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# REPORT

on the contribution of EU regional policy towards fighting the financial and economic crisis, with a special reference to Objective 2  
(2009/2234(INI))

Committee on Regional Development

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the contribution of EU regional policy towards fighting the financial and economic crisis, with a special reference to Objective 2  
(2009/2234(INI))**

*The European Parliament,*

- having regard to the Commission working document ‘Consultation on the future ‘EU 2020’ strategy’ (COM(2009)0647),
- having regard to the Commission Communication ‘Cohesion policy: Strategic Report 2010 on the implementation of the programmes 2007-2013’ (COM(2010)0110),
- having regard to the Sixth progress report from the Commission on economic and social cohesion (COM(2009)0295),
- having regard to the Commission Communication ‘Driving European recovery’ (COM(2009)0114),
- having regard to the Commission Communication ‘Cohesion Policy: investing in the real economy’ (COM(2008)0876),
- having regard to the Commission Communication ‘New Skills for New Jobs: Anticipating and matching labour market and skills needs’ (COM(2008)0868),
- having regard to the Commission Communication ‘A European Economic Recovery Plan’ (COM(2008)0800),
- having regard to the Commission Communication ‘From financial crisis to recovery: a European framework for action’ (COM(2008)0706),
- having regard to the Council Recommendation on the 2009 update of the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States’ employment policies (COM(2009)0034),
- having regard to the National Strategic Reports from the Member States for 2009,
- having regard to Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999<sup>1</sup>,
- having regard to its motion for a resolution of 11 March 2009 on Cohesion Policy: investing in the real economy<sup>2</sup>,
- having regard to the opinion of the Committee of the Regions on the Sixth progress report

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<sup>1</sup> OJ L 210, 31.7.2006, p. 25.

<sup>2</sup> Texts Adopted, P6\_TA(2009)0124.

from the Commission on economic and social cohesion (COTER-IV-027),

- having regard to the European Economic Forecast – Autumn 2009/ European Economy 10/2009 – DG Economic and Financial Affairs-European Commission,
  - having regard to the Quarterly Report on the Euro Area - Volume 8 No 4 (2009) – DG Economic and Financial Affairs – European Commission,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development (A7-0206/2010),
- A. whereas between 2000 and 2006 15.2% of Europeans (69.8 million) lived in Objective 2 areas and benefited from total financing of EUR 22.5 billion (9.6% of total resources), with 730 000 ‘gross’ jobs being created, and most indicators showing high performance levels (employment, innovation, research and development (R&D), human capital intensity, education and training, lifelong learning) while, on the other hand, other indicators (foreign direct investment (FDI), productivity) show lower performance levels than those of the convergence regions, and, as regards growth of per capita GDP compared with the EU average, the regions in question are quite a long way ahead (122%) of the convergence regions (59%) but nevertheless show a fall of 4.4% over that period,
- B. noting that, with the 2006 reform, Objective 2 now concerns strengthening regional competitiveness and employment in a total of 168 regions in 19 Member States, i.e. 314 million inhabitants, with total financing for 2007-2013 of EUR 54.7 billion (just under 16% of overall resources), and, it is worth pointing out, around 74% of that amount is earmarked for improving knowledge and innovation (33.7%) and for more and better jobs (40%),
- C. whereas, based on the latest Commission forecasts (2009-2011), the labour market situation will remain unfavourable and the unemployment rate will reach 10.25% in the EU, with the loss of 2.25% of jobs for 2009 and 1.25% for 2010 and entailing inter alia an increase in social breakdown in the member countries; whereas the key sectors in the EU region show: (a) an increase in new orders and confidence, with an improvement in the overall EU industrial picture, although at a rate of production 20% lower than at the start of 2008, (b) continued decline in activities in the manufacturing sector, and (c) continued difficulty for SMEs in accessing micro-credit/financing,
- D. whereas although it is true that initially the crisis affected men more, currently the rate of job loss is similar for men and women, and women’s presence in the labour market is lower than that of men in most countries of the EU; whereas we have learned from other crises that women who lose their jobs are more likely to be unable to find other work; whereas equality between men and women has a positive impact on productivity and economic growth, and participation of women in the labour market has many social and economic benefits,
- E. stressing the fact that, based on the National Strategic Reports for 2009, and the Strategic Report 2010 of the Commission regarding cohesion policy and the implementation of the

programmes 2007-2013, the Member States appear to have made rather different uses of the instruments, means and methods for facilitating cohesion policy proposed by the Commission to combat the crisis and increase actual expenditure, such as changes to the strategic guidelines, the axes and financing for the operational programmes and the response to the simplification of implementing procedures,

