



# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2008/2183(INI)</a>	Procedure completed
Implementation of the Structural Funds Regulation 2007 - 2013: the results of the negotiations on the national cohesion strategies and the operational programmes		
Subject		
4.70 Regional policy		
4.70.01 Structural funds, investment funds in general, programmes		
4.70.02 Cohesion policy, Cohesion Fund (CF)		
4.70.03 Community initiatives, Community support frameworks		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>REGI</b> Regional Development		26/06/2008
		PPE-DE <a href="#">MIKOLÁŠIK Miroslav</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>ENVI</b> Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
European Commission	<b>ITRE</b> Industry, Research and Energy		24/09/2008
		PSE <a href="#">PAPARIZOV Atanas</a>	
	<b>FEMM</b> Women's Rights and Gender Equality		17/09/2008
		PPE-DE <a href="#">PLEŠTINSKÁ Zita</a>	
	Commission DG <a href="#">Regional and Urban Policy</a>	Commissioner HÜBNER Danuta	

Key events			
14/05/2008	Non-legislative basic document published	<a href="#">COM(2008)0301</a>	Summary
04/09/2008	Committee referral announced in Parliament		
12/02/2009	Vote in committee		Summary
26/02/2009	Committee report tabled for plenary	<a href="#">A6-0108/2009</a>	
24/03/2009	Results of vote in Parliament		
24/03/2009	Debate in Parliament		
24/03/2009	Decision by Parliament	<a href="#">T6-0165/2009</a>	Summary
24/03/2009	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2183(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 052-p4; Rules of Procedure EP 052
Stage reached in procedure	Procedure completed
Committee dossier	REGI/6/65403

Documentation gateway					
Non-legislative basic document		<a href="#">COM(2008)0301</a>	14/05/2008	EC	Summary
Committee opinion	FEMM	<a href="#">PE412.290</a>	10/11/2008	EP	
Committee draft report		<a href="#">PE414.264</a>	17/12/2008	EP	
Committee opinion	ITRE	<a href="#">PE413.960</a>	21/01/2009	EP	
Amendments tabled in committee		<a href="#">PE418.387</a>	26/01/2009	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0108/2009</a>	26/02/2009	EP	
Text adopted by Parliament, single reading		<a href="#">T6-0165/2009</a>	24/03/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)3060	04/06/2009	EC	

## Implementation of the Structural Funds Regulation 2007 - 2013: the results of the negotiations on the national cohesion strategies and the operational programmes

**PURPOSE:** to present the results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007-2013.

**CONTENT:** the new generation of European sectoral and regional cohesion policy programmes for the period 2007-2013 entails Community support for new investments of some EUR 347 billion, constituting the second largest item in the Community budget. The resources are concentrated on Member States and regions falling under the Convergence objective (covering 35% of the Union's population, with 81.5% of the investment resources available) and, even more resolutely than in the past, on factors of competitiveness in line with the Union's top priority, the Lisbon agenda for growth and jobs. Over the last year and a half, all the 27 National Strategic Reference Frameworks (NSRFs) are now in place, together with 429 of the 455 expected operational programmes. This Communication provides a summary of these achievements.

One key negotiation result is the substantial increase, compared to the past, in investments supporting the growth and jobs agenda, especially in the areas of innovation, research, skills and human capital. In the less-developed regions in EU- 27, under the Convergence Objective, 65% of the funds are intended for Lisbon-related expenditure, while the more-developed regions, under the Regional Competitiveness and Employment Objective, plan to invest 82% of the funds in Lisbon-related priorities. The growth and jobs strategy is also significant in the programmes under the European Territorial Cooperation Objective. Almost half of the resources under this Objective will be used for Lisbon-oriented actions, with a specific emphasis on research and innovation (27% of the total budget allocated to this priority).

