



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2009/2235(INI)

11.3.2010

DRAFT REPORT

on the contribution of the Cohesion policy to the achievement of the Lisbon objectives
(2009/2235(INI))

Committee on Regional Development

Rapporteur: Ricardo Cortés Lastra

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the contribution of the cohesion policy to the achievement of the Lisbon objectives (2009/2235(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, and in particular Articles 174 to 178 thereof,
- 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 Fund,
- having regard to the Council Decision of 6 October 2006 on Community strategic guidelines on cohesion (2006/702/EC),
- having regard to its resolution of 24 March 2009 on 'The implementation of the Structural Funds Regulation 2007-2013: the results of the negotiations on the national cohesion strategies and the operational programmes',
- having regard to the Commission's Communication of 16 August 2007 on 'Competitive European Regions through research and innovation - A contribution to more growth and more and better jobs' COM(2007)0474
- having regard to the Commission Staff Working document of 14 November 2007 on 'Regions delivering innovation through the cohesion policy' SEC(2007)1547
- having regard to the Commission communication 'Working together for growth and jobs A new start for the Lisbon Strategy' COM(2005)0024
- having regard to the Commission staff working document 'Lisbon Strategy evaluation document' SEC(2010)0114
- having regard to the Commission's Communication of 11 December 2007 on 'Member States and Regions delivering the Lisbon strategy for growth and jobs through EU cohesion policy, 2007-2013' (COM(2007)0798),
- having regard to the Commission's Communication of 14 May 2008 on 'The results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007-2013' (COM(2008)0301),
- having regard to the Commission's Communication of 21 December 2009 on the 20th annual report on implementation of the Structural Funds (2008) (COM (2009)0617 final/2),
- having regard to the ex post evaluations of the 2000-2006 programming period,
- having regard to the Commission's Working Document of 24 November 2009 on consultation on the future EU2020 strategy (COM(2009)0647),

- having regard to the conclusions of the Informal European Council of 11 February 2010,
 - having regard to the public consultation launched by the Commission on EU 2020 and its outcome (SEC2010)0116),
 - having regard to the Commission proposal of 3 March 2010 'Europe 2020. A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A7-0000/2010),
- A. whereas since 2007 the Structural Funds regulations include obligatory earmarking to the Lisbon objectives for the EU15, targeting cohesion policy resources at the attractiveness of Member States and regions, growth and jobs,
- B. whereas - particularly during the current recession - the cohesion policy is the main instrument to foster growth and jobs in the EU due to its stable amount of funding and the decentralised management system applied,
- C. whereas two-thirds of public sector investment across the EU comes from the regional and local levels, regional and local authorities often concentrate substantial policy competences and are key actors in implementing both the current Lisbon Strategy and the future EU2020 Strategy,
- D. whereas cohesion policy must be an integral part of the EU2020 Strategy because it is included in the Lisbon Treaty as an instrument to achieve the Treaty's goals,

Cohesion policy and Lisbon Strategy

1. Observes that in the programme allocations for 2007-2013 approx. €228 billion over the 7-year period has been earmarked to the Lisbon priorities; highlights that the overall allocations, also in the EU12, went beyond the percentages required;
2. Notes that the allocations vary significantly across Member States and among Objectives; stresses that there is no one-size-fits-all policy for all areas and that such an attempt would lead to a lack of identification with any strategy for growth and result in its poor implementation;
3. Recalls that already in the 2000-2006 period, despite the absence of an earmarking mechanism, the link between cohesion policy programmes and the Lisbon Strategy was strong with €10.2 billion invested in research and innovation;
4. Regrets that due to the delayed start-up of the programmes and the subsequent lack of data on expenditure, the correspondence between programme allocations and actual expenditure cannot be verified at this stage; eagerly awaits the publication of the Commission's strategic report and asks that a high level inter-institutional debate is carried out on this basis to analyse the contribution of the cohesion policy to the Lisbon objectives and to assess the future interrelations;
5. Criticises the lack of an overall assessment of the impact of cohesion expenditure on regional development; calls upon the Commission to assess the territorial impact of

earmarking Structural Funds to the Lisbon Strategy and to evaluate whether this system is actually contributing to balanced and coherent territorial development;