- F. stressing that from October 2008 onwards the Commission proposed a series of measures aimed at speeding up implementation of programmes under the cohesion policy 2007-2013 in order to mobilise all its resources and means to provide immediate and effective support for recovery efforts at national and regional level,
- G. whereas the Commission strategy to accelerate investment and simplify cohesion policy programmes through recommendations to the Member States and legislative or non-legislative measures is built around three axes: (a) greater flexibility for cohesion programmes, (b) giving the regions a head start, and (c) smart investment for cohesion programmes; whereas for 2010, of the EUR 64.3 billion earmarked for employment and competitiveness, EUR 49.4 billion are to be used for cohesion (an increase of 2% over 2009) and EUR 14.9 billion for competitiveness (an increase of 7.9% over 2009),
  1. Stresses that, in the context of the global financial and economic crisis and the current economic slowdown, EU regional policy is a key delivery instrument, making a decisive contribution to the European Economic Recovery Plan, constituting the largest Community source of investment in the real economy and providing notable support for public investment, including at regional and local level; notes that it is essential to ensure a successful exit from the crisis in order to achieve long-term sustainable development by strengthening competitiveness, employment and the attractiveness of European regions;
  2. Notes that the Structural Funds are powerful instruments, designed for helping the regions in their economic and social restructuring and in promoting economic, social and territorial cohesion, as well as for implementation of the European Economic Recovery Plan and, in particular, development of competitiveness and job creation, by supporting their systematic and effective use; stresses that the aim of competitiveness cannot be attained to the detriment of cooperation and solidarity between regions;
  3. Is pleased to note the positive results with regard to most indicators observed in the period before the economic crisis in the Objective 2 regions, namely the high performance levels in employment, innovation, research and development (R&D), human capital intensity, education and training and lifelong learning; stresses that the impact of the crisis on the economy must not result in a reduction in support for more and better jobs, and calls for these comparative advantages to be sustained through a strengthening of the Objective 2 instruments;
  4. Warmly supports the key priorities of the EU 2020 strategy, particularly smart, sustainable, inclusive growth achieved, inter alia, by exploiting new ways of achieving sustainable economic growth via the digital economy, improving the regulatory framework for strengthening territorial and social cohesion and promoting better conditions and a better business environment with fair competition, job creation, entrepreneurship and innovation for all the regions, developing SMEs and supporting their growth potential; also supports the efforts towards more and better jobs, with decent

working conditions for men and women and guaranteed access to basic and advanced training; calls for these policies to be strengthened further, including through measures to capitalise on the advantages offered by Europe's single market within the framework of the forthcoming deepening of the EU 2020 strategy, while ensuring that Objective 2 remains focused on delivering EU territorial cohesion;

5. Notes with concern the negative social consequences that have been brought about by the crisis in Objective 2 regions, with an increase in unemployment, poverty and social exclusion and harm to the most vulnerable social groups (the unemployed, women, the elderly), and calls on the Commission to take initiatives to support SMEs in securing the viability of existing jobs and creating, where possible, more new jobs;
6. Emphasises that economic, social and territorial cohesion is at the heart of the EU2020 Strategy; cohesion policy and the structural funds are a key tool in achieving the priorities of smart, sustainable, inclusive growth in the Member States and the regions;
7. Underlines the significant problem posed by the reduction in the contribution of national co-financing to programmes, which also has implications for Objective 2 owing to the major financial problems of many Member States, and supports Commission policy regarding the use of the Community contribution; considers it necessary, therefore, for the amendment of Regulation 1083/2006 in its present form, as adopted by Parliament, to be speedily implemented, considers 100% financing to be excessive, since it takes away the incentive for the Member States to ensure that the measures supported are effective and efficient through national co-financing, and concurs with the view taken by the Council in rejecting 'frontloading' as its stands;
8. Notes that, out of a total of 117 operational programmes financed by the ESF, 13 were amended (for Austria, Germany, Hungary, Ireland, Latvia, Lithuania, the Netherlands, Poland, Portugal, two for the United Kingdom, and two for Spain) with the aim of tackling specific needs resulting from the crisis, and calls on the Commission to help the Member States use this flexibility to reorient their operational programmes, and to publicise the fact widely among the relevant regional and local actors as quickly as possible with a view to providing short-term assistance to specific at-risk groups and categories;
9. Notes that the Sixth progress report on economic and social cohesion reflects the different socioeconomic situations in the three types of region, particularly with regard to their capacity for creativity, innovation and entrepreneurship. Both the current economic crisis and the different variables which affect the opportunities for regional development (demography, accessibility, capacity for innovation, etc.) provide evidence of the existence of important data that must be taken into consideration when assessing the situation of local and regional economies and formulating an effective cohesion policy;
10. Supports the Council's proposal to increase advances for 2010 by 4% in the case of the ESF and by 2% in the case of the Cohesion Fund, but only for Member States whose GDP has fallen by more than two digits or which have received IMF balance-of-payments support; calls on the Commission to study the causes of the delays in implementation and to find flexible solutions for the n+2/n+3 rules, so that funds are not forfeited to the Member States;

