



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2011/2035(INI)

23.3.2011

DRAFT REPORT

on the Commission's fifth Cohesion Report and strategy for cohesion policy
post-2013
(2011/2035(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Commission's fifth Cohesion Report and strategy for cohesion policy post-2013 (2011/2035(INI))

The European Parliament,

- having regard to the communication from the Commission of 9 November 2010 on the conclusions of the fifth report on economic, social and territorial cohesion, subheaded ‘the future of cohesion policy’ (COM(2010)0642) (‘the conclusions’),
- having regard to the Commission's fifth report on economic, social and territorial cohesion: the future of cohesion policy, of 9 November 2010 (‘the fifth Cohesion Report’),
- having regard to the Treaty on the Functioning of the European Union, and in particular Title XVIII thereof,
- having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999¹,
- having regard to Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999²,
- having regard to Council Regulation No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund³,
- having regard to Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a cohesion fund and repealing Regulation (EC) No 1164/94⁴,
- having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)⁵,
- having regard to its resolution of 24 April 2007 on the consequences of future enlargements on the effectiveness of cohesion policy⁶,
- having regard to its resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of debate on the future reform of cohesion policy⁷,
- having regard to its resolution of 20 May 2010 on the contribution of the cohesion policy

¹ OJ L 210, 31.7.2006, pp 1-11.

² OJ L 210, 31.7.2006, pp 12-18.

³ OJ L 210, 31.7.2006, p. 25.

⁴ OJ L 210, 31.7.2006, pp 79-81.

⁵ OJ L 210, 31.7.2006, pp 82-93.

⁶ OJ C 74 E, 20.3.2008, p. 275.

⁷ OJ C 117 E, 6.5.2010, p. 65.

to the achievement of Lisbon and the EU 2020 objectives¹,

- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013²,
 - having regard to its resolution of 7 October 2010 on the future of the European Social Fund³,
 - having regard to the communication from the Commission of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
 - having regard to the communication from the Commission of 6 October 2010 entitled ‘Regional Policy contributing to smart growth in Europe 2020’ (COM(2010)0553),
 - having regard to the communication from the Commission of 26 January 2011 entitled ‘Regional policy contributing to sustainable growth in Europe 2020’ (COM(2011)0017),
 - having regard to the Council conclusions on the fifth report on economic, social and territorial cohesion, adopted by the General Affairs Council on 21 February 2011 (6738/11),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development and the opinions of the Committee on Employment and Social Affairs, the Committee on Budgetary Control and the Committee on Women’s Rights and Gender Equality (A7-0000/2011),
- A. whereas EU cohesion policy has contributed greatly to the increased productivity achieved by all regions of the Union during the previous and current funding periods; whereas it is striking that ex-post evaluation has also shown a significant narrowing of the economic, social and regional disparities; whereas these developments have equally positive effects on social security and on investment in the protection of the environment,
- B. whereas the cohesion and structural policies have proved flexible in crisis situations and have made a defining contribution to various national economic stimulus and training programmes,
- C. whereas gearing the Structural Funds to the Lisbon Strategy objectives has proved effective, as is evident from the impressive commitment rates for the Convergence and the Regional Competitiveness and Employment objectives, although it is regrettable that only 20% of projects under the heading of Territorial Cooperation accord with the Lisbon aims,
- D. whereas the partial failure of the Lisbon Strategy is due not to the inadequate implementation of cohesion policy but rather to the effects of the financial crisis,

¹ Texts adopted, P7_TA(2010)0191.

² Texts adopted, P7_TA-PROV(2010)0356.

³ Texts adopted, P7_TA-PROV(2010)0357.

imperfect implementation of the single market, slack budgetary discipline and inadequate macroeconomic framework conditions in individual Member States,

- E. whereas the error rate and misuse of funds has been significantly lower in the most recent funding periods; whereas, regrettably, structural policy nonetheless remains an area with a high level of irregularities in this respect, and some Member States still lack effective machinery for countering the misuse of funding and recovering money wrongly paid out,
- F. whereas the existing system of cohesion and structural policy objectives (Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation), combined with a multi-level governance approach and security to plan on the basis of reliable funding and an agreed time frame (seven years), has basically proved its worth, but whereas there have been considerable delays in programme planning as a result of protracted financial and legislative negotiations,
- G. whereas sustained support and development of the convergence regions has a positive impact on the demand for goods and services on their markets and thus has demonstrably beneficial effects on the wealthier EU Member States as well,
- H. whereas a comprehensive European cohesion policy in all European regions continues to be essential, given the significant imbalances between regional economies and in social terms, as well as specific structural problems and geographical disadvantages, and it is also a requirement under the Lisbon Treaty,

