DRAFT REPORT

on ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’
(2014/2245(INI))

Committee on Regional Development

Rapporteur: Tamás Deutsch
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION</td>
<td>3</td>
</tr>
<tr>
<td>EXPLANATORY STATEMENT</td>
<td>12</td>
</tr>
</tbody>
</table>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’
(2014/2245(INI))

The European Parliament,

– having regard to the Commission’s sixth report on economic, social and territorial cohesion entitled ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’ of 23 July 2014 (hereinafter ‘the Sixth Cohesion Report’),

– having regard to the Treaty on the Functioning of the European Union (TFEU) and in particular Articles 4, 162 and 174 to 178 thereof,


– having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal⁴,


and improvement of the establishment and functioning of such groupings\(^1\),


– having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020\(^3\),


– having regard to the ‘Territorial Agenda of the European Union 2020: Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions’, agreed on at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development meeting in Gödöllő, Hungary, on 19 May 2011,

– having regard to the Commission’s eighth progress report on economic, social and territorial cohesion entitled ‘The urban and regional dimension of the crisis’ of 26 June 2013,

– having regard to its resolution of 14 January 2014 on smart specialisation: networking excellence for a sound Cohesion Policy\(^5\),

– having regard to its resolution of 14 January 2014 on EU Member States preparedness to an effective and timely start of the new Cohesion Policy Programming period\(^6\),

– having regard to its resolution of 26 February 2014 on the European Commission’s 7th and 8th progress reports on the EU Cohesion Policy and the Strategic Report 2013 on programme implementation 2007-2013\(^7\),

– having regard to its resolution of 27 November 2014 on delays in the start-up of cohesion policy for 2014-2020\(^8\),

– having regard to the communication from the Commission of 19 October 2011 entitled ‘A framework for the next generation of innovative financial instruments – the EU equity and debt platforms’ (COM(2011)0662),

having regard to the communication from the Commission of 13 January 2015 entitled ‘Making the best use of the flexibility within the existing rules of the stability and growth pact’ (COM(2015)0012),

having regard to the Special Report of the European Court of Auditors entitled ‘Financial Instruments for SMEs co-financed by the European Regional Development Fund’ (Special Report No. 2/2012),

having regard to the Council conclusions on the sixth report on economic, social and territorial cohesion: investment for jobs and growth, adopted by the General Affairs (Cohesion) Council on 19 November 2014,

having regard to the opinion of the Committee of the Regions of 3 December 2014 on the sixth report on economic, social and territorial cohesion1,

having regard to the opinion of the European Economic and Social Committee of 21 January 2015 on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Sixth report on economic, social and territorial cohesion: investment for jobs and growth2,

having regard to Rule 52 of its Rules of Procedure,

A. whereas the determining role of EU cohesion policy in reducing regional disparities, promoting economic, social and territorial cohesion among the regions of Member States, and supporting job creation is incontestable; whereas cohesion policy represents the main EU-wide investment policy in the real economy and is an established tool for growth and jobs in the EU, with a budget of over EUR 350 billion until 2020; whereas in some Member States it forms the principal source of public investment; whereas the concrete and visible nature of the results of cohesion policy has been confirmed by many different evaluation methods;

B. whereas it is justifiable that the goals of cohesion policy have evolved over time and that the policy itself has become more closely linked to the overall policy agenda of the EU; whereas, nevertheless, the original role of cohesion policy – the strengthening of economic, social and territorial cohesion in all EU regions – should be reinforced; whereas cohesion policy ought not to be regarded as merely an instrument to attain the goals of the Europe 2020 strategy and other EU development strategies;

C. whereas through thematic concentration, cohesion policy resources are targeted at a limited number of strategic goals with growth-enhancing potential;

D. whereas the Partnership Agreements and Operational Programmes are strategic tools to guide investments in Member States and regions, provided for in Articles 14, 16 and 29 of the Common Provisions Regulation with a timeline for their submission and

---

adoption, according to which Partnership Agreements should have been adopted by the end of August 2014, and Operational Programmes by the end of January 2015, at the latest;

E. whereas the informal Council that met in Gödöllő, Hungary, in 2011 has asked the successive Council presidencies of 2015 and 2016 to evaluate and consider whether the EU Territorial Agenda 2020 should be reviewed, taking account of how it works in practice, and then eventually lead any such review;

Achievements and challenges of cohesion policy in the context of the economic and financial crisis (programming period 2007-2013)

