



2015/2353(INI)

25.5.2016

OPINION

of the Committee on Regional Development

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020:
Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Rapporteur: Constanze Krehl

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SUGGESTIONS

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

1. Recalls that one of the main objectives of the European Union is to promote economic, social and territorial cohesion and solidarity among Member States; underlines that cohesion policy set out for the long term is the Union's main investment policy and a tool for reducing disparities between all EU regions and improving the quality of life of European citizens, and that it plays an important role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth; considers that any Union instrument has to prove its contribution to the EU objectives and priorities; calls for a focus on assessment of outcomes, results, performance, synergies and added value;
2. Notes that the review/revision of the multiannual financial framework (MFF) must take into consideration the new political challenges facing the EU; emphasises the need for effectiveness and result-orientation of cohesion policy and notes that incentive mechanisms in this respect, such as performance-based budgeting, have already been introduced in the current MFF; recalls that – due to the late agreement on the MFF and consequently late adoption of the legislative package for cohesion policy (2014-2020) as well as of the Operational Programmes – European Structural and Investment (ESI) Funds are at an early stage of implementation in 2016 and that at the time of the MFF review/revision only limited evidence is available as to results; recalls, in this context, the possibilities offered in the Common Strategic Framework of Annex I to the Common Provisions Regulation (CPR) (EU) No 1303/2013; calls on the Commission to assess and communicate to Parliament the state of play of implementation of ESI Funds and to promote more effectively the available funding under cohesion policy; believes that early preparatory activities are needed for EU policies financed from the MFF with the aim of starting implementation at the very beginning of the next MFF;
3. Urges the Commission and the Member States to further maximise synergies and complementarities, ensure better coordination, consistency and improvement among the five ESI Funds and the other EU instruments and policies (including the Youth Employment Initiative, Horizon 2020 and the European Fund for Strategic Investment (EFSI)), which is an important element in ensuring the effectiveness of the EU budget; calls therefore on the Commission and on national, regional and local authorities to take appropriate account of the opportunities for synergies of ESI and EFSI funding, thus increasing the leverage effect of investments and positive impact on economic growth, employment and sustainable development; stresses the need to intensify cohesion policy and for a targeted evaluation of the territorial effects of related instruments such as EFSI and Horizon 2020;
4. Recalls that pre-allocated national envelopes in line with Article 2 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for 2014-2020 cannot be reduced via the MFF review/revision; calls for a timely conclusion of the MFF review/revision process, not later than 2018, an upward revision of the MFF ceilings and a legislative revision of the above mentioned MFF Regulation, without prejudice to the adjustment of the cohesion policy budget, pursuant to Article 7 of Council Regulation

5. Recalls that in the context of the MFF review/revision simplification is highlighted as a crucial issue because the administrative burden is a cross-cutting issue; reiterates therefore its firm position on the importance of simplifying access to ESI Funds; supports in this context the work of the Commission's High Level Group (HLG) in monitoring simplification for beneficiaries and invites Member States and the Commission to already introduce relevant simplification proposals of the High Level Group in the current programming period; calls, in this context, on the Commission to fully involve the European Parliament in this HLG, and points to its resolution on towards simplification and performance orientation in cohesion policy 2014-2020; stresses furthermore the need to keep the balance between simplification and control;
6. Stresses that grants are an effective and prioritised form of support in many areas of public intervention and for micro, small and medium-sized enterprises; recalls that financial instruments (FIs) should be used in a complementary way, after appropriate ex-ante assessment, if they are more effective for the achievement of the Union's policy objectives; recognises the potential of FIs as flexible mechanisms to be applied alongside grants, in order to avoid fragmenting cohesion policy and the EU budget, considering that the multiplier effect in terms of impact and leverage can be much greater, as there is a risk that the opportunities may be lost due to poorly designed FIs, leading to little use and impact; stresses that more evidence is needed to understand how such FIs can be effectively used in cohesion policy; considers it necessary to further strengthen the accountability and transparency of FIs and calls for a more simplified use of grants and FIs in future, underlining that clear rules on FIs to help simplify the preparation and implementation process for fund managers and final beneficiaries are key to increasing their use;
7. Invites the Commission to take into account the extraordinary efforts made by Member States and regions in providing appropriate reception conditions and integrating asylum seekers and other migrants, and to explore the possibility, in compliance with the expenditure ceilings set out in the MFF, of providing additional assistance and flexibility within the ESI Funds in order to support such Member States and regions, including those situated on EU external borders, when reviewing the functioning of the MFF, without decreasing commitment or payment appropriations under heading 1b and without prejudice to the adjustment of the cohesion policy budget, pursuant to Article 7 of Council Regulation (Euratom, EU) No 1311/2013;
8. Notes that the MFF 2014-2020 had to absorb the abnormal backlog of payments that had built up since 2011 and that the implementation of cohesion policy is being held up; notes that avoiding a backlog of payments in future is crucial to ensuring successful implementation of EU cohesion policy and preventing negative impacts on beneficiaries, as the existing backlog of payments damages the reputation of the EU; underlines that introducing new own resources to the EU budget will positively influence the payments backlog issue; calls for a full-scale discussion on the introduction of new own resources alongside the MFF review/revision process;
9. Points to the fact that a seven-year period of the multiannual financial framework has proved its worth in the past and can be advantageous, providing a stable source of funding

