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## TEXTS ADOPTED

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### **P8\_TA(2018)0105**

#### **Strengthening economic, social and territorial cohesion in the EU**

##### **European Parliament resolution of 17 April 2018 on strengthening economic, social and territorial cohesion in the European Union: the 7th report of the European Commission (2017/2279(INI))**

*The European Parliament,*

- having regard to Article 3 of the Treaty on European Union (TEU) and Articles 4, 162, 174 to 178 and 349 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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, laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006<sup>1</sup>,
- having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006<sup>2</sup>,
- having regard to Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006<sup>3</sup>,
- having regard to Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006<sup>4</sup>,
- 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

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<sup>1</sup> OJ L 347, 20.12.2013, p. 320.

<sup>2</sup> OJ L 347, 20.12.2013, p. 289.

<sup>3</sup> OJ L 347, 20.12.2013, p. 470.

<sup>4</sup> OJ L 347, 20.12.2013, p. 281.

Regional Development Fund to the European territorial cooperation goal<sup>1</sup>,

- having regard to the Commission’s report of 9 October 2017 entitled ‘My region, my Europe, our future: The 7th report on economic, social and territorial cohesion’ (COM(2017)0583),
- having regard to the Pact of Amsterdam establishing the Urban Agenda for the EU, agreed at the informal meeting of EU ministers responsible for urban matters held on 30 May 2016 in Amsterdam,
- having regard to the judgment of the Court of Justice of the European Union of 15 December 2015<sup>2</sup>,
- having regard to the European Pillar of Social Rights, proclaimed on 17 November 2017 in Göteborg by the European Parliament, the Council and the Commission,
- having regard to the Council conclusions of 25 April 2017 on ‘Making Cohesion Policy more effective, relevant and visible to our citizens’<sup>3</sup>,
- having regard to the Council conclusions of 15 November 2017 on ‘Synergies and simplification for Cohesion Policy post-2020’<sup>4</sup>,
- having regard to the Commission’s White Paper of 1 March 2017 on ‘The future of Europe – Reflections and scenarios for the EU-27 by 2025’ (COM(2017)2025),
- having regard to the Commission’s reflection paper of 26 April 2017 on ‘The social dimension of Europe’ (COM(2017)0206),
- having regard to the Commission’s reflection paper of 10 May 2017 on ‘Harnessing globalisation’ (COM(2017)0240),
- having regard to the Commission’s reflection paper of 31 May 2017 on ‘Deepening Economic and Monetary Union’ (COM(2017)0291),
- having regard to the Commission’s reflection paper of 28 June 2017 on ‘The future of EU finances’ (COM(2017)0358),
- having regard to the Commission staff working document of 10 April 2017 entitled ‘Competitiveness in low-income and low-growth regions: report on the regions whose development is lagging behind’ (SWD(2017)0132),
- having regard to the Commission working paper entitled ‘Why regional development matters for Europe’s economic future’<sup>5</sup>,

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<sup>1</sup> OJ L 347, 20.12.2013, p. 259.

<sup>2</sup> Judgment of the Court of Justice of 15 December 2015, *Parliament and Commission v Council*, C-132/14 to C-136/14, ECLI:EU:C:2015:813.

<sup>3</sup> Doc. 8463/17.

<sup>4</sup> Doc. 14263/17.

<sup>5</sup> Iammarino, S., Rodríguez-Pose, A., Storper, M. (2017), ‘Why regional development matters for Europe’s economic future’, Working Papers 07/2017, Directorate-General for Regional and Urban Policy, European Commission.