The Member States have prioritised investments in R&D and innovation, by establishing ambitious targets allowing them to move closer to the Lisbon 2010 Objective of 3% of GDP investment in the sector. Cohesion policy will contribute to R&D and innovation with over 86 EUR billion, or 25% of cohesion policy resources. The case of Spain stands out: although financial support for this country has decreased by around 42% compared to 2000-2006 period, R&D expenditure is set to more than double in absolute terms to about EUR 8 billion or 23% of the total financial envelope. In some of the EU-15 countries, the share of total cohesion resources allocated to R&D and innovation is remarkably high (70% in Denmark and some 50% in Finland and Austria). In the EU-12 Member States, around 20% of their total cohesion budget is allocated to R&D and innovation.

Closely related to the innovation agenda are the efforts under the programmes to develop knowledge-based service economies by investing in information and communication technology (ICT) education and training, on-line services to business and citizens and a sustainable broadband infrastructure. The overall cohesion policy investment in services and ICT services and infrastructure is expected to more than double compared to the previous programming period, and to reach EUR 15.3 billion with Poland, Italy, Greece, Slovakia and Spain each pledging the largest budgets (above EUR 1 billion).

Converting investment in innovation, knowledge and technology into new jobs requires efforts to promote business development in fields such as entrepreneurship and business-support services helping enterprises, mainly SMEs, to increase their competitiveness and to move closer

into international markets. Support in these areas accounts for some EUR 27 billion (8% of cohesion policy resources). For example, Finland will support business start-ups with EUR 343 million, while cohesion policy investments in Poland are set to contribute to the planned reduction of the number of days required to establish a business from 60 to 7. EUR 2.8 billion will assist individuals to start new businesses and become self-employed, with outreach to those with particular needs. Furthermore, a majority of Member States indicated commitment to leverage the impact of cohesion policy resources by implementing the JEREMIE initiative.

The challenge of increasing global competition requires individuals and businesses to adjust to new circumstances. Providing high-quality education and investing more and more effectively in human capital is crucial for Europe's success in a globalised world. Under the new programmes, some EUR 14 billion have been allocated to help strengthen the ability of companies and workers to anticipate and manage change. Out of this sum, around EUR 9.4 billion is assigned to help companies introduce effective human development policies and thus invest more in their main asset: their people.

An understanding of the importance of human capital has led to the allocation of nearly EUR 26 billion to increase the quality and availability of education and training, with the focus on comprehensive life-long learning systems, fighting early school leaving (Portugal, Greece, Italy) and ensuring high-quality education for all. A major part of this sum (76%) is allocated in Convergence regions where the reform of education and training is identified as an imperative challenge for further development.

In the face of demographic decline, increasing labour participation and enhancing skills are vital for sustaining wealth, productivity, competitiveness and a cohesive society. To reach the Lisbon target of a 70% employment rate, the new programmes allocate some EUR 19 billion to assist in removing barriers to employment, in particular for women, young people, older and low-skilled workers. Significant sums are allocated under both Objectives, but it is in the Competitiveness regions where the highest proportion of the budget is set aside (average 30.4% for the ESF).

In comparison to the 2000-2006 programming period, support for migrants is more prominent. All EU-15, and a significant number of EU-12, Member States plan direct interventions for migrants to a total value of EUR 1.2 billion, combined with more systemic interventions, for example, in the field of education and training systems (e.g. Belgium). Cohesion programmes also contribute by accelerating the social inclusion of the newly arrived into their new societies (e.g. in Spain).

As regards poverty and social exclusion, some EUR 10 billion have been allocated to help those furthest away from employment to return to the labour market through graduated support, combined with efforts to combat discrimination in the workplace. Particularly high allocations in this area are scheduled in the Competitiveness programmes (18.2% as compared to 10.8% for Convergence programmes). Cohesion policy provides concerted support for ethnic minorities, including the Roma, the biggest minority in the EU.

Better quality of the environment is a common priority in all Member States, with an allocation of around one third of the total cohesion policy budget (EUR 105 billion). In many EU-12 Member States, the policy finances heavy basic investment to improve environmental infrastructure and to help countries comply with EU law in this field. Cohesion policy will contribute with EUR 48 billion (14% of the total budget) to actions in several fields to address the challenges posed by climate change. These efforts will be achieved through supporting direct investment measures, including promotion of energy efficiency and renewable energies (EUR 9 billion equally shared between the two categories) and indirect measures, including sustainable urban transport projects (EUR 6.2 billion). A stronger emphasis will also be placed on energy infrastructure (EUR 1.8 billion) and on improving the management of energy resources.

