



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2009/0107(COD)

17.3.2010

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on the proposal for a Council regulation amending Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards simplification of certain requirements and as regards certain provisions relating to financial management
(COM(2009)0384 – C7-0003/2010 – 2009/0107(COD))

Rapporteur: Regina Bastos

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SHORT JUSTIFICATION

In the context of the current economic and financial crisis, the Council of the European Union of 11 and 12 December 2008 agreed on a European Economic Recovery Plan (EERP), which envisages the initiation of priority action to enable European economies to adjust more rapidly to current challenges.

In its recovery package, the Commission had already proposed a number of regulatory changes in September 2008 and November 2008 in order to simplify the implementation rules for cohesion policy and to increase the pre-financing (advance payments) to ERDF and ESF programmes.

On 3 June 2009, the Commission presented a communication on 'A Shared Commitment for Employment' in which additional measures were proposed in order to boost job creation and counter the effects of the crisis on jobs.

The Commission considers that more effort is needed to facilitate the management of the Community funding in order to speed up the flow of the funding to the beneficiaries that are most affected by the economic downturn.

The current proposal, adopted on 22 July 2009, therefore includes additional elements of simplification, with the overall objective of streamlining co-financed investments in Member States and regions and of increasing the impact of the funding on the whole economy, and in particular on small and medium-sized enterprises and on employment. Small and medium-sized enterprises are the motor of the European economy and the main producers of sustainable growth, creating numerous quality jobs. In the EU, some 23 million SMEs constitute 99% of EU businesses and account for some 75 million jobs. In some key sectors, such as textiles, construction and furniture production, SMEs account for up to 80% of all jobs.

Further simplification and clarification of rules governing cohesion policy will undeniably have a positive impact on the pace of programme implementation, particularly by providing national, regional and local authorities with clearer and less bureaucratic rules that will allow more flexibility in order to adapt the programmes to the new challenges.

This proposal will require amendments to Council Regulation No 1083/2006 on the general provisions governing Cohesion policy.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation – amending act
Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Underlines the importance of the greater use of the synergies and complementarities between the various financial instruments available, including the European Regional Development Fund, the Cohesion Fund, the European Social Fund, the European Integration Fund, the programme of Community action on public health and the European Agricultural Fund for Rural Development, in order to meet the complex targets of the EU 2020 Strategy, which aims to deliver smarter, socially inclusive and greener growth and to support more effectively the least favoured micro-regions and the most vulnerable groups facing complex multi-dimensional disadvantages.

Amendment 2

Proposal for a regulation – amending act
Recital 2

Text proposed by the Commission

Amendment

(2) In order to facilitate the management of *Community* funding, to help accelerate the investment ***in the Member States and regions*** and to ***increase*** the impact of the funding on the economy, it is necessary to further simplify the rules governing ***cohesion policy***.

(2) In order to facilitate the management of *Union* funding, to help accelerate the investment ***at all levels of government – from national to local*** – and to ***boost*** the impact of the funding on the economy ***and the creation of sustainable jobs ensuring participation in society, and its actors, in particular SMEs, thereby boosting employment***, it is ***also*** necessary to further simplify the rules governing ***the European Regional Development Fund, the European Social Fund and the Cohesion Fund, at Union and national level.***

Amendment 3

Proposal for a regulation – amending act
Recital 6

Text proposed by the Commission

(6) In order to facilitate the adaptation of operational programmes to respond to the current financial and economic crisis, the Member States should provide an analysis justifying the revision of an operational programme instead of an evaluation.

Amendment

(6) In order to facilitate the adaptation of operational programmes to respond to the current financial and economic crisis ***and its effects on businesses and employment***, the Member States should provide an analysis justifying the revision of an operational programme instead of an evaluation.

Amendment 4

Proposal for a regulation – amending act
Recital 11

Text proposed by the Commission

(11) As outlined in the Communication of the Commission of June 3 June 2009 on "A Shared Commitment for Employment", in order to counteract cash flow problems occurring in Member States as a result of financial constraints during the peak of the crisis and in order to speed up the implementation of active labour market measures aiming at supporting citizens and more specifically the unemployed or those at risk of unemployment, it is necessary to modify for a limited period of time the provisions concerning the calculation of interim payments. For this reason it is appropriate, without altering the national co-funding obligations which apply to operational programmes over the whole programming period, for the Commission to reimburse, where Member States so request, interim payment claims at 100% of the public contribution to each priority axis in operational programmes co-financed by the ESF.

Amendment

deleted

Amendment 5

Proposal for a regulation – amending act
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) It is necessary to implement operational programmes accurately and to use Union funding optimally in order to respond to the need to implement active labour market measures, such as training the unemployed, anticipating and managing restructuring measures, upgrading skills of employees to the needs of the labour market in accordance with the economy as well as providing high-quality apprenticeships for young people. The need to keep people in employment or allow them to find a job is more urgent in an economic and financial crisis.

