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*Committee on Employment and Social Affairs*

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**2010/2305(INI)**

21.6.2011

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on absorption of Structural and Cohesion Funds: lessons learnt for the future  
cohesion policy of the EU  
(2010/2305(INI))

Rapporteur: Edit Bauer

(\* ) Associated committee – Rule 50 of the Rules of Procedure

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the EU's economic, regional and social policies are interlinked, and their effectiveness depends on solving problems linked to fund absorption, while the problems of absorption capacity of different funds in Member States are often similar; whereas, however, they differ from region to region on account of the specific social and cultural features of each, resulting in disparities as regards access to, and use and uptake of, EU funding, which need to be taken into consideration,
- B. whereas the most disadvantaged regions and microregions lack the financial and human resources and administrative support needed to make good use of the EU funds accessible to them,
- C. whereas EU regional policy is a vital instrument in promoting economic and social cohesion, and whereas it enables the EU to take measures to reduce regional disparities, promote real convergence and stimulate development, quality employment and social progress, and also benefits less developed regions,
- D. whereas the European Social Fund (ESF) provides vital support for labour market policies and plays an important role in promoting social inclusion, and whereas its funding needs to be considerably stepped up,
  1. Calls on the Commission and the Member States to ensure that the ESF is used in a more efficient way today, to respond to the present socio-economic challenges brought about by the financial recession, at all levels and in all Member States, and to ensure that the future ESF makes a meaningful, targeted contribution to the implementation of the Europe 2020 Strategy in the fields of employment and social inclusion as a visible, transparent, efficient, flexible, simple and user-friendly instrument that is brought to bear to develop human capital, while reflecting the specificities and needs of Member States and regions;
  2. Calls on the Commission to ensure that cooperation between the various Structural and Cohesion Funds is strengthened and coordinated, taking into consideration the creation of greater synergy between the various funds, as well as common implementation rules;
  3. Calls on all the EU institutions and Member States to facilitate speedier conclusion of key documents, such as the multiannual financial framework and regulations, with a view to overcoming the start-up difficulties that might arise at the beginning of the next programming period, as they did at the beginning of the 2007-2013 programming period;
  4. Encourages the Commission and the Member States to strengthen multi-level governance, which should include not only the implementation of policies and management of the ESF, but also the development of the EU 2020 Strategy as such;
  5. Stresses that there is a need to concentrate efforts on a limited number of priorities – the

most urgent among them being reducing record levels of unemployment in the internal market, with special reference to jobs for young people and women – in order to ensure that EU-wide projects are implemented more efficiently and that the impact and potential of the ESF are maximised, thus supporting the Europe 2020 Strategy, while emphasising that the different situations in the Member States need to be taken into account and, moreover, that there is a need to strengthen ESF financial autonomy and to foster its flexibility in order to address current employment challenges;

6. Calls on the Member States to encourage and maintain an extensive dialogue with all stakeholders at national, regional and local level in order better to identify the needs of the labour market, improve the employability of socially disadvantaged groups and, at the same time, take adequate account, in relation to the formulating of policy goals in connection with cohesion policy, of regional and local needs and ensure that they are reflected in the ESF's objectives; calls for special attention to be paid to the training and education of people in low-skilled jobs, in order to improve the employability of this group;
7. Calls on the Member States to improve awareness and accessibility of the ESF and to update project-building capacities in order to contribute to the creation of new, decent jobs and more effective social inclusion;
8. Calls on the Commission and the Member States to give priority to the integrated approach for local and regional development projects, encouraging the development of bottom-up local initiatives for the ESF and making it possible to combine several sources of financing: operational programmes, national programmes and private resources at the individual project level;
9. Supports the view that the regulatory architecture of cohesion policy should allow greater flexibility in organising operational programmes in order to better reflect the nature and geography of development processes; suggests that Member States and regions be given enough flexibility to select priorities and draw up appropriate policy mixes;
10. Calls on the Commission to ensure that while supporting the implementation of the Europe 2020 Strategy in all Member States, cohesion policy reduces disparities between regions and micro-regions, takes due account of the specific needs of the outermost regions and promotes harmonious development in the EU, including by bringing additional targeted instruments and measures to bear in areas which still fall far short of European standards;
11. Regrets that owing to lengthy administrative procedures and complicated rules, especially in some Member States, the implementation of the ESF is slower than foreseen and that this discourages many potential beneficiaries from applying for funding; stresses the need for simplification as regards eligibility of expenditure, management and evaluation using clear, common and easy-to-use indicators; insists that each region's audit and control systems should meet high standards; calls for closer coordination among the different control levels (regional, national and EU) in terms of dates, recommendations and results; takes the view that regionalisation of OPs does not necessarily entail more controls; recommends that the frequency of controls be based to a greater extent on the amounts of subsidies and any irregularities which occur, in accordance with the principle of