The Commission notes that the cohesion policy system of multi-level governance based on decentralisation of responsibilities and a stronger role for actors on the ground has also broadened the ownership of the Lisbon agenda, as called for by the European Council in December 2007. Importantly, this approach also makes for more economic efficiency, as the local and regional levels increasingly tend to be best placed to meet and benefit from global changes. This has also been reflected in the shift towards a more regional approach to programming in comparison with the 2000-2006 period, in particular in the new Member States.

The investment allocated to institutional capacity should result in a better quality of national institutions involved in policy implementation. Interventions, often substantial, are planned in all EU-12 Member States as well as in Convergence regions of Greece, UK (Wales), Italy and France, with a total budget of more than EUR 2 billion to help strengthen the capacities of public administration and public services.

In drawing up the new programmes, Member States and regions have built on the most successful practices from previous generations of cohesion policy, including the Community Initiatives URBAN and EQUAL and Innovative Actions. This mainstreaming has brought more opportunities for larger-scale actions with considerably more resources. It should be noted that the third Objective in the new cohesion policy, Territorial Cooperation, has been upgraded in importance as compared to the INTERREG Community Initiative, leading to enhanced visibility and an increase in the resources available (from EUR 5.8 billion to EUR 7.8 billion).

In conclusion, the Commission states that the foundations for effective use of cohesion policy funds between 2007 and 2013 have now been laid. Timely and efficient delivery will be essential to produce the desired results. The Commission will, jointly with Member States, monitor progress throughout the period to ensure that the programmes remain focused on growth-enhancing and job-creating investments, consistent with other important Community priorities and adaptable to overcome the challenges Europe and its regions will face in the medium term.

## Implementation of the Structural Funds Regulation 2007 - 2013: the results of the negotiations on the national cohesion strategies and the operational programmes

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The Committee on Regional Development adopted the own-initiative report drawn up by Miroslav MIKOLÁČIK (EPP-ED, SK) in response to the Commission communication on the results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007 -2013.

The committee acknowledges the efforts made by all Member States to incorporate the three priorities laid down in the Strategic guidelines on cohesion, which correspond to the objectives of the Lisbon agenda, into their operational programmes. It notes the fairly slow start made to the new programming period in many Member States but is confident that commitments made during the negotiation and approval process of operational programmes will be respected for the benefit of the regions and of the Union as a whole.

The main points covered in the report are as follows:

Mitigating regional disparities: MEPs take note of the determination of Member States to address their specific territorial needs by drawing up

strategies to diminish intra-regional and inter-regional imbalances. They reiterate the fact that economic and environmentally sound development and the reduction of regional disparities remain the principal goals of EU regional policy.

The report also notes that convergence between countries may mask a widening gap between and within regions. These regional and local disparities can be observed in a number of areas, such as employment, productivity, income, education levels and innovation capacity. MEPs stress the importance of the territorial dimension of cohesion in overcoming these problems. Moreover, they stress the need to aim cohesion policy at rural areas, since territorial cohesion can only be achieved by developing an urban/rural balance.

Cohesion policy delivering the Lisbon agenda: the committee appreciates the efforts made by the national authorities to ensure that the average allocation of expenditure for the achievement of the Lisbon agenda constitutes 65% of the available funds in the convergence regions and 82% in the regional competitiveness and employment regions, which is in fact more than was initially requested.

MEPs consider that stronger EU guidelines and increased financial resources must be allocated to serve these objectives and specifically that at least 5% of structural funding should be required to be spent on improving the energy efficiency of existing homes.

MEPs consider the financial resources earmarked for the trans-European energy networks insufficient, since they are vital for the completion of the internal energy market. They call therefore for an active energy policy to support all forms of innovation in small firms and micro-enterprises, and particularly in craft enterprises. The Commission is called upon to create opportunities for mutual cooperation between businesses, the public sector, schools and universities, in order to create regional innovation clusters in the spirit of the Lisbon Strategy.