Cohesion policy added value and investment priorities

1. Calls for cohesion and structural policy programmes to place more emphasis on European added value; deems such added value to be achieved where EU projects bring about a lasting and measurable improvement in the economic, infrastructural, social and/or environmental status of a disadvantaged region and such improvement would not have been achievable without the European stimulus,
2. Recognises, too, that European funding adds value where projects supported at regional level contribute to the achievement of pan-European objectives in the fields of economic growth, research, environmental protection, resource management, demographic change, sustainability of energy supply, social cohesion or cross-border development and this would not have been realised without the European stimulus;
3. Sees the achievement of European objectives in accordance with the principle of multi-level governance and shared management as one of the major advantages of cohesion policy and thus as a form of added value in itself; calls for this partnership principle to be further strengthened;
4. Emphasises that, despite the trend towards a narrowing of inter-regional disparities, major imbalances still exist – and in some Member States are actually growing – so cohesion policy must continue to concentrate on evening out differences between regions' levels of development;
5. Recognises the special needs of regions particularly disadvantaged by virtue of their

geographical situation or natural environment; reiterates its call for special forms of preference to continue to apply in respect of those types of region, mentioned in the Treaty on the Functioning of the European Union, which are particularly disadvantaged (outermost regions, northernmost regions with very low population density and island, mountain and cross-border regions);

6. Emphasises that the Union will be able to hold its own in the face of global competition only if its cohesion policy can tap the development potential of all the regions in response to the challenges of the EU 2020 strategy;
7. Emphasises that cohesion policy must continue to focus on regional and territorial cohesion and points out that the Lisbon Treaty added the objective of territorial cohesion to those of economic and social cohesion; affirms that this aim remains indissociable from the challenges of economic and social cohesion;
8. Sees macroregional strategies as affording a major opportunity to harness forms of trans-regional potential and take a joint approach to challenges stemming from the natural environment, e.g. in relation to environmental protection; considers that better coordination of existing support mechanisms can create scope for more targeted use of the EU Structural Funds;
9. Doubts whether specific operational programmes for functional geographical entities such as metropolitan regions or sea or river basins will yield additional benefits; is particularly aware, in relation to such programmes, of the absence of political authorities (including democratically elected authorities) with a sufficiently wide-ranging remit to implement them; calls instead for closer coordination of macroregional or environmental-geographic strategies at inter-governmental levels;
10. Stresses the key role of towns and cities in achieving the economic, environmental and social EU 2020 objectives; calls for support for ideas and projects which can serve as models, on the basis of integrated development plans, and for the upgrading of urban-rural links;
11. Rejects the use of quotas in particular for national allocations under ESF/ERDF programmes, for urban development, for rural areas or other types of spatial agglomerations or functional areas; also regards as questionable the requirement to specify already at operational programme level which urban and other areas are to be eligible for support, and calls for the Member States and regions to be allowed to organise competitive selection procedures in this respect as well;
12. Emphasises that structural and cohesion policy must not be biased towards specific types of region; calls for urban-rural partnerships to be seen in their broader socio-economic context;
13. Emphasises that structural and cohesion funding must be more strongly oriented towards the educational and socio-political challenges of the EU 2020 strategy; takes the view, however, that across-the-board 'Europeanisation' of the relevant policy areas will fail solely on financial grounds; calls, therefore, for the further development of approaches that could serve as models, while retaining existing national and regional competences;

14. Calls, in the light of the necessary shift towards renewable sources of energy and of the climate debate, for cohesion policy to make a greater contribution to the rapid development of renewables; in that connection, supports the plans for decentralised energy concepts involving effective energy storage technologies in the regions;
15. Sees scope under the Structural Funds for supporting investment in specific energy infrastructure, although such support must be available only in regions where political or geographical constraints significantly hamper the ability of the market to meet energy-supply needs; calls, too, for support from the Structural Funds to be made contingent in all cases on the adoption of a commercial approach and of compliance with the principle of shared management;
16. Emphasises that the trans-European transport networks play a decisive role in the cohesion of European regions and that development of TEN infrastructure and designated E-roads must therefore be stepped up and access to them improved, especially in border regions; suggests that an 'infrastructure' strand be accorded more importance in connection with objective three of European Territorial Cooperation;

