Procedure file

Basic information

INI - Own-initiative procedure 2016/2148(INI)	Procedure completed
Investing in jobs and growth - Maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR See also Regulation (EU) No 1303/2013 2011/0276(COD) Subject 4.15.02 Employment: guidelines, actions, Funds 4.70.01 Structural funds, investment funds in general, programmes	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development		16/02/2016
		VAN NISTELROOIJ Lambert	
		Shadow rapporteur	
		WESTPHAL Kerstin	
		POREBA Tomasz Piotr	
		VAN MILTENBURG Matthijs	
		ROPĖ Bronis	
		D'AMATO Rosa	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		18/05/2016
		VIOTTI Daniele	
	CONT Budgetary Control	The committee decided not to give an opinion.	
	EMPL Employment and Social Affairs (Associated committee)		14/04/2016
		PIRINSKI Georgi	
	ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
	TRAN Transport and Tourism		25/01/2016

		ECR ZŁOTOWSKI Kosma	
	AGRI Agriculture and Rural Development	S&D DĂNCILĂ Viorica	15/03/2016
	CULT Culture and Education		
European Commission	Commission DG Economic and Financial Affairs	Commissioner KATAINEN Jyrki	

Key events

14/12/2015	Non-legislative basic document published	COM(2015)0639	Summary
15/09/2016	Committee referral announced in Parliament		
15/09/2016	Referral to associated committees announced in Parliament		
29/11/2016	Vote in committee		
15/12/2016	Committee report tabled for plenary	A8-0385/2016	Summary
15/02/2017	Debate in Parliament		
16/02/2017	Results of vote in Parliament		
16/02/2017	Decision by Parliament	T8-0053/2017	Summary
16/02/2017	End of procedure in Parliament		

Technical information

Procedure reference	2016/2148(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
	See also Regulation (EU) No 1303/2013 2011/0276(COD)
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/07019

Documentation gateway

Non-legislative basic document		COM(2015)0639	14/12/2015	EC	Summary
Committee draft report		PE587.442	22/07/2016	EP	
Amendments tabled in committee		PE589.248	19/09/2016	EP	
Committee opinion	BUDG	PE587.417	12/10/2016	EP	

Committee opinion	CULT	PE582.241	14/10/2016	EP	
Committee opinion	AGRI	PE587.470	14/10/2016	EP	
Committee opinion	EMPL	PE585.503	17/10/2016	EP	
Committee opinion	TRAN	PE587.477	18/10/2016	EP	
Committee report tabled for plenary, single reading		A8-0385/2016	15/12/2016	EP	Summary
Text adopted by Parliament, single reading		T8-0053/2017	16/02/2017	EP	Summary
Commission response to text adopted in plenary		SP(2017)358	31/08/2017	EC	

Investing in jobs and growth - Maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR

PURPOSE: maximising the contribution of European Structural and Investment Funds (ESIF) to employment and growth as well as the Commissions priorities for the next few years.

BACKGROUND: with a budget of EUR 454 billion for 2014-2020, the European structural and investment funds are the European Unions (EUs) main investment policy tool. By 2023, the ESIFs will deliver a critical mass of investment in key EU priority areas, to respond to the needs of the real economy by supporting job creation and by getting the European economy growing again in a sustainable way.

The financial crisis wiped out the gains from economic convergence achieved in several European regions and Member States since 2000, thus reversing the trend of reducing regional disparities and poverty. Progress towards Europe 2020 targets has been uneven.

In the post-crisis period, and in a climate of declining overall investment, the Commission considers it necessary to maximise the impact of the ESIFs, especially as they provide the majority of public investment in many countries.

The ESIFs contribute to the Investment Plan for Europe and complement the European Fund for Strategic Investments (EFSI). They will make a substantial contribution to the new Commissions political priorities: the digital single market, the energy union and climate change policies, the single market and economic governance, in line with the European Semester country-specific recommendations.

CONTENT: in accordance with the requirements of Article 16(3) of the Common Provisions Regulation, the communication presents the main results of negotiations between Member State authorities and their partners, including regional and local actors, and the European Commission, on their investment programmes further to the ESIF reform.

ESIF investments in the current context: the ESIFs have become more important in public investment, compensating for decreasing investment levels: in 2014-2016, the commitments from ESIFs are expected to account for approximately 14?% of total public investment on average, with the highest share reaching beyond 70?% in some Member States.

