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on optimising the role of territorial development in cohesion policy
(2011/2312(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on optimising the role of territorial development in cohesion policy (2011/2312(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, and in particular Title XVIII 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 and repealing Regulation (EC) No 1260/1999¹,
- having regard to Council Decision 2006/702/EC of 6 October 2006 on Community strategic guidelines on cohesion²,
- having regard to its resolution of 5 July 2011 on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy³,
- 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 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe⁵,
- having regard to its resolution of 23 June 2011 on the European urban agenda and its future in cohesion policy⁶,
- having regard to its resolution of 23 June 2011 on Objective 3: a challenge for territorial cooperation – the future agenda for cross-border, transnational and interregional cooperation⁷,
- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013⁸,
- having regard to its resolution of 20 May 2010 on the contribution of the cohesion policy to the achievement of the Lisbon and the EU 2020 Objectives⁹,
- having regard to its resolution of 20 May 2010 on the implementation of the synergies of research and innovation earmarked funds in Regulation (EC) No 1080/2006 on the

¹ OJ L 210, 31.7.2006, p. 25-78.

² OJ L 291, 21.10.2006, p. 11-32.

³ Texts adopted, P7_TA(2011)0316.

⁴ Texts adopted, P7_TA(2011)0286.

⁵ Texts adopted, P7_TA(2011)0266.

⁶ Texts adopted, P7_TA(2011)0284.

⁷ Texts adopted, P7_TA(2011)0285.

⁸ Texts adopted, P7_TA(2010)0356.

⁹ Texts adopted, P7_TA(2010)0191.

European Regional Development Fund and the Seventh Framework Programme for Research and Development in cities and regions as well as in the Member States and the Union¹,

- having regard to the study published by the European Parliament entitled ‘Cohesion policy after 2013: a critical assessment of the legislative proposals’,
- having regard to the Polish Presidency Conclusions of 24-25 November 2011 on the territorial dimension of EU policies and the future Cohesion Policy²,
- having regard to the Commission proposal of 6 October 2011 for a regulation of the European Parliament and 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 and repealing Regulation (EC) No 1083/2006 (COM(2011)0615),
- having regard to the Commission proposal of 6 October 2011 for a regulation of the European Parliament and the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (COM(2011)0614),
- having regard to the Commission communication of 9 November 2010 entitled ‘Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy’ (COM(2010)0642),
- having regard to the Commission communication of 19 October 2010 entitled ‘The EU Budget Review’ (COM(2010)0700) and the technical annexes thereto (SEC(2010)7000),
- having regard to the Commission communication of 6 October 2010 entitled ‘Regional Policy contributing to smart growth in Europe 2020’(COM(2010)0553),
- having regard to the Commission communication of 31 March 2010 entitled ‘Cohesion policy: Strategic Report 2010 on the implementation of the programmes 2007-2013’ (COM(2010)0110),
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020: a strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to ‘An agenda for a reformed cohesion policy – A place-based approach to meeting European Union challenges and expectations’, independent report prepared at the request of Danuta Hübner, Commissioner for Regional Policy, by Fabrizio Barca, April 2009,

¹ Texts adopted, P7_TA(2010)0189.

² Polish Presidency Conclusions on the territorial dimension of EU policies and the future Cohesion Policy, ‘Towards an integrated, territorially differentiated and institutionally smart response to EU challenges, 24-25 November 2011, Poznań.

- 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 Employment and Social Affairs (A7-0000/2012),
- A. whereas cohesion policy aims to reduce disparities among EU regions by strengthening economic, social and territorial cohesion, and whereas it has been effective in promoting European integration through social and economic development;
 - B. whereas the Common Provisions Regulation (CPR) sets out common rules applicable to all five European funding programmes (ERDF, ESF, Cohesion Fund, EARDF, EMFF) that are designed to implement cohesion, rural and fisheries policies;
 - C. whereas the Common Strategic Framework looks at mechanisms to create more coordination among the funds covered by the CPR (ERDF, ESF, Cohesion Fund, EARDF, EMFF) and better integration of the funds covered by the CPR with other EU policy areas;
 - D. whereas the territorial dimension is a cross-cutting aspect of cohesion policy and gives European regions the opportunity to make use of individual territorial potential in order to work towards achieving cohesion policy objectives;
 - E. whereas territorial cohesion is now recognised by the Lisbon Treaty as a fundamental EU objective;