11. Regrets the fact that the Sixth progress report from the Commission on economic and social cohesion does not include specific qualitative and quantitative data on the short-term and long-term impact of the financial and economic crisis in the EU regions, particularly with regard to the most significant economic and social indicators; therefore calls on the Commission to present a special report/study on the effects of the financial and economic crisis in the EU regions, in particular the Objective 2 regions and phasing-out regions, **as well as on a possible widening or narrowing of regional disparities in the context of the crisis**; notes that those evaluations must be carried out without delay in order to be able to counter undesirable developments and that they can be used as the basis for a proposal on the continuation of Objective 2 in those areas where it can provide added value regarding national funds;
12. Welcomes the support measures for undertakings under the cohesion policy (approximately EUR 55 billion between 2007 and 2013), most of which relates to strengthening innovation, technology transfer and modernisation of SMEs, stresses the importance of promoting successful models in this area and understands that the proposed measures under the intervention in favour of undertakings must be targeted at their long-term restructuring outcomes and the transition to a more sustainable economy, and not at fire-fighting interventions for economic survival, which in many cases are incompatible with State aid policies;
13. Emphasises that, in order to tackle the crisis, investment is needed in research and development, innovation, education and technologies that use resources efficiently; such investment will benefit traditional sectors, rural areas and highly skilled service economies and will therefore strengthen economic, social and territorial cohesion; notes that it is necessary to provide for an affordable, accessible funding mechanism in which the structural funds play a key role;
14. Calls on the Commission and the Member States to monitor, on a continuous basis, the impact of the crisis in various structural and development fields and the use made of the opportunities offered by the financing instruments earmarked for Objective 2 primarily to support entrepreneurship and SMEs and bodies working for a social, inclusive economy, with a view to increasing their competitiveness and thus the potential for greater employment, and facilitating their access to financial engineering instruments (Jaspers, Jeremie, Jessica, Jasmine); calls on the Commission and the Member States to use this evidence to prepare and target the future Objective 2 EU Cohesion to those areas, at regional and local level, where added value of EU interventions can be demonstrated (in particular innovations in the tourism, service, IT, and industrial sectors, alongside protection and improvement of the environment and the potential development of renewable energy or technologies that would significantly improve conventional energy undertakings, targeting low emissions and minimising waste production, as well as innovations in the primary sector);
15. Calls on the Commission and the Member States to utilise and promote all synergies of tools for cohesion policy and competitiveness at a regional, national, cross-border and European level;
16. Welcomes Commission policy on (a) extending the eligibility period under the

operational programmes 2000-2006 to allow maximum take-up of all cohesion policy resources, (b) simplifying the administrative requirements and procedures and the financial management of the programmes, while at the same time still ensuring the necessary checking for any instances of errors or fraud; takes the view in this connection that conditions should be created with a view to encouraging reasonable projects and preventing unlawful behaviour in advance;

17. Supports the 'pre-financing' policy for programmes under the cohesion policy 2007-2013, which produced immediate liquidity of EUR 6.25 billion for 2009 for investment within the framework of the financing packages agreed for each Member State;
18. Notes that urban regions and urban centres present, by their very nature, particular and significant social problems (high unemployment, marginalisation, social exclusion etc.), which have increased owing to the impact of the crisis and which must be studied carefully in order to take appropriate action and both short- and long-term measures;
19. Supports the assistance policy and the new financing instruments for major projects for the regions (planned total cost of EUR 50 million and above) introduced by the Commission in 2009, values the importance of financial engineering instruments and EIB/EIF cooperation, especially JASPERS, JEREMIE AND JESSICA, and calls for a further increase beyond 25% in the financing provided through JASPERS (Joint Assistance in Supporting Projects in European Regions) that relates specifically to the regions in Objective 2, with a view to encouraging their full preparation and very rapid implementation even though, at the present stage, these projects remain few in number; hopes that the previous increase in financing for JASPERS has a medium- and long-term impact on the growth of the economic competitiveness of European regions, and advocates the regular inclusion of a comparative analysis of the results obtained and objectives pursued, and of the financing awarded and the financing required to fulfil the respective objectives;
20. Stresses that only with genuinely integrated multi-level governance among local, regional, national, cross-border and EU public authorities can EU, national and regional policy be efficient and effective; calls on the Commission to evaluate the possibilities of innovation-related territorial cooperation, both national and international, in each cohesion policy objective, and to analyse the possibilities for reinforcing the European territorial cooperation objective with regard to fostering innovation-related cooperation between regions; in parallel with the reinforcement of the Territorial Cooperation Objective (Objective 3), the possibility of developing transnational territorial cooperation actions in the framework of Objective 2 should also be reinforced; notes that such a possibility is now made possible by Article 37(6)(b) of Regulation EC 1083/2006; is of the opinion that, without changing the overall cohesion objectives' budget, the reinforcement of territorial cooperation should be accompanied by a move towards an increased budget for this extended territorial cooperation;
21. Supports the proposed changes to the implementing rules aimed at strengthening the flexibility of the Structural Funds and their adaptation to meet the need, in the exceptional economic circumstances, for immediate implementation of 455 programmes under the cohesion policy, in particular as regards Objective 2 programmes, while still taking



account of the need for national and regional institutions and managing authorities to adapt to this new situation so as to prevent any mismanagement or misuse of funds and to ensure that any remaining funds are redirected to existing or upcoming projects; calls for the managing authorities to propose ways of making the implementation of Objective 2 operational programmes more efficient;

