

Increased effectiveness between ERDF and other structural funds

European Parliament resolution of 23 June 2011 on the state of play and future synergies for increased effectiveness between the ERDF and other structural funds (2010/2160(INI))

The European Parliament,

- having regard to Article 174, first paragraph, and Article 175, first paragraph, of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund¹, and in particular Article 9(4) thereof,
- having regard to Council Decision 2006/702/EC of 6 October 2006 on Community strategic guidelines on cohesion²,
- having regard to its resolution of 21 October 2008 on governance and partnership at national and regional levels and a basis for projects in the sphere of regional policy³,
- having regard to its resolution of 11 March 2009 on Cohesion Policy: Investing in the real economy⁴,
- having regard to its resolution of 24 March 2009 on complementarities and coordination of cohesion policy with rural development measures⁵,
- 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 policy⁶,
- having regard to its resolution of 20 May 2010 on the implementation of the synergies of research and innovation earmarked funds in Regulation (EC) No 1080/2006 concerning the European Fund of Regional Development and the Seventh Framework Programme for Research and Development in cities and regions as well as in the Member States and the Union⁷,
- 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 objectives⁸,
- having regard to its resolution of 20 May 2010 on delivering a single market to consumers

¹ OJ L 210, 31.7.2006, p. 25.

² OJ L 291, 21.10.2006, p. 11.

³ OJ C 15 E, 21.1.2010, p. 10.

⁴ OJ C 87 E, 1.4.2010, p. 113.

⁵ OJ C 117 E, 6.5.2010, p. 46.

⁶ OJ C 117 E, 6.5.2010, p. 65.

⁷ OJ C 161 E, 31.5.2011, p. 104.

⁸ OJ C 161 E, 31.5.2011, p. 120.

and citizens¹,

- having regard to its resolution of 7 October 2010 on EU cohesion and regional policy after 2013²,
 - having regard to its resolution of 14 December 2010 on good governance with regard to the EU regional policy³,
 - having regard to the Commission's 20th annual report on implementation of the structural funds (2008), of 21 December 2009 (COM(2009)0617/2),
 - having regard to the communication from the Commission of 3 March 2010 on 'EUROPE 2020 – A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
 - having regard to the communication from the Commission of 31 March 2010 on 'Cohesion policy: Strategic Report 2010 on the implementation of the programmes 2007-2013' (COM(2010)0110),
 - having regard to the communication from the Commission of 6 October 2010 on 'Regional Policy contributing to smart growth in Europe 2020' (COM(2010)0553),
 - having regard to the communication from the Commission of 19 October 2010 on 'The EU Budget Review' (COM(2010)0700),
 - having regard to the Commission's fifth report on economic, social and territorial cohesion: the future of cohesion policy (the 'Fifth Cohesion Report'), of November 2010,
 - having regard to the communication from the Commission of 9 November 2010 on the conclusions of the fifth report on economic, social and territorial cohesion (COM(2010)0642),
 - having regard to the letter addressed to the President of the Commission by the Commissioners for Regional Policy, for Maritime Affairs and Fisheries, for Employment, Social Affairs and Inclusion, and for Agriculture and Rural Development,
 - 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 Budgets and the Committee on Employment and Social Affairs (A7-0141/2011),
- A. whereas Article 174 TFEU provides that the Union, in order to promote its overall harmonious development, shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion,
- B. whereas recital 40 of Council Regulation (EC) No 1083/2006 states that programming should ensure coordination of the funds between themselves and with the other existing financial instruments, the EIB and the European Investment Fund (EIF), and that such

¹ OJ C 161 E, 31.5.2011, p. 84.

² Texts Adopted, P7_TA(2010)0356.