- having regard to the Commission communication of 14 February 2018 on ‘A new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020’ (COM(2018)0098),
- having regard to the Commission communication of 24 October 2017 on ‘A stronger and renewed strategic partnership with the EU's outermost regions’ (COM(2017)0623),
- having regard to the opinion of the Committee of the Regions of 11 May 2017 entitled ‘The future of Cohesion Policy beyond 2020: For a strong and effective European cohesion policy beyond 2020’<sup>1</sup>,
- having regard to the opinion of the European Economic and Social Committee of 25 May 2016 on the Commission communication ‘Investing in jobs and growth – maximising the contribution of European Structural and Investment Funds’<sup>2</sup>,
- having regard to its resolution of 9 September 2015 entitled ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’<sup>3</sup>,
- having regard to its resolution of 9 September 2015 on the urban dimension of EU policies<sup>4</sup>,
- having regard to its resolution of 10 May 2016 entitled ‘New territorial development tools in cohesion policy 2014-2020: Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD)’<sup>5</sup>,
- having regard to its resolution of 18 May 2017 entitled ‘The right funding mix for Europe’s regions: balancing financial instruments and grants in EU cohesion policy’<sup>6</sup>,
- having regard to its resolution of 13 September 2016 on Cohesion Policy and Research and Innovation Strategies for Smart Specialisation (RIS3)<sup>7</sup>,
- having regard to its resolution of 13 September 2016 entitled ‘European Territorial Cooperation – best practices and innovative measures’<sup>8</sup>,
- having regard to its resolution of 16 February 2017 entitled ‘Investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR’<sup>9</sup>,
- having regard to its resolution of 13 June 2017 on building blocks for a post-2020 EU cohesion policy<sup>10</sup>,

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<sup>1</sup> OJ C 306, 15.9.2017, p. 8.

<sup>2</sup> OJ C 303, 19.8.2016, p. 94.

<sup>3</sup> OJ C 316, 22.9.2017, p. 132.

<sup>4</sup> OJ C 316, 22.9.2017, p. 124.

<sup>5</sup> OJ C 76, 28.2.2018, p. 2.

<sup>6</sup> Texts adopted, P8\_TA(2017)0222.

<sup>7</sup> Texts adopted, P8\_TA(2016)0320.

<sup>8</sup> Texts adopted, P8\_TA(2016)0321.

<sup>9</sup> Texts adopted, P8\_TA(2017)0053.

<sup>10</sup> Texts adopted, P8\_TA(2017)0254.

- having regard to its resolution of 13 June 2017 on increasing engagement of partners and visibility in the performance of European Structural and Investment Funds<sup>1</sup>,
  - having regard to its resolution of 6 July 2017 entitled ‘Promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 TFEU’<sup>2</sup>,
  - having regard to its resolution of 24 October 2017 on the Reflection Paper on the Future of EU Finances<sup>3</sup>,
  - having regard its resolution of 13 March 2018 on lagging regions in the EU<sup>4</sup>,
  - having regard to its resolution of 14 March 2018 entitled ‘The next MFF: Preparing the Parliament’s position on the MFF post-2020’<sup>5</sup>,
  - having regard to the conclusions and recommendations of the High Level Group monitoring simplification for beneficiaries of ESI Funds,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development and the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs and the Committee on Culture and Education (A8-0138/2018),
- A. whereas cohesion policy aims to promote harmonious and balanced development of the whole Union and its regions, leading to a strengthening of its economic, social and territorial cohesion, in a spirit of solidarity and with the aim of promoting sustainable growth, employment, social inclusion and reducing disparities between and within regions, as well as the backwardness of the least-favoured regions, in accordance with the Treaties;
- B. whereas the 7th Cohesion Report shows that regional disparities are narrowing again, but that the picture is highly uneven, whether measured by GDP per head, employment or other indicators, and that certain disparities persist, or are shifting or growing, between and within regions and Member States, including inside the euro area;
- C. whereas the 7th Cohesion Report contains worrying information about unemployment rates, including youth unemployment rates, which in many regions have not reverted to the levels seen before the crisis, and about competitiveness, poverty and social inclusion;
- D. whereas 24 % of Europeans, or almost 120 million people, are poor, living at risk of poverty or being severely materially deprived and/or living in households with low work intensity; whereas the numbers of working poor are increasing and the numbers of unemployed young people continue to be high;

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<sup>1</sup> Texts adopted, P8\_TA(2017)0245.