Responding to globalisation and structural change: MEPs welcome the fact that all Member States devoted a significant amount of their total financial allocations to investments in R&D and innovation. They note that for most of the Union's convergence regions, ensuring accessibility remains a significant problem, as they face a lack of transport infrastructure.

In order to increase the competitiveness of Member States and the Union, the report supports the priority in the cohesion policy to unlock business potential, particularly that of SMEs.

Demographic change and more inclusive labour markets: the committee congratulates Member States on their efforts to prioritise investments aimed at increasing labour participation, ensuring equal opportunities and supporting initiatives designed to improve the situation of women in the labour market. Member States are called upon to take account of the impact on women and the gender dimension in relation to all Structural Fund projects.

MEPs also stress that it is important and necessary to continue efforts to support employment in the face of the growing economic crisis, taking particular account of the special needs of people with disabilities and senior citizens.

Responding to the challenges of sustainable development, climate change and energy: MEPs consider that measures aimed at protecting the environment, combating climate change and promoting energy efficiency should be incorporated into all operational programmes. However, they consider that the specific allocations for combating climate change and promoting energy efficiency are insufficient to meet real needs.

The report stresses that, in times of economic crisis, Member States should capitalise on the notion of achieving synergies between environmental protection and job creation stipulated in the Strategic Guidelines on Cohesion and allocate more resources into projects that promote green economy, green jobs and green innovation.

Reinforcing governance: MEPs consider that multi-level governance and the partnership principle are key elements of the effectiveness of operational programmes during the programming phase and especially during the implementation process. They consider that transparency in the allocation of funding and administrative simplification facilitating the access of potential beneficiaries of the Structural Funds to information are key preconditions for achieving the overall objectives of cohesion policy.

Member States are called upon to strengthen the procedures they put in place in order to ensure that a fully operational integrated approach is applied for the implementation of cohesion policy, thus ensuring that all aspects of any particular operational programme are duly considered. The report encourages the Commission in its efforts to ensure that Member States operate efficient control systems in order to be able to apply sound financial management to Community expenditure.

Lastly, the report notes that the current global economic crisis has created a new situation in all Member States that requires re-evaluation and the possible adaptation of investment priorities. In this context, MEPs welcome the Commission's proposals for amending the Regulations in order to meet the needs of the Union in these exceptional circumstances. They reiterate their view that cohesion policy is central to economic recovery, throughout the whole of the territory of the Union and, therefore, reject any attempt to renationalise the policy.

## Implementation of the Structural Funds Regulation 2007 - 2013: the results of the negotiations on the national cohesion strategies and the operational programmes

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The European Parliament adopted by 565 votes to 75, with 39 abstentions a resolution in response to the Commission communication on the results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007 -2013.

The resolution highlights that the last two enlargements of the European Union generated a substantial widening of regional disparities in the Community. The recent reports on cohesion highlight a trend towards a worsening of territorial disparities between EU regions and, at sub-regional level, disparities characterised by phenomena such as spatial segregation, which have resulted in the emergence of a certain kind of ghettoisation, and the continued decline of some remote and predominantly agricultural areas.

Parliament acknowledges the efforts made by all Member States to incorporate the three priorities laid down in the Strategic guidelines on cohesion, which correspond to the objectives of the Lisbon agenda, into their operational programmes. It notes the fairly slow start made to the new programming period in many Member States but is confident that commitments made during the negotiation and approval process of operational programmes will be respected for the benefit of the regions and of the Union as a whole.

The main points covered in the resolution are as follows:

Mitigating regional disparities: Parliament takes note of the determination of Member States to address their specific territorial needs by drawing up strategies to diminish intra-regional and inter-regional imbalances. It reiterates the fact that economic and environmentally sound development and the reduction of regional disparities remain the principal goals of EU regional policy.

Parliament regrets that the principles of sustainability, equality of opportunity and non-discrimination, as well as partnership, have been insufficiently applied and documented in many National Strategic Reference Frameworks and Operational Programmes.

