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Structural policies and EU cohesion

European Parliament resolution of 23 May 2007 on the impact and effects of structural policies on EU cohesion (2006/2181(INI))

The European Parliament,

- having regard to the drafts of the EU Territorial Agenda on Regional Development and the Leipzig Charter on Sustainable European Cities,
- having regard to the report of 20 January 2006 entitled 'Creating an Innovative Europe' by the Independent Expert Group on R&D and Innovation appointed following the informal meeting of heads of state and government at Hampton Court, (the Aho Group report),
- having regard to the Commission communication of 12 June 2006 entitled 'The Growth and Jobs Strategy and the Reform of European cohesion policy – Fourth progress report on cohesion' (COM(2006)0281),
- having regard to its resolution of 7 February 2002 on the Commission's Second Report to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on economic and social cohesion¹,
- having regard to its resolution of 28 September 2005 on the role of territorial cohesion in regional development²,
- having regard to its resolution of 15 December 2005 on the role of direct State aid as a tool of regional development³,
- having regard to Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a Cohesion Fund⁴,
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund⁵,
- having regard to its resolution of 14 March 2006 on relocation in the context of regional development⁶,
- having regard to Council Decision 2006/702/EC of 6 October 2006 on Community

¹ OJ C 284 E, 21.11.2002, p. 329.

² OJ C 227 E, 21.9.2006, p. 509.

³ OJ C 286 E, 23.11.2006, p. 501.

⁴ OJ L 210, 31.7.2006, p. 79.

⁵ OJ L 210, 31.7.2006, p. 25.

⁶ OJ C 291 E, 30.11.2006, p. 123.

strategic guidelines on cohesion⁷,

- having regard to its resolution of 18 May 2006 on the 2007 budget: the Commission's Annual Policy Strategy report⁸,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinion of the Committee on Budgets (A6-0150/2007),
- A. whereas it is indisputable that structural policies are having a positive impact on cohesion in the areas of social, economic and regional policy and in terms of better quality governance at local and regional levels,
- B. whereas, because that positive impact varies from one region to another, this resolution puts forward recommendations for maximising its impact in the new programming period 2007 to 2013,
- C. whereas the drafts for the EU's Territorial Agenda and the Leipzig Charter are being drawn up for adoption at the informal ministerial meeting on urban development and regional cohesion to be held in Leipzig on 24 and 25 May 2007,
- D. whereas, in order to improve the structural funds' impact on EU cohesion, small and medium-sized enterprises (SMEs) need to play a larger role in research, development and innovation (R+D+i) activities and have better access to R+D+i services in public institutions dedicated to research,
- E. whereas, according to the abovementioned fourth progress report on cohesion, between 1995 and 2005 GDP per capita growth in the 13 cohesion countries was greater than that of the Union of fifteen Member States, the former's annual rate reaching 3.6 % compared with an average of 2.2 % for the latter,
- F. whereas every euro spent in the EU on cohesion policies generates an average of 0,90 euros of additional spending in less developed regions (objective 1) and 3,00 euros in regions undergoing redevelopment (objective 2),
- G. whereas the free play of market forces is incapable of creating the cohesion that the EU's founding fathers envisaged, and whereas that cohesion necessarily requires public authority intervention so as to enable the balance between regions to be restored,
- H. whereas structural policies have an important role to play in strengthening territorial cohesion and will have to be adapted in response to new territorial challenges in the EU, such as an ageing population, changes in the agricultural market and issues pertaining to immigration, energy and climate change,
- I. whereas polycentrism is the leitmotiv of the European Territorial Strategy and is a crucial element that must be taken into account during the implementation phase of the new cohesion policy,

⁷ OJ L 291, 21.10.2006, p. 11.

⁸ OJ C 297 E, 7.12.2006, p. 357.

