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on EU Member States preparedness to an effective and timely start of the new Cohesion Policy Programming period (2013/2095(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on EU Member States preparedness to an effective and timely start of the new Cohesion Policy Programming period (2013/2095(INI))

The European Parliament,

- having regard to Articles 174 et seq. of the Treaty on the Functioning of the European Union (TFEU),
- 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 Fund¹,
- having regard to the amended Commission proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2013)0246),
- having regard to its resolution of 5 July 2011 on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy²,
- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013³,
- having regard to its resolution of 23 June 2011 on the state of play and future synergies for increased effectiveness between the ERDF and other structural funds⁴,
- having regard to its resolution of 7 October 2010 on the future of the European Social Fund⁵,
- having regard to its resolution of 14 December 2010 on good governance with regards to the EU regional policy: procedures of assistance and control by the European Commission⁶,
- having regard to its resolution of 27 September 2011 on absorption of Structural and Cohesion Funds: lessons learnt for the future cohesion policy of the EU⁷,

¹ OJ L 210, 31.7.2006, p. 25.

² OJ C 33 E, 5.2.2013, p. 21.

³ OJ C 371 E, 20.12.2011, p. 39.

⁴ OJ C 390 E, 18.12.2012, p. 27.

⁵ OJ C 371 E, 20.12.2011, p. 41.

⁶ OJ C 169 E, 15.6.2012, p. 23.

⁷ OJ C 56 E, 26.2.2013, p. 22.

- having regard to the Commission Communication of 26 January 2011 entitled ‘Regional policy contributing to sustainable growth in Europe 2020’ (COM(2011)0017) and the accompanying staff working document (SEC(2011)0092),
 - having regard to the Commission’s eighth progress report on economic, social and territorial cohesion of 26 June 2013 (COM(2013)0463),
 - having regard to the Commission report of 18 April 2013 entitled ‘Cohesion policy: Strategic report 2013 on programme implementation 2007-2013’, (COM(2013)0210), and the accompanying staff working document (SWD(2013)0129),
 - having regard to the Commission staff working document of 24 April 2012 entitled ‘The partnership principle in the implementation of the Common Strategic Framework Funds – elements for a European Code of Conduct on Partnership’ (SWD(2012)0106),
 - having regard to the Commission staff working document of 14 March 2012 entitled ‘Elements for a Common Strategic Framework 2014 to 2020 – 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’ (SWD(2012)0061, Parts I and II),
 - having regard to the opinion of the Economic and Social Committee of 16 June 2011 on the role and priorities of cohesion policy within the EU 2020 strategy (CESE 994/2011 – ECO/291),
 - having regard to the opinion of the Economic and Social Committee of 12 December 2012 on the partnership principle in the implementation of the Common Strategic Framework Funds – elements for a European Code of Conduct on Partnership (CESE 1396/2012 – ECO/330),
 - having regard to the opinion of the Economic and Social Committee of 22 May 2013 on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, (CESE 1557/2013 – SOC/481),
 - having regard to the resolution of the Committee of the Regions of 31 January - 1 February 2013 on ‘Legislative package on Cohesion Policy post-2013’ (2013/C 62/01),
 - having regard to the draft opinion of the Committee of the Regions of 7-9 October 2013 on recommendations for better spending (COTER-V-040),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Budgets of... (A7-0000/2013),
- A. whereas Member States are in the process of preparing their Partnership Agreements (PAs) and Operational Programmes (OPs) for the new programming period 2014-2020;
- B. whereas the final agreement on the legal framework for the European Structural and

Investment Funds is expected to be reached before the end of 2013;

- C. whereas the Common Provisions Regulation (CPR) sets out common rules for five European Union Funds: 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;
- D. whereas cohesion policy is aimed at reducing the disparities that exist between EU regions by focusing funding on strengthening economic, social and territorial cohesion;
- E. whereas cohesion policy, which constitutes the main policy for the development of the EU, contributes to overcoming the economic crisis for most of the Member States;
- F. whereas every possible effort must be made to ensure that the delivery and implementation of programmes pertaining to the cohesion policy for 2014-2020 are simplified as much as possible for all authorities and beneficiaries;

