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# **REPORT**

on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI))

Committee on Regional Development

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(\*) Associated committee – Rule 50 of the Rules of Procedure

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## PR\_INI

## **CONTENTS**

i	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT	24
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS (*)	26
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL	33
OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALIT	ГҮ 36
RESULT OF FINAL VOTE IN COMMITTEE	41
(*) Associated committee - Rule 50 of the Rules of Procedure	

#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Commission's fifth Cohesion Report and the strategy for post-2013 cohesion policy (2011/2035(INI))

The European Parliament,

- having regard to the Commission communication of 9 November 2010 entitled 'Conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy' (COM(2010)0642) (hereinafter 'the conclusions'),
- having regard to the Commission's fifth report on economic, social and territorial cohesion, entitled 'Investing in Europe's future', of 9 November 2010 (hereinafter 'the fifth Cohesion Report'),
- having regard to the Treaty on the Functioning of the European Union, and in particular Title XVIII thereof,
- having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999<sup>1</sup>,
- having regard to 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<sup>2</sup>.
- having regard to Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC)<sup>3</sup>,
- having regard to Council Regulation No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund<sup>4</sup>,
- having regard to Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a cohesion fund and repealing Regulation (EC) No 1164/94<sup>5</sup>,
- having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)<sup>6</sup>,
- having regard to Council Regulation (EC) No 1906/2006 of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research

PE462.538v02-00

<sup>&</sup>lt;sup>1</sup> OJ L 210, 31.7.2006, p. 1.

<sup>&</sup>lt;sup>2</sup> OJ L 210, 31.7.2006, p. 12.

<sup>&</sup>lt;sup>3</sup> OJ, L 210 31.7.2007, p.19.

<sup>&</sup>lt;sup>4</sup> OJ L 210, 31.7.2006, p. 25.

<sup>&</sup>lt;sup>5</sup> OJ L 210, 31.7.2006, p. 79.

<sup>&</sup>lt;sup>6</sup> OJ L 210, 31.7.2006, p. 82.

results<sup>7</sup>,

- having regard to its resolution of 24 April 2007 on the consequences of future enlargements on the effectiveness of cohesion policy<sup>8</sup>,
- having regard to its resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of debate on the future reform of cohesion policy<sup>9</sup>,
- having regard to its resolution of 20 May 2010 on the contribution of the cohesion policy to the achievement of Lisbon and the EU 2020 objectives<sup>10</sup>,
- having regard to its resolution of 22 September 2010 on the European strategy for the economic and social development of mountain regions, islands and sparsely populated areas<sup>11</sup>,
- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013<sup>12</sup>,
- having regard to its resolution of 7 October 2010 on the future of the European Social Fund<sup>13</sup>,
- having regard to its resolution of .. on the state of play and future synergies for increased effectiveness between the ERDF and other structural funds <sup>14</sup>,
- having regard to the Commission communication of 26 May 2004 entitled 'A stronger partnership for the outermost regions' (COM (2004)0343) and the Commission communication of 17 October 2008 entitled 'The outermost regions: an asset for Europe' (COM(2008)0642),
- having regard to the Commission communication of 3 March 2010 entitled 'Europe 2020
  A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to the Commission communication of 6 October 2010 entitled 'Regional policy contributing to smart growth in Europe 2020' (COM(2010)0553),
- having regard to the Commission communication 26 January 2011 entitled 'Regional policy contributing to sustainable growth in Europe 2020' (COM(2011)0017),
- having regard to the General Affairs Council's conclusions of 21 February 2011 on the fifth report on economic, social and territorial cohesion (6738/11),
- having regard to the Committee of the Regions' opinion of 1 April 2011 on the fifth

<sup>&</sup>lt;sup>7</sup> OJ L 391, 30.12.2006, p.1

<sup>&</sup>lt;sup>8</sup> OJ C 74 E, 20.3.2008, p. 275.

<sup>&</sup>lt;sup>9</sup> OJ C 117 E, 6.5.2010, p. 65.

<sup>&</sup>lt;sup>10</sup> Texts adopted, P7\_TA(2010)0191.

<sup>&</sup>lt;sup>11</sup> Texts adopted, P7\_TA-(2010)0341

<sup>&</sup>lt;sup>12</sup> Texts adopted, P7\_TA-(2010)0356.

<sup>&</sup>lt;sup>13</sup> Texts adopted, P7 TA-(2010)0357.

<sup>&</sup>lt;sup>14</sup> Texts adopted, P7\_TA(2011)000. (report A7-0141/2011 to be adopted at June II).

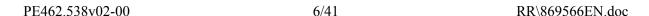
- Cohesion Report (CdR 369/2010),
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinions of the Committee on Employment and Social Affairs, the Committee on Budgetary Control and the Committee on Women's Rights and Gender Equality (A7-0222/2011),
- A. whereas EU cohesion policy has contributed greatly to the increased productivity achieved by all regions of the Union during the previous and current funding periods; whereas it is striking that ex-post evaluations have also shown a significant reduction of economic, social and regional disparities; whereas these developments are having equally positive effects on social security and on investment in environmental protection,
- B. whereas cohesion policy was intended to be a counterpart to the single market and to foster the development of an innovative and protective Europe based on solidarity in the face of the challenges associated with globalisation, demographic change and resource conservation, and whereas the intrinsic potential of all regions should be exploited to boost growth and regional and social cohesion,
- C. whereas cohesion policy is an issue of genuine relevance to citizens, bringing Europe into people's daily lives and making it tangible and visible across the EU,
- D. whereas the cohesion and structural policies have proved flexible in crisis situations and have made a crucial contribution to various national economic stimulus and training programmes, and whereas it is important to maintain this flexibility,
- E. whereas European structural policy is making a major contribution towards overcoming the economic and financial crisis, as it tends to be oriented towards innovation and removing disparities, strongly encouraging European regions to upgrade infrastructure, increase regional innovation potential and boost environmentally sustainable development,
- F. whereas gearing the Structural Funds to the Lisbon Strategy objectives has proved effective, as is evident from the impressive commitment rates for the Convergence and Regional Competitiveness and Employment objectives, and whereas 20% of European Territorial Cooperation projects are in keeping with the Lisbon aims,
- G. whereas territorial cooperation aims to help territories and regions work together in tackling their common challenges, reduce the physical, administrative and regulatory barriers to such cooperation and lessen the 'border effect',
- H. whereas the partial failure of the Lisbon Strategy is due not to inadequate implementation of cohesion policy but rather to the lack of multi-level governance and of ownership of this strategy by the regional and local levels, the effects of the financial crisis, imperfect implementation of the single market, slack budgetary discipline and inadequate macroeconomic framework conditions in individual Member States,
- I. whereas the error rates and misuse of funds has been significantly lower in the most recent funding periods; whereas, regrettably, structural policy nonetheless remains an area with a

high level of irregularities in this respect, and some Member States still lack effective machinery for countering the misuse of funding and recovering money wrongly paid out; whereas irregularities may not be reported, either through negligence or deliberately, and whereas it must be noted that a significant part of the errors in the cohesion policy sphere may be attributed to legislative requirements outside cohesion policy, in areas such as public procurement, environment and state aids,

- J. whereas the existing system of cohesion and structural policy objectives (Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation), combined with a multi-level governance approach, horizontal objectives and security to plan on the basis of reliable funding and an agreed time frame (seven years), has, overall, proved its worth, but whereas there have been considerable delays in programme planning as a result of protracted financial and legislative negotiations in the EU decision-making process and substantial changes in the rules applying to cohesion policy,
- K. whereas sustained support for and development of the convergence regions has a positive impact on the demand for goods and services on their markets and thus has demonstrably beneficial effects on the wealthier EU Member States as well,
- L. whereas a comprehensive and well-funded EU cohesion policy in all European regions continues to be essential, given the imbalances between regional economies and in social terms and the geographical disadvantages of certain regions (particularly the outermost regions), as well as specific structural problems and the need to adapt to new challenges; whereas it is also a requirement under the Lisbon Treaty,
- M. whereas, given its strategic importance for the future, cohesion policy must not become an adjustment variable in future budget negotiations,

#### Cohesion policy added value and investment priorities

- 1. Calls for cohesion and structural policy programmes to place more emphasis on European added value; deems such added value to be achieved where EU projects bring about a sustainable improvement in the economic, infrastructural, social and/or environmental status of disadvantaged, less-developed regions, and where that improvement would not have been achievable without the European stimulus;
- 2. Recognises, too, that European funding adds value where projects supported at national, regional and local level contribute to the achievement of pan-European objectives in the fields of European integration, economic growth, research, environmental protection, culture, resource management, sport, demographic change, sustainability of energy supply, social cohesion or cross-border development and this would not have been achieved without the European stimulus;
- 3. Sees the achievement of European objectives in accordance with a decentralised approach and the principle of multi-level governance and shared management as one of the major advantages of cohesion policy and thus as a form of added value in itself; considers multi-level governance with clearly-defined structures and responsibilities as an embodiment of the principle of subsidiarity as well as due recognition of the importance of regional authorities in implementing cohesion policy; calls for the partnership principle and the