Amendment 6

Proposal for a regulation – amending act
Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) In times of crisis, in particular, with a higher pressure on the job market and a greater risk of redundancies, it is necessary to be able to respond with a flexible approach in order to provide targeted support for Member States and individual regions particularly affected. It is important, therefore, to establish rules that will enable the European Social Fund to respond quickly in future, to prevent delays in the implementation of programmes and negative effects on the preservation and creation of sustainable jobs ensuring participation in society.

Amendment 7

Proposal for a regulation – amending act
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) In view of the exceptional circumstances and the severe and unprecedented impact of the present economic and financial crisis on Member State budgets, an additional pre-financing instalment for 2010 is required for those Member States or individual regions worst affected by the crisis, so that a regular flow of funds can be assured and payments can be made to beneficiaries as programmes are implemented.

Amendment 8

Proposal for a regulation – amending act
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) The deadline for calculating the automatic decommitment of the annual budget commitment related to the 2007 total annual contribution should be extended to allow better absorption of funding for individual operational programmes. Such flexibility is necessary because the programmes have been slower to start up than expected and were subject to late approval. In view of the crisis, such a measure will ensure adequate support for job creation and preservation initiatives.

Amendment 9

Proposal for a regulation – amending act
Article 1 – point 4 a (new)
Regulation (EC) No 1083/2006
Article 47 – paragraph 1

(4a) Article 47(1) is replaced by the following:

‘1. Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of operational programmes with respect to the specific structural problems affecting the Member States and regions concerned, while taking account of the objective of sustainable development and of the relevant *Union* legislation concerning environmental impact, including the process of barrier-free environment for the disabled, and strategic environmental assessment.’

Justification

This modification serves the obligations laid down in Article 16 of the regulation. Article 16 stresses the importance of accessibility for people with disabilities where the regulation indicates that ‘accessibility for disabled persons shall be one of the criteria to be observed in defining operations co-financed by the Funds and to be taken into account during the various stages of implementation’.

This modification also helps implementing the articles 2 (2) and 3 (b) of 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 1784/1999 in order to make Europe a more accessible place for a growing number of ageing and disabled people. This proposal also helps the Member States to prepare themselves for planning, coordinating and eventually implementing their efforts for realizing same standard measures for people with disabilities in the long run with equal basis, with special regards to the UN Convention on the rights of persons with disabilities which already had been adopted by the European Council last November. The needs of people with disabilities are the same wherever live in the European Union and the modification finally serves their ability of mobility as well.

Amendment 10

Proposal for a regulation – amending act

Article 1 – point 5 a (new)

Regulation (EC) No 1083/2006

Article 55 – paragraph 2 – subparagraph 3

(5a) In Article 55(2), subparagraph 3 is replaced by the following:

‘In the calculation, the managing authority shall take account of the reference period appropriate to the category of investment concerned, the category of project, the profitability normally expected of the category of investment concerned, the application of the polluter-pays principle, and, *where appropriate*, considerations of equity linked to the relative prosperity of the Member State concerned.’

Amendment 11

Proposal for a regulation – amending act

Article 1 – point 6

Regulation (EC) No 1083/2006

Article 55 – paragraph 3

Text proposed by the Commission

3. Where it is objectively not possible to estimate the revenue in advance, the net revenue generated within five years of the completion of an operation shall be deducted from the expenditure declared to the Commission.

Amendment

3. Where it is objectively not possible ***or technically reliable*** to estimate the revenue in advance, the net revenue generated within five years of the completion of an operation shall be deducted from the expenditure declared to the Commission.

Amendment 12

Proposal for a regulation – amending act

Article 1 – point 10

Regulation 1083/2006/EC

Article 77

Text proposed by the Commission

(10) Article 77 is replaced by the following:

"Article 77

Amendment

deleted

Common rules for calculating interim payments and payments of the final balance

1. Interim payments and payments of the final balance shall be calculated by applying the co-financing rate laid down in the decision on the operational programme concerned for each priority axis to the eligible expenditure mentioned under that priority axis in each statement of expenditure certified by the certifying authority.

However the Community contribution through the interim payments and payments of the final balance shall not be higher than the public contribution and the maximum amount of assistance from the Funds for each priority axis as laid down in the decision of the Commission approving the operational programme.

2. By way of derogation from the first subparagraph of paragraph 1, in the case of operational programmes co-financed by the ESF, interim payments by the Commission for statements of expenditure sent by the Member States by 31 December 2010 may, if a Member State so requests in order to facilitate implementation of anti-crisis measures, be made by paying 100% of the public contribution for each priority axis as mentioned under that priority axis in the statement of expenditure certified by the certifying authority. Where the Member State chooses this option, the Commission shall apply this system to all interim payments requests sent by 31 December 2010 for the given operational programme.