<sup>2</sup> Texts adopted, P8\_TA(2017)0316.

<sup>3</sup> Texts adopted, P8\_TA(2017)0401.

<sup>4</sup> Texts adopted, P8\_TA(2018)0067.

<sup>5</sup> Texts adopted, P8\_TA(2018)0075.

- E. whereas unemployment and youth unemployment in the Union have been falling gradually since 2013, but are still above 2008 levels at 7,3 % and 16,1 % respectively (December 2017)<sup>1</sup>, with considerable differences between and within Member States, and especially in some of the Member States most affected by the financial crisis; whereas regional disparities have started to narrow; whereas the differences in unemployment rates between Member States are still significant, ranging from 2,4 % in the Czech Republic and 3,6 % in Germany to 16,3 % in Spain and 20,9 % in Greece, according to the latest figures<sup>2</sup>; whereas hidden unemployment – the phenomenon of unemployed people who are willing to work but are not actively searching for employment – stood at 18 % in 2016;
- F. whereas the 7th Cohesion Report draws attention to the great diversity of regions and territories, including within current categories of regions, owing to their specific circumstances (ultraperipherality, sparse population, low income, low growth, etc.), making a tailored territorial approach essential;
- G. whereas one of the key pieces of new information provided by the 7th Cohesion Report concerns the identification of certain regions described as being caught in the ‘middle-income trap’, which risk being left behind, stagnating or falling behind;
- H. whereas the 7th Cohesion Report emphasises the existence of pockets of poverty, the risk of territorial fragmentation and the widening of infraregional disparities, including in more prosperous regions;
- I. whereas the 7th Cohesion Report states that ‘the impact of globalisation, migration, poverty and a lack of innovation, climate change, energy transition and pollution is not limited to less developed regions’;
- J. whereas while cohesion policy has played a substantial role in the recovery of the EU economy through the promotion of smart, sustainable and inclusive growth, public investment in the EU is still below its pre-crisis level, with major gaps in some of the Member States most affected by the crisis, as it fell from 3,4 % of GDP in 2008 to 2,7 % in 2016;
- K. whereas the 7th Cohesion Report clearly presents the outcomes of cohesion policy in terms of growth, jobs, transport, energy, the environment and education and training, as evidenced in the 2014-2020 programming period by the support lent to 1,1 million SMEs, leading directly to the creation of a further 420 000 new jobs, helping more than 7,4 million unemployed find a job, and additionally helping over 8,9 million people to gain new qualifications, thus making the policy the glue that holds Europe together;

### ***The added value of cohesion policy***

1. Considers it crucial that cohesion policy in the new programming period should continue to adequately cover all European regions and remain the European Union’s main public investment instrument based on long-term strategy and perspectives, with a budget commensurate with existing and new challenges, and ensuring the fulfilment of

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<sup>1</sup> <http://ec.europa.eu/eurostat/documents/2995521/8631691/3-31012018-BP-EN.pdf/bdc1dbf2-6511-4dc5-ac90-dbadee96f5fb>

<sup>2</sup> <http://ec.europa.eu/eurostat/documents/2995521/8701418/3-01032018-AP-EN/37be1dc2-3905-4b39-9ef6-adcea3cc347a>

the basic goals of the policy; stresses that a concentration of cohesion policy exclusively on the least developed regions would hinder progress on the political priorities of the Union as a whole;

