OPINION

of the Committee on Regional Development

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: Annual Growth Survey 2016
(2015/2285(INI))

Rapporteur: Iskra Mihaylova
PA_NonLeg
SUGGESTIONS

The Committee on Regional Development calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Acknowledges the new approach for a more streamlined European Semester organised in two successive phases, including publishing the recommendations for the entire euro area early on, together with this annual growth survey (AGS), preceding the country-specific recommendations (CSRs), thus giving Member States the opportunity to take those into account and involve local and regional authorities and other relevant stakeholders in national policymaking and thereby raising the ownership of the implementation of CSRs; stresses that the Member States should draw up budget policies that also take account of the priorities set at regional level;

2. Expresses concern that despite moderate signs of recovery, the economies of many EU Member States are still in a period of slow growth, high long-term and youth unemployment, increased poverty levels and widening regional disparities in terms of GDP per capita; calls on the Commission and Member States, therefore, to speed up the implementation of the 2014-2020 ESI Funds and all activities which support the implementation, such as simplification, the work of the Taskforce for Better Implementation and institutional capacity building; stresses that the unprecedented inflow of refugees and asylum seekers over the last year has represented a major challenge in some Member States and requires an EU-level response; stresses that the Member States’ specific recommendations should pursue achievable objectives, in the light of the new challenges;

3. Urges the Commission to take better account of the Europe 2020 strategy, which is key to the creation of growth and jobs, and address its key targets properly by improving its implementation, carrying out a further review and strategy analysis in the context of the European Semester, and proposing measures and a methodology for improved monitoring of the EU Funds expenditures related to Europe 2020 goals; believes that the forthcoming Multiannual Financial Framework (MFF) review will provide an opportunity to analyse, evaluate and, where necessary, improve the added value of and support from EU funding, and in particular the ESI Funds, towards delivering the goals of the Europe 2020 strategy; welcomes the concept of performance-based budgeting and expects more clarification in the future; stresses the need also to consult local and regional authorities and other stakeholders in the context of the MFF mid-term review; stresses that the review of the MFF should be carried out in combination with the mid-term review of the EU 2020 strategy;

4. Notes that resources from the ESI Funds in 2014-2016 are expected to account for approximately 14 % of total public investment on EU average, with the highest share reaching beyond 70 % in some Member States; highlights the crucial importance of ESI Funds support for public investment programmes;

5. Notes the significance of EU investment for less developed regions and the importance of ensuring its capacity to attract further investment, thus promoting economic, social and territorial cohesion;
6. Underlines that the new European Fund for Strategic Investments (EFSI), as part of the Investment Plan for Europe, should not undermine the rationale behind local and regional investment strategies and the European Structural and Investment (ESI) Funds but should be in line with them, and that Member States should encourage local and regional authorities, closely involving all relevant stakeholders, including SMEs and NGOs, to promote project pipelines and investment platforms; calls for further steps to be taken to ensure complementarity and synergies between the ESI Funds, the EFSI and other EU-subsidised programmes and initiatives, together with national public investments and private financial instruments, in order to obtain maximum added value and synergy by exploiting the full potential of such investments; welcomes the intention of the Commission to draft guidelines on the complementarities of the funds;

7. Notes the links between the objectives of the European Semester process and the programming of the ESI Funds for 2014-2020, reflected in the Partnership Agreements; considers therefore that, following the 2014-2020 reform, cohesion policy instruments could play a very important role in the implementation of the relevant CSRs, thus supporting structural reforms and contributing to the fulfilment of the EU’s strategic goals and the effective implementation of the Partnership Agreements; underlines nevertheless the multiannual and long-term nature of programmes and objectives under the ESI Funds in contrast to the annual cycle of the European Semester, and the need for coordination between the European Union’s priorities, national needs, regional needs and local needs;

8. Urges the Member States and the Commission to ensure adequate administrative capacity in order to improve the quality of public services to users, and to ensure improved transparency, efficiency and accountability in public procurement, e.g. by using innovative solutions such as e-procurement and tackling corruption; recalls, in this context, the importance of sound financial management and good economic governance; calls, therefore, for the efficient use of ESI Funds in order to contribute also to reform structures and processes, human resource management and service delivery; stresses the need to set performance criteria in the field of budget execution;

9. Stresses that the ESI Funds can play a vital role in implementing structural reforms by making key investments in the real economy and, if targeted wisely and implemented effectively, can achieve the objectives set in the 2014-2020 cohesion policy reform; acknowledges that there is an urgent need to focus on improving the investment environment and points out that both CSRs and ex ante conditionalities within the 2014-2020 cohesion policy have a key role to play in this context, as they have important positive spillover effects on the broader investment environment; urges the Commission and the Member States to ensure that EU funding is used to its full potential and as effectively and efficiently as possible while adhering to the principle of subsidiarity;

10. Notes the proposal by the Commission to set up the Structural Reform Support Programme (SRSP); urges the Commission to ensure that the programme funding, designed to deliver support upon a Member State’s request and through the management modes intended is deployed with a view to strengthening economic, social and territorial cohesion, as outlined in Article 174 of the TFEU and that the programme is implemented in such a way as i) to avoid additional administrative complexity and ii) to be consistent with existing resources and arrangements for structural reform; highlights the need for the co-legislators to amend the Commission proposal, specifying in greater detail the
methodology and indicators to be used for monitoring the implementation and effectiveness of the programme, while avoiding unnecessary secondary legislation; calls on all the services concerned to work together upstream in order to coordinate activities and avoid overlaps when offering assistance for the efficient and effective use of Union funds;

11. Calls on the Commission – in order to increase democratic control over economic management – to involve Parliament more fully in the whole process by means of an interinstitutional agreement, as proposed in the Five Presidents’ Report of 22 June 2015; considers that this agreement should therefore, inter alia, also provide for regular exchanges of views between Parliament, the Council and the Commission before publication of the Annual Growth Survey and of the CSRs.
RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

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<th>Date adopted</th>
<th>16.2.2016</th>
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| Result of final vote | +: 31  
| | --: 5  
| | 0: 3  |
| Members present for the final vote | Pascal Arimont, Franc Bogovič, Victor Boştinaru, Mercedes Bresso, Steeve Briois, Andrea Cozzolino, Rosa D’Amato, Tamás Deutsch, Bill Etheridge, Iratxe García Pérez, Anna Hedh, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Sławomir Kłosowski, Andrew Lewer, Iskra Mihaylova, Andrey Novakov, Younous Omarjee, Konstantinos Papadakis, Miroslaw Piotrowski, Stanislav Polčák, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Maria Spyraki, Ruža Tomašić, Ramón Luis Valcárcel Siso, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller |
| Substitutes present for the final vote | Viorica Dăncilă, Ivana Maletić, Bronis Ropė, Davor Škrlec, Hannu Takkula, Damiano Zoffoli, Marco Zullo |