Following the lessons learned from previous programming periods and taking into account the need for better use of ESIFs, the 2014-2020 regulations introduced several key reforms:

- there is a clear move towards a more focused policy approach, a stronger results orientation, solid framework conditions for investments, better coordinated use of ESIF funding through the common strategic framework, and improved links between EU priorities and regional needs;
- the European Semester and country-specific recommendations play a major role: more than two-thirds of the CSRs adopted in 2014 were relevant for cohesion policy investment and have been taken into account in Member States programme priorities;
- ESIFs focus on key investment areas and obstacles to growth. Furthermore, sustainable development and climate change concerns have been mainstreamed in all ESIF funding;
- in the context of the Investment Plan for Europe, the Commission strongly encourages the use of financial instruments instead of traditional grants in ESIF funding, in areas such as SME support, CO2 reduction, environmental and resource efficiency, ICT, sustainable transport, R&I;
- the new regulatory framework provides significant possibilities for simplification, particularly in relation to common eligibility rules, simplified cost options and e-governance;
- partnership and multi-level governance have been improved for the delivery of better programmes;
- there is a greater focus at local level and investment in tackling concentration of territorial challenges.

Expected results: the Commission indicates that for 2014-2020, EUR 454 billion in ESIF funding has been allocated to promote job creation and growth. National co-financing is expected to amount to at least EUR 183 billion, with total investment reaching EUR 637 billion.

The communication gives an overview of the expected achievements of ESIF funding channelled through the 456 national (thematic) and regional programmes and the 79 Interreg cooperation programmes.

Funding primarily concerns the following areas:

1) Research and innovation (R&I), information and communication technologies (ICT) and SME development: the ESIFs contribute EUR 121 billion to reaching the EUs smart growth objectives, and therefore to improving R&I, SME competitiveness and the digital single market. Key figures related to the achievements expected are as follows:

- 129 460 companies will receive support to increase their R&I capacity. Jobs will be created for 29?370 new researchers and projects

will help companies introduce 15?370 new products to the market;
- 14.6 million additional households will have access to high-speed broadband with ERDF support, while 18.8 million people in rural areas will have new or improved ICT services or infrastructure under the EAFRD.

2) Environment, climate change, energy and transport: the ESIFs will support the development of the energy union by more than doubling the funds allocated to the low-carbon economy, to EUR 45 billion for 2014-20. The focus will be on energy efficiency.

Environmental protection will continue to receive substantial support expanded in scope, and geared towards innovative solutions. This will help the water and waste management sectors across many Member States to regenerate cities, support nature protection, aid EU industries to become more resource efficient, and contribute to reaching the EU circular economy objectives.

Investments in climate change adaptation and risk prevention include a broad range of measures, including flood prevention and ecosystem-based measures such as green infrastructure which aim at protecting 13.3 million people from floods and 11.8 million from forest fires while making a positive impact on jobs and growth.

In the area of transport, ESIFs will: (i) finance infrastructure projects aiming to close missing links and remove bottlenecks, especially in the less developed Member States and regions; (ii) provide considerable support for making transport in Europe more efficient and greener.

3) Employment, social inclusion and education: a total of EUR 120 billion, predominantly funded by the European Social Funds but with the support of the other ESI Funds as well, will be invested in this area. This support for employment is expected to improve the job finding chances of 10 million unemployed people and ensure that 2.3 million people are in employment, including self-employment.

Most Member States will invest in vocational education and training to improve both the relevance of education and training systems and the transition from education to work and life-long learning. Most funding in this area will however be concentrated on preventing early school leaving. It is expected that 4.1 million under-25-year-olds will be supported and 2.9 million people will gain a qualification.

Implementing the youth employment initiative (YEI) is expected to help 3.1 million unemployed or inactive participants complete a YEI project.

4) Strengthening institutional capacity and efficient public administration: the ESIFs support the creation of stable and predictable institutions that are also able to react to societal challenges, open for dialogue with the public, and embrace technological change in the delivery of better services. 17 Member States will invest EUR 4.2 billion (ESF/ERDF) in institutional capacity building, depending on their individual needs.