22. Insists that in special circumstances (such as the economic crisis) greater flexibility can be exceptionally required in the N+2 rule in view of the objectives pursued by the cohesion policy and the effects of cyclical economic changes on public finances and private investment;
23. Recommends that all funds that remain unspent in a region under N+2 and N+3 are allocated again to regionally based projects and community initiatives;
24. Calls on the Commission to evaluate the Small Business Act action plan/initiative for legislative proposals after a year of implementation (December 2008), primarily as regards results in strengthening small businesses' competitiveness and access to financing and operating capital, as well as promoting innovative start-ups, reducing administrative burdens, etc.;
25. Emphasises the positive effect which equality between men and women has on economic growth; notes in that regard that some studies calculate that if the rates of employment, part-time employment and productivity of women were similar to those of men, GDP would increase by 30% in the programming period beyond 2013; therefore requests special scrutiny for those projects financed under the structural funds which promote equality and the inclusion of women in the labour market;
26. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

## EXPLANATORY STATEMENT

### *Introduction*

In the context of the global financial and economic crisis and the economic slowdown in Europe, EU regional policy makes a decisive contribution to the Economic Recovery Plan, constituting the main Community source of investment in the real economy and providing notable support for public investment, including at regional and local level. Given the EU's lack of effective mechanisms for economic coordination and balanced growth, cohesion policy, through the Structural Funds and other actions, is of prime importance.

Regional policy is not only a way to immediately 'damp down' the negative economic and social effects of the crisis but is also a long-term policy for combating the structural problems revealed and created against the background of the crisis, particularly as regards competitiveness and employment in the Objective 2 Member States. This report focuses on actions to implement the two main pillars of the European Economic Recovery Plan, in particular the competitiveness pillar, through systematic and effective use of appropriations and the means corresponding to them.

### *The economic crisis and 'regional competitiveness and employment'*

Objective 2 has been and remains one of the most important pillars of cohesion policy and takes on particular significance today, in the context of exiting the economic crisis, for increasing the competitiveness of the European regions and their readiness for growth in the post-crisis era.

In the period 2000-2006, Objective 2, which related to support for the economic and social conversion of areas lagging behind in their development, was aimed at 15.2% of Europeans (around 69.8 million inhabitants lived in Objective 2 areas). They benefited from total financing of EUR 22.5 billion (9.6% of overall resources), while it is calculated that 730 000 gross jobs have been created.

These regions may be classed as: (a) industrial areas (8.5%) with unemployment rates higher than the Community average, with industrial employment greater than the Community average and in steady decline, (b) rural areas (5.2%) with a population density of fewer than 100 inhabitants per square kilometre, with an employment rate in the rural sector more than double the Community average, with an unemployment rate higher than the Community average and with a steadily declining population, (c) urban areas (1.9%) with long-term unemployment greater than the Community average, with a high level of poverty, with a particularly damaged social environment, with a high crime rate, with low educational performance, (d) fisheries areas (0.3%), (e) mixed areas (2.1%).

With the 2006 reform, Objective 2 now relates to strengthening regional competitiveness and employment in a total of 168 regions in 19 Member States (see Annex I), i.e. 314 million inhabitants, with total financing for 2007-2013 of EUR 54.7 billion (almost 16% of overall resources). It is therefore important for Objective 2 to be fully exploited and to

make a full contribution to the overall strategy for our economies' recovery, as well as to their competitiveness. It is particularly important that around 73.7% of this amount is earmarked for (a) improving knowledge and innovation (33.7%), and (b) more and better jobs (40%). The corresponding percentage for Objective 1 regions is markedly lower, just 40%, even though, in absolute figures, it is significantly higher due to the greater needs of the areas in question (see Annex II).

The latest progress report from the Commission on economic and social cohesion shows that most indicators in the Objective 2 regions recorded high performance levels before the economic crisis, such as employment, innovation, research and development (R&D), human capital intensity, education and training and lifelong learning, while for others, such as increased foreign direct investment (FDI) and productivity, the convergence regions show higher performance levels (see Annex III).

By way of example, before the crisis, between 2000 and 2006, GDP per head relative to the EU average increased by six points overall, bringing the convergence regions within four percentage points of the EU average, at 59%, closer to but still well below the minimum threshold of 75%. The competitiveness and employment regions (Objective 2), while they are quite a way ahead of the others at 122%, nevertheless experienced a drop of 4.4% in the 2000-2006 period. The large rise in productivity of the convergence regions is the main reason why the difference in per capita GDP has significantly decreased (see Annex IV).