6. Recognises that an effective evaluation must be based on indicators allowing data comparison and aggregation among regions; urges the Commission to come up with a proposal for evaluation indicators before 2012 in order to provide the means to measure the impact produced and to make the necessary adjustments for the next programming period;
7. Regrets that, while the main objectives of the Lisbon Agenda initially included economic growth, employment and social cohesion, the re-launch of the Strategy in 2005 presented a less ambitious programme with a minor role for the social pillar;
8. Considers weak multi-level governance one of the main limits of the Lisbon Strategy, with the insufficient involvement of regional and local authorities and civil society in the design, implementation, communication and evaluation of the strategy; recommends their stronger integration in the future at all stages;
9. Highlights that when the partnership principle has been applied in the Lisbon Strategy, it has increased the sense of ownership of the objectives by the local and regional authorities, as well as by the economic and social stakeholders, and ensured higher sustainability of the interventions;
10. Points out that the regional level in particular has a crucial role to play as the vehicle to reach the countless economic and social actors living and producing in Europe, especially SMEs, and to foster education and vocational training, research, innovation and development;
11. Recommends enhancing synergies between National Strategic Reference Frameworks and the National Reform Programmes through stronger and regular dialogue fostered at all levels, including the Community level, among administrations responsible for the cohesion policy and the Lisbon Strategy;
12. Appreciates the results produced so far through the financial engineering instruments and the cooperation with the EIB in fostering innovation and research through renewable forms of funding; recognises their leverage potential for investments and asks for their strengthening especially as regards JEREMIE and JESSICA to ensure better support to business and SMEs; recommends that the rules governing these instruments be simplified to allow their greater use by beneficiaries;

Cohesion policy and EU2020

13. Welcomes the adoption of the Commission proposal on the future EU2020 strategy; stresses the long-term nature of this strategy that aims to create framework conditions for stable growth in Europe, and agrees with the priorities identified;
14. Appreciates that the social dimension is taken into account in the proposal, but regrets that it still does not have a central role in the strategy; stresses that the recent crisis has demonstrated that no strategy for growth can neglect the objectives of social protection, access to services, the fight against poverty and social exclusion and the creation of quality jobs;
15. Welcomes the call for more sustainable, smart jobs, but acknowledges that a new economic model might lead to an uneven distribution of costs and benefits among

individual Member States and regions, and thus may require action at Union level to prevent this happening;

16. Stresses that education, training, research and innovation are key instruments to foster the development of the EU and make it more competitive in the face of global challenges; is of the opinion that there must be regular investment in these fields and that innovation in particular should be measured by its results;
17. Notes that infrastructural deficiencies still vary considerably across Europe, blocking its growth potential; believes that a true level playing field in transport, energy, telecommunications and IT infrastructure needs to be created, should be included in the strategy and continue to be a vital part of the cohesion policy;
18. Welcomes the recognition of the role of the Structural Funds in the delivery of the EU2020 goals; stresses, however, that the cohesion policy is not just the source of stable financial allocations. Its main principles – an integrated approach, multi-level governance and real partnership – are key elements for the success of the strategy and should be fully integrated into it;
19. Emphasises that a strong and well-financed cohesion policy, embracing all European regions, must be a key element of the EU2020 Strategy; believes that this policy, with its horizontal approach, is a pre-condition for the successful delivery of the EU2020 goals, as well as for achieving social, economic and territorial cohesion in the EU; rejects all attempts to renationalise the cohesion policy and asks for the regional dimension to be fully supported in the review of the EU budget;
20. Stresses that the cohesion policy is not subordinated to the EU2020 Strategy; highlights that whilst the cohesion policy's priorities should be aligned with the EU2020 objectives, sufficient flexibility should be allowed to accommodate regional specificities and support the weaker regions to overcome their socio-economic difficulties and reduce disparities;
21. Asks for an improved governance system in the EU2020 Strategy compared to the Lisbon Strategy; recommends its design and implementation according to the multi-level governance principle so as to ensure the greater involvement of local and regional authorities and civil society stakeholders;
22. Considers that territorial cohesion, included as a new objective in the Lisbon Treaty, must be an integral part of the strategy, as a pre-requisite for the achievement of its goals;
23. Points out that a stronger territorial dimension of the strategy, considering the specificities of the European regions, with the direct involvement of regional and local authorities in the planning and implementation of the relevant programmes, will lead to a greater sense of ownership of its goals at all levels and ensure a better awareness of objectives and outputs on the ground;
24. Points out the key role of cities in achieving the EU2020 goals; urges that their experience and contribution be taken into account in implementing the EU2020 priorities, especially as regards climate and demographic change and green investments;
25. Recognises that, although highly significant, the Structural Funds are not the only instrument to implement the EU2020 Strategy; expects the Commission to present concrete proposals for creating synergies between the cohesion policy and existing sectoral policies according to an integrated approach; recommends rationalisation of the