System of objectives and framework for programme planning

17. Emphasises that the core components of the EU 2020 strategy (innovation, education and training, energy, environment, employment, competitiveness, skills and combating poverty) are already integral to cohesion and structural policy; takes the view that the EU 2020 challenges can be integrated very easily into the system of three objectives (Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation), which has proved its effectiveness;
18. Takes the view that the development of basic infrastructure and support for conventional forms of energy should also be regarded as compatible with EU 2020, because only when they have competitive transport, energy and communications networks and waste-management infrastructure will the convergence regions be in a position to contribute to achieving the EU 2020 objectives – and that is precisely why the weaker and neediest regions must be given some flexibility to interpret those objectives;
19. Takes the view that GDP must be retained as the key criterion in the definition of areas eligible for maximum support (those with GDP/PE below 75% of the EU average) and, where appropriate, cohesion countries (GDP/PE below 90% of the EU average); points out that the competent national authorities must continue to have scope for the use of additional indicators at the relevant decision-making levels;
20. Calls for cohesion policy to continue, in accordance with the Lisbon Treaty, to target as a priority those regions that lag furthest behind; stresses that the neediest regions should be granted an appropriate share – commensurate with the seriousness of their development problems – of the funding under Objective 1 (Convergence);
21. Calls for a dependable and appropriate phasing-out arrangement under the Convergence objective for areas formerly eligible for maximum support (convergence regions);
22. Calls for a strengthening of Objective 2 (Regional Competitiveness and Employment)

through its horizontal nature; stresses that the proven system of innovation clusters and competition for funding needs to be developed further;

23. Takes the view that a general new funding category based on GDP/PE between the 75% and 90% rates would be at odds with the tried and tested principles of EU cohesion policy (to support the weakest and pool the inherent potential of the wealthier regions, taking a cross-cutting approach), and therefore rejects this intermediate category;
24. Takes the unequivocal view that efforts under Objective 3 (European Territorial Cooperation) need to be stepped up at all EU internal borders and at all three levels of such cooperation (cross-border, inter-regional and trans-national) and calls for the relevant share of the Structural Funds to be increased to 7%; stresses the importance of the border regions in terms of achievement of the EU 2020 objectives; considers there is a need for closer linkage with the TEN networks – in line with European priorities – and with cross-border infrastructure, and calls for a corresponding increase in funding for all border regions;
25. Takes the view that new thematic funds (for climate, energy and transport) would undermine the tried and tested principle of shared management and jeopardise the regions' contribution to the achievement of the EU 2020 objectives;
26. Calls for the ESF, as a component of cohesion policy, to continue to foster social integration, economic growth and employment; regards the ESF as the Union's most important labour-market and employment-policy tool; attaches particular importance to developing skills and mobility, enhancing equality of opportunity between the sexes, integrating people who are disadvantaged and supporting SMEs;
27. Draws attention to the synergies achievable through integrated approaches, notably linking the ESF and the ERDF, and calls for the option of cross-financing between these funds – specifically with a view to integrated development planning – to be facilitated;
28. Calls for a common strategic framework for the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EFF, for the post-2013 funding period; takes the view that the model of a harmonised regulatory approach (covering administration, eligibility, auditing and reporting rules) must be further strengthened by means of a joint framework regulation;
29. Suggests, in this context, that reintegration of the regionally oriented EAFRD (Axes 3 and 4) programmes be considered, and calls for binding targets to be set for the Member States and the regions in order to establish harmonised administrative structures for the EU Structural Funds and the regionally oriented rural development programmes;
30. Calls, in the interests of efficiency, for the elimination or merger of funds relevant to both regional development and cohesion; recommends that the Globalisation Fund be abandoned as a stand-alone instrument and that appropriate provision for its functions be included in the Social Fund; calls for consideration of whether a merger of the Cohesion Fund and the Regional Development Fund would be compatible with the European Treaties; points out that, as a rule, monies from the European Regional Development Fund and the Cohesion Fund are spent on the same types of project;