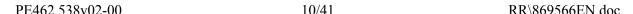
- sense of ownership of the actors involved to be further strengthened by introducing detailed binding provisions in a Territorial Pact to be decided in each Member State, in order to ensure more result-oriented planning and implementation;
- 4. Considers that transparency in respect of cohesion policy and its programming cycle, allocation of expenditure and access to information for potential beneficiaries of the Structural Funds are key prerequisites for achieving the overall objectives of cohesion policy, and that transparency should therefore be introduced as a guiding cross-sectoral principle in the cohesion programming and decision-making processes in the next funding period; underlines that disclosure of the list of beneficiaries should be continued, notably online, as it is an efficient means of improving transparency;
- 5. Considers that the transparency provisions (obligation to disclose the final beneficiary) are a necessary instrument for experts, the public and policy-makers to evaluate whether structural funding has been used in accordance with the objectives set and lawfully; calls for the description to be supplied not only in the relevant national language but also in one of the three working languages (English, French or German) and recommends further harmonisation of the information required;
- 6. Emphasises that, despite the trend towards a narrowing of inter-regional disparities, major imbalances still exist and among/in some Member States are actually growing, inter alia as a result of the economic and financial crisis and that cohesion policy must therefore continue to concentrate on reducing disparities and implementing harmonious and sustainable development for all regions of the Union, regardless of the Member State in which they are located;
- 7. Recognises the special needs of regions particularly disadvantaged by virtue of their geographical situation or natural environment; reiterates its call to Member States and the Commission for special forms of preference to continue to apply provided they are effective and bring European added value in respect of the particularly disadvantaged types of region referred to in the Treaty on the Functioning of the European Union (outermost regions, northernmost regions with a very low population density and island, mountain and cross-border regions);
- 8. Recognises the special status and needs of certain regions stemming from their geographical situation, demographic change or specific constraints, such as their natural environment, while paying attention also to their potential; reiterates its call for special forms of preference, flexibility and special budget funding to continue to apply in respect of these types of regions, and in particular those referred to in Articles 349 and 174 of Treaty on the Functioning of the European Union, which are particularly disadvantaged (such as outermost regions, including the rural outermost areas, northernmost regions with a very low population density, which, inter alia suffer from long distances and northern conditions, and island, mountain and cross-border regions), with more favourable terms being provided for investment in these regions, by means of either direct assistance or tax exemptions; calls also for studies into the preservation or creation of certain preferences for these types of regions, with a view to ensuring that the use of cohesion policy instruments is adapted to their economies, with due regard for the importance of their small and medium-sized undertakings and the need for competitiveness and equal

- opportunities in order to make them an integral part of the EU internal market;
- 9. Emphasises that the Union will be able to be competitive in the face of global competition only if its cohesion policy can fully exploit the development potential of all the regions, urban areas and cities and allow a sufficiently flexible regional response to be made to the challenges and bottlenecks identified by the Europe 2020 strategy; underlines in this connection that targeting Structural Fund resources in a broad territorial approach must also serve to compensate for structural weaknesses in the stronger regions; stresses, however, that cohesion policy is not merely an implementing tool for Europe 2020 and that a continued focus on the core principles of cohesion policy will have the added value of sustaining the achievements of Europe 2020 even after the strategy has come to an end;
- 10. Emphasises that cohesion policy must continue to focus on territorial cohesion and points out that the Lisbon Treaty added the objective of territorial cohesion to those of economic and social cohesion; affirms that this aim remains indissociable from the challenges of economic and social cohesion and strengthens the European added value of cohesion policy; emphasises that 'territorial cohesion' is also relevant at the sub-regional level, particularly in urban areas (urban districts facing difficulties, uncontrolled urban sprawl), even within regions considered to be rich;
- 11. Sees macroregional strategies provided that regional authorities are involved in their governance – as affording a major opportunity to harness forms of supranational potential, improve cooperation between the different levels of governance and take a joint approach towards shared challenges such as environmental protection or the use of resources and development capacities, thus allowing more efficient, balanced and sustainable development; highlights the need to link territorial cooperation programmes more effectively with territorial strategies (such as regional development plans, local development strategies and local development plans); considers that better coordination of existing support mechanisms can create scope for more targeted use of the EU Structural Funds, without this entailing any increase in the resources earmarked for these fields of inter-regional cooperation; takes the view, moreover that no new instruments, financial resources or implementation structures should be created for these strategies and that the financial support provided to the regions for smaller scale development projects must not be affected; considers that the macroregional approach could be used to strengthen the links between cohesion policy and neighbourhood policy; encourages the Commission and Member States, in this context, to take greater account of the territorial dimension of the ESF, in particular with regard to access to employment;
- 12. Doubts whether specific operational programmes for functional geographical entities such as groups of authorities including local areas, or sea or river basins will yield additional benefits, in particular in cases where there are no political authorities (including democratically elected authorities) with a sufficiently wide-ranging remit to implement them; calls instead for closer coordination of macroregional, metropolitan regional or environmental-geographic strategies at inter-governmental level and for appropriate consideration to be given to these functional geographical entities within national operational programmes in order to facilitate the use of EU funding for interregional development projects; considers that specific operational programmes should be an option for delivery in regions where sub-regional delivery provides added value vis-à-vis national



- and regional programmes and where partnerships have been formed by political bodies for implementation purposes; calls for cross-border groupings to be involved in devising the operational programmes for cross-border programmes, on the basis of the EGTC Regulation;
- 13. Stresses the key role of urban areas and regions including capital cities and their regions in achieving the economic, environmental and social objectives of the Europe 2020 strategy; supports the dynamic process launched during the previous programming period for Integrated Urban Programmes and stresses the importance of the experiments currently under way; calls for support for ideas and projects which can serve as models, on the basis of integrated place-based development plans, and for the mutually beneficial upgrading of links between towns and cities and the rural areas functionally linked to them; considers that greater cohesion between these areas is of special importance in addressing problems of areas with disadvantaged communities; stresses, in this context, that the greatest socioeconomic differences often exist within cities and that cities with deprived areas and pockets of poverty are also to be found in wealthy regions;
- 14. Stresses that towns and cities can make a key contribution, as growth centres and growth drivers, to a given region; points, at the same time, to the need for it to be made possible for rural settlements to participate in integrated solutions for a given functional geographical entity by means of the fostering of partnerships and networks; stresses that larger urban centres face specific challenges because of the complexity of their social, economic and environmental tasks; sees, in this context, the endogenous potential of rural areas as offering an opportunity for development, although not only around agglomerations and big cities; notes, furthermore, the opportunity for the economic development of particularly disadvantaged regions through appropriate exploitation of, and support for, the endogenous potential of rural areas, including their environmental and cultural assets; considers also, in the context of structural and cohesion policy, urban-rural partnerships more in terms of providing rural areas with the same conditions for development and quality of life with regard to social and economic factors; calls on the Member States, given the dynamic influence of towns and cities on economic development in the regions and in stimulating the economy in surrounding rural areas, to guarantee the resources needed to implement the urban and sub-urban projects required;
- 15. Rejects the use of obligatory quotas, in particular for national allocations under ESF/ERDF programmes, for local and urban development, for rural areas and for other types of spatial agglomerations or functional areas, as this could ensure a larger critical mass of interventions; considers that the requirement to specify at operational programme level which urban and other areas are to be eligible for support is an option that should be prioritised wherever this method will ensure added value and concentration of aid intensity, and that this needs to be negotiated on the basis of the principles of multi-level governance; takes the view that the Member States and regions should to be given more responsibility to organise competitive and performance-based selection procedures in this respect as well;
- 16. Emphasises that structural and cohesion policy must not be biased towards specific types of region; calls for urban-rural partnerships to be seen in their broader social, economic and environmental context;

- 17. Emphasises that structural and cohesion funding should also take into account the educational, cultural and socio-political challenges of the Europe 2020 strategy, while remaining in line with the overarching EU objective of economic, social and territorial cohesion as enshrined in the Treaty and respecting the subsidiarity principle; takes the view, however, that across-the-board 'Europeanisation' of the relevant policy areas would fail on financial grounds; calls, therefore, for further place-based local development approaches that could serve as models to be introduced, while retaining existing national and regional competences;
- 18. Stresses, likewise, that cohesion policy cannot become a vehicle or instrument serving sectoral issues such as policies on research and development, industrial innovation and the fight against climate change, as this would mean diluting its primary objective and placing constraints on its use to promote regions' development potential, which is essential in order to bring the most disadvantaged regions closer to the most developed regions;
- 19. Calls, in the light of the necessary shift towards renewable sources of energy and of the climate debate, for cohesion policy to make a greater contribution to the rapid development of environmental technology and renewables; considers that this should be one of the priorities if sufficient amounts are available in the programmes and a focus on renewables provides EU added value, based on plans for decentralised energy concepts involving effective energy storage technologies in the regions; is in favour of exploiting the regional economy's potential in this area;
- 20. Sees scope under the Structural Funds for supporting investment in specific energy infrastructure, although such support must be available only in regions where political or geographical constraints significantly hamper the ability of the market to meet energy-supply needs; calls, too, for support from the structural funds to be linked in all cases to the strengthening of the internal energy market and the security of supply, as well as to the principle of multi-level governance in resource management;
- 21. Also considers that cohesion policy has a responsibility to do what is needed to fill gaps and remove bottlenecks in a core TEN network of main routes of European significance, particularly in the border regions which have until now been badly neglected in this regard;
- 22. Emphasises that the trans-European transport networks play a decisive role in the cohesion of European regions and that development of TEN infrastructure, Motorways of the Sea and designated E-roads must therefore be stepped up and access to them improved, especially in border regions and outermost regions; calls for all necessary measures to be taken to ensure sufficient financing and guarantee timely implementation of priority TEN-T projects; suggests that certain cross-border 'infrastructure' should be considered as priority projects eligible for Objective 1, 2 and 3 funding and calls for there to be an obligatory right for the initial proposal for this type of action to be made at regional level and for equal participation of the border regions and local authorities in the planning process;
- 23. Encourages the application of the 'transport equivalent' principle using ERDF resources and also national resources, given the added value of such measures in strengthening regional convergence, territorial cohesion and development activities such as tourism,





- which are important for remote regions, such as island regions;
- 24. Supports economic development and employment in SMEs and micro-enterprises; requests, therefore, that the fundamental principles of the Small Business Act for Europe (SBAE) i.e. 'think small first' and 'only once' be considered one of the bases of cohesion policy, and considers that these principles should be applied by Member States and regions in the definition of their operational programmes;