Overarching concerns: strengthening the territorial objective

1. Recognises a simplified multi-level governance system as integral to the decision-making process under cohesion policy, with collaboration necessary at every stage at European, national, regional and local level in the planning, development and execution of European funding programmes; calls on the Commission to ensure that this is reflected in the development of clear and well defined partnership contracts;
2. Highlights the fact that the budget for cohesion policy post-2013 must be maintained at its current level in order to ensure that support continues to reach areas in need of economic and social regeneration;
3. Welcomes the Commission's proposals to place a results-led approach at the heart of the CPR, with the focus on measurable outputs delivered by cohesion policy in order to increase the sustainability of investments and guarantee the effectiveness of funding programmes;
4. Endorses the Commission's overarching proposals throughout the CPR to reduce administrative burden; highlights the fact, therefore, that rules, checks and eligibility must be made clear from the outset and that successful simplification of administrative procedures can be achieved through an integrated approach to the delivery of funds;
5. Stresses the need to ensure flexibility for funding programmes based on local and regional objectives, with stakeholders at regional level involved at all stages to ensure that European funding programmes meet the needs to tackle social and economic disparities;

6. Emphasises that flexibility should extend to greater provision for projects to operate across different funds covered by the CPR and that this increased flexibility would help to simplify project delivery and increase the complementary and cross-cutting aspects of European funding;
7. Recognises that cohesion policy can make a valuable contribution to delivering EU2020 targets; notes, however, that cohesion policy, as a permanent and legally binding objective of the EU, must not be used solely as a means of implementing EU2020;
8. Highlights the fact that using other funding programmes (e.g. Horizon 2020), possibly in alignment with cohesion policy funding, should also be considered when working towards EU2020 objectives;
9. Recognises the increased focus on cities and urban areas as a driver of economic growth;
10. Expresses concern regarding the definition of cities and urban areas given the differing size, resources and social and economic aspects of cities in the EU;

Greater integration of European Funds for 2014-2020

11. Welcomes CPR proposals that encourage better coordination and integration of funding programmes in order to ensure greater impact of funds, and the stronger presence of the territorial dimension of cohesion policy in the framework for 2014-2020;
12. Stresses that improved harmonisation between cohesion policy and other policy areas outlined by the CPR will allow European regions to continue to develop economically by making use of their individual strengths;
13. Cites as an example the Wales European Funding Office (WEFO) and its intention of integrating European funds in Wales by creating a single 'portal' allowing access to information on all funds covered by the CPR; underlines the potential for WEFO's 'portal' to include a common platform with a single application, payments, monitoring and evaluation process for all funds covered by the CPR; emphasises that this approach would allow for easier identification of potential synergies and integration between funding streams, thus harmonising and simplifying the process of applying for European funds;
14. Emphasises that, given the characteristics shared by the funds covered by the CPR and other funding programmes (e.g. Horizon 2020, LIFE+), the effectiveness of European funding could be enhanced by exploring the potential alignment between these funds;
15. Recognises that, while funding programmes such as Horizon 2020 are primarily focused on excellence, Structural Funds have previously been successful in a 'capacity-building' role by providing funding to develop businesses and organisations that have then gone on to become partners in FP7 or Competitiveness and Innovation Programme (CIP) projects;

Mechanisms for integrating European Funds

16. Welcomes the proposals for a regulatory framework with a sub-regional focus for local

and integrated development through ‘community-led local development’, ‘joint action plans’ and ‘integrated territorial investment’;

17. Stresses that, following the Commission’s proposals, clear links must now be developed between these delivery instruments in order to ensure that all investment complements local needs and does not overlap with other projects;
18. Calls for a fully integrated approach to related delivery instruments (CLLD, ITIs, JAPs), allowing local partnerships to choose, according to their individual needs, different combinations of these instruments as appropriate, with these instruments to be used to deliver more than one thematic priority with funding from more than one fund at the same time;
19. Highlights the example of the sub-delegation to councils in the Netherlands, which includes parts of funding programmes (e.g. ERDF) being delegated from the regional authority to large local authorities, with actions implemented at local level to address local needs; stresses that allocating management responsibility to local authorities gives greater potential to integrate the best combination of funds tailored to local needs; emphasises that, with the management structures already in place at local level, this approach could benefit the delivery of ITIs, JAPs and CLLD;