1. Underlines that cohesion policy investments have cushioned significantly the negative effects of the economic and financial crisis and has given stability to regions by ensuring the flow of funding when national and regional public and private investments fell sharply;

2. Highlights that cohesion policy has proven its capacity to react quickly with flexible measures to improve the liquidity gap for Member States and regions, such as reducing national co-financing and providing additional advance payments, as well as redirecting 13 % of total funding (EUR 45 billion) to support economic activity and employment with direct effects;

3. Welcomes the recent reform of cohesion policy aimed at tackling these challenges, based on a coherent strategic framework for 2014-2020 with clear objectives and incentives for all Operational Programmes; calls on all actors involved to ensure the effectiveness and efficiency of the implementation of the new legislative framework for cohesion policy;

4. Stresses that a stable fiscal and economic – as well as regulatory, administrative and institutional – environment is crucial for the effectiveness of cohesion policy; emphasises that, in order to achieve both the cohesion and Europe 2020 objectives, the policy must be aligned closely with sectoral policies and other EU investment schemes;

Implementation and payment problems

5. Expresses its serious concern about the significant delay in the implementation of cohesion policy 2014-2020, including the delay in adoption of Operational Programmes, with only just over 100 Operational Programmes adopted at the end of 2014, as well as a backlog in payments amounting to ca EUR 25 billion for the 2007-2013 programming period; stresses that these delays are undermining the credibility of cohesion policy, effectiveness and sustainability, challenging national, regional and local authorities’ capacity to plan effectively and implement the European Structural and Investment Funds (ESIF) for the 2014-2020 period;

6. Underlines that the aforementioned backlog under Heading 1b of the EU budget is in fact the most important immediate factor endangering the implementation of cohesion policy, both in the previous and, prospectively, in the current 2014-2020 programming period; reiterates that the impact of this backlog is felt forcefully by the cohesion policy
actors on the ground, sometimes to the extreme; calls, therefore, on the Commission to elaborate a roadmap, envisaging a specific timeline of concrete, step-by-step policy actions, backed up by singled-out budgetary means, in order to reduce, and then eliminate, the backlog; is convinced that the first objective of these actions ought to be making 2015 the year in which this backlog reduction is felt in a tangible manner;

7. Stresses that it is imperative to start the implementation of the Operational Programmes as soon as they are adopted, in order to maximise the results of the investments, boost job creation and raise productivity growth, and that the Commission and the Member States should do their utmost to speed up their adoption; demands that the Commission – while keeping a high focus on quality and the need to keep up the fight against fraud – analyses all possible ways of streamlining its internal procedures in order to ensure that Operational Programmes resubmitted after the deadline of 24 November 2014 are also taken into consideration; is aware that two scenarios are envisaged for the adoption of Operational Programmes, both implying further delays as regards the start of implementation;

8. Asks the Commission, in view of the above, to present to Parliament the measures it envisages to facilitate, as soon as possible, the implementation of the Operational Programmes, together with the timeline it envisages, as well as to explain the impact of the delay in payments on the start of implementation of the new Operational Programmes, and to put forward solutions to limit the damage as far as possible; demands, furthermore, that the Commission, in the context of the report on the outcome of the negotiations provided for in Article 16(3) of the Common Provisions Regulation, analyses the possible impact of the belated start-up of the 2014-2020 cohesion policy on growth and jobs, and provides recommendations based on the lessons learnt;

Cohesion policy at the core of smart, sustainable and inclusive investments 2014-2020

9. Reiterates the original role of cohesion policy to promote economic, social and territorial development and reduce regional disparities; underlines that by its nature and original set up, as stipulated in the Treaty, the policy contributes inherently to the objectives of the Union, in particular to the Europe 2020 goals of smart, sustainable and inclusive growth;

10. Welcomes the new European Fund for Strategic Investment (EFSI) and its potential leverage effect; advises the parties concerned to build on the experiences gained from the implementation of the European Economic Recovery Plan in 2008, in particular regarding smart investments; calls for the coordination of all EU investment policies – in particular cohesion policy – to ensure complementarity and avoid overlaps; suggests that the implementation of this new EU investment plan build on the experiences of the three joint initiatives JEREMIE, JESSICA and JASMINE, which allowed an increase in the delivery of Structural Funds from EUR 1.2 billion in 2000-2006 to EUR 8.4 billion in 2007-2012;