2. Emphasises that cohesion policy provides European added value by contributing to European public goods and priorities (such as growth, social inclusion, innovation and environmental protection), as well as to public and private investment, and that it is a fundamental tool for achieving the Treaty objective of combating disparities with a view to the upward adaptation of living standards and reducing the backwardness of the least favoured regions;
3. Reiterates its strong commitment to shared management and the principle of partnership, which should be maintained and strengthened for post-2020, as well as to multi-level governance (MLG) and subsidiarity, which contribute to the added value generated by cohesion policy; stresses that the added value of this policy stems primarily from its ability to take into account national development needs along with the needs and specificities of different regions and territories, and to bring the Union closer to its citizens;
4. Emphasises that European added value is strongly reflected in European territorial cooperation (ETC) in all its dimensions (cross-border, transnational and interregional cooperation, both internal and external), as contributing to the overall economic, social and territorial cohesion objectives, as well as to solidarity; reiterates the call for an increase in its share of the budget allocated to cohesion policy, while improving coordination between different programmes to avoid overlaps; recalls the importance of the implementation of macroregional strategies for the achievement of the cohesion policy objectives;
5. Notes that the implementation of cohesion policy in a region can generate externalities and direct and indirect spillover benefits in all of the EU, thanks inter alia to the increased trade generated, strengthening the single market; points out, however, that these benefits vary considerably from one Member State to the other, depending in particular on geographic proximity and the structure of the Member States' economies;
6. Underlines the need to develop a 'cost of non-cohesion policy' methodology in order to provide additional quantifiable evidence on the European added value of cohesion policy, following the example of the work done by the European Parliament on the 'cost of non-Europe';

### ***The territorial dimension***

7. Notes that urban areas combine, on the one hand, major growth, investment and innovation opportunities and, on the other, various environmental, economic and social challenges, inter alia because of the concentration of people and the existence of pockets of poverty, including in relatively prosperous cities; stresses, therefore, that the risk of poverty or social exclusion remains a key challenge;
8. Emphasises that efforts to consolidate the territorial dimension of cohesion policy require greater attention to be paid to peri-urban and rural problems, with reference to expertise of the local authorities and a particular focus on medium-sized towns in each Member State;

9. Stresses the importance of supporting rural areas in all their diversity, by valuing their potential, encouraging investment in projects that support local economies as well as better transport connectivity, accessibility and very high-speed broadband, and assisting those areas in meeting the challenges they face, namely rural desertification, social inclusion, lack of job opportunities, entrepreneurship incentives and affordable housing, population loss, the destruction of city-centre communities, areas without healthcare, etc; stresses, in this respect, the importance of the second pillar of the CAP in promoting sustainable rural development;
10. Calls for greater account to be taken of certain specific territorial characteristics, such as those of the regions mentioned in Article 174(3) TFEU, such as island, mountain, rural, border, northernmost, coastal or peripheral regions, when investment priorities are set; underlines the importance of creating tailor-made strategies, programmes and actions for these different regions, or even exploring the possible launch of new specific agendas, following the example set by the Urban Agenda for the EU and the Pact of Amsterdam;
11. Recalls that the particular structural social and economic situation of the outermost regions justifies specific measures, including with regard to their conditions of access to the ESI Funds, in accordance with Article 349 TFEU; stresses the need to perpetuate all the derogations intended to compensate for their structural disadvantages, as well as to improve the specific measures for these regions by adjusting them whenever necessary; calls on the Commission and the Member States to take the judgment of the Court of Justice of the EU of 15 December 2015 as the basis for ensuring that Article 349 TFEU is properly applied as regards the conditions governing access to the Structural Funds; suggests in particular extending the specific allocation for the outermost regions to the social component, maintaining the current level of Union cofinancing in those regions, and better tailoring the thematic concentration; underlines the potential of outermost regions as, for example, privileged areas for the implementation of experimental projects;
12. Considers that the introduction of integrated strategies for sustainable urban development has been a success and should therefore be strengthened as well as replicated in other sub-regional territories, for example by establishing an integrated territorial approach alongside the thematic objectives, but without prejudice to thematic concentration; underlines the importance of community-led local development, strengthening the ability of cohesion policy to involve local actors; stresses the need to explore the possibility of introducing the preparation of national and regional operational programmes based on integrated territorial strategies and smart specialisation strategies;