The resolution also notes that convergence between countries may mask a widening gap between and within regions. These regional and local disparities can be observed in a number of areas, such as employment, productivity, income, education levels and innovation capacity. Parliament stresses the importance of the territorial dimension of cohesion in overcoming these problems. Moreover, it stresses the need to aim cohesion policy at rural areas, since territorial cohesion can only be achieved by developing an urban/rural balance.

Cohesion policy delivering the Lisbon agenda: Parliament appreciates the efforts made by the national authorities to ensure that the average allocation of expenditure for the achievement of the Lisbon agenda constitutes 65% of the available funds in the convergence regions and 82% in the regional competitiveness and employment regions, which is in fact more than was initially requested.

MEPs consider that stronger EU guidelines and increased financial resources must be allocated to serve these objectives and specifically that at least 5% of structural funding should be required to be spent on improving the energy efficiency of existing homes.

Parliament encourages regions in their efforts to achieve the Lisbon objectives through thorough and effective implementation of their operational programmes. It also calls on the Commission to closely monitor their implementation in order to ensure the translation of the objectives into practice and to inform Parliament about the problems encountered.

Parliament considers the financial resources earmarked for the trans-European energy networks insufficient, since they are vital for the completion of the internal energy market. It points to the important role played by small firms and micro-enterprises and therefore calls for an active policy to support all forms of innovation in these enterprises. The Commission is urged to create opportunities for mutual cooperation between businesses, the public sector, schools and universities, in order to create regional innovation clusters in the spirit of the Lisbon Strategy.

Responding to globalisation and structural change: Parliament welcomes the fact that all Member States devoted a significant amount of their total financial allocations to investments in R&D and innovation. It notes that for most of the Union's convergence regions, ensuring accessibility remains a significant problem, as they face a lack of transport infrastructure. In order to increase the competitiveness of Member States and the Union, the resolution supports the priority in the cohesion policy to unlock business potential, particularly that of SMEs.

Demographic change and more inclusive labour markets: Parliament congratulates Member States on their efforts to prioritise investments aimed at increasing labour participation, ensuring equal opportunities and supporting initiatives designed to improve the situation of women in the labour market. Member States are called upon to take account of the impact on women and the gender dimension in relation to all Structural Fund projects.

MEPs also stress that it is important and necessary to continue efforts to support employment in the face of the growing economic crisis, taking particular account of the special needs of people with disabilities and senior citizens.

Responding to the challenges of sustainable development, climate change and energy: Parliament considers that measures aimed at protecting the environment, combating climate change and promoting energy efficiency should be incorporated into all operational programmes. It also appreciates the commitments made by Member States in order to address these issues, by allocating approximately one third of the total cohesion policy budget to them. However, it considers that the specific allocations for combating climate change and promoting energy efficiency are insufficient to meet real needs.

The report stresses that, in times of economic crisis, Member States should capitalise on the notion of achieving synergies between environmental protection and job creation stipulated in the Strategic Guidelines on Cohesion and allocate more resources into projects that promote green economy, green jobs and green innovation.

Reinforcing governance: Parliament considers that multi-level governance and the partnership principle are key elements of the effectiveness of operational programmes during the programming phase and especially during the implementation process. It considers that transparency in the allocation of funding and administrative simplification facilitating the access of potential beneficiaries of the Structural Funds to information are key preconditions for achieving the overall objectives of cohesion policy.

Gender dimension: Parliament calls on the Member States to take account of the impact on women and the gender dimension in relation to all Structural Fund projects.

In conclusion: Member States are called upon to strengthen the procedures they put in place in order to ensure that a fully operational integrated approach is applied for the implementation of cohesion policy, thus ensuring that all aspects of any particular operational programme are duly considered. The resolution encourages the Commission in its efforts to ensure that Member States operate efficient control systems in order to be able to apply sound financial management to Community expenditure.

Lastly, the report notes that the current global economic crisis has created a new situation in all Member States that requires re-evaluation and the possible adaptation of investment priorities. In this context, Parliament welcomes the Commission's proposals for amending the Regulations in order to meet the needs of the Union in these exceptional circumstances. It reiterates its view that cohesion policy is central to economic recovery, throughout the whole of the territory of the Union and, therefore, rejects any attempt to renationalise the policy.