

EUROPEAN PARLIAMENT

2004



2009

Session document

A6-0075/2009

23.2.2009

REPORT

on Cohesion Policy: Investing in the real economy
(2009/2009(INI))

Committee on Regional Development

Rapporteur: Evgeni Kirilov

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
RESULT OF FINAL VOTE IN COMMITTEE.....	7

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Cohesion Policy: Investing in the real economy (2009/2009(INI))

The European Parliament,

- having regard to the Communication of the Commission of 26 November 2008 'A European Economic Recovery Plan' (COM(2008)0800),
 - having regard to the Communication of the Commission of 16 December 2008 'Cohesion Policy: Investing in the real economy' (COM(2008)0876),
 - having regard to the Commission staff working document of 14 November 2008 'Regions 2020 - an assessment of future challenges for EU regions' (SEC(2008)2868),
 - having regard to the conclusions of the Presidency of the European Council of 11 and 12 December 2008,
 - having regard to the proposal of the Commission for a Council regulation amending Regulation (EC) No 1083/2006 on the European Regional Development Fund, the European Social Fund and the Cohesion Fund concerning certain provisions relating to financial management (COM(2008)0803),
 - having regard to the proposal of the Commission for a regulation of the European Parliament and Council amending Regulation (EC) No 1081/2006 on the European Social Fund to extend the types of costs eligible for a contribution from the ESF (COM(2008)0813),
 - having regard to the proposal of the Commission for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing (COM(2008)0838),
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A6-0075/2009),
- A. whereas the European economy is suffering from the consequences of the global financial crisis and from the most widespread and serious downturn for 60 years,
- B. whereas the EU's cohesion policy makes an important contribution to the European Economic Recovery Plan and is the Community's largest source of investment in the real economy, providing targeted assistance for addressing priority needs and areas with growth potential both in public and private sectors,
- C. whereas more than 65% of the total financial allocation of EU cohesion policy for the period 2007-2013 is a significant tool “earmarked” for investment in the four priority areas of the Union's renewed Lisbon Strategy for growth and jobs, namely people, business, infrastructure, and energy, research and innovation, and whereas these kinds of

investments are essential in order to provide an effective response to the current financial crisis,

- D. whereas success in mitigating the economic slow down depends on the willingness of Member States and regions to rapidly implement their programmes' objectives,
1. Strongly welcomes the adoption of the European Economic Recovery Plan outlining coordinated action by Member States and the Commission to tackle the economic crisis; considers that the Plan is based on the principle of solidarity and social justice and should not conflict with the Lisbon Strategy, and that its proposed measures will contribute to deeper and long-term structural reforms;
 2. Considers that EU cohesion policy, being a policy aimed at ensuring economic growth and social development, and to truly stimulate the economy in the short, medium, and long term, can make an important contribution to overcoming the current financial crisis and to working towards the recovery of Member States and regions, including those with permanent handicaps;
 3. Stresses that the Structural Funds are powerful tools, designed to help regions in their economic and social restructuring and thus to implement the actions under the Plan's four priority areas in order to boost the economy, and endorses their use, in preference to precipitating the invention of new economic tools; notes that these actions complement those undertaken at national level; believes that due to the significant pressure on national budgets, EU cohesion policy funds and interventions should be accelerated, in order to give a timely boost to the economy and provide support especially to people hit by the crisis;
 4. Supports the Commission's legislative proposals which are parallel and complementary to the European Economic Recovery Plan, to amend three of the existing Structural Funds Regulations 2007-2013 (Regulations (EC) No 1083/2006, No 1080/2006 and No 1081/2006); fully endorses the proposed changes that aim to improve cash flow and liquidity in the Member States, facilitate the use of financial engineering instruments, expand the possibilities for support to investments in energy efficiency and renewable energy in housing and increase the flexibility of the Structural Funds to adapt them to meet the needs of the extraordinary economic circumstances with a long-term perspective;
 5. Requests the Commission to closely monitor the economic measures taken by Member States, so as to ensure that these do not violate free market competition, and social standards which have been essential pillars of European integration since its foundation, as well as the implementation of requirements of Community legislation on the environment and on climate protection;
 6. Urges the Commission and Member States to ensure that the measures adopted to accelerate, simplify and make more flexible the implementation of the Structural and Cohesion Funds do not diminish their responsibility to monitor their implementation;
 7. Welcomes the establishment by the Commission of the expert group ("task force on simplification") working on further possible simplification of procedures for the implementation of Structural Funds; eagerly awaits further simplification proposals from

the Commission foreseen for the beginning of 2009;