***The ‘middle-income regions’: fostering resilience and preventing vulnerable territories from falling behind***

13. Underlines that the ‘middle-income regions’ have not grown at the same rate as either the low-income regions (which still need to catch up with the rest of the EU) and the regions with very high income, as they face the challenge referred to as the ‘middle-income trap’, because of their excessively high costs in comparison with the former and excessively weak innovation systems in comparison with the latter; notes, moreover, that these territories are characterised by struggling manufacturing industries and by their vulnerability to the shocks caused by globalisation and the resultant socio-

economic changes;

14. Is convinced that a major challenge for future cohesion policy will be to provide appropriate support to the middle-income regions, in order, inter alia, to create an investment-friendly climate, and that cohesion policy must both reduce disparities and inequalities and prevent vulnerable regions from falling behind, by taking the different trends, dynamics and circumstances into account;
15. Calls on the Commission to address the challenges faced by the middle-income regions which are characterised by a low growth rate compared to the EU average, in such a way as to promote the overall harmonious development of the Union; recalls that, in order to support these regions and offer solutions to their problems, the future cohesion policy should properly cover, support and include them in the next programming period, including through the creation and implementation of tailor-made strategies, programmes and actions; recalls, in this context, the importance of complementary indicators in addition to GDP in order to offer a more precise picture of the socio-economic conditions of these specific regions; considers that more attention should be paid to the early identification of vulnerabilities, so as to enable cohesion policy to support regions' resilience and prevent the development of new disparities in all types of regions;
16. Welcomes the Commission's launch of a pilot project to provide tailored support geared to the specific challenges facing regions in industrial transition; calls on the Commission to draw lessons from the pilot project, and expects to see the envisaged results as soon as possible; believes that smart specialisation strategies have the potential to offer, through a holistic approach, better support to these regions in their development strategies and, more generally, promote differentiated implementation at regional level, but could also be supported through additional cooperation and exchange of knowledge and experience among the regions; welcomes actions such as the Vanguard Initiative for using smart specialisation strategy to boost growth and industrial renewal in priority areas in the EU;
17. Stresses that social and fiscal convergence help foster cohesion while improving the functioning of the single market; takes the view that divergent practices in this area may run counter to the objective of cohesion and are liable to cause further problems for territories which are lagging behind or are the most vulnerable to globalisation, and draws attention to the continuous need for less developed regions to catch up with the rest of the Union; considers that cohesion policy could contribute to the promotion of social and fiscal convergence (alongside economic and territorial convergence) by providing positive incentives; underlines in this regard the possibility of relying, for instance, on the European Pillar of Social Rights; calls on the Commission to take better account of this aspect in the European Semester so that the social dimension of cohesion policy is better integrated with economic policy, while also properly involving local and regional authorities in order to increase the efficiency of the process and reinforce ownership of it;

### ***Fields of action***

18. Supports a strong thematic concentration on a limited number of priorities linked to major European political objectives, while allowing managing authorities more flexibility in drawing up their territorial strategies on the basis of needs and potential,

after inclusive local and regional consultation in the preparation of partnership agreements; stresses that employment (including youth unemployment), social inclusion, fighting poverty, supporting innovation, digitalisation, support for SMEs and start-ups, climate change, the circular economy and infrastructure should constitute priority areas for cohesion policy in future;