31. Welcomes the objectives of the development and investment partnership contracts between the EU and the Member States, which the Commission is proposing in place of the national strategic reference frameworks previously prepared for individual Member States; calls for investment priorities geared to the implementation of the EU 2020 strategy and the achievement of other cohesion policy and structural policy objectives to be set at this stage; considers that the allocation of responsibilities between the various levels involved needs to be clarified as quickly as possible, and calls for national and/or regional competences to be retained in accordance with the principle of subsidiarity;
32. Supports retention of the operational programmes as the most important tool for implementation of the strategy papers in terms of concrete investment priorities; calls for clear and measurable objectives to be set in this respect;
33. Calls for the mandatory involvement of federal Länder and regions in drawing up development partnerships and operational programmes; considers it essential to make appropriate provision for this in the regulations governing the Structural Funds;
34. Supports the system of thematic priorities that the Commission is proposing; points out that the lower the level of development in a Member State or region, the more wide-ranging the list of priorities there needs to be, while specific regional development needs have to be taken into account;
35. Calls, in the event that binding priorities are set for all Member States, for these to cover innovation, infrastructure and resource management and to be tailored in each case to regions' specific needs; stresses that it must be possible for additional priorities to be proposed and pursued on a voluntary basis and in accordance with the principle of subsidiarity; calls for proposed priority areas to include energy, education and training, and combating poverty;
36. Calls for delays in launching programmes to be avoided and for decision-making and evaluation processes to be speeded up as a matter of principle; calls, too, for the improvement of the technical equipment available to the relevant administrative authorities and for them to be more closely inter-connected, for publication requirements to be reduced, and for a significant shortening of deadlines for calls for tender and applications;

Incentives, conditionality, result-orientation, co-financing and financing options

37. Calls for the funding to be linked to conditionalities set out in the investment partnership contracts; requests Member States to undertake reforms in order to ensure that funds are used efficiently in areas directly related to cohesion policy; considers it fair for such conditions to include, in particular, full implementation of existing EU legislation (e.g. on price regulation, tendering procedures, transport, the environment and health) in order to prevent irregularities and ensure effectiveness; rejects, however, the imposition of conditions requiring Member States to undertake fundamental social and economic reform;
38. Welcomes the Commission's proposal to make cohesion policy more result-oriented, to be achieved through the ex-ante establishment of appropriate objectives and indicators;

stresses that such indicators must be few in number, that they must all be clearly defined, measurable and related directly to the impact of the funding, and that they should be established by agreement with the regions/Member States;

39. Calls for the indicators to concentrate on impact with European added value (increases in productivity, research, transport services, regional growth and relevant environmental improvements); calls for quantitative targets to be abandoned when measuring progress in areas where responsibility rests largely with national authorities (i.e. on educational standards, poverty thresholds and integration) and for assessment, instead, of projects' potential as models and sources of innovation;
40. Regards co-financing as one of the basic principles of cohesion policy; calls for a review of the percentage ceiling for EU funding – which should take more account of regional development levels, European added value and the types of measure funded and should be raised or lowered accordingly;
41. Considers that the maximum level of support must not exceed 75%, otherwise applications will be driven less by the case for the projects than by the prospect of the funding they can attract (money given arbitrarily); calls for it to be made easier for regions to use private co-financing and market-oriented credit options to cover their share of project financing;
42. Calls, in the case of direct subsidies to undertakings, for it to be recognised that cohesion policy funding, rather than influencing decisions by companies – and particularly bigger companies – to open a plant in a given location, tends to be pocketed by companies which have already taken such decisions (deadweight effect), and calls, therefore, for support for undertakings to focus on investment in research and development or for it to be provided, in more cases, indirectly through infrastructure financing; also calls for clear provisions to be included in the general regulation governing the Structural Funds ruling out EU support for the relocation of undertakings within the Union, and for a substantial lowering of the threshold for review of relocation investments;
43. Recognises the leverage effect of new financial instruments and their potential to mobilise investment, supports increased financing from credit in principle, and calls for the use of revolving financial instruments to be extended to more areas eligible for funding (including research and infrastructure); calls for procedures to be simplified to that end and for a greater degree of legal certainty throughout the entire funding period; takes the view that at the end of a funding period, at the latest, responsibility for how the funds are spent should transfer to national level or project level;
44. Emphasises that grants must always be retained as an option and that it must be the responsibility of those involved on the ground to use the funding mix best suited to regional needs;
45. Considers that the EIB must assume a stronger role in the financing of TEN infrastructure; calls for more emphasis to be placed on self-supporting public-private partnerships; considers, as a matter of principle, that the European Parliament has a major responsibility in this regard for ensuring transparency, and in relation to decision-making and supervision;