#### System of objectives and framework for programme planning

- 25. Emphasises that the core components of the Europe 2020 strategy (innovation, education and training, energy, environment, employment, competitiveness, skills and combating poverty) are already integral to cohesion and structural policy; takes the view that the Europe 2020 challenges can be integrated very easily into the three objectives system (Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation), which has proved its effectiveness;
- 26. Emphasises that investment in innovation and education can promote growth; points out, however, that the relevant infrastructure (transport, broadband internet, energy) and appropriate institutions (a balanced mix of public investment and fiscal policy consolidation with macro-economic measures, e-government services and cross-border learning) must provide effective support;
- 27. Takes the view that the development of basic infrastructure should also be regarded as compatible with Europe 2020, because only when they have competitive transport, energy and communications networks and waste-management infrastructure will the convergence regions be in a position to contribute to achieving the Europe 2020 objectives, which is precisely why the weakest and neediest regions must be given some flexibility to interpret those objectives;
- 28. Stresses that the ESF is the most important instrument for the implementation of the social dimension of the Europe 2020 strategy and that the fund can contribute significantly to the fulfilment of the central priorities of that strategy, namely employment, transition to a sustainable economy, a lower number of school drop-outs, fighting against poverty, discrimination and social exclusion and finding answers to the different social situations people find themselves in; stresses, in this context, that, alongside GDP, other social indicators would be useful in the SWOT analysis;
- 29. Considers that the ESF is of crucial importance to cohesion policy and has the potential to enhance the latter's contribution towards meeting the Europe 2020 objectives, including in the area of sustainable growth through the provision of support to SMEs for the creation of green jobs;
- 30. Considers the fight against discrimination in the labour market, whether related to gender, sexual orientation, ethnicity, age, disability or place of residence, to be crucial for the promotion of genuine equality of opportunity; notes that increasing the female employment rate is crucial for reaching the Europe 2020 employment target and that barriers to women's labour market participation must therefore be fully addressed; emphasises that the ESF should provide adequate resources to tackle gender inequalities in the labour market;

- 31. Takes the view that GDP must be retained as the key criterion in the definition of areas eligible for maximum support (those with a per capita GDP below 75% of the EU average) and, where appropriate, cohesion countries (per capita GNI below 90% of the EU average); considers that the competent national and regional authorities should be given scope for the use at the appropriate decision-making level, for each objective and in a manner reflecting geographical concentrations of additional indicators, to be agreed in the development and investment partnership contracts, with which to assess the social, economic, environmental, demographic and geographical challenges which they face, and that their use for territorial targeting should be encouraged by under the Structural Fund Regulations where this will ensure greater added value and concentration for EU funds;
- 32. Calls for cohesion policy to continue, in accordance with the Lisbon Treaty, to target as a priority those regions that lag furthest behind; stresses that the neediest regions should be granted an appropriate share commensurate with the seriousness of their development problems of the funding available under Objective 1 (Convergence);
- 33. Calls for a limit to be placed on eligibility periods for regions which prove unable to show any significant improvements in their economic, social and environmental situation after several programming periods, despite maximum support;
- 34. Calls on the Commission to present a proposal for the duration of the next programming period that will ensure the provision of adjustable, robust and proportionate transitional assistance for regions no longer coming under the Convergence Objective, in order to address their specific situation, and for regions with per capita GDP between 75% and 90% of the EU average, in the form of an intermediate category, in order to avoid unequal treatment of regions in spite of their similar situations; considers that this specific arrangement must replace the current 'phasing-out' and 'phasing-in' systems, thus creating a fair system which better addressees the negative impacts of the economic and financial crisis on the regions, while strengthening justice and solidarity, which are fundamental values of cohesion policy; stresses that these transitional measures for the next programming period should not be established at the expense of the current Convergence (Objective 1) and Competitiveness (Objective 2) regions or the European Territorial Cooperation Objective (Objective 3);
- 35. Calls for a strengthening of Objective 2 (Regional Competitiveness and Employment) through its horizontal nature to achieve results on a limited number of EU priorities, such as support for SMEs, green innovations, local economies, education and training, infrastructure, sustainable mobility, renewable energies and energy supply, resource efficiency and social inclusion; stresses that the proven system of ensuring that more developed regions are able to remove regional structural weaknesses, reduce territorial disparities, contribute to common European objectives and meet future challenges when using structures that can respond flexible to changing circumstance, including, inter alia, innovation clusters and competition for funding in these regions, must be retained and developed further; calls for additional measures for areas highly affected by structural change which can help to improve the socio-economic and infrastructure situation; points out in this context that strategies should be designed with sufficient flexibility to be able to cope with the problems and particularities of each individual region;

- 36. Calls for action to ensure that more developed regions are able to modernise their social and economic capital and to address specific pockets of deprivation and inadequate economic development;
- 37. Takes the unequivocal view that efforts under Objective 3 (European Territorial Cooperation) need to be stepped up at all EU internal borders and at all three levels of such cooperation (cross-border, inter-regional and trans-national), and calls for the relevant share of structural funds to be increased to 7%; calls for the allocation of funding for each territorial cooperation programme to be based on harmonised criteria, in order to provide a strategic and integrated response to the needs and specificities of each geographical territory and area concerned; stresses the importance of the border regions in terms of achievement of the Europe 2020 objectives; considers that there is a need to improve coordination between the Trans-European Networks, particularly those concerned with transport and energy, and cross-border infrastructure, and to increase the subsidies for those networks in line with European priorities, and calls for a corresponding increase in funding for all border regions; calls for simplification of the implementing rules governing Objective 3 programmes, based on the principle of proportionality, as well as for the development of a common set of eligibility rules, all of which are preconditions for these programmes becoming more effective and more visible; stresses the need for local decision-makers to be closely involved, since programmes can be fleshed out only if this is guaranteed;
- 38. Considers that EGTCs represent a unique, highly valuable territorial governance instrument which responds to the needs for structured cooperation and must be promoted as a means of setting up cross-border governance systems ensuring regional and local ownership of the different policies;
- 39. Rejects absolutely all proposals to nationalise or sectoralise cohesion policy; takes the view that new thematic funds (for climate, energy and transport) would undermine the tried and tested principle of shared management and integrated development programmes and jeopardise the availability of synergies and the effectiveness of interventions, and thus the regions' contribution to the achievement of the Europe 2020 objectives;
- 40. Insists that the European Social Fund must remain part of cohesion policy, as only in this way can integrated strategies for resolving economic and social problems be developed and implemented;
- 41. Supports the Commission in its aim to ensure a stronger, efficient and more visible ESF; calls, to this end, on the Commission and Member States to reach agreement in their negotiations on the necessary amount of ESF contribution within the Structural Funds;
- 42. Takes the view that measures to improve the effectiveness of the ESF should be based primarily on incentives rather than penalties;
- 43. Stresses that the economic crisis has further increased the urgency of the need for measures in the sectors covered by the ESF, in particular to promote employment, occupational redeployment, social inclusion and poverty reduction;
- 44. Stresses the fact that the ESF provides crucial support for employment market policies

- such as preventive and local policies as well as those aimed at helping young people to enter the labour market and at combating unemployment; highlights the fact that the Member States should use the ESF for investment in new skills, education (including early childhood education), lifelong learning, retraining and occupational redeployment activities, and stresses that the fund plays an important part in boosting all dimensions of social inclusion, including for the most disadvantaged and vulnerable groups;
- 45. Asks the Commission to step up ESF action aimed at promoting integration into the job market; encourages the Member States to invest in children from a very early age through education and later to set up in-school guidance based on local and regional job opportunities and lifelong training to help workers adapt their skills to the needs of the job market, while implementing measures to combat youth unemployment and to tackle the phenomenon of the 'working poor' and establishing tailor-made programmes to assist disadvantaged and vulnerable groups such as the Roma, migrants, persons with disabilities and early school-leavers, with a view to promoting effective and inclusive growth and a knowledge-based economy in Europe;
- 46. Welcomes the fact that operational programmes (OPs) covering all target areas have also been set up under the ESF for the first time in some Member States for the 2007-2013 funding period;
- 47. Underlines the fact that the invaluable experience gained with the Community EQUAL initiative is still relevant today, especially as regards combining local and regional measures and the EU-wide exchange of best practices;
- 48. Draws attention to the synergies achievable through integrated local and regional development approaches, notably linking the ESF and the ERDF, and calls for common eligibility rules and for the use of the option of cross-financing between these funds specifically with a view to place-based integrated development planning to be increased and facilitated; supports the introduction of an option for multi-fund OPs which would further facilitate integrated approaches; calls, furthermore, for better synergies between the EDF and the ERDF;
- 49. Calls, with a view to increasing synergies, for greater integration of sectoral policies (transport, energy, research, environment, education) under the cohesion and structural policies, so as to achieve greater effectiveness and better coordination between the Structural Funds, the CIP and the Framework Programmes for Research and Development; suggests that multi-fund programming could contribute to a more integrated approach and would increase the effectiveness of the interplay between these different funds; considers the national/regional development partnerships to be an appropriate instrument to bring together the various policies; underlines, in this respect, the need to set clear objectives and to assess whether the goals have been achieved in the Member States;
- 50. Proposes that research and development policies be territorialised; stresses, therefore, the importance of adapting cohesion policy and research and innovation policies to the specific needs of the territories, since closer involvement of regional and local authorities in the design and implementation of the regional development funds and research and innovation programmes is of crucial importance in view of the impossibility of applying

the same development strategy in all regions;