Ensuring a timely start to the new Cohesion Policy Programming period

- 1. Recognises that cohesion policy funding has successfully invested billions of euros in creating new jobs, supporting innovative businesses and developing transport links throughout the EU over recent years;
- 2. Highlights, however, the fact that disparities still exist, and are in some cases widening, between EU regions, and that continued investment of EU funding at regional level is vitally important to ensure that support continues to reach areas that are in need of economic and social regeneration;
- 3. Highlights the importance of ensuring that Member States and regions are in a position to begin implementing the new round of cohesion policy funding as soon as possible at the start of 2014;
- 4. Stresses that, in order for this to happen, a conclusion of the negotiations on the CPR must be reached as soon as possible;
- 5. Stresses the need for the Multiannual Financial Framework (MFF) to be adopted as soon as possible so that the budget for cohesion policy is set and programmes can start on time;

The Common Provisions Regulation

- 6. Welcomes the improvements made to the regulation that will introduce a stronger and more integrated approach to cohesion policy funding through the Common Strategic Framework; recognises that this it is vital to ensuring that projects have a greater impact and produce tangible results;
- 7. Welcomes the proposals to introduce simplification measures throughout the CPR with a to reducing administrative burdens; considers that making the process simpler for applicants and managing authorities will bring added value to EU funding;
- 8. Recognises that cohesion policy can make a vital contribution to delivering Europe 2020 targets and therefore highlights the importance of aligning cohesion policy with Europe

2020 goals through thematic concentration on a limited number of objectives; stresses that a flexible approach should be taken to this in order to address local and regional needs;

9. Underlines the importance of the Smart Specialisation Strategy as a way of complementing the goals of the Europe 2020 growth strategy by focusing on identifying and maximising areas of competitive strength, sharing best practice and integrating research, innovation and education through EU-wide partnerships;
10. Highlights the fact that, while conditionality measures already exist in cohesion policy, the next programming period will be aimed at enhancing the effectiveness of funding by making funding conditional on compliance with certain criteria;
11. Points out that adapting to the changes introduced by the CPR could cause some delay in the preparation of PAs and OPs;

Progress in Member States

12. Highlights the fact that it is clear that Member States are at very different stages in their preparations; recognises that, while some Member States are making good progress and have submitted their draft PAs to the Commission for approval, others are further behind in the process;
13. Points out that, on the whole, those newer Member States (EU12) which experienced part of the 2000-2006 programmes and all of the 2007-2013 programmes are well advanced in preparations compared to some of the EU15;
14. Highlights the fact that some Member States are dealing with a significant reduction in their budgets for the next programming period while in others there is ongoing debate on the distribution of budgets within the Member States; recognises that both of these issues could cause a delay in preparations;
15. Underlines the fact that the Member States which are making good progress with preparations for the next round of cohesion policy funding submitted their draft PAs and OPs to the Commission for informal observations in June or July 2013;
16. Recognises that many of the Member States that are performing well began the preparatory process as early as 2010 by inviting relevant stakeholders to contribute to discussions on formulating needs and priorities; welcomes, therefore, the efforts made to begin the preparatory process as early as possible and believes that this clearly encourages greater preparedness;
17. Emphasises that advanced preparations are dependent on the relevant authorities and organisations having sufficient capacity to invest time and money in preparations at an early stage;
18. Recognises that these advanced preparations meant that in some cases the ex-ante evaluation and environment impact assessments (EIA) were performed in a timely manner, allowing the drafts to be amended in September and October 2013, based on the outcomes of these evaluations;

19. Recognises that some Member States have experienced political pressures and changes of government that could impede the preparations for the next programming period; highlights the fact that, in cases like these, the advantages of having systems in place that ensure that all administrative work continues regardless of changes in governments are vital to the continued preparations;
20. Points also to, the need for the preparations for cohesion policy funding to be enforced at political level so as to ensure that finalising the PA is a priority for governments;