46. Sees global grants at subregional level as an appropriate tool for developing independent innovation strategies in line with European structural-policy objectives; proposes that the tried and tested approach of competitive procedures should also be applied in respect of global grants;

Budget, financial processes, reducing red tape, budgetary discipline and financial control

47. Takes the view that the system of seven-year programming periods has proved its worth and should be retained at least until the end of the next planning period (2020); calls, however, for swifter strategic reassessment of the basic conditions so that the EU can respond even more quickly and more flexibly to exceptional events (such as the financial crisis, the energy crisis or natural disasters);

48. Emphasises, nonetheless, that the EU budget as currently structured, underpinned by the regulations governing the various funds, has proved effective in the implementation of cohesion and structural policy in particular, and changes should therefore be made only where procedures have not worked or where the arrangements are at odds with the Financial Regulation; calls for the utmost caution to be exercised when making even the most minor adjustment to established, tried and tested structures;

49. Regards the integration of the EU 2020 objectives into the existing system of objectives and funds as feasible; rejects any division of the EU budget under the notional headings of 'smart', 'inclusive' or 'sustainable' growth;

50. Regards post-2013 cohesion and structural policy as the decisive policy for cross-sectoral implementation of the EU 2020 strategy and therefore calls for it to receive at least the same budget appropriations as in the current planning period;

51. Calls, in respect of Member States that are falling significantly short of the EU stability criteria requirements and at the same time have a high level of irregularities in connection with the use of monies from the Structural Funds, for a proposal for a stricter, automatically applied rule in order to better monitor the lawful use of structural funds in accordance with the objectives;

52. Calls on the Member States/regions to designate authorities that will assume exclusive responsibility for the proper administration of monies from the Structural Funds;

53. Envisages that the Commission will, in future, have a greater responsibility for the improvement of national administrative procedures; takes the view, therefore, that it will be incumbent on the Commission to implement accreditation procedures for national or federal-state administrative and auditing bodies; considers that a successful accreditation and a reduction in the error rate should be linked to the entitlement to simplified and less frequent reporting;

54. Calls, in the interests of reducing red tape, for the more general application of standardised procedures, with higher standardised units of cost and declaration of overheads on a flat-rate basis; calls for greater account to be taken of the principle of proportionality, i.e. for the implementation of smaller programmes to be subject to significantly reduced reporting and auditing requirements;

55. Supports the Commission's proposal that national authorities should not receive reimbursement until the EU funding has been paid out to the beneficiaries; envisages that this will speed up payment procedures and will be a crucial incentive to carry out stringent national auditing; notes, however, that cash-flow problems could potentially arise at Member State or federal-state level and that appropriate hedging arrangements will have to be made;
56. Supports the Commission's proposal that the N+2 rule should be applied systematically except in the first year of funding and that derogations from it should be abolished; considers this will guarantee that a balance is struck between high-quality investment and smooth and speedy programme implementation;

Neighbourhood and enlargement policies

57. Emphasises the importance of the European Neighbourhood and Partnership Instrument (ENPI) for cohesion policy with regard to cross-border cooperation with states outside the EU; sees infrastructure (transport and energy) links with neighbouring countries as having particularly positive effects on the European border regions; calls for ENPI funding to focus more closely on strategic needs in relation to energy and to transport infrastructure;
58. Stresses, too, the relevance of the EU enlargement process for cohesion, as part of which the Instrument for Pre-Accession Assistance (IPA) helps the candidate countries to make substantive and organisational preparation for implementing cohesion policy;
59. Reiterates its call for the Committee on Regional Development to be involved in and share responsibility for determining the form that both these instruments will take in future;
60. Draws attention – with up-to-date figures in support of its contention – to the extremely severe financial consequences for cohesion policy of the accession of new Member States¹; emphasises that, from a cohesion policy point of view, the Union's capacity to absorb new members would, on the basis of these figures, be severely overstretched; calls for use of the IPA to be extended to special preliminary forms of EU neighbourhood status or membership and reiterates its call for graduated cohesion policy arrangements for large candidate countries such as Turkey;
61. Instructs its President to forward this resolution to the Council and the Commission.

