



21.3.2018

# **OPINION**

of the Committee on Budgets

for the Committee on Regional Development

on strengthening economic, social and territorial cohesion in the European Union: the 7th report of the European Commission  
(2017/2279(INI))

Rapporteur for opinion: Younous Omarjee

PA\_NonLeg

## SUGGESTIONS

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

1. Stresses the crucial role cohesion policy has played in the achievement of economic, social and territorial convergence in the EU and the delivery of the UN's Sustainable Development Goals; expresses concern, however, about the persistence of inequalities between rich and poor regions and the deepening of socio-economic disparities, in terms of income and access to health, between different social categories of citizens; expresses concern about the general impoverishment of a number of regions, including transitional regions, since the financial crisis of 2008; stresses the potential of cohesion policy for the adaptation of European economies to the technological revolution, to enable them to cope with population aging and the opening up of European and world markets; highlights that investments in new technologies, modernisation, new skills and knowledge, innovation, and research and development, which will help less developed regions move up the value chain, should receive strong cohesion policy support; stresses that neither the objectives nor the EU funding of cohesion policy should be watered down; underlines that cohesion policy should continue to benefit all regions;
2. Notes the shortcomings of the financial planning and implementation system, which have led to delays in payment claims and payments and to the accumulation of unpaid bills, which run counter to the spirit of the Treaties; expresses concern at the significant delays in the adoption of operational programmes and in the designation of management, payment and certification authorities for cohesion policy, which have been exacerbated by the late conclusion of the 2014-2020 multiannual financial framework (MFF) negotiations and the late adoption of the European Structural and Investment (ESI) Fund regulations, and which have led to extremely low absorption rates of cohesion policy in the current programming period, with the project organisers themselves bearing the brunt; calls, in this regard, for the simplification begun as part of the review of the Financial Regulation<sup>1</sup> in force since 1 January 2016 to be enhanced, in particular by placing greater emphasis on ex-post checks, harmonising procedures and introducing greater flexibility in the next MFF; stresses that the level of payment appropriations should at least match past commitments; notes, furthermore, the recommendations of the High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the European Structural and Investment Funds;
3. Notes the huge difference between estimated and actual payments from the EU budget to cohesion policy each year, and calls on the Commission to define a methodology for better planning of EU budget execution in close cooperation with Member States; stresses that establishment of the e-cohesion system, in which Member States would enter data on project pipelines, procurement plans with planned and actual dates for tendering, contracting and implementation, and all financial and accounting data related to invoices, co-financing, eligibility of expenditures and so on, would represent an important contribution to the better management and monitoring of cohesion policy

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<sup>1</sup> OJ L 286, 30.10.2015, p. 1.

implementation in Member States, and enable more precise estimates of payments from the EU budget;

4. Stresses that financial instruments in EU cohesion policy should not replace direct grants and aid, but should be treated as complementary tools that extend beyond the scope of projects or the area in which projects generate income; emphasises, in this connection, that the ESI Funds and EFSI are managed through different approaches and that cooperation between these two funds could be beneficial for large-scale projects, but that such links must in no way undermine the strategic coherence, territorial concentration and long-term prospects of cohesion policy programmes;
5. Insists that the legislative proposals for the next MFF are submitted as soon as possible to prevent delays in programming for the next period; takes the view that cohesion policy ceilings should be kept at the same level for the EU-27 in the next programming period, while further increasing their effectiveness and simplifying the associated procedures, so that the EU can finally have all the funds it needs to meet its objectives and priorities, as set out in the Treaties; points out that cohesion policy protects EU citizens from certain effects of globalisation, provides financial assistance to small and medium-sized enterprises (SMEs), supports research and cooperation projects, and promotes participation in initiatives to develop human capital, and that it must therefore remain strong, effective and visible for citizens;
6. Underlines the link between the quality of governance and successful public and private investment, innovation and growth; welcomes the holistic approach adopted in the Commission's 7th report on economic, social and territorial cohesion and calls for these points to be taken into account fully in future cohesion funding;
7. Takes the view that economic, social and territorial cohesion policy should continue to benefit all EU regions, in particular those with the greatest development delays and the Outermost Regions, and that in the most developed regions it should be directed towards the peripheral areas, which are most affected by poverty and are the least attractive in terms of development and employment opportunities, and in particular towards the provision of aid for infrastructure with a view to putting an end to their isolation;
8. Calls for greater coherence between cohesion policy and other EU policies, which, like trade agreements, undermine efforts made as part of regional policy to achieve the objective of convergence in the EU;
9. Stresses the need to continue with and strengthen cohesion policy in the next MFF programming period; is opposed to any attempts to slash the budget or distort regional policy, which remains the EU's sole major solidarity policy.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	21.3.2018
<b>Result of final vote</b>	+: 29 -: 4 0: 0
<b>Members present for the final vote</b>	Nedzhmi Ali, Jean Arthuis, Richard Ashworth, Gérard Deprez, Manuel dos Santos, André Elissen, Eider Gardiazabal Rubial, Ingeborg Gräßle, Iris Hoffmann, Monika Hohlmeier, John Howarth, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Liadh Ní Riada, Jan Olbrycht, Younous Omarjee, Urmas Paet, Pina Picierno, Răzvan Popa, Paul Rübig, Jordi Solé, Patricija Šulin, Eleftherios Synadinos, Indrek Tarand, Inese Vaidere, Daniele Viotti, Tiemo Wölken, Marco Zanni
<b>Substitutes present for the final vote</b>	Jean-Paul Denanot, Georgios Kyrtos, Ivana Maletić, Tomáš Zdechovský

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

29	+
ALDE	Nedzhmi Ali, Jean Arthuis, Gérard Deprez, Urmas Paet
ECR	Zbigniew Kuźmiuk
GUE/NGL	Liadh Ní Riada, Younous Omarjee
PPE	Richard Ashworth, Ingeborg Gräßle, Monika Hohlmeier, Georgios Kyrtos, Ivana Maletić, Jan Olbrycht, Paul Rübig, Patricija Šulin, Inese Vaidere, Tomáš Zdechovský
S&D	Jean-Paul Denanot, Eider Gardiazabal Rubial, Iris Hoffmann, John Howarth, Vladimír Maňka, Pina Picierno, Răzvan Popa, Manuel dos Santos, Daniele Viotti, Tiemo Wölken
VERTS/ALE	Jordi Solé, Indrek Tarand

4	-
ECR	Bernd Kölmel
ENF	André Elissen, Marco Zanni
NI	Eleftherios Synadinos

0	0

**Key to symbols:**

+ : in favour

- : against

0 : abstention