- J. whereas there is a need to increase the visibility of cohesion policy,
- K. whereas it must be ensured that companies receiving Community funding will refrain from relocating their operations within a given long time-frame, and whereas they should otherwise be excluded from co-financing and made to pay back the aid granted to them if they have not used it for the proper purpose,
- 1. Stresses the cohesion policy's critical role in supporting the internal market in that, by virtue of the design and implementation of projects co-financed by the EU, trade has increased and jobs have been created;
- 2. Emphasises the importance of developing an integrated and sustainable structural policy that combines, in a coherent manner, support from the structural and cohesion funds with support given within the framework of other Community policies; calls for this concept of integrated policy to be the subject of communication and training measures in order that it become recognised and used by all the actors concerned, particularly those on the ground;
- 3. Points out that the Commission, the Member States and the regional and local authorities should pay particular attention to attaining the objectives that have been incorporated, across the board, in all policies and actions during the implementation phase of the new cohesion policy, in order to prevent social exclusion;
- 4. Insists once again that companies which have received State aids and relocated within the EU should be debarred from obtaining public benefits for their new places of business and excluded from Structural Fund and national support for seven years from the date of relocation;
- 5. Calls on the Commission to investigate which national and regional public policies favour convergence and to draw up a communication on that subject, with the aim of looking into the option of linking the granting of resources, under the future cohesion policy, with a sound national growth policy, which should be defined by reference to quantifiable indicators, so as to increase the effectiveness of the cohesion policy;
- 6. Considers that the Commission and the Member States should improve the contribution of the European Social Fund to implementation of the European Employment Strategy (EES), strengthening the relationship between them, and that this improvement should be immediately demonstrated using relevant indicators to promote equal opportunities;
- 7. Urges the Commission to explore new ways of combining structural policies and instruments with other Community policies and instruments aimed at increasing synergies that will promote competitiveness and sustainable research and innovation, drawing on the work of the Commission's interdepartmental task forces dedicated to these fields;
- 8. Recommends to the regional authorities and the Member States that quantified objectives for R+D+i should be established in the operating programmes;
- 9. Calls on the Council and the Commission to look into whether a requirement, such as that proposed in the abovementioned Aho Report, to earmark at least 20 % of the Structural Funds to promoting R+D+i, starting from the next programming period 2007-2013, is viable and to focus not only on major projects and centres of excellence but to also pay attention to smaller projects in less favoured regions, particularly those that contribute to

sustainable regional development;

- 10. Proposes that the Council and the Commission encourage the establishment of regional and local technology facilitators, using existing resources, such as the EuroInfoCentre and Innovation Relay Centre networks, which will be financed by the structural funds and associated with regional projects, technology parks, clusters and networks, and will reinvigorate innovation for businesses, particularly small businesses, by facilitating access to European aid schemes and programmes;
- 11. Welcomes the preparation of the drafts for the EU's Territorial Agenda and the Leipzig Charter, but in this connection underlines the need for both documents to specify, with greater clarity, how to define the measures for attaining the objectives set out in the two strategy papers and what the Member States' involvement should be; urges the Member States, in the context of the Leipzig Informal Council on 24 and25 May 2007, to make a formal commitment to sustainable urban development;
- 12. Considers that an assessment of the long-term effects, at various levels, of recourse to structural funding is an essential element in the preparation of future legislation and crucial for sound budgetary management in this area;
- 13. Proposes that European institutions and the Member States promote best practice and measure the impact of Community policies on cohesion on the basis of relevant indicators, by endowing the European Spatial Planning Observatory Network (ESPON) with the necessary resources and functions needed to enable it to act as an observatory of the effects of structural policies on cohesion;
- 14. Calls on the Commission also to assess the territorial impact of earmarking, and, in particular, to evaluate whether the earmarking of European funding for the Lisbon Strategy is actually contributing to balanced and coherent regional development;
- 15. Calls on the Commission, the Member States, regions and local authorities, particularly those covered by the convergence objective, to give priority to measures seeking to prevent territorial imbalances and encourage integrated development by favouring the creation of polycentric areas;
- 16. Urges the Commission, the Member States, regions and local authorities to investigate which instruments are best suited to securing a territorial balance between urban and rural areas, ensuring complementarity between rural and regional development, encouraging an integrated strategic approach to the development of urban areas together with the surrounding suburban and rural areas ('catchment areas') and encouraging the exchange of best practice, especially in regional and sectoral networks for improving the management of funds, including at the European Regions and Cities Week in Brussels;
- 17. Calls on the Commission, the Member States and the regions to make greater use of structural funds in order to boost the independent, sustainable development of regions of net emigration and counteract the negative consequences of demographic change;
- 18. Calls on the Commission, the Member States and regional and local authorities to make efforts to ensure that cohesion policy makes a greater contribution to meeting the objectives of the new sustainable development strategy, by focusing on largely renewable sources of energy, transport systems that exploit the possibilities of intermodal