11. Underlines that cohesion policy legislation provides for the extended use of financial instruments, in order to double their contribution to about EUR 25-30 billion in 2014-2020, by extending their thematic scope and offering more flexibility to Member States and regions; supports, in particular, the risk-sharing “SME initiative”, and calls on the
Commission to make all efforts to make financial instruments easily usable and tempting for Member States and regions, thus ensuring that the doubling is achieved on its own merits and that stakeholder ownership of this target is well established;

12. Warns, however, that the EFSI should not undermine the strategic coherence and long-term perspective of cohesion policy programming; stresses that a re-direction of Structural Funds would be counterproductive, putting their effectiveness – and the development of the regions – at risk; points out that the financial allocations to Member States agreed on under Heading 1b in the Multiannual Financial Framework 2014-2020 cannot be modified in response to potential needs of the EFSI; emphasises that the replacement of grants by loans, equity or guarantees, while having certain advantages, must be carried out with caution, taking into account regional disparities; points out that the regions most in need of investment stimuli have low administrative and absorption capacities;

Effectiveness, efficiency and performance orientation of cohesion policy 2014-2020

13. Highlights the importance of all measures aimed at increasing the effectiveness, efficiency and result orientation of cohesion policy;

14. Welcomes the thematic concentration supporting investments in smart, sustainable and inclusive growth; maintains, at the same time, the requirement of some flexibility for the regions, depending on local and regional specificities, especially in the context of the severe crisis; calls for a genuinely integrated and territorial approach to target programmes and projects that address the needs on the ground;

15. Notes the importance of a solid macroeconomic environment for cohesion investments and welcomes the link of the ESIF to the European Semester;

16. Emphasises, in this context, Parliament’s responsibility to control; demands that the Commission and the Council provide full, transparent and timely information on the criteria for, and on the entire procedure that could trigger, a suspension of commitments or payments of the ESIF in accordance with in Article 23(15) of the Common Provisions Regulation;

17. Points out that a simplification of management and procedures would also allow for error rates in the implementation of cohesion programmes to be reduced; underlines that these errors stem to a considerable degree from legislation outside of cohesion policy, such as public procurement and state aide rules; is concerned about the low rates of disbursement of financial instruments to beneficiaries, in particular in view of the objective to increase the use of these instruments;

Employment, SMEs, youth and education

18. Stresses that the ESIF could make a significant contribution to reversing the negative social consequences of the crisis, and that, for this to happen, an integrated approach offered by multi-fund programming should be pursued, with more efficient coordination of, and greater flexibility among, the funds, allowing for better exploitation of the synergies between the ESF and the ERDF, in particular; emphasises that investments
funded by the ESF cannot produce optimal results if the relevant infrastructure and appropriate institutions are not in place; stresses that the integrated and territorial approach is particularly essential when it comes to environmental and energy matters; draws attention to the fact that the ESIF can effectively support social inclusion, and should therefore be mobilised to help the integration of disadvantaged and vulnerable groups such as Roma and persons with disabilities;

19. Emphasises the key role of SMEs in job creation, smart growth, and the digital and low-carbon economies; calls for a favourable regulatory environment that is conducive to the setting up and running of such enterprises; underlines the importance of cutting bureaucratic burdens imposed on SMEs and of facilitating their access to finance, as well as the need to support programmes and trainings that promote the development of entrepreneurial skills;

20. Warns that the alarming rates of youth unemployment threaten to bring about the loss of an entire generation; insists that advancing the integration of young people into the job market must remain a top priority, to the attainment of which the integrated use of the ESF and the ERDF can make a major contribution; considers that a more results-oriented approach should be taken in this regard to ensure the most effective use of available resources;

**Governance of the policy**

21. Emphasises that cohesion policy needs to be conducted within the spirit of properly functioning multi-level governance, combined with an effective set-up for responding to the requests of the public and businesses, and with transparent and innovative public procurement, all of which is crucial to enhancing the policy’s impact; stresses, in this regard, that, notwithstanding the importance of decisions taken at EU and Member State levels, local and regional authorities often have primary administrative responsibility for public investment, and that cohesion policy is a vital tool enabling these authorities to play a key role in the EU; stresses that this level of responsibility should be taken into consideration, in keeping with the partnership principle;

