on public procurement, project management, and audits during and after the operations;

34. Calls on the Commission to provide an ongoing assessment of administrative burden, including in particular components such as time, cost and paperwork in EU funding in the form of both grants and financial instruments, based on the evidence of results from the 2007-2013 period and the start of the new period as from 2014;

35. Recommends for the prospective programming period starting in 2021 that all levels of governance work towards a system of single audit by eliminating duplicate checks among the various tiers of government; urges the Commission to clarify the range and legal status of existing guidance across the ESI Funds, as well as to develop, in close collaboration with managing authorities and all relevant audit authority tiers, a joint interpretation of audit issues; reiterates that there is a need for further steps in the area of simplification, including in particular in programmes targeted on youth, by introducing inter alia greater proportionality in controls; welcomes the preliminary outcome of the work of the High Level Group on Simplification set up by the Commission;

36. Recommends that standard procedures be established for drawing up operational programmes and for management, especially where the numerous territorial cooperation programmes are concerned;

Administrative capacity

37. Notes that Member States have different administrative cultures and levels of performance in their policy framework, which the ex ante conditionalities should help to overcome; stresses the need to strengthen administrative capacity as a priority in the context of cohesion policy and the European Semester exercise, particularly in Member States with low absorption of funds; notes the need to provide technical, professional and practical assistance to Member States, regions and localities during applications for funding; appreciates the impact of the Jaspers facility, and reiterates that poor investment planning results in major delays in the completion of projects and in the inefficient use of funding;

38. Points out that the slow start of some programmes, the lack of management capacity for complex projects, the delays recorded in finalising projects, the administrative burden in the Member States, overregulation and errors in public procurement procedures are the main obstacles to the cohesion policy's implementation; regards it as essential to identify and simplify the unnecessarily complex processes and procedures in the shared management that create additional burdens for authorities and beneficiaries; points out that administrative capacity has to be constantly improved, monitored and strengthened; is therefore of the opinion that in this regard it is necessary to exploit functional and flexible e-government solutions, as well as improved information and coordination between Member States; additionally, underlines the need for greater focus on training the administration;

39. Points out that tailor-made regulatory frameworks, conditions and solutions (such as the Taiex Regio Peer 2 Peer exchange mechanism among the various regions) aimed at simplification can address the needs and challenges faced by different regions more effectively when it comes to administrative capacity;

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European Territorial Cooperation

40. Highlights — especially from the point of view of reducing disparities between border regions — the European added value of European Territorial Cooperation (ETC), which should be reflected in an increased level of appropriations for this cohesion policy objective, to be introduced as soon as practicable; calls at the same time on Member States to provide the necessary cofinancing; underlines the need to preserve this instrument as one of the core elements of cohesion policy after 2020;

41. Stresses the importance of macro-regional strategies, as instruments which have proved useful for the development of territorial cooperation and the economic development of the areas concerned; highlights the decisive role of local and regional authorities for the success of the measures included in those strategies;

42. Recommends that more intensive use be made of the modified and expanded EGTC legal instrument as the legal basis for territorial cooperation;

43. Proposes the establishment of a permanent link between RIS3 and interregional cooperation on an EU-wide scale, preferably in the form of a permanent element of the INTERREG programme;

44. Underlines that the concept of results orientation requires that INTERREG programmes ensure high-quality project-level cooperation and the adaptation of evaluation methods and criteria to take into account the specific nature of each programme; calls on the Commission, the Member States and the managing authorities to work together and exchange information and good practices in order to ensure that results orientation is implemented and targeted as effectively as possible, taking account of ETC specificities;

45. Stresses the potential of using financial instruments in INTERREG programmes that, through complementing grants, help to support SMEs and develop research and innovation, by increasing investment, creating new jobs, allowing better results to be achieved and boosting the effectiveness of projects;

46. Deplores the low public awareness and insufficient visibility of ETC programmes, and calls for more effective communication of the achievements of completed projects; calls on the Commission, the Member States and the managing authorities to establish mechanisms and broad institutionalised platforms for cooperation in order to ensure better visibility and awareness-raising; calls on the Commission to map the achievements of the ETC programmes and projects so far;

Partnership principle and multi-level governance

47. Welcomes the code of conduct agreed during the negotiations on the current funding period, which outlines the minimum standards for a well-functioning partnership; observes that the code has improved the implementation of the partnership principle in most Member States, but regrets the fact that many Member States have centralised large parts of the negotiation and implementation of the PAs and OPs; stresses the need to actively involve regional and local authorities and other stakeholders at all stages, and therefore calls for their real participation to be guaranteed in future in the negotiation and implementation process in respect of countries' specific structures; believes that overcentralisation and lack of trust have also played a role in the delayed implementation of ESI Funds, with some Member States and managing authorities less keen to place greater responsibility for management of EU funds in the hands of local and regional authorities;