Community-led local development

20. Supports the Commission’s proposals on Community-Led Local Development (CLLD) as an important provision of the CPR which will focus on developing synergies between all funds covered by the CPR;
21. Considers this instrument to be an excellent way of encouraging bottom-up participation from a cross-section of local community actors working towards territorial objectives;
22. Calls for the Commission to clarify its proposals on CLLD in the implementation phase in order to allow potential participants to fully determine the likely purpose, scope and effect of CLLD through the preparation of delegated and implementing acts;
23. Recognises the progress made since 2007 with the Fisheries Local Action Groups working with LEADER Local Action Groups (LAGs) as an example of how the future CLLD could combine funds at local level across the funds covered by the CPR; highlights the example of 11 local partnerships in Denmark that use both EARDF (LEADER) and European Fisheries Fund (Axis 4) to fund projects using the same delivery system and administration;
24. Underlines the need to look at examples such as the integrated use of EARDF and EFF funds through community-led local development in the future programming period as a way of developing synergies between all funds covered by the CPR;

Joint action plans

25. Supports proposals by the CPR to introduce joint action plans to allow groups of projects to be funded by more than one operational programme;

26. 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;
27. Stresses the importance of ensuring that these instruments are developed alongside the CLLD in order to ensure that the CLLD grows into more than merely a strategic tool which relies on the JAPs or ITIs to deliver the programmes;
28. Calls for clarification on the scope and integration of joint action plans, and on whether they will be used to deliver entire, or only parts of, programmes;

Integrated territorial investment (ITI)

29. Welcomes the proposals for ITIs, which could provide cities with the opportunity to meet their own specific needs by drawing on funding from more than one priority axis to implement operational programmes in an integrated way;
30. Welcomes further clarification on the scope of ITIs and the potential for the instrument, if it fits local needs, to be used in non-urban areas;
31. Highlights the example of a proposed model for ITIs from Greater Manchester, which integrates funding from as many relevant sources as possible to achieve better value from investment; highlights the fact that the development of this model is ongoing and could potentially be used to support a strategy bringing many economic and social benefits to the city region; emphasises that the proposed ITI would integrate ERDF priorities with ESF measures and that, given the increased focus of ERDF on SMEs and innovation, there is potential for the ITI to include support from Horizon 2020 projects in the future;

Financial instruments

32. Welcomes the Commission's proposals for greater use, and extension of the scope, of financial instruments through the creation of simpler and clearer rules to ensure increased effectiveness across all the five funds covered by the CPR;
33. Highlights the potential of financial instruments to open up alternative sources of finance for a wide range of actors to complement traditional financing methods;
34. Stresses that financial instruments, as mechanisms allowing cooperation between enterprises, public sector organisations and educational institutions, should also be encouraged as a means of developing an integrated approach to funding.

EXPLANATORY STATEMENT

This Own Initiative Report is focused on exploring effective and efficient mechanisms to create synergies between the European funding programmes covered in the Commission's Common Strategic Framework; integrating the delivery of funding programmes will improve the effectiveness of European funding at local and regional level. This document includes examples of mechanisms that are currently in place or those being considered for implementation in European regions. Your rapporteur welcomes further discussion and additional examples of integrating European funding programmes, in particular examining the possibility of combining a number of separate funding programmes to create a single fund.

The legislative package for cohesion policy 2014-2020, presented by the European Commission on 6 October 2011, includes common provisions for all five Funds covered by the CPR (European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural fund for Rural Development, European Maritime and Fisheries Fund).

The European Parliament's mandate for negotiation on the legislation is now established, with priorities including greater involvement from local and regional authorities and increased flexibility for regions to set priorities according to their own territorial needs. The Parliament's position also underlines the need for an increased focus on stimulating growth and competitiveness, with financial instruments highlighted as an important mechanism for achieving these objectives.

With territorial cohesion now added to economic and social cohesion as a Treaty objective under Article 174, there is an increasing need for a bottom-up approach to mobilise the potential of local and regional development. Your rapporteur believes that, in order to achieve this, common rules and close coordination for all Funds covered by the CPR is essential. In addition, implementing strategies at local level should be the responsibility of local actors and authorities, with the aim of ensuring that economic and social needs are met at the level closest to the citizen.

