















Procedure file

| Basic information | |
|--|----------------|
| INI - Own-initiative procedure | 2015/2052(INI) |
| Procedure completed | |
| European Structural and Investment Funds and sound economic governance: guidelines for the implementation of Article 23 of the Common Provisions Regulation See also 2011/0276(COD) | |
| Subject 4.70.01 Structural funds, investment funds in general, programmes 5.10.01 Convergence of economic policies, public deficit, interest rates | |

| Key players | | | |
|---|--|---|------------------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| |  Regional Development | | 22/09/2014 |
| | |  BLANCO LÓPEZ José | |
| | | Shadow rapporteur | |
| | |  POLČÁK Stanislav | |
| | |  TOMAŠIĆ Ruža | |
| | |  JAKOVČIĆ Ivan | |
| | |  ROPĚ Bronis | |
| | |  D'AMATO Rosa | |
| | | Committee for opinion | Rapporteur for opinion |
|  Economic and Monetary Affairs | | The committee decided not to give an opinion. | |
|  Budgets | | | 17/04/2015 |
| | |  LEWANDOWSKI Janusz | |
|  Employment and Social Affairs | | | 10/03/2015 |
| | |  LÓPEZ Javi | |
| European Commission | Commission DG Economic and Financial Affairs | Commissioner DOMBROVSKIS Valdis | |

| Key events | | | |
|------------|--|---|---------|
| 30/07/2014 | Non-legislative basic document published | COM(2014)0494 | |
| 12/03/2015 | Committee referral announced in Parliament | | |
| 17/09/2015 | Vote in committee | | |
| 29/09/2015 | Committee report tabled for plenary | A8-0268/2015 | Summary |
| 27/10/2015 | Debate in Parliament |  | |
| 28/10/2015 | Results of vote in Parliament |  | |
| 28/10/2015 | Decision by Parliament | T8-0385/2015 | Summary |
| 28/10/2015 | End of procedure in Parliament | | |

| Technical information | |
|----------------------------|---|
| Procedure reference | 2015/2052(INI) |
| Procedure type | INI - Own-initiative procedure |
| Procedure subtype | Initiative |
| | See also 2011/0276(COD) |
| Legal basis | Rules of Procedure EP 54 |
| Other legal basis | Rules of Procedure EP 159 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | REGI/8/01128 |

| Documentation gateway | | | | | |
|---|-------------|------------------------------|------------|----|---------|
| For information | | COM(2014)0494 | 30/07/2014 | EC | Summary |
| Committee draft report | | PE552.059 | 21/04/2015 | EP | |
| Amendments tabled in committee | | PE557.243 | 22/05/2015 | EP | |
| Committee opinion | BUDG | PE554.917 | 24/06/2015 | EP | |
| Committee opinion | EMPL | PE557.113 | 24/06/2015 | EP | |
| Committee report tabled for plenary, single reading | | A8-0268/2015 | 29/09/2015 | EP | Summary |
| Text adopted by Parliament, single reading | | T8-0385/2015 | 28/10/2015 | EP | Summary |
| Commission response to text adopted in plenary | | SP(2016)67 | 15/03/2016 | EC | |

European Structural and Investment Funds and sound economic governance: guidelines for the implementation of Article 23 of the Common Provisions Regulation

The Committee on Regional Development adopted an own-initiative report by José BLANCO LÓPEZ (S&D, ES) on the European Structural and Investment Funds and sound economic governance: in response to the Commission communication on the guidelines on the application of the measures linking effectiveness of the European Structural and Investment Funds to sound economic governance according to Article 23 of [Regulation \(EU\) 1303/2013](#) on the common provisions (the CPR).

The Guidelines concern the first strand of measures linking the effectiveness of the ESI Funds to sound economic governance under Article 23

CPR. This relates to a reprogramming and a suspension of payments which are not compulsory, unlike the second strand of Article 23 CPR, which requires the suspension of commitments or payments where Member States fail to take corrective action in the context of the economic governance process.

Members believe that the achievement of the ESI Funds policy objectives and goals should not be hindered by the economic governance mechanisms, while acknowledging their relevance in contributing to a stable macroeconomic environment and an efficient, effective and result-oriented cohesion policy. They considered that Article 23 of the CPR must only be used as a last resort to contribute to an efficient implementation of the ESI Funds.

Reprogramming under Article 23 CPR: Members made the following observations:

- any decision regarding reprogramming or suspension under Article 23 CPR must only be used in exceptional situations, and must be well-weighed, thoroughly justified and implemented in a cautious fashion, with indication of the programmes or priorities concerned in order to ensure transparency and allow for verification and review;
- frequent reprogramming would be counter-productive and should be avoided in order not to disrupt fund management or undermine the stability and predictability of the multiannual investment strategy and to prevent any negative impacts.

The report welcomed the cautious approach of the Commission with regard to reprogramming and its intention to keep it to the minimum necessary. It called for an early warning approach in order to inform Member States concerned of the launching of the reprogramming procedure under Article 23 CPR, and emphasised that any reprogramming request should be preceded by consultation of the monitoring committee.