for local and regional authorities in particular; specifies that during the review/revision process the three institutions should jointly consider what the most appropriate duration period of the next financial framework should be, especially in the case of programmes under shared management; stresses, however, the importance of an in-depth assessment of the duration of the programming period, also with a view to aligning it to the political cycles of the European Parliament and the Commission; urges therefore in the case of cohesion policy that either a programming period of at least seven years or a 5 + 5 programming period with a clear mid-term revision of the policy should be ensured;

10. Highlights, in the light of the preparation of the post-electoral revision of the MFF 2014-2020 that the implementation of the current MFF has already been proven to be challenging and the budgetary authority has already had to resort to maximum flexibility levels; calls therefore on the Commission to draw on concrete lessons learnt on how the EU budget needs to be spent; stresses that a well-funded cohesion policy to support regional development and solidarity in the EU will continue to be in demand; underlines in this context the importance of maintaining the role of cohesion policy after year 2020 as the main EU investment policy with an adequate level of funding;
11. Calls on the Commission to draw conclusions on the limitations of the current allocation key for determining support from cohesion policy funds based solely on GDP per capita;
12. Considers that the MFF revision/review is a good opportunity to deal with the fundamental link between cohesion policy and the next step in the implementation of the outcomes and agreements of the COP21 conference; emphasises the need to accelerate and improve the effectiveness of climate spending whilst underlining the huge potential of cohesion policy in boosting the EU's efforts for climate protection;
13. Stresses the need to encourage the improvement of financial management and good governance; underlines, in this context, that administrative capacity at national and regional/local level is a key precondition for the timely and successful performance of cohesion policy; recalls as well that the performance reserve is inextricably linked to a result-oriented cohesion policy; calls on the Commission to advance the allocation of the performance reserve during the current period to programmes which have achieved the set milestones for 2018.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

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| Date adopted | 24.5.2016 | | | | | | |
| Result of final vote | <table><tr><td>+: </td><td>37</td></tr><tr><td>–: </td><td>4</td></tr><tr><td>0: </td><td>0</td></tr></table> | +: | 37 | –: | 4 | 0: | 0 |
| +: | 37 | | | | | | |
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| Members present for the final vote | Pascal Arimont, Franc Bogovič, Victor Boștinaru, Mercedes Bresso, Steeve Briois, Rosa D’Amato, Iratxe García Pérez, Michela Giuffrida, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Sławomir Kłosowski, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Younous Omarjee, Stanislav Polčák, Julia Reid, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomašić, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller | | | | | | |
| Substitutes present for the final vote | Ivana Maletić, Miroslav Mikolášik, Sophie Montel, Dimitrios Papadimoulis, Tonino Picula, Maurice Ponga, Branislav Škripek, Davor Škrlec, Hannu Takkula, Damiano Zoffoli, Milan Zver | | | | | | |