- 51. Calls for a common strategic framework for the ERDF, the ESF, the Cohesion Fund, the framework programmes, the EAFRD and the EFF, for the post-2013 funding period; takes the view that the model of a harmonised regulatory approach (covering administration, eligibility, auditing and reporting rules) must be further strengthened by means of a joint framework regulation; highlights, in this respect, the importance of different funds working smoothly together in order to achieve results; calls for the Commission to make the adjustments required to ensure that the relevant funds can, where possible, complement each other;
- 52. Calls for a new Common Strategic Framework to be adopted by the Council and the Parliament under the ordinary legislative procedure, on the basis of Article 177 of the TFEU;
- 53. Takes the view that the European Social Fund needs to be included in the common strategic framework, without, however, altering its own specific operating rules and provisions and while ensuring the provision of adequate resources; calls on the Commission to strengthen the role of the ESF, raise its profile and simplify its budgetary control arrangements by establishing simple and effective cooperation procedures between the managing authorities and the budgetary control departments;
- 54. Suggests, in this context, that reintegration of the regionally oriented EAFRD (Axes 3 and 4) programmes should be considered; is opposed, however, to this resulting in a reduction in the budgets for the ERDF and EAFRD; calls for binding targets to be set for the Member States and the regions in order to establish harmonised administrative structures for the EU Structural Funds and the regionally oriented rural development programmes;
- 55. Recommends that the European Globalisation Adjustment Fund be streamlined and integrated with the Structural Funds without this entailing a decrease in the overall size of the Cohesion heading within the EU budget;
- 56. Calls for the revision of the regulation concerning cross-border cooperation at external borders and of the current ENPI, so as to integrate the relevant funds into Objective 3 (European Territorial Cooperation);
- 57. Welcomes the objectives of the development and investment partnership contracts between the EU and the Member States, which the Commission is proposing in place of the national strategic reference frameworks previously prepared for individual Member States; calls for key investment priorities geared to the implementation of the Europe 2020 strategy and the achievement of other cohesion policy objectives to be set at this stage; considers that the allocation of responsibilities between the various levels involved needs to be clarified as quickly as possible, and calls for national and/or regional and local competences to be retained in accordance with the principle of subsidiarity; calls for a clear commitment to the appropriate involvement of partners in the development and investment partnership contracts;
- 58. Supports retention of the operational programmes as the most important tool for implementation of the strategy papers in terms of concrete investment priorities; calls for

clear and measurable objectives to be set in this respect;

- 59. Calls for the mandatory involvement of regional and local authorities and associations thereof, in accordance with the constitutional and institutional systems of the individual Member States, in all phases of cohesion policy implementation (strategic planning, drawing up and negotiating development and investment partnership agreements and operational programmes, monitoring and evaluation), in a structured and systematic way; considers it essential to make appropriate provision for this in the regulations governing the Structural Funds;
- 60. Believes that any future strategy for the use of the ESF will be more effective if it involves regional and local levels of governance, which are capable of gearing strategic objectives to specific territorial characteristics on the basis of structured dialogue with all stakeholders, such as organisations that promote gender rights, non-governmental organisations, social partners and financial and banking institutions; stresses, in this respect, the importance of training and empowering 'actors of change' and of innovative approaches such as the Territorial Employment Pacts, which take into account the local and regional dimension; invites the Commission to include a contribution to technical assistance for the empowerment of partners in each development and investment partnership contract (DIC); considers that, to enable funds to be used more effectively, it is vitally important to secure the active involvement of the social partners at all stages of the planning, implementation and assessment of the ESF;
- 61. Supports the system of thematic priorities that the Commission is proposing; points out that, the lower the level of development in a Member State or region, the more wideranging the list of priorities needs to be, while specific regional development needs have to be taken into account and it has to be ensured that this thematic approach for structural and cohesion fund programming cannot be implemented to the detriment of the integrated place-based approach;
- 62. Calls for Member States, in the event of certain binding priorities being set for all Member States, to include among their priorities innovation, infrastructure, transport and resource management, but considers there should be some margin for manoeuvre to take into account the scale of the programmes, the baseline scenario in each region and the results to be achieved, in order for these priorities to be tailored to each region's specific needs; stresses, in this connection, that innovation must be given a broad interpretation in line with the Innovation Union flagship initiative; notes that SMEs are the main source of jobs in the EU and are a breeding ground for business ideas; stresses that support for SMEs must be continued and strengthened in light of the key role they can play in the implementation of the Europe 2020 strategy; stresses that, in connection with Innovation Union, a broad concept of 'innovation' needs to be applied, while SME access to finances must continue to be facilitated; stresses that it must be possible for additional priorities to be proposed and pursued on a voluntary basis and in accordance with the principle of subsidiarity; calls for the proposed priority areas to include energy, education and training, and action to combat poverty;
- 63. Calls for delays in launching programmes to be avoided and for decision-making and evaluation processes to be speeded up as a matter of principle; stresses that this is

extremely important for small and medium-sized undertakings in particular; calls, too, for the technical equipment available to the relevant administrative authorities to be improved and for those authorities to be more closely inter-connected, for publication requirements to be reduced, and for deadlines for calls for tender and applications to be significantly shortened; asks the Commission to evaluate whether pilot areas could be established in order to test out new regulations on smaller scale before they become applicable to the rest of the regions, in order to identify possible implementation problems;

#### Incentives, conditionality, result-orientation, co-financing and financing options

- 64. Calls for funding under the development and investment partnerships to be made subject to certain specific commitments predetermined in a dialogue between the Commission and Member States; take the view that those predetermined conditions must require the Member States to undertake reforms in order to ensure that funds are used efficiently in areas directly related to cohesion policy, that, where necessary, Member States should be called upon to do so, and that the funds should be made dependent on those conditions; calls for it to be made possible for the actors involved in the management of operational programmes to influence conditionalities; considers it fair for such conditions to include, in particular, full implementation of existing EU legislation (e.g. on price regulation, tendering procedures, transport, the environment and health) in order to prevent irregularities and ensure effectiveness; rejects, however, the imposition of conditions requiring Member States to undertake fundamental social and economic reform; all conditions should fully respect the principles of subsidiarity and partnership;
- 65. Takes the view that any new conditionality must not result in extra administration burdens for the actors involved; encourages the development of consistent, standard systems of conditionality for both the ERDF and ESF that are objectively assessable;
- 66. Considers the Commission to be responsible for establishing conditionalities and overseeing their implementation, and proposes corresponding action plans for the Member States and regions;
- 67. Welcomes the Commission's proposal to make cohesion policy more result-oriented by means of the ex-ante establishment of appropriate objectives and indicators; stresses that such indicators must be few in number, that they must all be clearly defined, measurable and related directly to the impact of the funding, and that they should be established by agreement with the regions/Member States; considers, however, that all instruments and criteria proposed to measure performance should continue to be based on a qualitative approach to the programmes;
- 68. Considers that the indicators determining regional subsidies from the Structural Funds and the Cohesion Fund must be based on Eurostat's most recent statistical data, so as to take full account of the economic and social impact of the crisis on the regions;
- 69. Calls for the effectiveness and transparency of the ESF to be increased through more results-oriented action and asks for the ex ante setting of clear and measurable targets and outcome indicators, directly linked to the purpose of the funding, which measure, in particular, success in the fight against poverty and social exclusion and integration into high-quality employment; considers that stakeholders at all levels of governance need to

be involved in the setting of these targets and indicators and that the latter should be clearly defined in good time prior to the provision of funding, so that both the Member States and the Commission can evaluate the results achieved and use the experience during the next planning phase; supports the Commission's proposal to make the allocation of ESF money dependent on ex ante conditionality, including a precondition regarding the transposition of EU legislation and EU objectives, which are indispensable for the success of ESF measures, as well as structural reforms and adequate administrative capacities; stresses that result-orientation must not lead to small beneficiaries being disadvantaged or exposed either to new barriers to access or to risks;

- 70. Regards public and private co-financing as one of the basic principles of cohesion policy; calls for a review of the percentage ceiling for EU funding which should take more account of regional development levels, European added value and the types of measure funded and should be raised or lowered accordingly;
- 71. Calls on the Member States and regions to look ahead when programming co-financing appropriations and to boost them by means of financial engineering;
- 72. Calls, in connection with direct subsidies to undertakings, for it to be recognised that cohesion policy funding, rather than influencing decisions by companies and particularly larger companies to open a plant in a given location, tends to be pocketed by companies which have already taken such decisions (deadweight effect), and calls, therefore, for grant support for large, private undertakings to focus on investment in research and development or for it to be provided, more often than is currently the case, indirectly through infrastructure financing; also calls for clear provisions to be included in the general regulation governing the Structural Funds ruling out the provision of any EU funding for the relocation of undertakings within the Union, substantially lowering the threshold for review of relocation investments, excluding large enterprises from direct subsidies, and placing a 10-year limit on the duration of operations;;
- 73. Recognises the leverage effect of new financial instruments and their potential to mobilise investment, supports increased financing from credit in general, and calls for the use of revolving financial instruments to be extended to those areas eligible for funding which prove to be appropriate; calls for procedures to be simplified to that end and for a greater degree of legal certainty throughout the entire funding period, as well as for the establishment of an EU register showing which projects are provided with loans and which with subsidies; calls for the instruments to be adaptable, so as to ensure they are viable and feasible for all regions and cities; takes the view that at the end of a funding period, at the latest, responsibility for how the funds are spent should transfer to national level or project level; notes that during the current period not all Member States have adopted a decentralised approach to dealing with financial instruments such as JESSICA; emphasises the need for direct access for cities;
- 74. Emphasises that the provision of grants must always be retained as an option and that it must be the responsibility of those involved on the ground to use the funding mix best suited to regional needs; considers that subsidies should continue to dominate in regions lagging behind;
- 75. Considers that the EIB must assume a stronger role in the financing of TEN infrastructure;

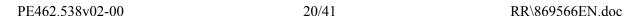


- calls for more emphasis to be placed on self-supporting public-private partnerships; considers, as a matter of principle, that the European Parliament has a major responsibility in this regard for ensuring transparency, as well as in relation to decision-making and supervision;
- 76. Welcomes the effective cooperation between the EIB and the Commission in implementing three joint initiatives JESSICA, JEREMIE and JASMINE which should increase the efficiency and effectiveness of cohesion policy and improve the functioning of the Structural Funds; calls on the Commission to continue to actively adopt joint initiatives with the EIB, particularly in the field of cohesion policy and to ensure financial support for SMEs;
- 77. Sees global grants at sub-regional level as an appropriate tool for developing independent innovation strategies in line with European regional-policy objectives;
- 78. Rejects quotas or obligations for global grants, however, as they could run counter to the setting of overriding priorities tailored to the regions' needs;

