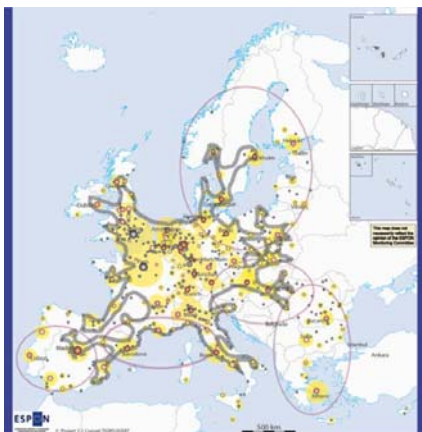




## Position Paper of the Greens/EFA group on the future of Cohesion Policy

1. The Greens/EFA are in favour of a strong and targeted Cohesion Policy. The main objective of Cohesion Policy is strengthening economic, social and territorial cohesion by reducing regional disparities, improving the well-being of and providing equal opportunities to all citizens regardless of their place of residence. Cohesion Policy has to promote a sustainable and balanced territorial development which is embedded in an ecosystem-based approach and takes account of the EU's international responsibility in the fight against climate change.

*Cohesion-oriented Scenario:*



Source: ESPON project 3.2

*Competitiveness-oriented Scenario:*



2. All regions should benefit from Cohesion Policy. However, the most needy and specifically vulnerable regions should be identified and funds should be particularly geared towards them.
3. Successful Cohesion Policy delivering significant results requires adequate financial resources and an appropriate period of time for effective implementation. The Greens/EFA reject any attempt to re-nationalise Cohesion Policy. We also emphasise the added-value of a cross-sectoral approach and reject any intention to create new sectoral funds, e.g. in the field of transport, jeopardising the integrated approach, instead we call for increasing synergies between funds.

4. Cohesion Policy has its own reason, and logic and is a permanent EU Treaty objective for all regions and not just a tool for delivering the Europe 2020 strategy. However, the EU 2020 strategy does not meet regions' differing needs and cultural characteristics. Yet achieving economic, social and territorial cohesion in the EU can help it meet its EU 2020 goals.
5. Among numerous challenges the European regions will face in the coming years, the following are of particular relevance for Cohesion Policy:
  1. globalisation
  2. demography
  3. climate change
  4. energy
  5. social inclusion and poverty
6. The Greens/EFA stress that GDP should remain one of the main criteria for determining eligibility for regional policy assistance but that this must be complemented by other indicators for identification of the most vulnerable regions. GDP alone does not have the capacity to provide a comprehensive picture of regional development as it fails to take account of relevant social factors such as income disparities and unemployment. Although GDP also ignores ecological state and trends, we do not think it advisable to integrate environmental indicators into the concept of a complemented GDP when it is linked to the purpose of determining eligibility of regions, as this might lead to wrong incentives for allocating money. Instead, the Greens/EFA plead for strict consideration of and spending priorities (see point 14) for environmental and climate concerns at the level of programming and project selection.

Indicators for determination of eligibility:

  - global approach: GDP+ which combines GDP per capita and net adjusted disposable income per inhabitant
  - hotspot approach (see point 9): demography vulnerability index as established in Regions 2020 to enable regions to adapt to demographic change and social fragilization
7. The following categories of regions will be established:
  - less developed:
    - below 75% of EU average GDP+
    - 75% co-financing from EU-fundsThose regions falling into this category have full choice among the spending priorities for sustainable development as specified under point 14.
  - intermediate:
    - below the EU average GDP+, but above 75% of that average
    - modulation between 50% and 75% of co-financing from EU-funds according to the region's distance to EU averageThose regions falling into this category have to use the money to achieve results on spending priorities for sustainable development, as specified

under point 14, with modulation of the number of spending priorities according to the region's distance to EU average.

- more developed:
    - remaining regions
    - 50% co-financing from EU funds
- Those regions falling into this category have to use the money to achieve results on spending priorities for sustainable development, as specified under point 14, on a limited number of spending priorities. Within those regions, areas can be identified as hotspots taking account of the demography vulnerability index as established in Regions 2020 and of social fragilization.
- territorial cooperation (currently objective 3) in its three dimensions (cross-border, interregional and transnational cooperation), that has to be applied in the regions concerned.
    - additional 10% co-financing from EU-funds

ESF co-funded interventions are implemented in all regions.