³ Texts Adopted, P7_TA(2010)0468.

coordination should also cover the preparation of complex financial schemes and public-private partnerships,

- C. whereas the Commission, in the Europe 2020 strategy, pledged to mobilise the EU financial instruments – namely the rural development and the structural funds, R&D programmes, Trans-European Networks (TENs), the Competitiveness and Innovation Framework Programme (CIP) and the EIB, among others – as part of a consistent funding strategy, pulling together EU and national public and private funding, in the context of the flagship initiative entitled ‘Resource efficient Europe’, thus reflecting the need for coherence between policies and instruments,
- D. whereas the Fifth Cohesion Report clearly acknowledges that pursuing regional development effectively requires close coordination of public policies at all levels,
- E. whereas the Council, in its conclusions of 14 June 2010 on the Commission’s Strategic Report 2010 on the implementation of cohesion policy programmes, stressed ‘the need to further improve the co-ordination of Cohesion policy and other EU and national policies, where necessary in order to increase the effectiveness in delivering common objectives in a common coordinated way’, as well as ‘the real added value generated by one strategic approach and by common implementation rules for the ERDF, the Cohesion Fund and the ESF, within the general framework of the cohesion policy’,
- F. whereas, in the letter they addressed to Commission President Barroso, the Commissioners for Regional Policy, for Maritime Affairs and Fisheries, for Employment, Social Affairs and Inclusion, and for Agriculture and Rural Development acknowledged ‘the need to strengthen the integration of the different EU policies to attain the sustainable and inclusive economic development the Union must achieve’, proposing the ‘drawing-up of a common EU-level strategic framework for the ERDF, the ESF, the Cohesion Fund, the EAFRD, and the EFF, for the period after 2013’,
- G. whereas the reform of structural policy for the 2007-2013 programming period led to the separation of rural development from the general framework of the structural funds,
- H. whereas the rationalisation of spending calls for greater effectiveness and efficiency of policies at EU level as well as at national, regional and local levels, and whereas closer coordination and complementarity are essential elements in the modernisation of cohesion policy in the future,
- I. whereas, without a supporting policy framework, actual synergies depend to a great extent on the beneficiaries’ organisational and strategic capacity to combine support from different EU instruments,
- J. whereas a local-development-based approach can contribute significantly to the efficiency and effectiveness of cohesion policy, and whereas cohesion policy remains the key instrument in tackling the challenges particular to any territory, while focus on the urban dimension of cohesion policy reflecting wider functional areas has to be accompanied by balanced conditions for synergic development of urban, suburban and rural areas,
- K. whereas there is an acute need, and also pressure, for consolidation of public budgets, and this requires more innovative actions to enhance the impact of any available funding, and whereas effective coordination of policies and instruments will make for savings of time

and resources and for real efficiency and effectiveness gains,

- L. whereas coordination and synergies have to be sought both horizontally (with consistency across different policies) and vertically (with cooperation and coordination between the various levels of governance),
- M. whereas a fragmented approach may lead to policy gaps, overlapping or even conflicting policies, contradictory public actions and duplication of resources, with consequences both for the regional effectiveness of public policies and for their national impact, and whereas the concept of an integrated approach appears to be insufficiently emphasised in the Commission's latest policy documents,
- N. whereas a more integrated, consistent, effective and efficient cohesion policy requires a greater effort to adapt EU policies to the specific needs and assets of the Union's various territories and regions,
- O. whereas the Strategic Guidelines – in the context of the general guideline of improving access to finance – require better coordination between funds,
- P. whereas the Strategic Guidelines explicitly call for the encouragement of synergies between structural, employment and rural development policies, stressing that, in this context, Member States should ensure synergy and consistency between actions to be financed on a given territory and in a given field of activity by the ERDF, the Cohesion Fund, the ESF, the European Fisheries Fund (EFF) and the European Agricultural Fund for Regional Development (EAFRD); and whereas they also provide that the main guiding principles in relation to the demarcation line and mechanisms for coordination between actions supported by the various funds should be defined in national strategic reference frameworks/national strategy plans,
- Q. whereas, in its conclusions of 21 February 2011 on the Fifth Report on economic, social and territorial cohesion, the Council asked the Commission to consider the possibility of setting up multi-fund programmes,
- R. whereas some regions of the European Union border on third countries which benefit from the European Development Fund (EDF), and whereas it should be possible for the funding synergies of some projects to be specifically highlighted, thereby enabling the development potential of European regions in this situation to increase,
- S. whereas the mid-term review acknowledges that budgetary flexibility is limited and that obstacles exist to reprioritisation even within programmes, while also noting that inconsistencies between programmes and heavy administrative burdens hamper effectiveness,
- T. whereas, in the current post-crisis situation, it is more important than before to understand the processes in the Member States' economies and the results achieved through the use of EU resources,
- U. whereas it is important to ensure the visibility and 'European added value' of the EU contribution,