Progress with Partnership Agreements and Operational Programmes

21. Points out that some Member States are planning to change the content of their OPs, including a change towards multi-funded programmes or a reduction in the number of OPs at regional level;
22. Recognises the potential difficulties with the preparation of PAs in Member States with regional governments, due to individual regional concerns; highlights the fact that the amount of control afforded to regional administrations varies greatly according to the organisational set-up in the different Member States, with some regions being extremely active and having almost complete control of most aspects of cohesion policy funding and representation in the PAs;
23. Highlights the fact that one way of ensuring that the approach to PAs functions in Member States with devolved administrations is to include separate chapters in the PAs drawn up by the regional administrations; stresses that this approach ensures that administrations with devolved powers for European Funding Programmes are more directly involved in the development of PAs and have the option of developing their own programming ideas and delivery mechanisms;
24. Recognises, however, that this could have an adverse impact on the preparedness of the Member States as a whole if one or more of the regional administrations were slow in preparing their chapters for the PAs;
25. Points out that there is evidence that Member States composed of powerful regional representations are potentially slower in their preparations; highlights the fact that these Member States often have a high number of OPs at regional level, which adds to the bureaucracy and requires stronger control by the central government;
26. Highlights the fact that a federal Member State could benefit from a more succinct, flexible and joined-up approach to OPs; stresses, with this in mind, that having a single OP, where previously there were individual OPs for each province/federation, brings many benefits by enabling priorities to be aligned more easily with national objectives;
27. Recognises that a reduction in OPs would initially involve a substantial management and organisational change and might bring with it an increased risk of delay due to the changes caused by the complexity of implementing OPs alongside programming at different national and regional levels; recognises also that the political structures in federal Member States might constitute an obstacle to achieving a single OP;
28. Recognises that the ability to prepare the PAs and OPs at an advanced stage depends on

whether Member States undertake sufficient preliminary analyses of the country's situation and future trends; stresses that this will ensure that EU funds make a more effective contribution to achieving the objectives set for the country;

Lessons from 2007-2013

29. Highlights the fact that for many Member States, transferring methods and mechanisms from the 2007-2013 programming period to the post 2013 period will be a major issue; stresses that ensuring that ongoing projects continue to be effective while new projects are being developed is also a challenge;
30. Recognises that for many Member States preparations took longer than expected at the beginning of the 2007-2013 programming period; stresses that this is something that many administrations have remedied by ensuring that the new PAs and OPs are delivered in a more timely manner;
31. Considers that the examples provided by Member States clearly show that coordination between different measures, OPs and funds need to be improved and that the involvement of local authorities and regional organisations need to be enhanced;
32. Recognises that common problems identified in the previous programming period included having priorities that were too broadly defined; calls, therefore, for a more strategic and streamlined approach to priorities in the future, with fewer priorities targeted at specific objectives;
33. Welcomes the fact that, on the basis of successful experiences from the previous round of funding, many Member States are seeking to enhance the leveraging of private sector funding in order to open up alternative sources of funding to complement traditional financing methods; highlights, therefore, the importance of using financial instruments, such as loans and guarantees, to encourage cooperation between enterprises, public sector organisations and educational institutions;

Effectiveness of funds

34. Underlines that it is clear from the experiences of previous funding programmes that ensuring a positive, long-term impact for the funds is vitally important;
35. Highlights the fact that the focus on a results-led approach was mentioned by many Member States as a target for preparing the next round of funding; welcomes the examples given by some Member States of ways of taking a more efficient approach to defining expected results in advance in order to allow funding to be directed towards proposals to achieve these objectives;
36. Stresses that coordination across policy areas and recognising national and regional economic and social priorities to ensure increased effectiveness of funds are cited as being vitally important by many Member States;

Synergies with other policies and instruments

37. Considers it essential that Member States recognise the potential for alignment between

all of the funds covered by the CPR;

38. Is encouraged by the fact that some Member States are looking at developing the use of new instruments such as Community-Led Local Development (CLLD), Integrated Territorial Investments and Joint Action Plans; understands that there is, however, a mixed response to the new instruments and that evidence shows that CLLD is being more widely implemented than ITIs; recognises that it remains to be seen how the initial preparations will translate into these instruments being fully implemented;
39. Considers CLLD to be an excellent way of encouraging bottom-up participation from a cross-section of community actors, based on the past success of the LEADER programme in rural development;
40. Recognises Joint Action Plans as a positive step towards results-based management, in line with one of the overarching aims of cohesion policy post 2013;

Simplification

41. Stresses the importance of implementing simpler preparation and implementation methods for projects and is encouraged by the indications that this is being achieved by Member States;
42. Points out that a simplified application process for beneficiaries was identified by many Member States as an important aspect of preparations for the next programming period; welcomes this as a way of ensuring that the preparation and implementation of projects run smoothly, with reduced bureaucracy for applicants;
43. Recognises that e-cohesion can be vital to reducing bottlenecks and ensuring simplification, and welcomes the reference by some Member States to its use; believes that this could also make a significant contribution to the preparedness of future funding programmes;