19. Welcomes the adoption of the European Pillar of Social Rights, which represents a step forward in building a social Europe; reiterates its commitment to the ESF as a strong integrated part of the ESI funds, and to the Youth Guarantee, the Youth Employment Initiative and the European Solidarity Corps, in view of their role in meeting the challenges of employment, economic growth, social inclusion, learning and vocational training;
20. Emphasises that future cohesion policy should focus more on protecting and supporting communities and territories adversely affected by globalisation (plant relocations, job losses) and also by similar intra-EU trends; calls for coordination between the Structural Funds and the European Globalisation Adjustment Fund in relevant cases to be explored, in order to cover, among other things, intra-EU relocations;
21. Notes that vulnerability to climate change varies widely from one region to another; considers that the ESI Funds should be used as effectively as possible to help the EU meet its commitments under the Paris Climate Agreement (COP21), e.g. with reference to renewable energies, energy efficiency or exchange of good practices, in particular in the housing sector, and to take into account the UN Sustainable Development Goals; insists that funding under the solidarity instruments for use in the event of natural disasters should be made available as rapidly as is possible under the circumstances, and always in a coordinated manner;
22. Calls for the ESI Funds to be used to address, in a sustainable manner, the demographic challenges (ageing, population loss, demographic pressure, inability to attract or retain adequate human capital) which are affecting European regions in a variety of specific ways; stresses in particular the need to provide adequate support to territories such as certain outermost regions;
23. Stresses that a specific post-2020 financing mechanism must be created under Article 349 TFEU to integrate migrants in the outermost regions, which have to cope with greater migratory pressure owing to their specific characteristics, and thus contribute to their sustainable development;
24. Is of the opinion that the EU funds must respect the UN Convention on the Rights of Persons with Disabilities (UNCRPD) and should continue to foster deinstitutionalisation;
25. Stresses the potential of further investments in culture, education, heritage, youth, sport and sustainable tourism to create jobs, including in particular quality jobs for young people, as well as growth, and to improve social cohesion while also combating poverty and discrimination, which is of particular importance with respect, for example, to the outermost, rural and remote regions; supports the development of cultural and creative industries that are closely linked to innovation and creativity;

### ***Post-2020 programming framework***

26. Stresses that the 7th Cohesion Report highlights the need to take account of indicators complementary to per capita GDP, which should remain the main indicator, for the purpose of allocating funds and offering a more precise picture of socio-economic conditions, in line with the challenges and needs identified, including at sub-regional level; notes the importance of taking as a basis data which are of high quality, reliable, up-to-date, structured and available; requests, therefore, the Commission and Eurostat to provide the greatest detail and geographical disaggregation possible in statistics of relevance for cohesion policy so as to adequately reflect the needs of the regions in the process of programming; supports the use of social, environmental and demographic criteria, in particular the unemployment rate and the youth unemployment rate;
27. Advocates stepping up integrated approaches, and strongly emphasises that the ESF must remain an integral component of European regional policy, by virtue of its essential cohesion dimension;
28. Underlines that grants should remain the main cohesion policy funding instrument, but acknowledges that financial instruments can be an effective lever and that they should be promoted if they generate added value and on the basis of an appropriate ex ante assessment; stresses, however, that their use must not become an end in itself, that their effectiveness hinges on many factors (nature of the project, of the territory or of the risk) and that all regions, regardless of their level of development, must be free to determine the most appropriate method of financing; would oppose any binding targets for the use of financial instruments;
29. Calls for the conditions governing the use of financial instruments to be simplified and for the coordination of these instruments with grants to be facilitated with a view to complementarity, efficiency and territorial realities; emphasises the importance of administrative capacity and quality of governance, as well as of the complementary role played by national development banks and institutions in implementing financial instruments tailored to local needs; regards it as essential to harmonise the rules on financial instruments as much as possible, however they are managed; proposes, in addition to the already existing financial instruments for cohesion policy, promoting participatory financial instruments as well;
30. Believes that a link between cohesion policy and the guarantee of an environment conducive to investment, effectiveness and the proper use of funds is also helpful for the achievements of the cohesion policy objectives, while stressing that cohesion policy is not meant to be reduced to an instrument for serving priorities without reference to its objectives; stresses the need to apply the agreed position on the Stability and Growth Pact regarding flexibility for cyclical conditions, structural reforms and government investments; believes that the measures linking the effectiveness of the ESI Funds to sound economic governance, as outlined in Regulation (EU) No 1303/2013, should be carefully analysed, including through the involvement of all stakeholders; is of the opinion that the Commission should consider adjustments to how the cohesion policy and the European Semester are linked in order to strengthen the latter's territorial and social dimension, and take account of other factors which contribute to the achievement of cohesion objectives, such as real convergence; calls on the Commission, in this context and in the framework of the European Semester, to look into regional and national cofinancing under the ESI Funds and its impact on national deficits;
31. Calls for the smart specialisation strategies to be intensified as a novel avenue to pursue