The difference between the total amount paid under the first sub-paragraph and the amount calculated under the first subparagraph of paragraph 1 shall not be taken into account to calculate interim payments for statements of expenditure sent after 31 December 2010. However, this difference shall be taken into account

for the purpose of the provision under Article 79(1) and for the calculation of the payment of the final balance."

Amendment 13

Proposal for a regulation – amending act

Article 1 – point 11 a (new)

Regulation (EC) No 1083/2006

Article 82 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(11a) In Article 82(1) the following point is added:

‘(ea) for Member States that were granted assistance in 2009 in accordance with Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States’ balances of payments¹ or Member States with a GDP decrease in 2009 of more than 10% in real terms in comparison with the previous year or in which the rate of unemployment, either nationally or in particular regions, has increased by more than three percentage points in comparison with the previous year, in 2010 2% of the contribution from the Cohesion Fund and 4% of the contribution from the European Social Fund to the operational programme.

¹ OJ L 53, 23.2.2002, p. 1.’

Amendment 14

Proposal for a regulation – amending act

Article 1 – point 12 a (new)

Regulation (EC) No 1083/2006

Article 93 – paragraph 1

Text proposed by the Commission

Amendment

(12a) Article 93(1) is replaced by the

following:

‘1. The Commission shall automatically decommit any part of *the amount calculated in accordance with the second subparagraph* in an operational programme that has not been used for payment of the pre-financing or interim payments or for which an application for payment has not been sent in conformity with Article 86 by 31 December of the second year following the year of budget commitment under the programme, with the exception mentioned in paragraph 2.

For the purpose of automatic decommitment referred to in the first subparagraph, the Commission shall calculate the amount by adding one sixth of the annual budget commitment related to 2007 total annual contribution to each of 2008 to 2013 budget commitments.’

Justification

Postponing the automatic de-commitment related to commitments made in 2007 gives some flexibility in a situation where the approval of operational programmes has been slow than expected.

Amendment 15

Proposal for a regulation – amending act

Article 1 – point 12 b (new)

Regulation (EC) No 1083/2006

Article 93 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

(12b) In Article 93, the following paragraph is inserted:

‘2a. By way of derogation from the first subparagraph of paragraph 1 and from paragraph 2, the deadlines for automatic decommitment shall not apply to the annual budget commitment related to the 2007 total annual contribution.’

Justification

Postponing the automatic de-commitment related to commitments made in 2007 gives some flexibility in a situation where the approval of operational programmes has been slow than expected.

Amendment 16

Proposal for a regulation – amending act

Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1a

Transitional measures

In order to meet the exceptional circumstances of the transition to the decommitment rules introduced by this Regulation, appropriations which have been cancelled because of decommitments made by the Commission for the financial year 2007 in the implementation of the first subparagraph of Article 93(1) and of Article 97 of Regulation (EC) No 1083/2006, pursuant to Article 11 of the Financial Regulation, shall be reconstituted to the extent necessary for the implementation of the second subparagraph of Article 93(1) of Regulation (EC) No 1083/2006.

Justification

Postponing the automatic de-commitment related to commitments made in 2007 gives some flexibility in a situation where the approval of operational programmes has been slow than expected.

Amendment 17

Proposal for a regulation – amending act

Article 1 b (new)

Text proposed by the Commission

Amendment

Article 1b

The Commission shall report to the

***European Parliament and the Council
about the effect of this Regulation on the
level of payments and to what extent it
will take into account the level of
payments in its draft budget. The
Commission report should also assess the
effects of this Regulation on employment
and social inclusion.***

PROCEDURE

Title	General provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards simplification of certain requirements and as regards certain provisions relating to financial management	
References	COM(2009)0384 – C7-0003/2010 – 2009/0107(COD)	
Committee responsible	REGI	
Opinion by Date announced in plenary	EMPL 18.1.2010	
Rapporteur Date appointed	Regina Bastos 17.9.2009	
Discussed in committee	4.3.2010	16.3.2010
Date adopted	17.3.2010	
Result of final vote	+: 32 -: 2 0: 1	
Members present for the final vote	Regina Bastos, Edit Bauer, Pervenche Berès, Milan Cabrnoch, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Ilda Figueiredo, Thomas Händel, Marian Harkin, Roger Helmer, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Patrick Le Hyaric, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Rovana Plumb, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu	
Substitute(s) present for the final vote	Jürgen Creutzmann, Dieter-Lebrecht Koch, Csaba Sógor, Emilie Turunen	