The time and place for greater coordination and synergies

1. Calls for a single strategic framework to be proposed, in time for the next financing period after 2013, to ensure a common approach and to capitalise on synergies between all actions which serve on the ground to further cohesion policy objectives as defined by the Treaties and are funded by the ERDF, the Cohesion Fund, the ESF, the EAFRD and the EFF;
2. Points out that the goal of cohesion policy should be sustainable, smart and inclusive economic growth evenly spread both territorially and socially, reduction of development disparities between regions, job creation, improved quality of life, worker training for new jobs, including in the field of sustainable economy, social and territorial cohesion and the implementation of the European social model, which constitutes a factor of cohesion and competitiveness of the European economy;
3. Affirms that cohesion policy should be used for the achievement of sustainable growth across the EU and a fair and even distribution of welfare by fostering competition and aiming at decreasing socio-economic disparities among the EU regions;
4. Considers cohesion policy to be one of the pillars of an EU economic policy favouring a long-term investment strategy and social inclusion; considers cohesion policy to be a guarantee of support for the least-developed regions and disadvantaged groups, leading to balanced and harmonious development for the European Union; notes that the European added value resides in the fact that all are able to benefit from the EU's economic successes; advocates accordingly that cohesion policy be maintained on an independent basis with substantial funding;
5. Welcomes the proposal set out in the Commission Communication on the Budget Review for the adoption by the Commission of a Common Strategic Framework in order to strengthen the integration of EU policies for the delivery of the Europe 2020 strategy; calls in this context for action to foster synergies between funding methods for the EU 2020 strategy's flagship initiatives; points out, however, that increased synergies between actions funded by the above-mentioned five funds within a Common Strategic Framework are pivotal not only for the achievement of Europe 2020 objectives but also and primarily for the achievement of cohesion policy objectives as set by the Treaty;
6. Welcomes the Fifth Cohesion Report which, although mostly focused on highlighting the contribution that regions and cohesion policy can make to meeting the Europe 2020 objectives, contains nonetheless a number of conclusions which prove the crucial role of increased synergies among the structural funds, including the Cohesion Fund;
7. Believes that expenditure in the field of cohesion policy must be rationalised by reducing fragmentation of funding instruments and channels and fostering greater complementarity between the various funding instruments; welcomes the Commission proposal for better prioritisation and a thematic concentration of EU and national resources on a number of priorities in order to achieve reinforced coordination between the funds, with scope for enhancing the strategic nature of this policy; emphasises, however, that Member States, regional and local authorities still need sufficient flexibility to adapt priorities to their specific development needs;
8. Welcomes the Commission's proposal on partnership contracts for development and investment aimed at improving coordination between community funds and national financing for objectives and programmes; underlines the need to involve local and regional authorities in drawing up and implementing these contracts; calls for these contracts to be

coordinated with national reforms of sectoral policies with territorial impact (e.g. transport and R&D infrastructure);