22. Recommends that cohesion policy resources and knowledge be used to bolster administrative capacity of public authorities in a significant way, especially at the local and regional level, so that their ability to offer quality services to the public is improved, including through greater use of new technologies and a drive for more streamlined procedures; calls on the Commission to define forms of administrative assistance on key issues such as setting targets for initiatives, assessing their results through appropriate indicators and determining the next steps to be taken in order to help establish an administrative culture based on monitoring and evaluation across the EU; considers it important to ensure assistance to local and regional authorities on the innovative financial instruments, which are crucial to increasing resources and investments, and on public procurement, which should increasingly feature as a public administration tool for spurring innovation and creativity;

23. Is convinced that the Code of Conduct on Partnership will strengthen participation in programming in the regions, in form and substance, and has a fundamental role to play in boosting the effects of cohesion policy and consolidating its impact;
Territorial dimension

24. Notes with concern the relative lack of a territorial approach, and in particular of references to cross-border co-operation, in the Sixth Cohesion Report; points out that the inclusion of cross-border aspects would have had an enriching effect, as far as e.g. infrastructure, labour market and mobility, environment, water use and disposal, waste management, health care, research and development, tourism, public services and governance are concerned, as all of these areas include remarkable cross-border elements and potential; is convinced that in the programming period 2014-2020 the performance of European border and cross-border regions in coming to terms with the crisis, by growing smarter, more inclusive and more sustainable, will improve considerably;

25. Welcomes the introduction of new tools to integrate coordination of stakeholders and EU policies, and to focus investments on the real needs on the ground, such as the Integrated Territorial Investments and the Community-Led Local Development instruments; points to the importance of adopting instruments for assessing the territorial impact of policies, the main objective of which is to consider the territorial impact of EU policies on local and regional authorities and to draw greater attention to that impact in the legislative process; calls for an overall integrated EU investment strategy, and a strengthening of the EU Territorial Agenda 2020 that was adopted under the Hungarian Presidency 2011 and that is scheduled to be evaluated by the presidencies of 2015; is of the opinion that particular attention should be paid to strengthening the role of small- and medium-sized urban areas in the framework of an EU Urban Agenda;

26. Approves, nevertheless, of the fact that urban issues are highlighted by the report, given the importance of cities in the globalised economy and their potential impact in terms of sustainability; notes the commitment of European regions and cities to making the transition to greener growth, as embodied by the Covenant of Mayors; suggests that the major gaps in development between rural and urban areas also be duly addressed;

27. Calls for greater respect for Article 174 TFEU on territorial cohesion, in particular in rural areas, with attention duly paid to the important relationship between cohesion policy and rural development, in particular as regards areas affected by industrial transition, and regions that suffer from severe and permanent natural or demographic handicaps, such as northernmost regions with low population density and island, cross-border and mountain regions; recommends that consideration also be given to other demographic challenges that have a major impact on regions, such as depopulation, an ageing population and highly dispersed populations; asks the Commission to pay particular attention to the most geographically and demographically disadvantaged areas when implementing cohesion policy;

28. Is of the opinion that the Sixth Cohesion Report pays insufficient attention to European Territorial Cooperation (ETC), given that this has been a fully-fledged cohesion policy objective since the 2007-2013 programming period; recalls the potential of the European Grouping of Territorial Cooperation (EGTC) not only as an instrument for managing cross-border governance, but also as a means of contributing to a comprehensively integrated territorial development;
29. Calls for closer coordination between cohesion policy and the EU Neighbourhood Policy, as well as for better assessment and dissemination of the results of projects;

**Cohesion policy in the long-term perspective**

30. Recalls, in view of all of the above, the necessity for a new dynamic to be given to the EU cohesion policy debate; states that the 2019 European Parliament election year will be decisive, as the then newly-elected Parliament, and new Commission, will have to deal with the termination of the Europe 2020 strategy and an upcoming new MFF, as well as prepare new legislation for cohesion policy; notes that the cohesion policy debate has to take into account the serious time constraints and delays experienced at the beginning of the current programming period;

31. Stresses the crucial importance of administrative capacities; calls on policy makers at all governance levels to favour targeted technical assistance for the implementation of cohesion policies in general, and for the extended use of financial instruments combined with ESIF in particular;

32. Calls for regular Council meetings to be held with the ministers for cohesion policy, to address the need to monitor and respond to the constant challenges the economic, social and territorial cohesion of the EU is facing;

   °

   °°

33. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

Background

According to the Treaty on the Functioning of the European Union, the European Commission is to present every 3 years a Cohesion Report „on the progress made towards achieving economic, social and territorial cohesion...“. The publication of the Sixth Cohesion Report was delayed due to the adoption of the new legislative framework for cohesion policy 2014-2020; its traditional structure has been changed, now reflecting the Europe 2020 strategy.