Overarching concerns: Strengthening the territorial objective

In the current economic climate it is clear that cohesion policy funding is becoming increasingly important to Europe's regions and there is a growing need to ensure that the money is spent in a more effective way so that citizens can benefit fully from European funding. Involving local and regional authorities at every stage of the planning, development and delivery of European funding programmes is essential to ensuring that local needs are addressed.

As a cross-cutting aspect of cohesion policy, the territorial dimension gives European regions the opportunity to make use of individual territorial potential as they work towards achieving cohesion policy objectives. Your rapporteur welcomes the proposals on simplification and a more results-led approach for cohesion policy for 2014-2020. A results-led approach can make a valued contribution to an effective and efficient cohesion policy while efforts to ensure that the delivery and the implementation of programmes is simplified will benefit

authorities and beneficiaries.

Your rapporteur welcomes the increased focus on regional and local authorities, especially with regard to establishing partnership contracts in line with multi-level governance. The partnership contract should outline an integrated approach to territorial development by including measures such as ensuring that national and regional mechanisms are in place to encourage coordination between Funds covered by the CPR and other European and national funding instruments.

Greater integration of European Funds for 2014-2020

Greater integration of funding streams for 2014-2020 has been called for by the majority of European institutions (European Council, the European Parliament, Committee of the Regions) as well as regional governments and local and regional stakeholders throughout the EU.

Your rapporteur believes that providing Member States, regional and local authorities with opportunities to use more than one European funding programme to support projects will improve the effectiveness of European funding, increase the levels of simplification and provide potential beneficiaries with easier access to funding.

Several new instruments have been introduced in the CPR to enhance the local dimension of cohesion policy, to increase the strategic focus of territorial cooperation and to introduce a more coordinated approach at all levels of government.

However, although the proposals outline instruments for potential integration of European funding, the implementation of these instruments requires further explanation. In addition to this the ways in which these instruments can be used remain vague and further clarification is needed by the European Commission.

Your rapporteur has highlighted examples of how similar approaches to the suggested instruments (CLLD, ITIs) have been used by regional and local authorities in the previous funding period. These examples can provide other regional and local authorities with potential ideas for the use of CLLD and ITIs.

CLLD, as an option for ERDF and ESF and as a compulsory element for EAFRD and EMFF has the scope to be vital to the implementation of bottom up local development initiatives. CLLD can be used in addressing all kinds of territorial challenges (urban, rural, cross-border etc.) and financed by several EU instruments. However, it is clear that in order for CLLD to be a successful tool it must be adequately set out in the CSF and the Code of Conduct. Operational programmes must also highlight its particular contribution to integrating the funds by identifying the areas in which CLLD could be implemented.

The example given by Greater Manchester highlights a potential model for ITIs to become a lever for funding from wider EU programmes. Your rapporteur welcomes the development of models such as this as an illustration of the potential scope of the new instruments for the 2014-2020 financing period.

In the document your rapporteur has also highlighted an example of a mechanism that is being prepared for implementation in Wales, where the Wales European Funding Office (WEFO) is the managing and certifying authority of all Structural Funds. The UK Government delegates authority for development, implementation and monitoring of Structural Funds and Rural Development Funds in Wales to the Welsh Government. In Wales, all European funds fall within the same ministerial portfolio, which assists in the potential further integration of European funding streams. The 'portal' as proposed by WEFO will provide a centralised system for all public, private and third sector organisations to access information about potential European funding.

The use of structural funds in a capacity building role as a lever for research and innovation investment (e.g. the EU Framework Programme for Research and Innovation, previously FP7, now Horizon 2020) is already in existence. This highlights that synergies currently exist between the Funds covered by the CPR and other funding programmes, and these synergies should be fully utilised to work towards complementary thematic objectives. For example, the Funds covered by the CPR and Horizon 2020 could both be applied to projects aimed at 'strengthening research, technological development and innovation'. The objective focused on enhancing the use and quality of ICT is an example of how the ESF could coordinate with 'Erasmus for All' to provide funding. While projects geared towards Thematic Objectives 5, 6 or 7, concerned with low carbon, climate change and the environment could utilise the Funds covered by the CPR alongside the LIFE + programme or the NER300 programme.

Finally, your rapporteur welcomes further negotiation on the Commission's legislative package and discussion with the Commission, regional practitioners and beneficiaries regarding possible mechanisms for harmonising European funding. Your rapporteur hopes that the instruments suggested by the European Commission to encourage greater synergies between the funds will be eventually supported by concrete mechanisms for implementation at regional and local level.