From 2000 onwards productivity in industry and services shows a 2% annual increase in the convergence regions, double the percentage in the competitiveness and employment regions under Objective 2. This increase has been supported by assistance for education, better and wider use of ICT and high inflow of foreign direct investment. At the same time, there are still major disparities in educational standards between regions. The proportion of graduates is almost 9% higher in the Objective 2 regions than in the convergence regions. Also, participation in lifelong learning lags behind significantly in the convergence regions, where the proportion is half that in the Objective 2 regions.

The financial and economic crisis highlights the weaknesses of the European convergence areas and the structural disadvantages, particularly as regards competitiveness and employment, of the European regions. Based on the latest Commission forecasts (2009-2011), the situation in the labour market will remain unfavourable and the unemployment rate is expected to reach 10.25% in the EU, with the loss of 2.25% of jobs for 2009 and 1.25% for 2010.

The crisis, with its impact in the key sectors of the economy, has the following consequences in the current period also: (a) an increase in new orders and confidence and an improvement in the EU industrial picture, leading to stabilisation of industrial production but without a dramatic recovery, i.e. at a rate 20% lower than at the start of 2008 (see Annex IV), (b) continued decline in activities in the manufacturing sector, and (c) continued difficulty for SMEs in accessing micro-credit/financing.

The major financial problems of many Member States (high public debt, high budget deficit) are also an inhibiting factor and a constraint on the contribution of national co-financing to programmes relating to Objective 2. Unfortunately, at this stage there is a lack of

aggregated qualitative and quantitative data on the short-term and long-term impact of the financial and economic crisis in the EU regions and the shaping of the most significant economic and social indicators. The rapporteur takes the view that the Commission should present a special report/study on the consequences of the financial and economic crisis in the EU regions, in particular the Objective 2 regions, given its particularly negative impact on employment and competitiveness.

### ***Contribution of regional policy to fighting the economic crisis within the framework of Objective 2***

From October 2008 the Commission proposed a series of measures aimed at speeding up implementation of programmes under the cohesion policy 2007-2013, in order to mobilise all its resources and means to provide immediate and effective support for recovery efforts at national and regional level. Under the cohesion policy around EUR 55 billion are earmarked (between 2007 and 2013) to support undertakings, most of which concerns strengthening innovation by SMEs. Many of the programmed activities match more immediate needs to deal with the current economic situation and focus, in particular, on significant challenges faced by undertakings in the real economy, but the proposed measures under interventions in favour of undertakings are targeted at long-term results from tackling structural problems and not at fire-fighting interventions for economic survival, which are potentially incompatible with State aid policies.

It is particularly encouraging that the key priorities of the EU 2020 strategy stress the need to exploit new sources of growth that will simultaneously ensure social and territorial cohesion of the EU and improvement of the regulatory framework for strengthening territorial cohesion. It is worth noting that territorial cohesion gives added value to developing the competitiveness of the various areas and promoting better conditions for entrepreneurship, growth of SMEs and exploitation of their comparative advantages.

More specifically and immediately, for 2010, of the EUR 64.3 billion earmarked for sustainable growth, EUR 49.4 billion concern cohesion (an increase of 2% on 2009) and 14.9 billion euros concern competitiveness (an increase of 7.9% on 2009) - (see Annexe V). One goal, among others, in the context of strengthening the competitiveness of SMEs (small and medium-sized enterprises) is to create 400 000 jobs by 2013 (see Annexe VI).

At the same time, the Commission's strategy for accelerating investment and simplifying cohesion policy programmes must be strengthened through recommendations to the Member States and legislative or non-legislative measures. The rapporteur agrees with the priority that should be given to the three axes: (a) greater flexibility for cohesion programmes, (b) giving regions a head start in every way, and (c) smart investment under the cohesion programmes.

An initial assessment based on the National Strategic Reports for 2009 indicates that the Member States made rather different uses of the instruments, means and methods for facilitating cohesion policy proposed by the Commission to combat the crisis and increase actual expenditure, as regards, for example, the use of 100% financing, the response to the changes to the strategic guidelines and the axes and financing for the operational programmes and the response to the simplification of implementing procedures). The rapporteur believes that useful and reliable conclusions should be drawn from this. She believes that, while

regional policy is a Community policy not for damping down the flames but for long-term planning, it is particularly important that this strategic approach of ‘flexibility’ continues, while, at the same time, still ensuring the necessary checking to prevent errors and instances of fraud. For example, Commission policy on extending the eligibility period under the operational programmes 2000-2006 or on simplifying the administrative requirements and procedures and the financial management of the programmes appears to make a decisive contribution to enabling maximum take-up of all cohesion policy means.