Investing in jobs and growth - Maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR

The Committee on Regional Development adopted an own-initiative report by Lambert van NISTELROOIJ (EPP, NL) on investing in jobs and growth maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the Common Provisions Regulation (CPR).

The Committee on Employment and Social Affairs, exercising its prerogative as an associated committee under Rule 54 of Parliaments Rules of Procedure, has also given an opinion on the report.

Members recalled that with a budget of EUR 454 billion for the period 2014-2020, the European Structural and Investment Funds (ESI Funds) are the EUs main investment policy tool and are a vital source of public investment in many Member States. They made the following recommendations:

Sharing results, communication and visibility: the report highlighted the need to improve communication on and the visibility of ESI Funds, with greater focus on participation by stakeholders and recipients, and on involving citizens in the design and implementation of cohesion policy.

The key communication on cohesion policy projects should focus on European added value, solidarity and the visibility of success stories. The Commission, Member States, regions and cities were urged to communicate more on both the achievements of cohesion policy and the lessons to be learned.

Thematic concentration: Members stressed the need to the circumstances of urban or rural regions, the lagging regions, transition regions and regions with permanent natural or geographical handicaps, and appropriate support policies should be drawn up for the development of these areas.

The report recommended allowing sufficient flexibility for Member States and regions to support new policy challenges, such as those relating to immigration, as well as the broadly understood digital dimension of cohesion policy. Furthermore, Members drew attention to the energy union strategy, the circular economy strategy, and the EUs commitments under the Paris climate change agreement, as the ESI Funds have an important role to play in delivery.

They supported the gradual shift of focus from one based on major infrastructure-related projects towards one based on stimulating the knowledge economy, innovation and social inclusion. They were of the opinion that the ESI Funds should be used to create and boost quality jobs, as well as quality lifelong learning and vocational (training systems, including school infrastructure.

The Commission should pay more attention to the impact of cohesion policy on promoting employment and reducing unemployment. For their part, Member States should intensify their efforts in order to achieve substantial and tangible effects from the funds invested, particularly with respect to funds made available in the form of advance payments, and ensure that the Youth Employment Initiative (YEI) is implemented correctly.

Members also recalled that completion of the core TEN-T network is a European transport policy priority, and that the ESI Funds are a very important tool in the implementation of this project.

The report went on to recommend, amongst other things:

- an analysis of the current situation and the adoption of targeted action to counteract the fact that a significant proportion of ex ante conditionalities have not yet been fulfilled;
- an assessment of whether the performance reserve -consisting of 6 % of the resources allocated to the ESI Funds for each Member

State - actually creates added value or whether it has led to more red tape;
- establishing a balanced link between cohesion policy on the one hand, and the European Semester and the Country Specific Recommendations on the other;
- better exploiting new possibilities for simplification in terms of common eligibility rules, simplified cost options and e-governance, and establish standard procedures for drawing up operational programmes and for management;
- establishing the necessary tools for permanent administrative capacity, by exploiting functional and flexible e-government solutions.

Synergies and financial instruments: whilst the use of grants is still indispensable, the report observed that there seems to be a focus on a gradual shift from grants to loans and guarantees, and noted also that the use of the multi-fund approach still appears to be difficult.

Members noted that the Commission's Article 16 Report provides little information on coordination and synergies among different programmes and with instruments of other policy areas, and in particular has not always presented reliable data on the expected results of the ESF and YEI programmes.

They were convinced that synergies with other policies and instruments, including EFSI and other financial instruments, should be enhanced in order to maximise the impact of investment. The Commission was asked to provide specific data on EFSIs impact in terms of growth and employment and to come forward after the evaluation with learning points to enable the ESI Funds to be put to use more successfully in the new programming period from 2021 onwards.

European Territorial Cooperation: the report highlighted the European added value of European Territorial Cooperation (ETC), especially from the point of view of reducing disparities between border regions. This should be reflected in an increased level of appropriations for this cohesion policy objective, to be introduced as soon as practicable. It underlines the need to preserve this instrument as one of the core elements of cohesion policy after 2020.

Future cohesion policy: Members were convinced that the future performance-oriented cohesion policy must be founded on data and indicators that are appropriate for measuring efforts, outcomes and impacts achieved, as well as experience at regional and local level in the area (performance-based budgeting, ex ante conditionalities and thematic concentration).