objectives, instruments and administrative procedures of the programmes and alignment of the programme duration of these policies;

26. Recommends the adoption of a simplified approach to the use of the Structural Funds in the future regulatory framework; highlights that the harmonisation of rules and procedures may lead to simplified delivery systems and encourage participation by potential beneficiaries in EU co-funded programmes;
27. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Assessing the current system

Both the Lisbon Strategy and the cohesion policy have identified in innovation in its broader sense the main instrument to foster the development of the European territory and potentiate its competitive capacity against the challenges coming from a globalised world. As a consequence innovation has been put at the centre of both of them and its strategic role has been emphasised as never before.

The Community Strategic Guidelines for the period 2007-2013 set a formal requirement for the EU15 (and a recommendation for the EU12) to earmark at least 60% of the Programme allocations in the Convergence regions and 75% in the Competitiveness and Employment regions to the delivery of the Lisbon objectives.

Actually already in the 2000-2006 period, when no formal earmarking requirement was in place, between 5.5% and 7.4% of all Structural Fund expenditure (€10.2 billion in total) was invested in research and innovation activities.

The ex post evaluations available so far highlight that the use of regional programmes to achieve the Lisbon objectives was more evident for the relatively more prosperous regions and more limited for the last developed ones, where the programmes tended to emphasise rather basic infrastructure.

Obviously no one-size-fits-to-all strategy can be applied to all areas; contrariwise specificities of different regions - their territorial dimension - had a great impact on the effectiveness of the implemented measures. The involvement of regional and local authorities in the design besides than in the implementation of programmes becomes therefore essential as these are the actors best aware of the needs of their respective territory.

From the analysis of the Programme allocations for 2007-2013 it results that the earmarking has sensitively overcome the established thresholds. In particular in the Convergence objective 65% and in Competitiveness regions 82% of the funds have been earmarked to Lisbon-related priorities. These percentages, which together make up a total allocation of approx. €228 billion over the 7-years period, refer to the EU27, showing that also EU12 have seriously committed themselves in the earmarking exercise.

Predictably enough, the allocation varies significantly across Member States and among Objectives. In particular in Competitiveness regions the programming is strongly Lisbon-related with emphasis put on innovation, knowledge and technology, whereas in Convergence programmes the priorities linked to employment are rather privileged showing that a reform of the education and training system here considered as a pre-requisite for further development.

A first Strategic report, analysing the results of implementation by the Member States in achieving these priorities through spending in the first 18 months of Programme implementation shall be adopted by the Commission by 1 April 2010 at the latest.

What needs to be thoroughly assessed in fact is at which extent these engagements are reflected in terms of actual expenditure at project level. Unfortunately due to the delayed start up of the programmes and the subsequent lack of data on expenditure, this correspondence cannot be verified at this stage.

The Strategic report of the Commission will therefore represent a key document in this sense,

despite the limited period covered, on which basis a high level inter-institutional debate will be carried out to assess the level and type of contribution of the Structural Funds to the Lisbon objectives and pave the way to a serious reflection among EU and national institutions, regional stakeholders and the civil society on the shape and contents of the strategy for growth and jobs after 2010, the so called EU2020 Strategy.