At the same time, it should be pointed out that the policy of ‘pre-financing’ for programmes under the cohesion policy 2007-2013 had a palliative effect, since it resulted in immediate liquidity of EUE 6.25 billion for investment in 2009, within the framework of the financing packages agreed with the Member States. Also, in order to deal with the problem of the reduction in the contribution of national co-financing to programmes, also concerning Objective 2, due to the major financial problems of many Member States, the Commission policy of ‘100% compensation’ following a request by Member States must be supported, even if some of them have not responded positively to that option, mainly fearing that they will not be able to respond, in future, to 0% financing of other projects in order to achieve the required accounting equalisation and balancing.

The rapporteur supports the aid policy for large projects for the regions (financing of EUR 50 million and above) introduced by the Commission in 2009, and calls for an increase beyond 25% in the financing provided through JASPERS (Joint Assistance in Supporting Projects in European Regions) with a view to preparation and very rapid implementation of large projects and speeding-up of payments to the Member States, particularly as regards programmes under Objective 2. Support must also be given to the proposed changes in the implementing rules, which seek to strengthen the flexibility of the Structural Funds and adapt them to meet the needs of the exceptional economic circumstances.

In conclusion, the rapporteur believes in the fundamental importance of cohesion policy and the need to continue and strengthen it in all areas. She believes in the need for particular attention to be given to Objective 2 areas and to the relevant programmes because of their importance for bringing out the areas’ comparative advantages and opportunities and, more broadly, their contribution to growth and employment. She also believes in the need to mobilise and coordinate all means and instruments for achieving this goal.

## Annex I

Regional Competitiveness and Employment	Lisbon Earmarking	Non earmarked	TOTAL
	Decided OPs	Decided OPs	
<b>FR</b>	8.090.730.610	2.167.334.886	10.258.065.496
<b>DE</b>	7.736.411.732	1.672.869.936	9.409.281.668
<b>ES</b>	6.098.907.229	2.382.419.048	8.481.326.277
<b>UK</b>	6.193.002.023	785.385.815	6.978.387.838
<b>IT</b>	5.065.123.109	1.259.766.998	6.324.890.107

<b>HU</b>	984.291.129	1.027.938.064	2.012.229.193
<b>NL</b>	1.320.593.128	339.409.609	1.660.002.737
<b>SE</b>	1.407.260.632	218.831.256	1.626.091.888
<b>FI</b>	1.375.965.515	220.000.529	1.595.966.044
<b>BE</b>	1.190.483.947	234.690.665	1.425.174.612
<b>AT</b>	934.061.242	93.250.375	1.027.311.617
<b>PT</b>	663.811.932	276.822.334	940.634.265
<b>IE</b>	600.862.370	149.862.372	750.724.742
<b>GR</b>	310.481.234	327.895.468	638.376.702
<b>CY</b>	314.511.444	297.923.548	612.434.992
<b>DK</b>	457.388.655	52.188.584	509.577.239
<b>SK</b>	343.259.311	111.631.178	454.890.489
<b>CZ</b>	329.286.599	88.636.114	417.922.713
<b>LU</b>	43.923.978	6.563.354	50.487.332
<b>19</b>	<b>43.460.355.819</b>	<b>11.713.420.133</b>	<b>55.173.775.952</b>

*Source DG Regional Policy European Commission*

## **Annex II**

<b>Regional Competitiveness and Employment</b>	<b>55.173.775.952</b>	
<b>Guideline : Attractive places to invest and work</b>	<b>10.243.530.661</b>	<b>18,6%</b>
Broadband	338.138.119	0.6%
Culture and social	1.665.052.335	3.0%
Energy	1.818.186.998	3.3%
Environment	3.141.455.583	5.7%
Other Transport	1.906.550.931	3.5%
Rail	688.470.992	1.2%
<b>Road</b>	<b>685.675.704</b>	<b>1.2%</b>
<b>Guideline : Improving knowledge and innovation for growth</b>	<b>18.601.025.961</b>	<b>33.7%</b>
Entrepreneurship	2.771.128.582	5.0%
ICT for citizens and business	1.967.684.202	3.6%
<b>Innovation and RTD</b>	<b>11.383.859.843</b>	<b>20.6%</b>
Other investments in enterprise	2.478.353.334	4.5%
<b>Guideline : More and better jobs</b>	<b>22.077.051.433</b>	<b>40%</b>
Capacity Building	462.938.707	0.8%
<b>Human Capital</b>	<b>8.003.626.074</b>	<b>14.5%</b>
Labour Market	7.967.735.368	14.4%
<b>Social Inclusion</b>	<b>5.642.751.284</b>	<b>10.2%</b>
<b>Guideline : Territorial Dimension</b>	<b>2.566.110.730</b>	
Territorial Dimension	2.566.110.730	
<b>Guideline : TA</b>	<b>1.686.057.166</b>	
Technical assistance	1.686.057.166	