#### Budget, financial processes, reducing red tape, budgetary discipline and financial control

- 79. Takes the view that the system of seven-year programming periods has proved its worth regarding cohesion policy and should be retained at least until the end of the next planning period (2020); calls, however, for swifter strategic reassessment of the basic conditions so that the EU can respond even more quickly and more flexibly to exceptional events (such as the financial crisis, the energy crisis or natural disasters);
- 80. Emphasises, nonetheless, that the EU budget as currently structured and its allocation mechanisms, underpinned by the regulations governing the various funds, have proved effective in the implementation of cohesion and structural policy in particular, and that changes should therefore be made only where procedures have not worked or where the arrangements are at odds with the Financial Regulation; supports, in this context, proposals from the Commission for harmonisation of the rules governing all funds available for regional development; calls, however, for the utmost caution to be exercised when making even the most minor adjustment to established, tried and tested structures, so as to avoid malfunctions and uncertainty for national and regional administrative bodies and an increased burden for beneficiaries, particularly those with small structures and limited capacity;
- 81. Regards the integration of the Europe 2020 objectives into the existing system of objectives and funds as feasible; rejects any division of the EU budget under the notional headings of 'smart', 'inclusive' or 'sustainable' growth, as well as any fragmentation of cohesion policy across various budget headings; considers that this policy should have its own heading within the EU budget;
- 82. Regards post-2013 cohesion policy as being capable of making an even greater contribution to further and sustainable development of the EU regions and as the decisive policy for cross-sectoral implementation of the Europe 2020 strategy, and therefore calls for it to be allocated at least the same budget appropriations;

- 83. Recalls that the European Court of Auditors has for many years reported that payments in the area of cohesion are affected by an error rate exceeding 5%, but notes that this fell from 11% for the last discharge procedure as shown by the ECA Annual Report, and that the supervisory and control systems are only partially effective; calls in addition for clarification on the method of calculating errors, as discrepancies in figures provided by the European Court of Auditors and by the Commission lead to confusion and to mistrust of official figures;
- 84. Calls for the adoption of stricter rules on the monitoring of irregularities in the use of the Structural Funds in respect of Member States that have a high level of irregularities in connection with the use of monies from the Structural Funds and on a procedure for the systematic interruption and suspension of payments as soon as evidence suggests significant deficiency in the functioning of the accredited authorities; calls, at the same time, for unnecessary controls to be done away with in those Member States that have a satisfactory fund management system; considers that the 'contract of confidence' and 'single audit' principles should be implemented wherever possible;
- 85. Calls on the Member States/public authorities to designate authorities or entities that will assume exclusive responsibility for the proper administration of monies from the Structural Funds;
- 86. Considers the annual, tested management declarations at the level of the head of the office administering the funds (payment office/administrative authority) to be an appropriate means of strengthening the reporting and control chain and highlights the absolute necessity for these declarations to be accurate in terms of content; calls, therefore, for a penalty system to apply to false declarations; continues to endorse the purpose of national statements of assurance;
- 87.Calls for the Commission to have, from the start of the next programming period, greater responsibility for the improvement of national administrative procedures; considers, in this connection, that there is an urgent need for simplification and clarification of the administration of support programmes, in particular in the area of financial implementation and financial control; takes the view, therefore, that it will be incumbent on the Commission to implement accreditation procedures for national or federal-state administrative and auditing bodies; considers that entitlement to simplified and less frequent reporting should be linked to successful accreditation and a reduction in the error rate;
- 88. Calls, furthermore, for the supervisory role of the Commission to be strengthened by introducing systematic interruption and suspension of payments as soon as well-established evidence suggests a significant deficiency in the functioning of the accredited authorities; calls on the Commission also to put in place more robust plans for increasing the rate of recoveries of erroneous payments;
- 89. Calls for the inspection system to be simplified and the number of inspection levels to be reduced and for the respective responsibilities of the Commission and Member States to be clarified; calls for the use of a single-level inspection procedure, under which Member States would inspect projects and the Commission would inspect the Member States' inspection systems;





- 90. Takes the view that, in order to improve the effectiveness of the operational programmes, greater use should be made of competitive procedures for project selection within the regions;
- 91. Calls, in the interests of reducing red tape, for more general application of standardised procedures, with higher standardised units of cost and the declaration of overheads on a flat-rate basis where this system is appropriate; calls for greater account to be taken of the principle of proportionality, i.e. for the implementation of smaller programmes to be subject to significantly reduced reporting and auditing requirements;
- 92. Calls on the Commission to maintain an annual public 'failure scoreboard' of inadequate and/or late execution of reporting and disclosure requirements and of irregularities, abuse and fraud in the use of monies from the Structural Funds; calls for this information to be broken down by Member State and by fund;
- 93. Is concerned at the fact that red tape is preventing small companies and organisations from gaining access to structural funding; calls for the relevant rules and technical documentation to be made as clear as possible;
- 94. Calls for annual clearance of accounts procedures that also cover multiannual programmes to be established for the new programming period;
- 95. Considers more efficient e-government solutions (harmonised forms) to be necessary for the entire implementation and monitoring system; calls for exchanges of experience between the Member States coordinated by the Commission and for coordinated implementation through groupings of administrative authorities and auditing bodies;
- 96. Supports the Commission's proposal that national authorities should not receive reimbursement until the EU funding has been paid out to the beneficiaries; envisages that this will speed up payment procedures and will be a crucial incentive to carry out stringent national auditing; notes, however, that cash flow problems could potentially arise at Member State or regional level and that appropriate hedging arrangements will need to be made;
- 97. Regards the Commission's call for payments to be more closely geared to results as illogical, in that results will only be achieved by financing the projects in the first place; is concerned that the monitoring is likely to be highly bureaucratic, but regards as conceivable requirements which make payments contingent on proven consistency between the projects and, for example, the Europe 2020 strategy;
- 98. Considers that, while reimbursement should arrive after EU funding has paid out for projects, no extra burdens should be placed on the beneficiaries, in the form of interest rates that do not reflect the low risk factor of such loans, by banks or other financial institutions;
- 99. Considers the offsetting of improperly received monies that have not been paid back against current funding pledges to be an effective instrument for disciplining Member States with a poor record;

- 100. Calls for diversification of the penalty mechanisms, including among other aspects a bonus system for those Member States which comply with the implementation requirements, in particular through administrative concessions;
- 101. Recalls that, unlike other structural funds, the specificity of the ESF is that it is closely linked to the target groups it supports and that it needs to be shaped in a way that allows for many small-scale, locally based projects; calls for the Member States to be required to pass on funding to projects immediately, so as to rule out problems for smaller beneficiaries; calls on the Commission and the Member States to ensure flexibility in the financial implementation of programmes, to take the principle of proportionality regarding time and efforts and financial contribution into account when fixing control and audit obligations, and to simplify procedures and reduce excessive administrative costs and any obstacles, for the benefit of the projects and the potential beneficiaries, thereby making the ESF better able to contribute to achieving the EU's objectives for growth and job creation; calls on the Commission to increase the choice for management authorities and beneficiaries as regards financing options and to propose the possibility of standard cost options alongside traditional accounting;
- 102. Supports the Commission's proposal that the N+2 and N+3 rules should, in certain situations, be applied systematically, possibly at the level of Member States' allocations, in order to provide greater flexibility, except in the first year of funding and except for cross-border programmes, and that any other derogations from the automatic decommitment rule should only reflect an adaptation to the administrative burdens imposed by new provisions related to strategic programming, results-based orientation and ex ante conditionality; supports, indeed, the application of an N+3 rule in the case of cross-border programmes, in order to take account of the slower administrative processes resulting from the linguistic and cultural challenges they face; considers this will guarantee that a balance is struck between high-quality investment and smooth and speedy programme implementation;

#### Neighbourhood and enlargement policies

- Instrument (ENPI) for cohesion policy with regard to cross-border cooperation with states outside the EU; takes note of the current problems with implementation of the programme; is convinced that it will ultimately prove necessary to reincorporate the ENPI cross-border cooperation programmes into cohesion policy; sees infrastructure (transport, energy and environmental) links with neighbouring countries as having particularly positive effects on the European border regions; calls for ENPI funding to focus more closely on strategic needs in relation to energy and to transport infrastructure; underlines the role that macroregions can play in this context; calls on the Commission to look into the feasibility of establishing better synergies between ERDF initiatives, the Instrument for Pre-Accession Assistance, the European Neighbourhood and Partnership Instrument (ENPI) and the European Development Fund (EDF); asks the Commission, furthermore, to evaluate whether the structures already used in the regional policy sphere could also be applied to the administration of the ENPI;
- 104. Stresses, too, the relevance of the EU enlargement process for cohesion, as part of

which the Instrument for Pre-Accession Assistance (IPA) helps the candidate countries to make substantive and organisational preparations for implementing cohesion policy; draws the attention to the implementation problems in the Member States; recalls the original aims of the IPA instrument, in particular those of financing capacity building and institution-building and supporting the candidate countries' preparations for the implementation of the Community's cohesion policy in order to prepare them for full implementation of the Community *acquis* at the time of accession; calls on the Commission to identify the problems in the current functioning of the IPA instrument;

- 105. Reiterates its call for the Committee on Regional Development to be involved in and share responsibility for determining the form that both these instruments will take in future;
- 106. Instructs its President to forward this resolution to the Council, the Commission and the Presidents of EU regions and *Länder*.

#### **EXPLANATORY STATEMENT**

## 1. Background

Forecasts of global growth and population trends suggest that the European community of States will decline in significance. Whereas at present the EU-27 are still home to some 8% of the global population, by 2050 this figure will have fallen to 5%. Particularly because of growth in China and in important emerging countries, the EU's share in the global economy will decline from 20% to around 12% over the same period. 15

If the European community of States wishes to compete economically and politically, and if this relative decline in significance is not to be accompanied by a loss of prosperity, the community must act in a more concerted manner with regard to vital issues on which it needs to secure its future. This applies to foreign and security policy, just as it does to decisive issues regarding the internal market, research, energy supply and guaranteed supplies of raw materials. Even more than hitherto, the community must devote itself to the rapid development of renewable energy and ways of storing it.