Partnership

44. Emphasises that the decision-making process and the formulation of PAs should involve collaboration at national, regional and local level in the planning, development and implementation of EU cohesion policy funding programmes, as recognised by the simplified multi-level governance system proposed in the regulations;
45. Welcomes the increased involvement of all the relevant stakeholders, local and regional representatives, NGOs, economic and social partners, private businesses and universities, as illustrated by the examples provided by Member States; believes that development in cooperation with other organisations and stakeholders representing different economic and social viewpoints is important;
46. Emphasises that ensuring successful partnership can involve both a bottom-up and a top-down approach; points out that the 'bottom-up' approach, involving extensive discussions with representatives from the public, private and third sectors, was given as an example by one Member State that is making good progress in its preparations;

47. Highlights the fact that this Member State combined the ‘bottom-up’ and ‘top-down’ approaches to ensure that national strategies addressing the social and economic situation were included alongside extensive involvement at regional and local level; welcomes this effective way of guaranteeing that strategic requirements are met while at the same time engaging relevant stakeholders as far as possible in preparations;

Conclusions

48. Urges agreement to be reached on the legal framework for cohesion policy alongside the conclusion of the CPR negotiations and the MFF;
49. Recognises the importance of multi-level governance in the preparation stages and points out that some of the most advanced preparations have been based on vital dialogue with stakeholders at regional and local level;
50. Realises that an active and well informed regional administration that engages with the Commission can have a positive impact on advancing preparations;
51. Recommends that Member States that are experiencing severe delays be provided with additional support by the Commission to ensure that their PAs and OPs are agreed as soon as possible;
52. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

EXPLANATORY STATEMENT

This Own Initiative Report looks at how prepared Member States are for the next round of Cohesion Policy funding. The document refers to evidence gathered from different Member States and reveals the extent to which Member States are prepared for the next programming period as well as some of the methods being employed at national and regional level. Your rapporteur welcomes further discussion on the subject of this report.

It is clear that national, local and regional budgets are under increasing pressures during the current economic climate. So, for many Member States and regions, Cohesion Policy funding is becoming increasingly important. This is emphasised by the added need to ensure that money is spent in a more effective way so that citizens can benefit fully from European funding. With this in mind, it is vital that Member States and regions take the necessary steps to prepare the Partnership Agreements (PAs) and Operational Programmes (OPs) in a timely and efficient way so as to be ready to implement the funding as soon as possible once agreement on the Common Provisions Regulation is reached.

In the context of the legislative package for Cohesion Policy 2014-2020 nearing its final negotiating stages and agreement expected on the Multiannual Financial Framework before the end of 2013 it is hoped that European Structural and Investment funding can be allocated to projects as soon as possible at the beginning of 2014. It is vitally important that projects can begin as soon as possible at the start of 2014 so that the use of European funding can be maximised in order to stimulate growth in the regions.

During the negotiations for the post 2013 Cohesion Policy, the European Parliament succeeded in achieving an increased focus on involvement from local and regional authorities and more flexibility for regions to set priorities according to their own territorial needs. The Parliament also prioritised issues such the importance of aiming investment towards stimulating growth and competitiveness, with financial instruments highlighted as an important mechanism for achieving these objectives.

The Partnership Agreement, agreed between Member States and the European Commission, sets out the essential parts of the programme management of all five funds covered by the Common Provisions Regulations: the European Regional Development Fund; European Social Fund; Cohesion Fund; European Agricultural Fund for Rural Development; European Marine and Fisheries Fund.

It is clear that Member States are at very different stages of the preparatory process, with some having already submitted their draft PAs and OPs to the Commission. Your rapporteur explains some of the reasons for the delays in the report as: changes that Member States are implementing to their preparations compared to the previous round of funding e.g. structural changes of operational programmes; new administrative structures; discussion on the concentration of thematic objectives.

The issues of Partnership and Multi-Level Governance are crucial to the preparation and implementation stages and your rapporteur believes that dialogue between Member States and regional and local authorities must be maintained in order to ensure that funding is targeted towards national and regional objectives. Regions with good relations with Member States

during all phases of the Cohesion Policy preparation and implementation are those that have succeeded to ensure that their interests and needs are addressed.

The lessons learnt from the previous funding programme are also vitally important to Member States as they prepare for the 2014-2020 programme. Your rapporteur welcomes the efforts made by many Member States and regions to undertake a thorough analysis of the successes and failures of the 2007-2013 programme in order to expand and improve on existing ideas at the same time as developing new strategies to ensure effective delivery of Cohesion Policy funding.

Finally, your rapporteur urges a timely conclusion of the negotiations on the legislative package for Cohesion Policy and adoption of the MFF. It is hoped that the Member States that are slow to agree their Partnership Contracts and Operational Programmes will do so in a timely way in order for the programmes to begin as soon as possible in 2014.