The report underlined that faster take-up of the available funds and a more balanced progression of expenditure during the programming cycle will be needed in future.

The legislative process to adopt the next multi-annual financial framework (MFF) should be concluded by the end of 2018, so that the regulatory framework for future cohesion policy might be adopted swiftly after that and come into force without delay on 1 January 2021.

Investing in jobs and growth - Maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR

The European Parliament adopted by 493 votes to 53, with 40 abstentions, a resolution on investing in jobs and growth maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the Common Provisions Regulation (CPR).

Members recalled that with a budget of EUR 454 billion for the period 2014-2020, the European Structural and Investment Funds (ESI Funds) are the EUs main investment policy tool and are a vital source of public investment in many Member States. They made the following recommendations:

Sharing results, communication and visibility: Parliament highlighted the need to improve communication on and the visibility of ESI Funds, with greater focus on participation by stakeholders and recipients, and on involving citizens in the design and implementation of cohesion policy. The key communication on cohesion policy projects should focus on European added value, solidarity and the visibility of success stories.

Thematic concentration: Parliament insisted that cohesion policy should continue to have thematic focus, while allowing for the degree of flexibility that is sufficient in order to take on board the specific needs of each region, especially the specific needs of the less developed regions.

The resolution recommended the following:

- allowing sufficient flexibility for Member States and regions to support new policy challenges, such as those relating to immigration, as well as the broadly understood digital dimension of cohesion policy;
- the ESI Funds have an important role to play in delivery of the EUs commitments under the Paris climate change;
- the Funds should encourage a knowledge economy, innovation and social inclusion: they should be used to create and boost quality jobs, as well as quality lifelong learning and vocational (training systems, including school infrastructure;
- the Commission should pay more attention to the impact of cohesion policy on promoting employment and reducing unemployment. For their part, Member States should intensify their efforts in order to achieve substantial and tangible effects from the funds invested, particularly with respect to funds made available in the form of advance payments, and ensure that the Youth Employment Initiative (YEI) is implemented correctly;
- the ESI Funds are a very important tool in the completion of the core TEN-T network which is a European transport policy priority.

Parliament also recommended, inter alia:

- an analysis of the current situation and the adoption of targeted action to counteract the fact that a significant proportion of ex ante conditionalities have not yet been fulfilled;
- an assessment of whether the performance reserve -consisting of 6 % of the resources allocated to the ESI Funds for each Member State - actually creates added value or whether it has led to more red tape;
- establishing a balanced link between cohesion policy on the one hand, and the European Semester and the Country Specific Recommendations on the other;
- better exploiting new possibilities for simplification in terms of common eligibility rules, simplified cost options and e-governance, and establish standard procedures for drawing up operational programmes and for management;

- establishing the necessary tools for permanent administrative capacity, by exploiting functional and flexible e-government solution;
- strengthening administrative capacity particularly in Member States with low absorption of funds.

Synergies and financial instruments: whilst the use of grants is still indispensable, Members observed that there seems to be a focus on a gradual shift from grants to loans and guarantees, and noted also that the use of the multi-fund approach still appears to be difficult.

Moreover, the Commission's Article 16 Report provides little information on coordination and synergies among different programmes and with instruments of other policy areas, and in particular has not always presented reliable data on the expected results of the ESF and YEI programmes.

Members were convinced that synergies with other policies and instruments, including EFSI and other financial instruments, should be enhanced in order to maximise the impact of investment. The Commission was asked to provide specific data on EFSIs impact in terms of growth and employment and to come forward after the evaluation with learning points to enable the ESI Funds to be put to use more successfully in the new programming period from 2021 onwards.

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Future cohesion policy: Members were convinced that the future performance-oriented cohesion policy must be founded on data and indicators that are appropriate for measuring efforts, outcomes and impacts achieved, as well as experience at regional and local level in the area (performance-based budgeting, ex ante conditionalities and thematic concentration).

The resolution underlined that faster take-up of the available funds and a more balanced progression of expenditure during the programming cycle will be needed in future.

The legislative process to adopt the next multi-annual financial framework (MFF) should be concluded by the end of 2018, so that the regulatory framework for future cohesion policy might be adopted swiftly after that and come into force without delay on 1 January 2021.