Achievements and challenges of cohesion policy in the context of the economic and financial crisis

Looking back, the Sixth Cohesion Report illustrates that during the programming period 2007-2013 cohesion policy has mitigated the impact of the sharp decline of public investment, attaining over - 60 % in some Member States and - 20 % at EU average. Cohesion investments gave stability to regions by ensuring the flow of funding when national public and private investments fell or even ceased. However, regional disparities have recently widened and employment gains obtained since 2000 as well as competitiveness of several Member States were lost, especially in southern Member States.

Looking forward, the report points to the core targets of cohesion investments 2014-2020: energy efficiency, employment and SMEs - areas where the potential for creating sustainable jobs is indeed promising. It is important for the rapporteur to underline that the original role of cohesion policy and its instruments as defined by the Treaty make it inherently the main investment policy to achieve smart, sustainable and inclusive growth across the EU. Thus, cohesion policy cannot be considered a mere instrument for other sectoral strategies. On the contrary, its long-term integrated and multilevel governance approach provides essential added value to the implementation and ownership of EU measures that a purely sectoral policy approach cannot deliver.

Against this background, the rapporteur welcomes the new EU Investment plan for Europe to complement structural and cohesion investments. Experiences gained from the cohesion policy’s joint initiatives with Financial Instruments, such as JEREMIE, could be helpful, since the increased use of Financial Instruments is at the core of this new investment plan. At the same time it must be clearly stated, though, that neither the budget nor the long-term strategic programming of cohesion policy can in any way be negatively impacted by this new investment initiative, as this would endanger not only the development of the regions, but also the effectiveness of the EUR 350 billion cohesion policy investments programmed for regional development 2014-2020. In fact, it has to be considered that the regions most in need of investment stimulus are often the ones with lower administrative and absorption capacities which will not qualify for the new investment plan.

Effectiveness, efficiency and performance orientation of Cohesion policy

The new measures to increase effectiveness and result orientation include thematic
concentration in particular on innovation, the digital and low carbon economy, education and SME support. The rapporteur requires some flexibility for the regions, depending on their local situation, especially in the context of the severe crisis. Continuous efforts to simplify procedures and cut red tape are necessary to increase accessibility and absorption of funds and to keep error rates - often due to complex public procurement and state aid rules, not to cohesion regulations - at the lowest possible level.

The link to the European Semester and the Country Specific Recommendations can also help to make cohesion investments more effective. The European Parliament’s key role to scrutinize the whole procedure that could trigger a suspension of commitment or payments of ESIF has to be highlighted in this context. The rapporteur requests full respect of Article 23(15) of the Common Provisions Regulation, stipulating transparency and timely information of the Parliament by the Commission and the Council.

**Employment, SME’s, Youth and education**

Article 3 of the Treaty on European Union states that full employment and social progress are among the objectives of the EU and the EU 2020 Strategy sets the target of having 75 % of 20-64 year olds in employment by 2020. However, with the onset of the crisis this goal seems to be more difficult to achieve with EU unemployment staying above 9.5 % since early 2010, and being above 15 % in many Member States even in 2014.

The situation of young people is particularly worrying in terms of employment – in the second quarter of 2014, EU youth unemployment rate was 21.7 %, more than twice as high as the adult unemployment rate (9.0 %), which means that over five million people under 25 were unemployed in the EU-28 area in this period. The number of young Europeans (between 15 and 24) who are neither in employment, nor in education or training (NEETs) is also unacceptably high.

The support which cohesion policy delivers to SMEs is also highly important, as SMEs act as the backbone of EU growth and employment, having created 85 % of net employment growth over the 2002-2010 period. With a view to all this, the synergies between Structural Funds and the programme for Competitiveness of Enterprises and SMEs (COSME) and the Horizon 2020 Framework programme will be increased in the period 2014-2020 through smart specialisation strategies at regional level.