investment in long-term growth potential in a context of rapid technological change and globalisation; acknowledges the usefulness of ex ante conditionalities, but stresses that in some cases they have been a source of complexity and delays in the development and launching of programming; takes note of the Court of Auditors' observations on ex ante conditionalities in its Special Report 15/2017; calls on the Commission to consider reducing, where appropriate, the number of ex ante conditionalities and, in this field, to improve compliance with the principles of proportionality and subsidiarity, making maximum use of existing strategic documents which could fulfil future ex ante conditionalities; underlines that ex ante conditionalities should be closely related to the effectiveness of investments, while ensuring equal treatment for all Member States;

32. Notes that the quality and stability of public administration, for which good education, training and locally available advisory assistance are preconditions, remains a decisive factor for regional growth and the effectiveness of the ESI Funds; emphasises the need to improve the quality of governance, and to ensure that sufficient technical assistance is available, as these have a serious impact on the sound implementation of cohesion policy, and can vary substantially in Member States, as is especially visible in, for example, lagging regions; calls on the Commission, in particular, to evaluate the future JASPERS programme in the light of the recommendations of the European Court of Auditors;
33. Supports a shift in cohesion policy towards a greater focus on results and content, moving away from an accounting-based approach towards one which focuses on performance and allows managing authorities more flexibility as to how to achieve targets, while respecting the principles of, inter alia, partnership, transparency and accountability;
34. Considers it imperative to keep up the fight against fraud, and urges zero tolerance of corruption;

#### *A simplified cohesion policy*

35. Calls on the Commission to take account of the recommendations of the High Level Group on Simplification in its future legislative proposals;
36. Stresses the need to provide a framework which guarantees legal stability through simple, clear and predictable rules, particularly as regards management and auditing, in order to ensure a proper balance between performance and simplification objectives; calls, in the next programming period, for a reduction in the volume of legislation and guidelines (with caution, so as to provide, in close cooperation with stakeholders, the necessary continuity of rules and procedures, which the interested subjects and managing authorities are familiar with); calls for the relevant documents to be translated into all the EU languages and for any retrospective application and interpretation of rules to be avoided as much as possible; calls for a unified legal framework and guidelines on cross-border projects;
37. Stresses, at the same time, the need to avoid over-regulation and to make operational programmes genuine strategic documents which are more concise and more flexible, establishing a simplified procedure for their targeted modification during programming (e.g. in case of natural disasters), in order to adequately respond to changing global realities and regional demand;

38. Calls for a genuine single set of rules to be introduced for the ESI Funds, including the further harmonisation of common rules for instruments contributing to the same thematic objective; considers it necessary to streamline procurement procedures under the Funds and to accelerate state aid procedures where compliance is required; supports consistent treatment of European funds under direct management and cohesion funds where state aid is concerned in a more coherent manner, and, more generally, harmonised rules for European instruments aimed at the same beneficiaries; stresses the importance of greater complementarity between cohesion policy and the future EU research programme, in order to cover the full cycle from basic research to commercial applications; considers that thematic concentration should be preserved in order to enable synergies between different funding sources at project level;
39. Takes note of the establishment of a task force on subsidiarity and proportionality, and looks to that working group to make practical proposals to improve compliance with the two principles in the context of cohesion policy; supports ensuring the application of these principles with a view to a genuine MLG which requires appropriate empowerment for local and regional authorities as well as other stakeholders;
40. Regrets that the Commission has not come up with a more integrated evaluation of cross-cutting policies, while synergies between different European policies have not been reported; asks for ambitious strategies, financing and actions which will increase synergies with other EU funds and attract complementary financial support; stresses the need to further optimise the synergies between the ESI Funds and other instruments, including the European Fund for Strategic Investments (EFSI), as well as with the other centrally managed programmes such as Horizon 2020, which is complementary to cohesion policy in supporting research and innovation;
41. Calls for requirements in respect of the programming, implementation and monitoring of the ESI Funds in future to be based on the principles of differentiation and proportionality, grounded in transparent and fair criteria and in accordance with the amounts allocated to programmes, the risk profile, the quality of administration and the level of financing by recipients;
42. Regards it as essential that the relationship between the Commission and the managing authorities should evolve towards a 'contract of confidence'; recalls, in this context, the importance of having an adequate and functioning MLG framework; calls on the Commission to build on the work already done in the area of sound public finance management, introducing the principle of a new label to reward managing authorities which have demonstrated their ability to comply with the rules; calls, in relation to monitoring, for greater reliance on national and regional rules where their effectiveness has been verified and validated;
43. Calls for the single audit principle to be strengthened, for the implementation of e-cohesion to be speeded up and for the use of simplified and standardised costs to be adopted across the board, since, among other things, this has proven easier to implement and has not given rise to any errors; stresses the potential of digitalisation as regards monitoring and reporting activities; is of the opinion that the exchange of expertise should be facilitated by establishing a knowledge-sharing portal to exchange good practices;
44. Calls on the Commission to put forward ideas for improving the response of cohesion