8. The main part of the cohesion budget line will continue to be spent in the less developed regions, and the rest of the budgetary provisions will, in degressive order, be allocated to the intermediate, more developed and territorial cooperation regions.
9. The application of the scheme for identifying eligible regions for the categories as established under point 7 remains on the NUTS 2 level. However, within the more developed category, regions can be identified as hotspots taking account of the demography vulnerability index as established in Regions 2020 and of social fragilization.
10. Further decentralisation, subdelegation (e.g. global grants) and strengthening of regional and local authorities is necessary. The participation of regional and local authorities must be ensured through a detailed and legally binding definition of the partnership principle. These binding standards should include specific criteria to guarantee that partners can effectively participate in all stages of programming. The regional and local levels, not only the central government, must be included in the Development and Investment Contracts (DIC), no DIC is valid without the agreement of all partners concerned.
11. A more territorialised and integrated approach is needed, as potential development needs at subregional and local level are unaddressed, synergies weak and marginalisation of communities increasing.  
A territorial approach supports cross-sectoral local action groups (LAG) of public authorities, civil society and private enterprises. The LAGs should develop an integrated strategy for local services, local markets and local employment opportunities.  
Landscape, social and economic activity do not necessarily correspond with administrative borders as defined by national / centralised governments, so the

territorial approach gives the opportunity to overcome the spirit of demarcation and to create strategies beyond borders which are tailor-made to the needs of the territory.

We need a common framework for local development approaches which achieves complementarities among the existing funds by allowing the LAGs to draw down funds from multiple sources with a territorial perspective and make better use of global grants.

We call for safeguarding the method of former Community Initiatives: bottom-up, public participation, integrated approach. Funding of local development should be conditional on performance in terms of economic, social and environmental sustainability. Furthermore, funds should be made available to enable LAGs to carry out their own capacity building.

12. The local development approach is a horizontal concept and would include EU support for the urban agenda, for rural areas, urban-rural links and functional areas. We are opposed to a metropolitan approach that would concentrate on big cities to the disadvantage of smaller cities and towns.
13. For the Greens/EFA, cohesion policy has to be a policy with the urban areas and not only for them. Urban problems whether related to environmental degradation or social exclusion deserve a particular response and a direct involvement of the level of government directly concerned. This bottom-up approach also has to apply for actions focused on deprived areas in order to reduce disparities and tackle poverty within a community. Local actors will be given more responsibility to prepare and implement the necessary measures. In the framework of the fight against climate change, energy efficiency in housing and construction and sustainable urban mobility should get particular attention. An integrated approach has to be conditional for funding, also taking integrated sustainable urban mobility plans (SUMP) into account. Urban-rural relations should be a key element of the common implementation of EAFRD and Structural Funds in rural and peri-urban areas.
14. Spending should be concentrated on priorities which fulfil the Treaty mission and which respond to relevant challenges for regional development:
  - green innovations and local economies
  - SMEs
  - access to labour market, education and training
  - social inclusion, including active integration policy
  - climate mitigation
  - biodiversity, green infrastructure
  - access to services of general interest
  - sustainable mobility
  - energy efficiency, renewable energies and energy supply (smart, decentralised energy infrastructure)
  - resource efficiency (in particular waste and water)
  - cultural heritage and diversity

Spending on biodiversity and green infrastructure should be obligatory for all regions.

The only projects eligible are those that do not cause any conflict among the priorities, for example no funding for investment which might improve employment but harms biodiversity. The DICs have to provide for sustainable solutions for conflicts of interest.

15. The list of eligible expenditure is to be established according to priorities as mentioned in the point above, in any case funding should be geared toward green economy (green technology, green innovations, green jobs, smart, decentralised energy infrastructure) which requires clear definitions, e.g. in the field of risk prevention, transport and mobility and climate adaptation. Certain current categories of expenditure should be phased-out, e.g. airports and motorways; categories linked to local / regional programming and implementation should be enforced, e.g. capacity building (administration, beneficiaries and stakeholders), decentralisation, training and empowering of “actors of change”, as well as cross-border connections.
16. Performance reserve: 90% of funds of the Operational Programmes (OPs) is to be spent on achieving particular results on the priorities (results to be negotiated and agreed with the Commission in the DIC and broken down on level of the OPs, based on financial contribution calculated as potential contribution to achieve quantifiable results which are linked to EU targets, e.g. in the field of climate protection). In the midterm review, the Commission will evaluate whether these results have been reached. With a view to improving the quality of OPs, Greens/EFA propose to allocate the remaining 10% of funds as a performance reserve which is managed by the Commission. The money will reward all those regions that have done well in meeting the targets as fixed in the OPs or even overachieved the priorities foreseen in the OPs.  
However, the DIC needs to define a correction mechanism in cases of unexpected crisis which might impede meeting the targets.
17. Concerning the future architecture of Cohesion Policy: The Commission proposes a Common Strategic Framework which includes all Structural Funds, the European Fishery Fund and the European Agricultural Fund for Rural Development. Greens/EFA could follow this line of an integrated approach, but recall that each fund needs its own rules.  
The Cohesion Fund could be phased-out and integrated into the ERDF.
18. Full compliance with Community Acquis particularly in the fields of environment, climate and social legislation (e.g. Strategic Environmental Impact Assessment, Natura 2000 and birds directive, water protection, energy efficiency of buildings, internalising of all costs in the transport sector, working time, anti-discrimination etc.) is the baseline for funding and any EU assistance to be granted should not contribute to biodiversity erosion. Furthermore, conditionality in the use of structural funds has to be introduced at all levels of programming - from Common Strategic Framework over DIC to OP - in order to achieve real progress