¹ On the assumption that Turkey and Croatia, which are currently in accession negotiations, receive support during the 2007-2013 programming period at the same average per capita level as the new Member States (the EU 12), the total financial requirement would be EUR 132.5 billion, of which Turkey's share would be EUR 124.9 billion (94.3%) and Croatia's 7.6 billion (5.7%). If support were given at a rate equivalent to the average (2006) level of EU transfers to the new Member States as a proportion of GDP, the additional financial requirement would total EUR 109.1 billion, of which Turkey's share would be EUR 99.8 billion and Croatia's EUR 9.3 billion. (Untiedt, G. (2011) *Das Volumen und die Verteilung der EU-Strukturfondsmittel für die Förderperiode von 2007 bis 2013 unter Berücksichtigung der Türkei und Kroatiens*, opinion of Professor G. Untiedt, GEFRA GbR, commissioned by Dr Markus Pieper, MEP).

EXPLANATORY STATEMENT

1. Background

Forecasts of global growth and population trends suggest that the European community of States will decline in significance. Whereas at present the EU-27 are still home to some 8% of the global population, by 2050 this figure will have fallen to 5%. Particularly because of growth in China and in important emerging countries, the EU's share in the global economy will decline from 20% to around 12% over the same period.¹

If the European community of States wishes to compete economically and politically, and if this relative decline in significance is not to be accompanied by a loss of prosperity, the community must act in a more concerted manner with regard to vital issues on which it needs to secure its future. This applies to foreign and security policy, just as it does to decisive issues regarding the internal market, research, energy supply and guaranteed supplies of raw materials. Even more than hitherto, the community must devote itself to the rapid development of renewable energy and ways of storing it.

2. The role of the regions and the added value of cohesion policy

Cohesion policy and structural policy have a key role to play in ensuring future competitiveness. Europe's regions and towns and their undertakings already have very strong links with the rest of the global economy, for reasons associated with the European history of the individual nation states. Thus Europe's economic system is substantially more complex than its counterparts in Asia or North America. More than half of global ties between multinational corporations and their subsidiaries originate in the EU. Cohesion policy must take greater advantage of this surviving advantage of international networking and encourage more SMEs to become involved in international growth markets.

However, such a policy for growth and innovation can only work in an internal market without barriers, which requires further harmonisation. Moreover, such a policy can be sustained only if regional-policy objectives are combined with pan-European objectives of innovation and research and coping with environmental challenges, and in particular if the know-how of the more affluent regions is also exploited.

In addition to the growth component, there is a need for a concept of working towards regional and social balance. Only if the people and the regions as a whole support this policy will cohesion policy and structural policy ultimately be accepted, as they need to be in order to be implemented successfully. It should be stressed, in this context in particular, that the EU's cohesion policy, with its principles of multi-level governance, entails a proven, integrated political approach unique in the world, which should be further built upon.

To this end – inter alia in the interests of acceptance of the required budget for the Structural Funds – **European added value** should be defined more clearly and 'marketed' more aggressively. European objectives need to be more successfully combined with regional development objectives. In this respect the earmarking of funds for innovative policies, which

¹ Sources: publications of the United Nations 2006 and the IMF 2009.

is currently practised in the allocation of funds under the Lisbon process, is a successful approach and must be continued for the EU 2020 strategy, albeit with a closer focus on results.

The additional question which now needs to be asked about European added value is this: to what extent has cohesion policy genuinely initiated projects? Might not many of the projects, including infrastructure projects, and many new business premises have come about anyway under the auspices of national or regional authorities or entrepreneurs? Only if European programmes are the original initiators of projects, thus contributing their added value, can a strong cohesion policy be justified. Otherwise, the EU is merely financing displacement effects via many bureaucratic detours.

The rapporteur regards certain key areas of the EU 2020 strategy (fewer early school-leavers, higher levels of final examination results, more people in employment, less poverty, more environmental investment by local authorities) as areas for which national or even regional/local policy-makers should bear primary responsibility. Cohesion policy should not act as a catalyst for a thorough Europeanisation of social or environmental policy here. This would massively overburden the resources of cohesion policy. Rather there should be a closer focus on **the regional contribution to European policies** (environmental protection, climate change, energy, transport infrastructure, etc.), stimuli for growth and innovation (SMEs joining international networks, etc.), model social projects (integrated development planning, health, demography, etc.) and particularly, under all these headings, on **compensatory measures for disadvantaged regions**.