#### 2. The role of the regions and the added value of cohesion policy

Cohesion policy and structural policy have a key role to play in ensuring future competitiveness. Europe's regions and towns and their undertakings already have very strong links with the rest of the global economy, for reasons associated with the European history of the individual nation states. Thus Europe's economic system is substantially more complex than its counterparts in Asia or North America. More than half of global ties between multinational corporations and their subsidiaries originate in the EU. Cohesion policy must take greater advantage of this surviving advantage of international networking and encourage more SMEs to become involved in international growth markets.

However, such a policy for growth and innovation can only work in an internal market without barriers, which requires further harmonisation. Moreover, such a policy can be sustained only if regional-policy objectives are combined with pan-European objectives of innovation and research and coping with environmental challenges, and in particular if the know-how of the more affluent regions is also exploited.

In addition to the growth component, there is a need for a concept of working towards regional and social balance. Only if the people and the regions as a whole support this policy will cohesion policy and structural policy ultimately be accepted, as they need to be in order to be implemented successfully. It should be stressed, in this context in particular, that the EU's cohesion policy, with its principles of multi-level governance, entails a proven, integrated political approach unique in the world, which should be further built upon.

To this end – inter alia in the interests of acceptance of the required budget for the Structural Funds – **European added value** should be defined more clearly and 'marketed' more aggressively. European objectives need to be more successfully combined with regional

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<sup>&</sup>lt;sup>15</sup> Sources: publications of the United Nations 2006 and the IMF 2009.

development objectives. In this respect the earmarking of funds for innovative policies, which is currently practised in the allocation of funds under the Lisbon process, is a successful approach and must be continued for the EU 2020 strategy, albeit with a closer focus on results.

The additional question which now needs to be asked about European added value is this: to what extent has cohesion policy genuinely initiated projects? Might not many of the projects, including infrastructure projects, and many new business premises have come about anyway under the auspices of national or regional authorities or entrepreneurs? Only if European programmes are the original initiators of projects, thus contributing their added value, can a strong cohesion policy be justified. Otherwise, the EU is merely financing displacement effects via many bureaucratic detours.

The rapporteur regards certain key areas of the EU 2020 strategy (fewer early school-leavers, higher levels of final examination results, more people in employment, less poverty, more environmental investment by local authorities) as areas for which national or even regional/local policy-makers should bear primary responsibility. Cohesion policy should not act as a catalyst for a thorough Europeanisation of social or environmental policy here. This would massively overburden the resources of cohesion policy. Rather there should be a closer focus on **the regional contribution to European policies** (environmental protection, climate change, energy, transport infrastructure, etc.), stimuli for growth and innovation (SMEs joining international networks, etc.), model social projects (integrated development planning, health, demography, etc.) and particularly, under all these headings, on **compensatory measures for disadvantaged regions.** 

Therefore, the rapporteur would like to emphasize, that a general new funding category based on GDP/PE between the 75% and 90% rates is at odds with the core philosophy of EU cohesion policy, which is to support the weakest regions, while taking a cross-cutting approach. The creation of such a new category enjoys only a narrow majority of support at the Committee on Regional Development.

## OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS (\*)

for the Committee on Regional Development

on the EC 5th Cohesion Report and the Strategy for the post-2013 Cohesion Policy (2011/2035(INI))

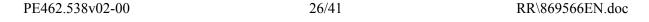
Rapporteur (\*): Veronica Lope Fontagné

(\*) Procedure with associated committees – Rule 50 of the Rules of Procedure

#### SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

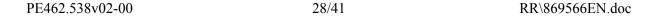
- having regard to Article 2 of the Treaty on the European Union (TEU) and Article 3(3), second paragraph TEU, which underlines equality between women and men as a fundamental principle of the European Union and also an objective of the Union,
- having regard to the Communication from the Commission entitled Europe 2020 A strategy for smart, sustainable and inclusive growth (COM(2010)2020) and its targets and flagship initiatives,
- having regard to the communication from the Commission on The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion (COM (2010)758),
- having regard to the UN Convention on the Rights of Persons with Disabilities and its entry into force on 21 January 2011, according to the Council Decision of 26 November 2009 on the conclusion, by the European Community, of the United Nations Convention on the Rights of Persons with Disabilities (2010/48/EC),
- having regard to the Council Conclusions of 6 December 2010 entitled Employment policies for a competitive, low-carbon, resource-efficient and green economy,





- having regard to the opinion of the European Economic and Social Committee of
  14 July 2010 on How to foster efficient partnership in the management of cohesion policy programmes, based on good practices from the 2007-2013 cycle (ECO/258),
- having regard to the study of 24 January 2011 published by Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission on Evaluation of the European Social Fund's support to Gender Equality,
- having regard to the work of the European Community of Practice on Gender Mainstreaming, funded by the European Commission and dedicated to integrating the gender dimension into the European Social Fund programmes,
- 1. Welcomes the Commission's fifth report on economic, social and territorial cohesion, which proposes directions that policy in this area might take in the future; stresses that the ESF is the most important instrument for the implementation of the social dimension of the EU 2020 Strategy and that the ESF can contribute significantly to the fulfilment of the central priorities of that strategy, namely employment, the transformation to a sustainable economy, reducing the number of school drop-outs, fighting against poverty, discrimination and social exclusion and finding answers to the different social situations people find themselves in; stresses in this context that besides GDP, other social indicators would be useful in the SWOT analysis; underlines that an effective cohesion policy is essential for reducing discrepancies in regional development and achieving economic, social and territorial cohesion in the EU; draws particular attention to the fact that all Member States have groups which are at a disadvantage in the labour market and whose situations must be improved by means of cohesion funds if a 75% employment rate is to be achieved; stresses that the three constituent pillars of the EU 2020 strategy (smart growth, sustainable growth and inclusive growth) must be complementary;
- 2. Welcomes the Commission's proposal to improve coordination between the Cohesion Fund and the European Social Fund by means of a common strategic framework; considers it especially important, however, that the specific objectives and flexibility of individual funds should not be restricted at implementation level and that the overall administrative burden should be drastically reduced; supports the Commission in its aim to ensure a strengthened, efficient and more visible ESF; calls, to this end, on the Commission and Member States to agree in their negotiations on the necessary amount of ESF contribution within the Structural Funds;
- 3. Is of the opinion that the Common Strategic Framework is a very good instrument for making connections with other core policy areas of the European Union, in particular the Integrated Guidelines for Growth and Jobs;
- 4. Approves the intention of developing new macro-regional strategies for the necessary social and ecological reconstruction of the EU and as effective tools to combat regional disparities and foster cooperation in the areas that they cover, particularly poverty and social exclusion, employment, education, initial and ongoing training and equal access to public services of high quality, while paying special attention to the most disadvantaged micro-regions within NUT 2 and NUT 3 regions; encourages the Commission and Member States to take greater account of the territorial dimension of the ESF, in particular with regard to access to employment;

- 5. Points out that European regional policy is a vital instrument for advancing economic and social cohesion, enabling the Union to undertake measures to reduce regional inequalities, promote real convergence and stimulate development, high-quality employment and social progress, while also serving to benefit the less developed regions;
- 6. Insists that the European Social Fund must remain part of cohesion policy; only in this way can integrated strategies for resolving economic and social problems be developed and implemented;
- 7. Firmly believes that coordinating plans and programmes between regional, national and European levels has proved worthwhile and insists that this be continued;
- 8. Warns that cohesion policy and the associated expenditure should be used to bring about sustainable economic, social, environmental and territorial development and cannot simply be a financial instrument, thereby safeguarding its objectives and avoiding negative consequences for economic and social cohesion;
- 9. Stresses that the agreed targets must be fund-specific and tailored to the relevant operational programme in each case; strongly opposes subdividing European goals without taking into account specific characteristics and problems;
- 10. Welcomes the fact that operational programmes (OPs) covering all target areas have also been set up at national level for the ESF for the first time in some Member States for the 2007-2013 funding period;
- 11. Stresses the fact that the Member States and regions must be given sufficient freedom within the operational programme to orientate their range of measures to their specific challenges and long-term regional development strategies, taking into account national and regional characteristics;
- 12. Calls for a sharp increase in investment in the knowledge triangle of education, research and innovation, since they maintain and increase European competitiveness; in this context, welcomes the considerable investment in the knowledge triangle from the ESF and the ERDF which is taking place in many Member States;
- 13. Stresses the fact that the ESF provides crucial support for employment market policies such as preventive and local policies as well as those aimed at helping young people to enter the labour market and combating unemployment; highlights the fact that the Member States should use the ESF for investment in new skills, education (including early childhood education), lifelong learning, retraining and occupational redeployment activities and stresses that the ESF plays an important part in boosting all dimensions of social inclusion, including for the most disadvantaged and vulnerable groups; takes the view that this structural fund needs to be included in the common strategic framework without, however, altering its own specific operating rules and provisions and the provision of adequate resources; calls on the Commission to strengthen the role of the ESF, raise its profile and simplify its budget control by establishing simple and effective cooperation procedures between the managing authorities and the budget control departments;