proportionality; calls for the ESF objectives to be brought into line with the real requirements of a labour market that is in need of investment in upgrading vocational training and in measures to protect craft trades;

12. Calls on the Member States to transpose Community legislation more rapidly into national law; stresses the importance of mobilising trained personnel in sufficient numbers to address challenges on the ground more effectively;
13. Calls on the Commission to review the level of co-financing to reflect better the level of development, EU added value, types of action, beneficiaries, their absorption capacities and development opportunities; calls, to this end, for an adequate Community budget to be allocated to cohesion policy at a time when national and local contributions are being hampered by national budgetary austerity policies; regrets the fact that a proportion of the ESF money available is not being used, while noting that in some Member States there is significant progress; calls, therefore, on the Member States to create mechanisms for helping the small beneficiaries (typically grassroot NGOs and SMEs) to prepare successful applications and mentoring them during the period of implementation, thereby ensuring a more efficient process;
14. Calls on the Member States to create 'European One-Stop Shops' as close as possible to the citizens with a view to helping with cohesion fund applications, both for local authorities and EU citizens;
15. Stresses that management, reporting and control procedures must be proportionate to the scale of the projects, because it is difficult for small institutions and small local authorities to implement projects under the present conditions, and that special provisions must therefore be designed for small-scale EU grants in the next programming period;
16. Considers that, given the serious economic and financial crisis affecting a number of Member States and their regions, the co-financing rate applicable to national institutions and associations in respect of projects supported by Community funding should not exceed 10 % for all the structural funds, with a view to enabling greater uptake of cohesion funding;
17. Calls on the Member States to devise and organise training courses for potential fund beneficiaries;18. Calls on the Member States, on the basis of clear rules, to use the possibility of advance payments to ESF beneficiaries to a greater extent;
18. Calls for streamlining of programming, monitoring and evaluation of cohesion policy with a view to improving the advisory role of the Commission and decreasing the administrative burden related to control and audit;
19. Stresses the need for continuous, strong and dedicated focus on the actual outcomes and results of the ESF-financed development programmes by the improvement of evaluation, monitoring and indicator systems at Community, national, regional and local level, which should cover not only spending levels but also the quality of the policies pursued; calls on the Commission to take account of the uncertainty factors affecting long-term return-to-work projects;

20. Notes that the institutional capacity of the public sector at national, regional and local level, and the technical and administrative capacity of the participating public authorities and beneficiaries are key to successful development, implementation and monitoring of the policies needed to reach Europe 2020 targets;
21. Notes that a high degree of continuity in management and control systems and capacity is necessary in order to build upon acquired management experience and knowledge, and therefore calls on the Member States to take measures to avoid fluctuations in the administrative staff dealing with the management of funds;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	16.6.2011
<b>Result of final vote</b>	+: 39 -: 1 0: 2
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Mara Bizzotto, Philippe Boulland, Milan Cabrnock, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Tadeusz Cymański, Frédéric Daerden, Proinsias De Rossa, Frank Engel, Sari Essayah, Ilda Figueiredo, Marian Harkin, Nadja Hirsch, Danuta Jazłowiecka, Martin Kastler, Jean Lambert, Patrick Le Hyaric, Veronica Lope Fontagné, Elizabeth Lynne, Elisabeth Morin-Chartier, Csaba Őry, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
<b>Substitute(s) present for the final vote</b>	Vilija Blinkevičiūtė, Julie Girling, Kinga Göncz, Sergio Gutiérrez Prieto, Richard Howitt, Filiz Hakaeva Hyusmenova, Jan Kozłowski, Evelyn Regner, Dirk Sterckx