**Implementation and payment problems**

Your rapporteur recalls that according to the Common Provisions Regulation, Partnership Agreements should have been adopted by the end of August 2014 and Operational Programmes by the end of January 2015 at the latest. However, there is a clear delay in the programming process, with only just over 100 Operational Programmes adopted at the end of 2014. Two scenarios have been envisaged for the adoption of the programmes, both implying further delays for the start of implementation, namely: (i) the carry-over procedure for those programmes considered ‘ready for adoption’ by 31 December 2014, and (ii) the rebudgeting of the unused 2014 allocation for the European Structural and Investment Funds (ESIF) – entailing a technical revision of the multiannual financial framework (MFF) – for those considered ‘not ready for adoption’ by the end of 2014.
According to the timeline presented by the Commission, Operational Programmes could be adopted between 15 February and 31 March 2015 under the carry-over procedure, and after 1 May 2015 under the rebudgeting procedure. Parliament expressed serious concerns about the significant delay in the implementation of cohesion policy for the 2014-2020 period, stressing that these delays are challenging national, regional and local authorities’ capacity to plan effectively and implement the ESIF for the 2014-2020 period. Your rapporteur shares this concern. He asks therefore the Commission to present to Parliament measures to facilitate, as soon as possible, the implementation of the Operational Programmes, together with the timeline envisaged.

In addition to the delay in implementation for the 2014-2020 programming period, cohesion policy faces a backlog in payments amounting to about EUR 25 billion for the 2007-2013 programming period. The Commission is therefore also called upon to explain the impact of this delay in payments on the start of implementation of the new Operational Programmes, and to put forward solutions for limiting the damage as far as possible.

Cohesion Policy is expected to help deliver sustainable growth and employment, but the recurring problem of payment backlog leading to late payments, hindering the implementation of programmes and putting a burden on the budgets of beneficiaries and Member States, is not acceptable. Budgetary discipline means not wasting public money: but it also means paying the bills on time. Your rapporteur therefore believes that this part of the problem is the most challenging and urgent one.

**Governance issues**

Cohesion policy resources and knowledge need to be used in order to significantly bolster administrative capacity of public authorities, especially at the local and regional level, so that their ability to offer quality services to the public is improved, including through greater use of new technologies and a drive for more streamlined procedures. It is important to ensure assistance to local and regional authorities on the innovative Financial Instruments which are crucial to increase resources and investments, and on public procurement, which should increasingly feature as a public administration tool for spurring innovation and creativity.

Your rapporteur underlines that the Code of conduct on partnership would strengthen participation in programming in the regions, in form and substance, and would have a fundamental role to play in boosting the effects of cohesion policy and consolidating its impact.

**Territorial dimension**

The Sixth Cohesion Report does not use the opportunity to explain the problems and potentials in particular of cross-border cooperation, only briefly described; its results are not presented at all. Further, with few exceptions, the qualitative aspects are completely missing, even though the text offers enough possibilities to consider them (see specific boxes on single topics/areas as cities, maritime and outermost regions). Also, from the thematic and qualitative point of view, the inclusion of cross-border aspects would have had an enriching effect on the content of several chapters, as for example infrastructure, labour market and
mobility, environment, water use and disposal, waste management, health care, research and development, tourism, public services and governance. All of these areas include remarkable cross-border elements and potentials. Your rapporteur is of the opinion that European Territorial Cooperation (ETC) can provide an important contribution to European integration.

These considerations tie in, last but not least, to the issues concerning the ETC and the instrument of the European Grouping of Territorial Cooperation (EGTC). The ETC cross-border cooperation component, in particular, influences the cohesion of cross-border regions. Your rapporteur therefore proposes that the Cohesion Report should in future include an assessment of the cohesion of Europe’s cross-border regions, including an analysis of their key problems, as well as an assessment of the impact of cross-border cooperation Operational Programmes. This instrument should be given greater attention not least because it promotes cooperation and pools experience between authorities across the Member States and moves towards an administrative system that is increasingly based on shared values and operating methods. In this context, also the external dimension of cohesion policy ought to be brought into consideration.

**Cohesion policy in the long-term perspective**

Your rapporteur would like to pay special attention to the future of cohesion policy after 2020. Being fully aware that the implementation of cohesion policy 2014-2020 has only just started, and the policy is already experiencing problems due to the late adoption of programmes, the proper implementation of cohesion policy 2014-2020 has to be focused upon. However, one must not lose sight of the fact that in the year 2019 many important issues will have to be dealt with at the same time - the then new Parliament and Commission will have to deal with the end of the Europe 2020 Strategy, an upcoming new MFF, the preparation of new legislation for cohesion policy after 2020, to name a few. Given the serious time constraints, your rapporteur urges to think about the post-2020 cohesion policy already now, in order to place communities and citizens at the core of cohesion policy after 2020, to realize their common welfare, based on the well-being of the individual.