*Source DG Regional Policy European Commission*

### Annex III

Indicator	Period	Unit	Convergence	Transition	RCE	Remarks
Tertiary education attainment	2007	% of population 25-64	17	25	26	
Tertiary education attainment trend *	2000 - 2007	% point change	4.0	4.9	5.2	
Participation of adults aged 25-64 in education and training	2007	% of population 25-64	5.1	8.1	11.5	excl. FR9
Human capital intensity	2007	index EU27=100	95	92	104	
Human capital intensity trend*	2000 - 2007	index point change	1	6	-1	
Population aged 15-64 born in a non-EU27 country	2007	% of population 15-64	1.9	7.0	8.8	
Population aged 15-64 born in another EU27 Member State	2007	% of population 15-64	0.8	3.3	3.7	excl. FR9 and IE
Population aged 15-64 born in another country	2007	% of population 15-64	2.8	10.3	12.5	
Unemployment rate	2007	% of active population	9.2	8.4	6.1	
Unemployment rate trend	2000 - 2007	% point change	-4.6	-3.0	-0.5	
Arrivals in hotels	2006-07	Arrivals per capita	0.7	1.4	1.4	
Arrivals in hotels trend	2000-01 - 2006-07	% point change	0.16	0.2	0.11	excl. FR9, IE and SK
Core creative class	2006-07	% of population 15-64	5.4	6.9	8.3	
Core creative class trend *	2000-01 - 2006-07	% point change	1.1	0.9	1.0	excl. FR9
Broadband Access**	2008	% of households	32	43	57	
Productivity in industry and services (PPS)	2006	index EU27=100	63	90	113	
Productivity trend in industry and services	2000-2006	Average annual real productivity growth	1.94	1.27	0.94	
Authors of EPO patent applications	2004-2005	Inventors per million inhabitants	30	78	397	
Employment rate	2007	% of population 15-64	59	64	69	
Employment rate trend *	2000 - 2007	% point change	2.9	6.0	3.1	
GDP/head (PPS)	2006	index EU27=100	59	95	122	
GDP/head (PPS) trend	2000 - 2006	index point change	5.4	5.9	-4.4	
New foreign firms per million inhabitants	2005-07	Total new foreign firms per million inhabitants	268	62	225	
Change in new foreign firms per million inhabitants	2001-03 - 2005-07	Total new foreign firms per million inhabitants	118	-34	-18	
R&D expenditure in the business enterprise sector	2006 *	% of GDP	0.36	0.42	1.36	
R&D expenditure in the business enterprise sector trend	2000-2006(est.)	% points of GDP	0.04	0.08	0.01	estimate excl. Région Wallonne, FR9, major parts of UK