48. Stresses that clarification is needed from the Commission regarding the performance of Member States and regions on the Article 5 CPR principles, with an emphasis on how government can be encouraged to fully apply the partnership principle; stresses that shared ownership is a precondition for stronger recognition of EU cohesion policy;

49. Supports the Commission's new approach of setting up special working groups, that is to say project teams intended to ensure better management of ESI Funds in Member States, and calls for this approach to be developed further;

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50. Stresses that future cohesion policy must incorporate supporting measures to help refugees integrate successfully into the EU's labour market, thus promoting economic growth and helping ensure general safety in the EU;

Future cohesion policy

51. Emphasises that the ESI Funds contribute to GDP, jobs and growth in the Member States, which are essential elements to be considered in the 7th Cohesion Report expected for 2017; points out, furthermore, that substantial investments in the less developed regions also contribute to GDP in more developed Member States; is of the opinion that should Article 50 TEU be formally invoked by the UK government, the 7th Cohesion Report should also take account of the possible effects of 'Brexit' on structural policy;

52. Is of the opinion that GDP might not be the only legitimate indicator for ensuring a fair distribution of funds, and that specific territorial needs and the importance of agreed programme priorities for development of the programme areas should be taken into account when deciding on the future allocation; considers it important that consideration be given in future to introducing new dynamic indicators in addition to GDP; notes that many regions in Europe are facing high rates of unemployment and a shrinking population; invites the Commission to give thought to developing and introducing a 'demographic indicator';

53. Recalls that a substantial amount of public investment is made at local and regional level; stresses that the European System of Accounts (ESA) must not limit local and regional authorities' ability to undertake necessary investments, since this would prevent Member States from putting up cofinancing for projects eligible for structural funding, thus making them unable to use this important source of funding to help find a way out of the economic crisis and kick-start growth and employment; strongly encourages the Commission to reassess the ESA's strictly annual approach, so that public expenditure financed from the ESI Funds is considered as capital investment and not merely as debt or operating expenses;

54. Stresses that ETC, which serves the broader principle of territorial cohesion as introduced by the Lisbon Treaty, could be improved; therefore encourages all stakeholders involved in negotiations on the future policy to strengthen this dimension of territorial cohesion; calls on the Commission to give ETC the necessary importance in the 7th Cohesion Report;

55. Considers that thematic concentration must be maintained in the future, as it has proved its viability; expects the Commission to come forward with an overview of achievements brought about by thematic concentration in cohesion policy;

56. Is convinced that the future performance-oriented cohesion policy must be founded on data and indicators that are appropriate for measuring efforts, outcomes and impacts achieved, as well as experience at regional and local level in the area (performance-based budgeting, ex ante conditionalities and thematic concentration), as this provides clear practical guidelines for local and regional authorities — including those which have not so far attempted to apply this approach — on the implementation of its principles;

57. Underlines that faster take-up of the available funds and a more balanced progression of expenditure during the programming cycle will be needed in future, also in order to avoid frequently turning to 'retrospective projects', which are often aimed at avoiding automatic decommitment at the end of the programming period; takes the view that after adoption of the general regulation and the fund-specific regulations, implementation of the OPs in the next funding period as from 2021 will be able to start more quickly, as Member States will already have experience with a performance-oriented policy after the efforts made for cohesion policy in the period 2014-2020; points out in this regard that Member States should avoid delays in appointing managing authorities for the OPs;

58. Insists that the legislative process to adopt the next MFF should be concluded by the end of 2018, so that the regulatory framework for future cohesion policy can be adopted swiftly after that and can come into force without delay on 1 January 2021;

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59. Takes the view that cohesion policy should continue to cover all Member States and all of Europe's regions, and that simplifying arrangements for access to EU funds is an essential prerequisite for the future success of the policy;

60. Believes that the spirit of innovation and smart specialisation, alongside sustainable development, must remain an important driver of cohesion policy; stresses that smart specialisation should be a leading mechanism for future cohesion policy;

61. Underlines the high risk of the accumulation of payment claims under Heading 1b in the second half of the current MFF, and calls for a sufficient level of payment appropriations to be made available on a yearly basis up to the end of the current perspective, in order to prevent a new backlog of unpaid bills; stresses, for this purpose, the need for the three EU institutions to develop and agree upon a new joint payment plan for 2016-2020, which should provide for a clear strategy to meet all payment needs up to the end of the current MFF;

62. Recommends to the Commission that it analyse the real impact of ESI Fund investment during the previous programming period and the extent to which European objectives have been achieved through the funds invested, and that it draw conclusions in relation to positive and negative experiences, as a starting point in order to add value to the investment process;

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63. Instructs its President to forward this resolution to the Council, the Commission, the Committee of the Regions, and the governments and national and regional parliaments of the Member States.