policy to unforeseen events, and reiterates, in this context, its call for the creation of a reserve of a nature such as to give the regions additional flexibility without jeopardising the long-term goals of the operational programmes;

### *Challenges and prospects*

45. Is extremely concerned at the scenarios recently presented by the Commission, concerning the cuts to the cohesion policy budget that might be made under the next MFF and which would exclude many regions from the scope of cohesion policy; wishes to see an ambitious budget commensurate with the challenges facing the regions, and calls for cohesion policy not to be made an adjustment variable; points out that the coverage of all EU regions is a 'red line' for the European Parliament; stresses that the theory of 'economic development clubs' confirms the importance of differentiated support for all European regions, including regions with a very high income, which must remain competitive with their global competitors;
46. Considers that cohesion policy can help to meet new challenges, such as security or the integration of refugees under international protection; stresses, however, that cohesion policy cannot be the solution to all crises, and opposes the use of cohesion policy funds to cover short-term financing needs outside the policy's scope, recalling that it is aimed at the socio-economic development of the EU in the medium and long term;
47. Notes the positive results of EFSI, which, however, must invest even more transparently and purposefully; stresses that cohesion policy and EFSI are based on different concepts and objectives which in certain cases can be complementary, but that one cannot be a substitute for the other, irrespective of the level of development of the regions, especially as EFSI, unlike the Structural Funds, is predominantly loan-based; recalls the importance of making an appropriate distinction between EFSI and cohesion policy, as well as identifying clear opportunities for their combination;
48. Reiterates its commitment to long-term programming; considers that the only viable alternative to the current period of seven years is an MFF period of 5+5 years, with a mid-term review; calls on the Commission to draw up a clear proposal setting out the methods for the practical implementation of a 5+5 financial framework;
49. Calls for every effort to be made to avoid delays in programming for the new period, in order to prevent late payments and decommitments which hamper positive results of cohesion policy; stresses the importance of submitting all documents relating to the future legal framework on time in all the official languages, so as to ensure fair and timely information for all beneficiaries;
50. Calls for measures to improve communication to the European citizens, thus raising public awareness of the concrete achievements of cohesion policy; calls on the Commission to enhance the role of the managing authorities and of project promoters who employ innovative local communication methods to inform people about the results of the use of the funds in the territories; emphasises the need to improve information and communication not only downstream (the ESI Funds' achievements), but also upstream (financing possibilities), particularly in relation to small project organisers; calls on the Commission and the Member States to establish mechanisms and broad institutionalised platforms for cooperation in order to ensure better visibility and awareness-raising;

51. Notes that some European regions are particularly exposed to the impact of Brexit; stresses that the future cohesion policy must minimise the negative impact of Brexit on other European regions, and calls for detailed consideration to be given to the possibility of continuing partnerships in the context of territorial cooperation;

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52. Instructs its President to forward this resolution to the Council and the Commission.