8. Calls on the Member States and the regions to guarantee that the partnership principle laid down in Article 11 of the general Regulation on the Structural Funds (Regulation (EC) No. 1083/2006) is fully applied and that the requirement of full involvement of partners is complied with;
9. Highlights the important role that grass-roots organisations, NGOs and the social economy play in promoting social cohesion and inclusion particularly during times of an economic crisis; calls on the Commission to ensure that any simplification of the Structural Funds will reduce administrative burdens on such organisations;
10. Is particularly concerned by the asymmetric territorial impact of the crisis across the European territory and its harder impact on the Member States that already have a lower quality of life than the EU average, and urges the Commission and the Member States to take due account of the territorial cohesion objective in planning and implementing concrete measures to combat the economic crisis; asks, in particular, the Commission to ensure a suitable geographical balance when presenting the list of specific projects, requested by the European Council for strengthening investment in infrastructure and in energy efficiency;
11. Considers that measures, such as flexibility and acceleration of payments, the use of lump sum payments and flat rates will stimulate and accelerate policy implementation especially in infrastructure, energy and environmental sectors and of ESF projects; considers that, in this regard, the Commission should provide Member States with clear guidance ; regrets, nonetheless, that other important measures have not been taken into account, such as proposals for the actual and immediate increase of liquidity on the ground by intervening to a greater extent in the coming years on interim payments;
12. Welcomes the Commission's proposal to increase advance payments, so as to facilitate the implementation of projects by providing financial resources at an early stage of project implementation thus reducing the need for bank loans; nevertheless urges banks and financial institutions to make full use of the facilities granted to them to maintain and support lending to the economy and pass on key interest rates reductions to borrowers;
13. Strongly highlights the positive role that cohesion policy can play in strengthening solidarity and restoring confidence by introducing measures to provide public investment to boost internal demand;
14. Calls on the Member States and regional and local authorities to secure their contribution as required by the co-financing rules, so that the funds allocated by the Structural Funds can be fully exploited;
15. Underlines the importance of measures in support of people and business but above all employment, for a successful economic recovery; calls for decisive action to support the demand side of the economy, as well as measures to assist small and medium-size enterprises, social economy enterprises, and local and regional authorities in order to maintain cohesion and to safeguard key investment and infrastructural projects; calls on Member States to make wide use of Structural Funds to secure job creation, to promote small and medium-sized enterprises (SMEs), entrepreneurship and professional training;

16. Welcomes the proposal that investments in energy efficiency, and the use of renewable energies in the housing sector should be eligible for ERDF funding throughout the Union; urges the Member States and the regions to make comprehensive use of this new possibility and to adapt their operational programmes accordingly, in order to reinforce their sustainable development path and to invest in climate-friendly infrastructures and innovations; stresses, in general, the importance of investment on energy infrastructure, which became apparent, for example, during the recent gas crisis;
17. Encourages Member States to explore synergies between cohesion policy financing and the other sources of Community funding (TEN-T, TEN-E, the Seventh Research and Technological Development Framework Programme, Competitiveness and Innovation Framework Programme) as well as the financing provided by the European Investment Bank and the European Bank for Reconstruction and Development; urges Member States to simplify and improve access to the funds' allocation made available by the financial instruments JESSICA, JASMINE and JEREMIE in order to stimulate more frequent use of them by SMEs and interested beneficiaries;
18. Encourages the Commission to elaborate on measures to improve cash flow to the responsible authorities and to increase technical assistance to Member States and the exchange of best practices between regions, in order to improve project quality and efficiency of project implementation; underlines the importance of JASPERS for project preparation; calls on the Commission to support Member States in revising, if necessary, their operational programmes; stresses the need, however, for immediate dissemination of information to local and regional authorities on these modifications;
19. Considers the approval of the established national management and control systems by the Commission as crucial for speeding up programme implementation and calls on Member States to finalise the process of informing the Commission as soon as possible;
20. Highlights the role of education and training in ensuring long-term economic recovery and demands that the measures available under the ESF be updated, both in terms of ensuring a higher availability of resources and reaching a higher level of flexibility;
21. Calls on the Commission to develop adequate detailed criteria and standards for close monitoring and permanent reassessment of the effectiveness of the recovery plans at national and regional levels particularly with regard to compliance with transparency requirements; requests an evaluation in 2010 of the effectiveness of the reforms following the adoption of the revised Structural Fund Regulations, in order to further improve the efficiency of those measures, as well as to analyse the reasons for problems and delay in their implementation; urges the Commission to take these observations into account in its proposals for the next generation of Structural Funds programmes;
22. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	12.2.2009
Result of final vote	+: 43 -: 0 0: 3
Members present for the final vote	Emmanouil Angelakas, Stavros Arnaoutakis, Elspeth Attwooll, Rolf Berend, Victor Boştinaru, Wolfgang Bulfon, Giorgio Carollo, Bairbre de Brún, Gerardo Galeote, Iratxe García Pérez, Monica Giuntini, Ambroise Guellec, Pedro Guerreiro, Gábor Harangozó, Filiz Hakaeva Hyusmenova, Mieczysław Edmund Janowski, Gisela Kallenbach, Evgeni Kirilov, Miloš Koterec, Constanze Angela Krehl, Florencio Luque Aguilar, Jamila Madeira, Iosif Matula, Miroslav Mikolášik, Lambert van Nistelrooij, Jan Olbrycht, Maria Petre, Markus Pieper, Giovanni Robusti, Wojciech Roszkowski, Bernard Soulage, Catherine Stihler, Margie Sudre, Oldřich Vlasák
Substitute(s) present for the final vote	Emanuel Jardim Fernandes, Stanisław Jałowiecki, Zita Pleštinská, Samuli Pohjamo, Christa Prets, Flaviu Călin Rus, Richard Seeber, László Surján, Iuliu Winkler
Substitute(s) under Rule 178(2) present for the final vote	Wolf Klinz, Sepp Kusstatscher, Toine Manders