- 14. Considers the fight against discrimination in the labour market, whether related to gender, sexual orientation, ethnicity, age, disability or place of residence, to be crucial for the promotion of genuine equality of opportunity; notes that increasing the employment rate of women is crucial for reaching the employment target of the EU 2020 Strategy and that therefore barriers to women's labour market participation must be fully addressed; emphasises that the ESF should provide adequate resources to tackle gender inequalities in the labour market and that the European Regional Development Fund must provide adequate financing for care infrastructure;
- 15. Stresses that the economic crisis has further increased the urgent need for measures in the sectors covered by the ESF, in particular to promote employment, occupational redeployment, social inclusion and poverty reduction;
- 16. Calls for the effectiveness and transparency of the ESF to be increased through more results-oriented action and asks for the ex ante setting of clear and measurable targets and outcome indicators, directly linked to the purpose of the funding, which measure, in particular, success in the fight against poverty and social exclusion and integration in high-quality employment; considers that stakeholders concerned at all levels of governance need to be involved in the setting of these targets and indicators and that the latter should be clearly defined in good time prior to the provision of funding, so that both the Member States and the Commission can evaluate the results achieved and use the experience during the next planning phase; supports the Commission's proposal to make the allocation of ESF money dependent on ex ante conditionality, including a precondition regarding the transposition of EU legislation and EU objectives, which are indispensable for the success of ESF measures, as well as structural reforms and adequate capacities in the administrations; stresses that result-orientation must not lead to small promoters being disadvantaged or exposed either to new barriers to access or to risks;
- 17. Underlines that the invaluable experience of the Community EQUAL initiative is still relevant today, especially regarding the combination of local and regional measures and the EU-wide exchange of best practices;
- 18. Takes the view that measures to improve the effectiveness of the ESF should be based primarily on incentives rather than penalties;
- 19. Asks the Commission to intensify the ESF action aimed at promoting integration into the job market; encourages the Member States to invest in children from a very early age by means of education and later to set up in-school guidance based on local and regional job opportunities and lifelong training to help workers adapt their skills to the needs of the job market whilst implementing measures to combat youth unemployment and to tackle the phenomenon of the 'working poor', as well as establishing tailor-made programmes to assist disadvantaged and vulnerable groups such as the Roma, migrants, persons with disabilities and early school-leavers, with a view to promoting effective and inclusive growth and a Europe with a knowledge-based economy;
- 20. Considers that the ESF is of crucial importance for the Cohesion Policy and has a potential to increase its contribution to the EU 2020 objectives, including in the area of sustainable growth through the provision of support to SMEs for the creation of green jobs;

- 21. Rejects any move to introduce impact indicators, since the real impact of measures is often only felt some considerable time after their implementation has been completed and is therefore difficult to measure;
- 22. Takes the view that the failure to achieve targets should not be penalised by cuts in funding, since this might result in unrealistically low targets being set or in decisions being taken not to support high-risk groups; points out that in the context of ESF funding, for example, there is a real danger of social integration measures being targeted only at groups which are highly likely to achieve such integration;
- 23. Takes the view that the eligibility rules should continue to be set at national level;
- 24. Supports the Commission's proposal to leave the ESF as part of the Cohesion Policy; considers that better coordination and greater flexibility between the various structural funds should be achieved and that the synergies between the ESF and the ERDF, in particular, should be improved, especially for the sake of the implementation of complex programmes combating exclusion of the most disadvantaged social groups; calls therefore for an improvement of the rules on the provision of funding under the ESF and the ERDF and calls on the Commission to continue the existing possibilities of employing cross-financing arrangements; recalls that better coordination with the EAFRD and the EU horizontal programmes, such as CIP, 7FP, etc., is also important, especially in the areas of training and qualifications;
- 25. Stresses that, in ensuring the maximum effectiveness of cohesion policy, both in terms of development and strengthening social cohesion, the level of co-funding should be reviewed so that it better reflects the level of development of action plans and the specific characteristics of beneficiaries;
- 26. Underlines that particular attention should be paid to developing the research and development sector, innovation and the capacity to create projects for all possible beneficiaries, paying special attention to independent entrepreneurs and SMEs, which are some of the main job creators and which complain about difficulties in accessing funding and covering administrative costs generated by procedures; recalls, in this context, the importance of reducing the bureaucratic burden on the beneficiaries;
- 27. Believes that any future strategy for the use of ESF will be more effective if it involves regional and local levels of governance, which are capable of gearing strategic objectives to specific territorial characteristics on the basis of structured dialogue with all stakeholders, such as organisations that promote gender rights, non-governmental organisations, social partners and financial and banking institutions; stresses in this respect the importance of training and empowering 'actors of change' and of innovative approaches such as the Territorial Employment Pacts, taking into account the local and regional dimension; invites the Commission to include a contribution to technical assistance for the empowerment of partners in each DIC; considers that, to enable funds to be used more effectively, it is vitally important to secure the active involvement of the social partners at all stages of the planning, implementation and assessment of the ESF;
- 28. Calls for the open method of coordination to be strengthened and for better cooperation and exchanges of information to be established among national, regional and local



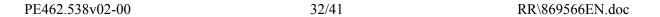


authorities where cohesion policy is concerned;

- 29. Calls on the Commission to ensure more capacity-building measures, including gender mainstreaming, and to put in place guidance and simple streamlined procedures for the relevant administrative authorities, including those that act at the level of project selection, to assess the gender impact of projects;
- 30. Recalls that unlike other structural funds, the specificity of the ESF is that it is closely linked to the target groups it supports and that it needs to be shaped in a way that allows for many small-scale, locally-based projects; calls for the Member States to be required to pass on funding to projects immediately, so as to rule out problems for smaller beneficiaries; calls on the Commission and the Member States to ensure flexibility in the financial implementation of programmes, to take the principle of proportionality regarding time and efforts and financial contribution into account when fixing control and audit obligations and to simplify procedures and reduce excessive administrative costs and any obstacles to the benefit of the projects and the potential beneficiaries, thereby making the ESF better able to contribute to achieving the EU's objectives for growth and job creation; calls on the Commission to increase the choice for management authorities and beneficiaries as regards financing options and to propose the possibility of standard cost options alongside traditional accounting;
- 31. In accordance with the 'Report on the EU strategy on Roma inclusion (2010/2276(INI))', calls on the Commission and the Member States to put special emphasis on the role of the Cohesion and Structural Funds in the integration of the Roma; therefore recommends the introduction of administrative tools which ensure that development projects contribute to the reduction of inequalities between the Roma and non-Roma communities;
- 32. Underlines that the post-2013 Cohesion Policy should take into account a number of major challenges, including social imbalances in urban areas, demographic changes and social exclusion;
- 33. Calls on the Commission to strengthen both sanctions and positive incentives for Member States to implement Article 16 of Council Regulation 1083/2006(EC) and to respect its legally binding requirements, to reinforce anti-discrimination provision in the future Cohesion Policy 2014-2020 and to monitor and assess the correct implementation of the European funding programmes and the use of the European Social Fund.

## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	24.5.2011
Result of final vote	+: 40 -: 0 0: 2
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Philippe Boulland, Milan Cabrnoch, David Casa, Alejandro Cercas, Ole Christensen, Sergio Gaetano Cofferati, Tadeusz Cymański, Proinsias De Rossa, Frank Engel, Richard Falbr, Thomas Händel, Roger Helmer, Nadja Hirsch, Stephen Hughes, Vincenzo Iovine, Liisa Jaakonsaari, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Veronica Lope Fontagné, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Rovana Plumb, Konstantinos Poupakis, Licia Ronzulli, Elisabeth Schroedter, Jutta Steinruck, Traian Ungureanu
Substitute(s) present for the final vote	Raffaele Baldassarre, Vilija Blinkevičiūtė, Tamás Deutsch, Edite Estrela, Ildikó Gáll-Pelcz, Jelko Kacin, Jan Kozłowski, Csaba Sógor, Emilie Turunen
Substitute(s) under Rule 187(2) present for the final vote	Morten Løkkegaard



#### OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Regional Development

on the EC 5th Cohesion Report and the Strategy for the post-2013 Cohesion Policy (2011/2035(INI))

Rapporteur: Derek Vaughan

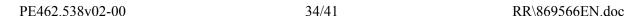
#### **SUGGESTIONS**

The Committee on Budgetary Control calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Recalls that the European Court of Auditors has for many years reported that payments in the area of cohesion are affected by an error rate exceeding 5%, although notes that this fell from 11% for the last discharge procedure as shown by the ECA Annual Report, and that the supervisory and control systems are only partially effective; calls in addition for clarification on the method of calculating errors, as discrepancies in figures provided by the European Court of Auditors and by the Commission lead to confusion and distrust of official figures;
- 2. Is therefore of the opinion that supervisory and control systems should be made more efficient for the post-2013 period and efforts should be made to avoid an increase in administrative burdens;
- 3. Calls for an easing of administrative restrictions in respect of financial management and control; welcomes the discussions about rolling closures of programmes and the n+2 rule and calls for flexibility in approaches in order to enable Member States to use funds correctly, to avoid counter-productive behaviour by Member States and to direct control efforts more towards risk, thus increasing their efficiency;
- 4. Notes that a high percentage of errors in cohesion policy occur as a result of complex rules and procedures; calls on the Commission to simplify these, leading to a more efficient system; notes in addition that more attention should be paid to preventive control

measures and a clear distinction should be made between errors, irregularity and fraud; points out, however, that final figures can only be established for those periods that can be deemed finalised and that, to this end, only the 1994-1999 period has to date been finalised:

- 5. Considers that common rules on the management, eligibility, auditing and reporting of projects financed by the ERDF, the ESF and the Cohesion Fund, and of projects supporting the economic diversification of rural and fisheries areas under the EAFRD and the EFF, would play a key role in simplifying the management of funds, reducing the risk of error and facilitating participation in cohesion policy programmes by smaller stakeholders, as well as easier absorption of available funding;
- 6. Notes that the Commission intends to require Member States' authorities to present a management declaration and an independent audit opinion thereon; welcomes this move but recalls that a declaration signed at ministerial level is the mid-term objective to counter the current lack of ownership; insists that the Commission and individual Member States must establish effective partnerships to ensure that both sides fulfil their responsibilities for the funds entrusted to them; notes that the Commission has limited instruments available and must of necessity rely on the resources of the Member States; calls on the Commission and Member States to cooperate in developing an effective control architecture which uses the resources of both in a complementary manner to maximise safeguards with minimum bureaucracy;
- 7. Understands that it is intended that Member States' authorities will undergo a national accreditation process; underlines, however, the obligation of the Commission under Article 317 of the TFEU to implement the budget on its own responsibility;
- 8. Invites the Commission, therefore, to take up its supervisory role by carrying out the accreditation process itself and by regularly monitoring the proper functioning of the accredited authorities during the lifetime of the programme;
- 9. Calls, furthermore, for the supervisory role of the Commission to be strengthened by introducing systematic interruption and suspension of payments as soon as well established evidence suggests a significant deficiency in the functioning of the accredited authorities; calls on the Commission also to put in place more robust plans for increasing the rate of recoveries of erroneous payments;
- 10. Is of the opinion that this should be complemented by a catalogue of sanctions to be borne by Member States and final beneficiaries in case of irregularities; is further of the opinion that the use of sanctions should be based on clearly defined rules and regulations; calls for sanctions to be imposed primarily on the final beneficiaries themselves in the case of irregularities to ensure that those at fault are correctly held accountable for their errors; believes that sanctions against Member States should be applied only in cases of management fault or systemic failure for which Member States are responsible rather than simply applied as a quick and easy solution to avoid holding final beneficiaries to account;
- 11. Notes that around 43 % of quantifiable errors in spending on cohesion policy occur in the field of procurement; calls on the Commission to come forward with clear and transparent rules on the procurement procedure as a way of cutting down on the error rate.





## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	11.4.2011
Result of final vote	+: 19 -: 1 0: 0
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Andrea Češková, Luigi de Magistris, Jens Geier, Gerben-Jan Gerbrandy, Ville Itälä, Iliana Ivanova, Monica Luisa Macovei, Jan Olbrycht, Aldo Patriciello, Bart Staes, Georgios Stavrakakis
Substitute(s) present for the final vote	Thijs Berman, Cornelis de Jong, Sidonia Elżbieta Jędrzejewska, Ivailo Kalfin, Jan Mulder, Derek Vaughan
Substitute(s) under Rule 187(2) present for the final vote	Peter Skinner

#### OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Regional Development

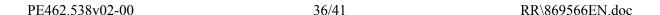
on the EC 5th Cohesion Report and the Strategy for the post-2013 Cohesion Policy (2011/2035(INI))

Rapporteur: Tadeusz Cymański

#### **SUGGESTIONS**

The Committee on Women's Rights and Gender Equality calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas gender equality has a significant impact on economic, social and territorial cohesion in Europe, which is affected by, inter alia, women's participation in the labour market and which has a capacity to guarantee that women and men have the same opportunities as regards access to high-quality education, decent work and the development of a professional career, which will also boost the active population and improve the skills available, thereby helping to raise growth and improve competitiveness,
- B. whereas only 7% of ESF funding for the period 2000-2006 was used to finance measures to promote equality between women and men; whereas, over the same period, measures providing (direct or indirect) support for equal opportunities subsidised by the ERDF made up 21 % of total funding,
- C. whereas significant regional differences exist in female participation in the labour market, and whereas on average the participation of women is lower than that of men and women earn less than men; whereas this circumstance can be partially explained by the fact that women find it more difficult to reconcile work and family, since it is generally women who are responsible for looking after children and other dependents,
- D. whereas women form a majority of the population with higher-education qualifications, and this trend has nevertheless not yet translated into a levelling-out of employment rates; whereas, at the same time, women far outnumber men in the worst-educated population groups, even though this situation has been changing markedly over time,





- E. whereas in 16 Member States the risk of extreme poverty for women exceeds that for men and whereas women are more numerous among those employed under precarious conditions, especially in rural areas,
- F. whereas equal opportunities between men and women and the gender mainstreaming principle are expressly indicated in the Regulations governing the Structural Funds as transversal dimensions of policy programming and implementation,
- G. whereas, on average, half of the people participating in activities organised by the ESF within the framework of active employment policies are women,
- 1. Insists, in the context of the cohesion policy, on the need to increase financial support for action to facilitate a work-life balance for women and men, in particular more flexible working conditions and sufficient provision of high-quality child-care services and care services for other dependents at affordable prices, which will enable fathers, and especially mothers, to combine work and family, which benefits social cohesion by promoting equal opportunities and the role of the family and favouring parenthood, and also economic cohesion by increasing the participation of women in the labour market;
- 2. Stresses that increased rates of employment are one of the main factors for growth; points out, likewise, that if the objective of a 75 % employment rate among people aged between 20 and 64 fixed in the Europe 2020 Strategy is to be achieved, it is necessary not only to reduce unemployment but also to integrate people who are currently inactive, into the labour market;
- 3. Stresses the need to devise innovative measures to combat poverty aimed at women whose position is vulnerable, in particular immigrant women, women on their own and women with large families;
- 4. Regrets that the progress made towards achieving equality between men and women in the labour market has been very limited and stresses that most EU states are still falling far short of implementing gender mainstreaming in their policies and carrying out systematic assessments of the impact of their policies from the gender perspective, as the Commission points out in the Fifth Cohesion Report;
- 5. Believes that European Social Fund support should continue to focus primarily on raising employment levels, financing measures targeted at disadvantaged groups (women, young people, long-term unemployed, immigrants, minorities, people with disabilities, etc.) who need support to find a job, promoting continuing vocational training, combating gender discrimination in the choice of career and occupation, backing women's participation in scientific and technological activities and helping them to set up businesses, as well as by co-funding individual economic initiatives by people outside the labour market, including in particular women over the age of 45;
- 6. Believes that, in the interests of their full integration into the labour market, persons employed under precarious conditions should be entitled in the same way as the unemployed to take part in employment stimulation programmes co-financed from the structural funds;

- 7. Stresses the important contribution made by the ERDF towards gender mainstreaming in all the relevant areas, in particular the granting of aid for training and education, for women entrepreneurs and for investment in facilities providing care for children, the elderly and other dependants;
- 8. Calls for the EAFRD Regulation to be amended to enable, as happens with the ESF, proactive measures to be taken in support of women in the 2014-2020 programming period, which was feasible in previous periods but not in the current one, and which will have very beneficial effects on female employment in rural areas;
- 9. Calls on the Commission to ensure, in the context of the cohesion policy, that the vocational education of women is strengthened, and on the Member States to further develop 'lifelong learning programmes' and active ageing initiatives, especially after the crisis had detrimental effects on the most vulnerable groups of society such as older, ethnic minority and disadvantaged women;
- 10. Calls on the Commission and Member States to make provision for specific measures involving existing resources and procedures for example guarantee funds to launch micro-financing and micro-credit initiatives geared mainly to women;
- 11. Supports the Commission in its reform of the cohesion policy, including by concentrating funding on a smaller number of priorities, with targeted measures and strategic objectives, on condition that gender equality in the labour market remains a high priority area in the new period;
- 12. Calls on the Member States to establish gender mainstreaming and equal opportunities expertise units within the Managing Authorities, introduce a gender impact assessment procedure during the selection phase and strictly monitor the outcomes and results of the programmes implemented in terms of gender equality progress;
- 13. Calls on the Member States and regional and local authorities to uphold their commitment to gender equality, non-discrimination and access for people with disabilities to all stages of implementation of the programmes; expresses its concern at the fact that, even though all the programmes explicitly mention equality, it is not always taken into consideration when programmes are implemented, as has become clear when their application and results have been assessed;
- 14. Calls on the Commission to draw up an action plan for determining specific and measurable objectives with time-frames, as set out in the accompanying document entitled 'Strategy for equality between women and men 2010-2015' and draws attention to the need to monitor the Commission's activities;
- 15. Calls on the Member States and regional and local authorities to ensure effective implementation of all financial instruments available at European level to support inclusion in the labour market for everyone, particularly the most vulnerable groups of women (women with disabilities, emigrants, women who belong to minorities, women who have been victims of gender violence, women with little training, etc.);
- 16. Calls on the Commission to urge the Member States to set specific objectives for



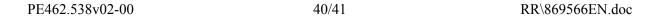


European mobility, education, training and the development of professional opportunities for women, in the sector devoted to transnational projects under the European Social Fund;

17. Calls on the Commission and the Member States to lay down guidelines for using the European Social Fund in a way which will ensure that young women's specialist skills and abilities are improved in those sectors in which they have less of a presence, in keeping with the strategy for regional development of innovation and quality employment;

## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	9.5.2011
Result of final vote	+: 23 -: 0 0: 0
Members present for the final vote	Andrea Češková, Marije Cornelissen, Tadeusz Cymański, Edite Estrela, Ilda Figueiredo, Iratxe García Pérez, Zita Gurmai, Teresa Jiménez-Becerril Barrio, Nicole Kiil-Nielsen, Constance Le Grip, Barbara Matera, Elisabeth Morin-Chartier, Siiri Oviir, Antonyia Parvanova, Eva-Britt Svensson, Britta Thomsen, Marina Yannakoudakis, Anna Záborská
Substitute(s) present for the final vote	Anne Delvaux, Gesine Meissner, Antigoni Papadopoulou, Angelika Werthmann
Substitute(s) under Rule 187(2) present for the final vote	Stanimir Ilchev



## **RESULT OF FINAL VOTE IN COMMITTEE**

Date adopted	26.5.2011
Result of final vote	+: 31 -: 4 0: 9
Members present for the final vote	François Alfonsi, Catherine Bearder, Zuzana Brzobohatá, John Bufton, Alain Cadec, Salvatore Caronna, Francesco De Angelis, Tamás Deutsch, Elie Hoarau, Danuta Maria Hübner, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Georgios Stavrakakis, Nuno Teixeira, Michael Theurer, Michail Tremopoulos, Lambert van Nistelrooij, Kerstin Westphal, Hermann Winkler, Joachim Zeller, Elżbieta Katarzyna Łukacijewska
Substitute(s) present for the final vote	Karima Delli, Cornelia Ernst, Karin Kadenbach, James Nicholson, Maurice Ponga, Marie-Thérèse Sanchez-Schmid, Elisabeth Schroedter, Patrice Tirolien, Derek Vaughan, Sabine Verheyen
Substitute(s) under Rule 187(2) present for the final vote	Philip Claeys