combinations more efficiently and on recycling;

- 19. Suggests that the Commission, the Member States, the regions and the local authorities support and encourage economic activities in rural areas geared to the development of new technologies, especially as they do not require physical proximity to the major urban centres;
- 20. Stresses the importance of territorial cooperation under the cohesion policy, and calls on the management authorities to promote transnational and inter-regional cooperation by setting up separate regional and sectoral cooperation networks and to promote the transfer of experiences and best practice at regional and local levels under the Regions for Economic Change initiative;
- 21. Calls for other territorial indicators to be used, apart from per capita GDP, for measuring the degree of cohesion, such as the rate and quality of employment, the level of disparities in GDP between neighbouring regions, the decentralisation and accessibility index, infrastructure and transport provision, the level of research/innovation, education and training activities and the diversity of production in the area in question;
- 22. Invites the Commission, together with Eurostat, to lay down rules, in the context of the 2009 mid-term review of the new cohesion policy, on the use of new quantitative and qualitative indicators for cohesion;
- 23. Encourages the Commission to analyse the leverage effect that structural funds have on attracting private investment within the context of the new cohesion policy and to highlight the need for cooperation between the public and private sectors;
- 24. Suggests that the Commission should obtain better information on the quality and sustainability of the jobs that have been created using structural funds;
- 25. Draws the Commission's attention to the fact that a shortage of administrative capacity can act as a major obstacle to maximising the impact of cohesion policies, and therefore calls on the Commission to develop the instrument made up of tripartite contracts and to continue the process of administrative capacity building during the implementation phase of the new cohesion policy, inter alia, by setting up a network of accredited trainers so as to ensure coherence between training measures and awareness-raising campaigns carried out by management authorities of a Member State, particularly at regional and local levels;
- 26. Stresses the importance of the partnership principle in the implementation of cohesion policy, this principle requiring partners to be fully informed, their positions to be noted in evaluation documents and that training programmes, necessary for the performance of their tasks, to be provided;

- 27. Calls on the Commission to examine, in the context of the implementing regulation⁹, actions to raise the visibility of spending, not only on major infrastructure projects but also on smaller projects, and to monitor more closely the application of mandatory publicity measures and to punish the Member States concerned in the event of serious breach; calls on the management authorities to involve MEPs in the provision of information connected with projects financed by structural funds;
- 28. Emphasises, in view of the fact that EU-financed projects testify to a Europe which is close and inclusive, the need for regional authorities and Member States to respect and comply with the implementing regulation in order to increase the visibility of structural spending, and to step up their efforts to publicise the cohesion policy's practical implications for citizens;
- 29. Considers that there is a need for ongoing research in order to develop various models for the future funding of EU cohesion policy; believes that, in this connection, a comparison should be made between the different effects of the various main funding instruments (European Regional Development Fund (ERDF), European Social Fund (ESF), the first pillar of the Common Agricultural Policy (CAP), the European Agricultural Fund for Regional Development (EAFRD)) on the development of the Union of 27 Member States;
- 30. Instructs its President to forward this resolution to the Council and the Commission, to the governments and parliaments of the Member States, the Committee of the Regions and the European Economic and Social Committee.

⁹ Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of 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 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (OJ L 371, 27.12.2006, p. 1).