



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2013/2042(INI)

21.6.2013

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on the effects of budgetary constraints for regional and local authorities
regarding the EU's Structural Funds expenditure in the Member States
(2013/2042(INI))

Rapporteur: Jan Kozłowski

PA_NonLeg

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:

1. Stresses that, at a time of crisis resulting in increasing demand for quality social services, pressure on regional and local authorities as a result of financial constraints is having a negative effect on social cohesion, education and sustainable employment; stresses that regional and local authorities encounter obstacles in tackling problems such as poverty and social exclusion, and therefore in achieving the Europe 2020 goals;
2. Underlines the special role of the European Social Fund (ESF) in supporting social investment and implementing the Europe 2020 strategy, in particular by contributing to high levels of sustainable employment and productivity and, at the same time, effectively combating poverty and social exclusion as well as increasing social cohesion;
3. Welcomes the simplification of procedures connected with the implementation of the ESF and the increased accessibility of the Fund, in particular for smaller projects at local level, which allows for a better and faster response to the challenges posed by the difficult economic and social situation and for wider participation by beneficiary organisations in the implementation of investments; highlights, in this context, the importance of the new instrument for community-led local development, which would allow action groups at local level to develop and implement local employment strategies; calls on the Member States to provide for such opportunities as part of the ongoing programming process, so as to make use of local action groups' great potential for innovation;
4. Believes that cohesion spending should offer the appropriate degree of flexibility so as to allow Member States to address their own specific policy bottlenecks in order to achieve the Europe 2020 targets;
5. Stresses the importance of adapting to ongoing budgetary constraints across Europe, while continuing to invest in the future; reminds Member States that the challenge is not to spend more, but to spend more efficiently;
6. Notes that at the end of 2012, payment claims amounting to EUR 4.2 billion could not be honoured on behalf of the ESF and are being paid from the 2013 envelope; stresses the negative impact of such rolling-over in respect of implementation on the treasury situation of local and regional authorities and of beneficiaries; stresses, further, that out of the overall amount of EUR 11.2 billion provided for in Amending Budget No 2/2013, EUR 3.253 billion is designated for the ESF and that this amending budget should be paid in full, possibly in two steps; demands a political commitment from the Council to the effect that all legal obligations due in 2013 will be paid out by the end of this year;
7. Calls for the reduction of the overall level of *reste à liquider* (RAL), which constitutes a serious threat to the effective use of cohesion policy, hindering future investments in growth and employment; calls on the Member States to support regional and local authorities in making the best possible use of available resources under the Cohesion and

Structural Funds, through sound planning of projects and applications, and in ensuring that co-financing is properly supported;

8. Emphasises that cohesion policy is an important factor boosting public and private investment, with the potential to help develop good governance and public participation at all levels, thus contributing simultaneously to economic growth, employment, sustainable development and social cohesion in the Union as a whole and in the regions directly benefiting from it, thereby ensuring solidarity among European citizens and European regions; calls on the Member States to ensure that even in times of crisis, local actors are still provided with the necessary financial resources to be able to use the Structural Funds;
9. Strongly supports a shift in spending priorities such that the Member States invest in long-term growth, including investment in micro-, small and medium-sized enterprises, which can play an important role in boosting Member States' competitiveness;
10. Stresses that the local economy is a key recovery factor for communities, and that this is important in the current crisis situation; highlights, in this context, the economic and social effects of the social economy in improving social cohesion at local level; calls on the Member States to provide funding opportunities for the social economy through the Structural Funds for the 2014-2020 period;
11. Stresses the role that local and regional authorities can play in enhancing sustainable growth and job creation, restoring the social fabric and promoting renewable energy sources, smart grids and sustainable mobility;
12. Stresses that EU economic governance should be flexible enough to allow for the pro-growth and job-creating investments supported by cohesion policy, provided that these do not cause the Member States to exceed the debt and deficit levels agreed in the renewed Stability and Growth Pact;
13. Stresses the need to increase the participation of local and regional authorities and, where applicable, the social partners and other relevant partners in the programming, implementation, monitoring and evaluation of the Structural Funds, which would result in better linkages between EU, national and regional strategies; encourages local and regional authorities, wherever possible, to develop civil society participation in order to ensure that projects receive the necessary support and financing to deliver their objectives;
14. Calls for more transparency in the use of funds and for better communication, leading to more general ownership, appreciation and control of the use of funds;
15. Calls for further simplification of the rules and for increased flexibility and transparency in the programming and management of the Structural Funds, thereby allowing better project implementation as well as quicker and more appropriate responses to social challenges and threats;
16. Stresses that there is no direct relationship between regional policy performance and the macroeconomic performance of a Member State, and that regions should not be punished for the national level's failure to comply with procedures related to economic governance; believes that imposing additional penalties could thus exacerbate the problems of those

Member States already facing macroeconomic difficulties and that macroeconomic conditionalities are therefore not acceptable.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.6.2013
Result of final vote	+: 43 -: 1 0: 0
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Phil Bennion, Philippe Boulland, Milan Cabrnoch, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Marije Cornelissen, Emer Costello, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Thomas Händel, Marian Harkin, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Martin Kastler, Jean Lambert, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Csaba Öry, Sylvana Rapti, Licia Ronzulli, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Inês Cristina Zuber
Substitute(s) present for the final vote	Georges Bach, Kinga Göncz, Sergio Gutiérrez Prieto, Jelko Kacin, Jan Kozłowski, Svetoslav Hristov Malinov, Evelyn Regner, Birgit Sippel
Substitute(s) under Rule 187(2) present for the final vote	Jorgo Chatzimarkakis, Jürgen Klute