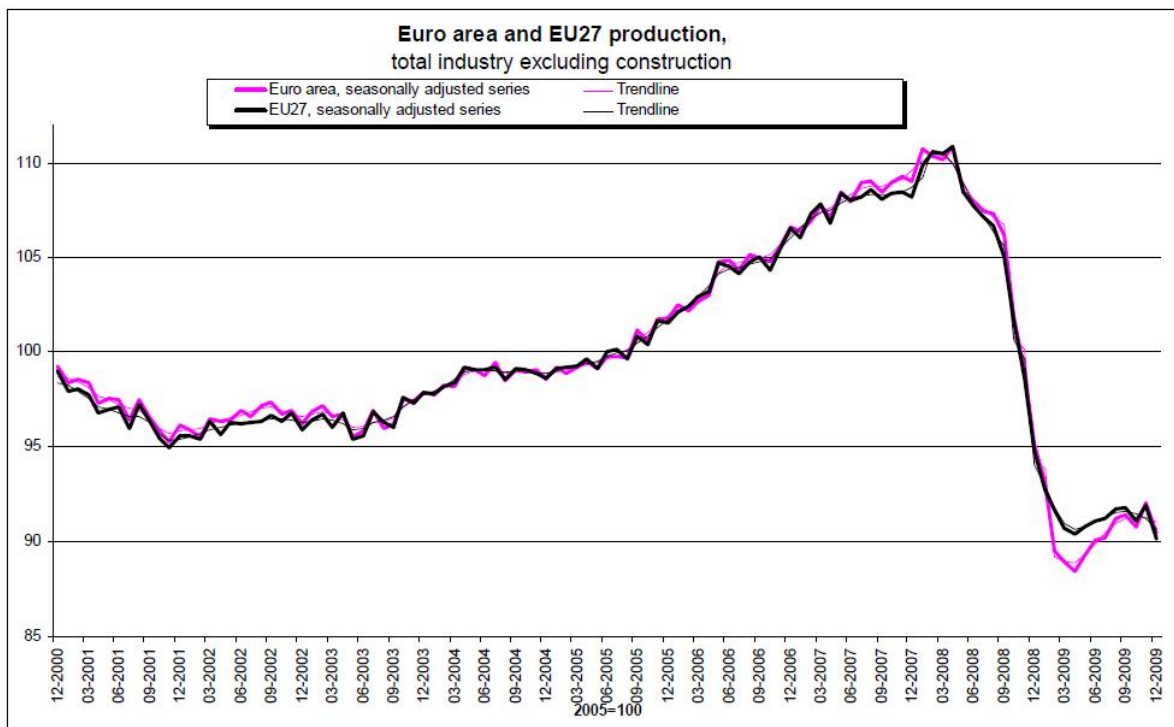
\* excl. UKM5 & UKM6

\*\* excl. FR9, DE5, DEC, UKD1, UKE1, UKK3, UKM5

Source DG Regional Policy European Commission



## Annex IV



Information provided by Eurostat

## Annex V

## Where EU money in 2010 could go

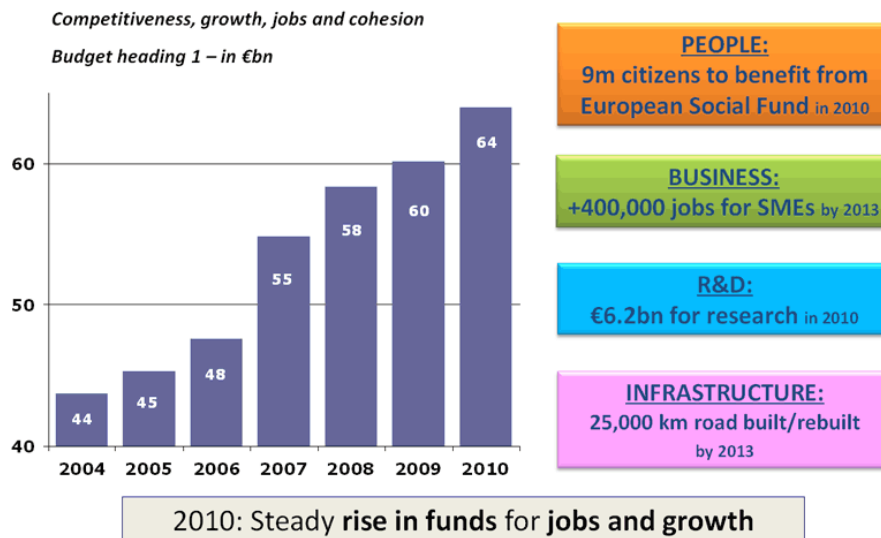
COMMITMENT APPROPRIATIONS BY HEADING	Billion €	% of total budget	% change from 2009*
1. Sustainable growth:	<b>64.3</b>	<b>45.4</b>	<b>+3.3</b>
<i>Competitiveness</i>	14.9	10.5	+7.9
<i>Cohesion</i>	49.4	34.9	+2.0
2. Preservation and management of natural resources:	<b>59.5</b>	<b>42.0</b>	<b>+5.4</b>
<i>Direct payments &amp; market related expenditure</i>	43.8	31.0	+6.4
<i>Rural development, environment, fisheries</i>	15.7	11.0	+2.6
3. Citizenship, freedom, security and justice:	<b>1.7</b>	<b>1.2</b>	<b>+10.5</b>
<i>Freedom, Security and Justice</i>	1.0	0.7	+16.2
<i>Citizenship</i>	0.7	0.5	+2.8
4. The EU as a global player	<b>8.1</b>	<b>5.7</b>	<b>+0.5</b>
5. Administrative expenditure (for all EU institutions):	<b>7.9</b>	<b>5.6</b>	<b>+3.8</b>
<i>of which Commission</i>	3.6	2.5	+2.6
<b>Total commitments</b>	<b>€ 141.5</b>	<b>100.0</b>	<b>+3.6</b>
<b>In % of EU-27 GNI</b>	<b>1.20</b>		

\* Excluding the EU Solidarity Fund

Source DG Budget European Commission`

## Annex VI

### Biggest investments to restore growth and jobs



Source DG Budget European Commission

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	3.6.2010
<b>Result of final vote</b>	+: 42 -: 0 0: 2
<b>Members present for the final vote</b>	François Alfonsi, Luís Paulo Alves, Sophie Auconie, Catherine Bearder, Jean-Paul Besset, Victor Boştinaru, John Bufton, Alain Cadec, Salvatore Caronna, Francesco De Angelis, Rosa Estaràs Ferragut, Elie Hoarau, Danuta Maria Hübner, Ian Hudghton, Filiz Hakaeva Hyusmenova, Seán Kelly, Evgeni Kirilov, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Lambert van Nistelrooij, Franz Obermayr, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Michael Theurer, Michail Tremopoulos, Kerstin Westphal, Hermann Winkler, Joachim Zeller
<b>Substitute(s) present for the final vote</b>	Bairbre de Brún, Ivars Godmanis, Karin Kadenbach, Rodi Kratsa-Tsagaropoulou, László Surján, Sabine Verheyen
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Emilio Menéndez del Valle