9. Stresses that many economic development initiatives within the framework of cohesion policy do not simply create opportunities which it would be desirable to take up, but actually depend for their success on both human and physical factors being addressed (infrastructure improvements, for instance, do not lead automatically to higher growth if they are not combined with investment in education, enterprise, and innovation); believes, therefore, that increased synergies between the ERDF, the ESF and the Cohesion Fund will maximise the development effect of these funds;
10. Draws attention to the role that the European Regional Development Fund plays in the effective use of the European Social Fund, given that the ERDF is responsible for the creation of conditions such as proper infrastructure and adequate accessibility, without which employment-related investments cannot be efficient;
11. Stresses that the economic crisis has still further increased the urgent need for measures in the sectors covered by the European Social Fund, promoting in particular employment, career reorientation, social inclusion and poverty reduction;
12. Stresses that the ESF, as a support instrument for ongoing training, the acquisition of qualifications and career reorientation, should be considered an essential resource – which is not in fact being exploited to the full – for the promotion of comprehensive and efficient growth and knowledge-based competitiveness for Europe;
13. Stresses that a focused and coordinated policy design would secure the prioritising of those investments with the greatest impact on competitiveness and economic development in the regions;
14. Is of the opinion that the rural development actions under the EAFRD and the sustainable development actions for fisheries areas under the EFF should be integrated in a single framework with the other structural funds, namely the ERDF, the Cohesion Fund and the ESF; calls on the Commission, therefore, to assess to what extent a comprehensive approach to the development of rural and fisheries communities, in line with the territorial cohesion objective, might be guaranteed through a shifting of local development actions under the two funds in question to the ‘cohesion umbrella’, or, at the very least, through clearer synergies among all the funds; believes that such an approach would take into account the context of key policies with territorial impact, and would enable those actively involved in development processes at regional and local level to run an effectively place-based policy well suited to the territorial needs of rural and fisheries areas or small islands;
15. Stresses that coordination should be further enhanced not only between cohesion policy instruments as such (the ERDF, the ESF and the Cohesion Fund) but also between actions financed by these instruments and activities carried out under TENs, the Seventh Framework Programme and the CIP;
16. Considers that synergies might be relevant for the objective of territorial cooperation between the ERDF and pre-accession and neighbourhood instruments in the context of cross-border projects; calls on the Commission to examine in which cases coordination could also be sought with other instruments of the external aspects of EU policies such as the EDF;

17. Believes that this mutual reinforcement and coordination of EU policies can undoubtedly ensure the best possible results from the EU budget; calls for the development of financial engineering initiatives such as the instruments financed by the EIB, and for greater recourse to these instruments;
18. Highlights the fact, however, that many Member States face difficulties in coordinating the various funds and have apparently expressed anxiety about the lack of synergy, and even in some cases about overlap, between funds; emphasises, in this respect, that the funds' complex management rules require too high a level of institutional capacity in order to overcome barriers and satisfactorily coordinate their implementation; highlights the importance of co-financing and the need to simplify the rules to make it possible to strengthen synergies between the structural funds;
19. Underlines that simplification, which is crucial to a successful cohesion policy, is to be carried out at both national and regional level, thus improving outcomes; invites the Commission to propose a simpler architecture for the policy in future, based on greater flexibility, proportionality and visibility in the use of the funds, in order to facilitate their full and swift absorption;
20. Recalls that one of the main reasons why the ERDF and the other structural funds have struggled to effectively channel money towards projects with a greater possibility of generating economic development and employment creation has been an excessive emphasis on absorption capacity rather than on results;
21. Advocates a more results-oriented cohesion policy which is less focused on the regularity of expenditure and procedures but which establishes an effective balance between the quality of the interventions and financial and administrative control; recommends that proper evaluation mechanisms be introduced to improve the institutional and administrative capacities of the bodies in charge of programme management, which will contribute to the quality of spending and to reducing the level of errors;
22. Believes that the architecture of the future cohesion policy should be simpler, more flexible and capable of facilitating the greatest possible take-up and effectiveness of funds;
23. Stresses that European added value can and must be achieved through greater synergy among cohesion policy funding instruments and better coordination between these and other funding instruments;

One goal: cohesion; one set of instruments to achieve it

24. Considers that common rules on the management, eligibility, auditing and reporting of projects financed by the ERDF, the ESF, the Cohesion Fund, the EAFRD and the EFF (especially concerning measures to support the economic diversification of rural and fisheries areas) would not only play a key role in enhancing and facilitating more effective implementation of cohesion policy programmes but would also crucially assist simplification efforts; considers, moreover, that this would simplify both the use of funds by beneficiaries and the management of funds by national authorities, reducing the risk of error while providing differentiation, where needed, to reflect the specificities of policies, instruments and beneficiaries, and also facilitating participation in cohesion policy programmes by smaller stakeholders, as well as easier absorption of available funding, provided this simplification is backed up by sufficient funding for technical assistance;