Even more crucial is to be able to assess in the long term which impact the Lisbon-related investments done through the Structural Funds has actually produced in the Member States and regions. Any discussion on the future will not be effective if the results of this assessment are not known.

Although these data are not available yet due to the early stage of Programme implementation, it is essential to pave the way and sensitize the Commission on the need to urgently develop the instruments allowing for such analysis, i.e. homogeneous indicators, which can be aggregated and compared across Programmes and Member States during the whole period in order to verify the impacts produced and make the necessary adjustments.

The role of cohesion policy in the EU2020 Strategy

Building the future implies analysing the past in order to maximise achieved results, capitalise experiences and avoiding old mistakes. A deep reflection on the relation between cohesion policy and Lisbon Strategy is therefore needed when building the new EU2020 Strategy, which is meant to tackle the challenges of the next ten years.

The cohesion policy can in fact better than other policies succeed in mobilising investments for growth and jobs; it has also proved that when the partnership principle is correctly applied and regional and local actors are made protagonists of the implementation of priorities a greater sense of ownership towards policies objectives and outputs is engendered.

The Commission proposal for the EU2020 Strategy recognises the cohesion policy as key policy to deliver the EU2020 goals.

It seems, however, to consider it more as the source of stable financial allocations than a major reference due to the application of principles such as partnership, integrated approach, multilevel governance as well as for its capacity to mobilise regional and local actors. If these principles, which represent a major contribution of the cohesion policy towards the successful implementation of the EU2020 Strategy, are not duly integrated into it, the successfulness of the Strategy itself can be endangered.

Some concrete recommendations are put forward in the report to ensure that this linkage is duly taken into account:

- the priorities identified in the EU2020 Strategy should be strictly aligned with those of the future cohesion policy: more concentration on core priorities and enhanced complementarities between them are needed, while ensuring the necessary flexibility to accommodate regional specificities.
- synergies between the National Strategic Reference Frameworks and the National Reform Programmes should be developed and their potential better exploited also through better administrative coordination at EU, national, regional and local level in order to increase governance.
- The EU2020 objectives must be defined at Community level but their implementation and adaptation into national policies should involve more the sub-national authorities in the

future. One of the limits broadly recognised so far to the Lisbon Strategy is the weak multi-level governance and the insufficient involvement of local and regional authorities in the implementation of its objectives, despite the fact that 2/3 of the public sector investment comes from the regional and local level and that these authorities often concentrate substantial policy competences. The consideration of the regional dimension in the future Strategy is also required in application to the new provisions of the Lisbon Treaty, which recognises the sub-national dimension of subsidiarity. A bottom-up approach will be able to ensure an actual ownership of the Strategy and its sustainability in the long term. Multi-level governance needs to be considered not only in its vertical but also in its horizontal dimension, developing relations between economic and social actors of the same level.

- The partnership principle should be fully implemented in the delivery of the future Strategy. Such a change in the approach would have the advantage of ensuring a better communication of the Strategy objectives and outputs in the civil society, whose current lack proves to be one of the big weaknesses of the Lisbon Strategy.
- Although territorial cohesion has been recognised as Community objective by the Lisbon Treaty, the territorial dimension is much too poorly present in the Commission proposal, which may lead to a risk of policy sectorization. On the contrary only an integrated approach through the inclusion of the regional dimension in the Strategy will bring effective results. In particular synergies between the EU instruments fostering innovation (Structural Funds, CIP, and VII Framework Programme) should be enhanced and the multi-annual programming duration of these instruments kept aligned in the future.
- the potential of the financial engineering instruments, especially JEREMIE and JESSICA should be fully exploited to ensure better support to the business potential, especially as regards SMEs; in particular rules to access and manage the funds allocation made available by these financial instruments should be simplified in order to stimulate their use by interested beneficiaries;
- adequate funding should be ensured to a cohesion policy which must cover the whole territory of the European Union in order to allow effective support in the delivery of the new Strategy;
- the future regulatory framework of the cohesion policy needs to be simplified to reduce the current level of error and facilitate participation in projects especially by the private partners.