The Commission is asked to:

- carry out, in close cooperation with the Member State concerned, a comprehensive analysis of all available options other than the application of Article 23 CPR to address issues that may trigger a reprogramming request;
- evaluate the impact and cost-efficiency at regional and local levels of any measures adopted under Article 23 CPR;
- read Article 23 CPR in line with the principle of proportionality, by taking into account the situation of those Member States and regions which face socio-economic difficulties.

Members recalled that strong institutional coordination is essential for ensuring the right policy complementarities and synergies. They considered it essential to ensure transparency and accountability by giving Parliament democratic oversight of the system of governance in the context of Article 23 CPR.

Suspension of payments: the report emphasised the penalising nature of any suspension of payments, and asked the Commission to use its discretionary power to propose the suspension of payments with utmost caution, after due consideration of all relevant information and elements arising from and opinions expressed through the structured dialogue.

Role of the European Parliament: Members regretted that the Guidelines do not make any reference to the role of Parliament, despite the fact that the CPR was adopted under the ordinary legislative procedure. They considered that the involvement of Parliament should be formalised by way of a clear procedure allowing Parliament to be consulted at all stages as regards the adoption of reprogramming requests or of any proposals and decisions on suspension of commitments or payments.

European Structural and Investment Funds and sound economic governance: guidelines for the implementation of Article 23 of the Common Provisions Regulation

The European Parliament adopted by 482 votes to 100 with 51 abstentions, a resolution on the European Structural and Investment Funds and sound economic governance: in response to the Commission communication on the guidelines on the application of the measures linking effectiveness of the European Structural and Investment Funds to sound economic governance according to Article 23 of [Regulation \(EU\) 1303/2013](#) on the common provisions (the CPR).

A proposal for a replacement resolution, tabled by the GUE/NGL group, was rejected in plenary by 54 votes to 521 with 89 abstentions.

Linking effectiveness of the ESI Funds to sound economic governance: it was recalled that the Guidelines concern the first strand of measures linking the effectiveness of the ESI Funds to sound economic governance under Article 23 CPR. This relates to a reprogramming and a suspension of payments which are not compulsory, unlike the second strand of Article 23 CPR, which requires the suspension of commitments or payments where Member States fail to take corrective action in the context of the economic governance process.

Parliament believed that the achievement of the ESI Funds policy objectives and goals should not be hindered by the economic governance mechanisms, while acknowledging their relevance in contributing to a stable macroeconomic environment and an efficient, effective and result-oriented cohesion policy. It considered that Article 23 of the CPR must only be used as a last resort to contribute to an efficient implementation of the ESI Funds.

The Commission was asked to:

- submit a white paper taking account of the effects of public investment in the long term and establishing a typology of quality investments, so that those which produce best effects in the long term can be clearly identified;
- provide further analytical data on the impact and significance of the macroeconomic mechanisms for regional development, for the effectiveness of cohesion policy and for the interaction between the European economic governance framework and cohesion policy.

Members States, for their part, were asked to make best use of the flexibility existing under the rules of the Stability and Growth Pact.

Reprogramming under Article 23 CPR: Members made the following observations:

- any decision regarding reprogramming or suspension under Article 23 CPR must only be used in exceptional situations, and must be well-weighed, thoroughly justified and implemented in a cautious fashion, with indication of the programmes or priorities concerned in order to ensure transparency and allow for verification and review;
- frequent reprogramming would be counter-productive and should be avoided in order not to disrupt fund management or undermine

the stability and predictability of the multiannual investment strategy and to prevent any negative impacts.

Members welcomed the cautious approach of the Commission with regard to reprogramming and its intention to keep it to the minimum necessary. It called for an early warning approach in order to inform Member States concerned of the launching of the reprogramming procedure under Article 23 CPR, and emphasised that any reprogramming request should be preceded by consultation of the monitoring committee.

The Commission is asked to:

- carry out, in close cooperation with the Member State concerned, a comprehensive analysis of all available options other than the application of Article 23 CPR to address issues that may trigger a reprogramming request;
- evaluate the impact and cost-efficiency at regional and local levels of any measures adopted under Article 23 CPR;
- read Article 23 CPR in line with the principle of proportionality, by taking into account the situation of those Member States and regions which face socio-economic difficulties.

Members recalled that strong institutional coordination is essential for ensuring the right policy complementarities and synergies. They considered it essential to ensure transparency and accountability by giving Parliament democratic oversight of the system of governance in the context of Article 23 CPR.

Suspension of payments: Parliament emphasised the penalising nature of any suspension of payments, and asked the Commission to use its discretionary power to propose the suspension of payments with utmost caution, after due consideration of all relevant information and elements arising from and opinions expressed through the structured dialogue.

Role of the European Parliament: Members regretted that the Guidelines do not make any reference to the role of Parliament, despite the fact that the CPR was adopted under the ordinary legislative procedure. They considered that the involvement of Parliament should be formalised by way of a clear procedure allowing Parliament to be consulted at all stages as regards the adoption of reprogramming requests or of any proposals and decisions on suspension of commitments or payments.

They set out the steps that were needed for a procedure for constant, clear and transparent collaboration at interinstitutional level.