on European objectives (e.g. in the field of waste management: European money can only be spent if national waste management plans correspond with and implement European priorities which are waste prevention, waste re-use and waste recycling; e.g. in the field of mobility: European money can only be spent if cross-border connections or sustainable urban transport are prioritised).

Regional Policy, however, should not be used as a sanction mechanism in the context of the future economic governance, as this would go against the main objective of Cohesion Policy, namely to reduce regional disparities. EU money must certainly not be used for actions which are not covered by the regulation.

Project selection has to be strengthened and criteria relating to emission neutrality have to be established (e.g. carbon footprint).

19. The Greens/EFA wish to reduce bureaucratic burden for beneficiaries in the implementation process and want to increase in return the number of on-the-spot audits by the Commission (Art. 72 of General Regulation) which aim at verifying the effective functioning of the management and control systems. Supplementary to an increased number of on-the-spot audits, Greens/EFA propose to introduce a "Cohesion Ombuds Centre" that will be installed by the Commission and would be an additional source of information about both best practice and possible misuse of funds. The centre will provide barrier-free access for anybody to deliver any information and complaints about implementation of Cohesion Policy on the ground, in cases of suspicion of improper use of cohesion money, and which shall enable the Commission to know better about and assess suspicious projects or procedures and to (re-)act accordingly. Contacting the centre has to be easy and direct, any bureaucratic burden and formalities must be avoided. The mission of the information and complaint centre: to enhance policy coherence (e.g. with EU environmental legislation) and to improve project selection.
20. Efforts in monitoring and evaluation should be strengthened in order to better orient Cohesion Policy towards results on clearly defined indicators and targets and to prevent weak implementation. Funds for technical assistance should be optimized and used to this end (e.g. capacity-building in the administration). Tools such as NECATER (developed and currently used in France) should be introduced to facilitate project selection compatible with reduction of carbon emissions and to improve local / regional carbon accounting. A ceiling for expenditure for road transport has to be introduced and fixed at a maximum of 20% of total co-funding for transport infrastructure projects.
21. For Greens/EFA, principles of multi-level governance, bottom-up approach, equal opportunities, integrated approach, result orientation and additionality have proven their importance.
  - a. Gender mainstreaming and gender budgeting are horizontal principles of all structural funds and investments. A number of good practices suggest that certain factors are necessary for successful implementation:

- gender related statistics as a precondition for monitoring gender related developments
- impact assessment of the use of funds on gender effects
- obligatory representation of bodies/partners responsible for promoting equality between men and women in monitoring committees
- gender board on the level of the DIC
- technical assistance for gender training in the regions

We want all these factors to be a prerequisite of future funding and clearly fixed in the DIC.

- b. The partnership principle has to be upgraded in the context of simplification. Clear guidance and effective control of the Commission are necessary for full application of binding requirements of partnership principle. The Greens/EFA call for a guidebook to be published by the Commission in advance of the coming programming period and made available to all relevant partners for appropriate funding under technical assistance.
- c. Promoting good practices should be implemented on the basis of development of local experiments and through networking. Furthermore, the Greens/EFA propose to introduce the forerunner principle: good practices identify the best standard that is possible for implementation of projects, and this standard should apply to all projects. The forerunner principle is particularly important for sustainable infrastructure projects, climate friendly transport modes and intermodalities in the field of energy efficiency in housing and for implementation procedures, e.g. partnership principle.
- d. The principle of transparency should promote equality of access to fund information for all and consistently apply to the allocation of funds to beneficiaries. Likewise, the Commission shall provide the European Parliament with annual information on major projects and co-funded transport projects.