25. Insists that the European Social Fund should remain in the framework of the regulation on general provisions on the cohesion policy funds; stresses, therefore, the need to maintain and reinforce the model of a single general regulation covering management, eligibility, audit, control and reporting rules, combined with short and focused fund-specific regulations reflecting the particular policy goals of each fund; emphasises, furthermore, that coordination must take place at all levels of policy making, from strategic planning through delivery and payments to closure, audit, control and evaluation;
26. Calls on the Commission to examine the most effective ways of increasing synergies on the ground; suggests, in this respect, that consideration be given to the possibility of allowing the Member States to choose to have a single operational programme per region or a multi-regional operational programme in the framework of macro-regional strategies encompassing different funds (ERDF, ESF, Cohesion Fund, EAFRD and EFF) with a single managing authority, paying particular attention to the regions' contributions to a decentralised approach and to giving the regions more autonomy and flexibility with regard to participation in their own strategies and upgrading regional and local levels of administration; suggests that the national management authorities in the Member States draw up future operational programmes geared as closely as possible to local and regional objectives;
27. Calls on the Commission to consider multi-fund programmes for Member States and regions that want to use them; considers that this would contribute to working in a more integrated and flexible manner and would increase the effectiveness of the different funds (ERDF, ESF, Cohesion Fund, EAFRD, EFF and the Seventh Framework Programme for Research);
28. Calls on the Commission to put forward proposals for reviewing the provisions on cross-financing and reducing the barriers to their application, in the light of reliable and comprehensive data on their use and impact, in order to ensure greater simplification and legal certainty in their application by comparison with the situation currently observed;
29. Calls for clarification of the territorial scope and harmonisation of the eligibility rules between the ERDF and the EAFRD in rural and suburban areas with the aim of avoiding pointless overlapping between them; insists on the need for close cooperation in the selection and monitoring of projects financed by these two funds in any one particular area;
30. Underlines the value added by cross-financing between the ERDF and the ESF in terms of flexibility for social inclusion projects and integrated development strategies; calls on the Commission to develop a one-stop shop scheme to provide practical guidance, information and advice for those concerned, so as to ensure that the public is kept properly up to date with regard both to cross-financing and to synergies between funds in general; urges that this move towards simplification be brought to the attention of the public, the purpose being to reduce to the necessary minimum the amount of information requested;
31. Believes that the development of human resources and better dissemination of information are preconditions for the successful absorption of funds and for the accurate realisation of different projects;
32. Stresses, at the same time, the importance of increasing administrative capacity in the Member States, at regional and local level as well as among stakeholders, in order to overcome barriers to effective synergies between structural funds and other funds and to

support effective policy design and implementation; insists on the essential role the Commission has to play in this regard;

33. Calls on the Commission to enhance both technical assistance and training for national, regional and local administrations in order to increase the capacities and knowledge of rules on implementation-related problems;
34. Calls on the Member States to give priority to investment in institutional capacity and to simplify their national provisions in order to reduce the administrative burden and increase their absorption capacity;
35. Recalls, in this connection, the important contribution that respect for the subsidiarity principle and the multilevel governance principle makes to fostering coordination between the various decision-making bodies and strengthening synergies between the various funding instruments;
36. Considers the active participation of the social partners by means of uninterrupted social and territorial dialogue to be of vital importance in using the funds more effectively;
37. Acknowledges the uneven impact of the economic crisis on the EU's territory and population; believes that the new strategy for the use of funds will be more effective if it involves regional and local levels of governance, which are capable of applying the strategic objectives to local conditions, inter alia through a structured dialogue with all stakeholders, organisations which promote gender rights, social partners and non-governmental organisations but also financial and banking institutions; stresses the need to leave sufficient margin for regional and local requirements in formulating political objectives;
38. Calls on the Commission to draw up a European guide to multilevel governance and encourage the Member States to implement it in line with specific local and regional objectives and to extend the cohesion policy governance mechanisms (i.e. programming, funding and implementation in partnership between national, regional and local levels) to those funds covered by the planned Common Strategic Framework, in order to increase the efficiency and effectiveness of public spending;
39. Calls on the Commission, when establishing the new Common Strategic Framework and bringing forward proposals for regulations, to include provisions enabling local and regional partnerships (cities, towns, functional regions, groups of local authorities) to incorporate the various EU funding streams into a consistent and integrated framework in their respective territories;

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40. Instructs its President to forward this resolution to the Council, the Commission and the Member States.