



European Economic and Social Committee

ECO/329
Common Strategic
Framework

Brussels, 12 December 2012

OPINION

of the

European Economic and Social Committee

on the

Amended proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006

COM(2012) 496 final – 2011/0276 (COD)

Rapporteur: **Mr Mallia**

Co-rapporteur: **Mr Gruber**

On 27 September and 22 October 2012 respectively, the Council and the European Parliament, decided to consult the European Economic and Social Committee, under Articles 177 and 304 of the Treaty on the Functioning of the European Union (TFEU), on the

Amended proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006
COM(2012) 496 final – 2011/0276 (COD).

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 21 November 2012.

At its 485th plenary session, held on 12 and 13 December 2012 (meeting of 12 December), the European Economic and Social Committee adopted the following opinion by 154 votes to 3 with 3 abstentions.

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1. Conclusions and recommendations

- 1.1 Cohesion policy is a fundamental policy of the EU and has as its main objective the achievement of economic, social and territorial convergence across the whole of the EU and all its Member States. The EESC agrees that the policy objectives and targets of the Common Strategic Framework (CSF) Funds should be aligned with the Europe 2020 strategy. This however must not come at the cost of weakening the EU's Cohesion policy's main objective of convergence.
- 1.2 Cohesion policy being the main source for growth and instrument for achievement of Europe 2020 strategy goals especially for the countries strongest hit by the current crisis, it should maintain the level of financing at least at the current level and should be distributed among the Member States in a fair manner to ensure that financing for the less developed Member States is not reduced.

- 1.3 The EESC supports the creation of a Common Strategic Framework which seeks to enhance the coordination and complementarity between the EU's main funding instruments. An effective CSF will also remove the unnecessary and inefficient separation that currently exists between the key funds.
- 1.4 The EESC is concerned that the delays in achieving political agreement on the Cohesion legislative package, including the CSF, will have a negative impact on the preparations of the Partnership Contracts and therefore impinge negatively on the efficient start of the 2014-2020 programming period.
- 1.5 The indicative actions of high European added value as identified under each thematic objective must give priority to investments that will enhance socio-economic and territorial convergence across the EU. It is also important that the indicative actions are not considered to be an exhaustive list so as to allow country specific responses.
- 1.6 The CSF has placed a lot of emphasis on the delivery of multi-fund projects. This is an important improvement over the 2007-2013 programming period. There is however no reference to the delivery of multi-thematic projects, which have considerable potential to deliver greater value-added. This possibility should be explicitly allowed through the CSF.
- 1.7 The higher intensity of coordination requested by the CSF must however lead to a reduction in the administrative burden on the managing and implementing authorities as well as the beneficiaries. Coordination must be reinforced both within Member States and within the Commission in order to exploit synergies between policies and instruments and to reduce overlaps, complexity and bureaucracy. A thorough analysis of the new administrative procedures must be carried out by the Commission prior to actual implementation.
- 1.8 Organised civil society¹ must be involved in a meaningful manner in drawing up Partnership Contracts. Whilst acknowledging that individual Member States and regions have their own mechanisms and structures to engage with civil society, the Commission must monitor such processes. Where it is found that civil society has not been meaningfully involved, then the Partnership Contract should not be accepted by the Commission until proper engagement has taken place.
- 1.9 The concept of partnership must however not only be restricted to the programming stage. The partnership principle must also be applied throughout the stages of implementation, monitoring and evaluation.

¹ Organised civil society is that part of civil society that finds expression in organisations which are themselves building blocks of society. In other words, organised civil society comprises all private-initiative non-state organisations and their members who are actively involved in shaping public affairs on the basis of their own concerns and drawing on their own specific knowledge, abilities and scope for action. This definition covers a wide range of organisations: employers' federations, trade unions, associations set up to promote certain matters of general interest as well as what are termed non-governmental organisations (NGOs).

- 1.10 The focus of the Partnership Contracts on Europe 2020 should not be the Country-specific Recommendations (CSRs). In fact, they should be based on different elements, such as the National Reform Programmes (NRPs) which are designed on the country specific situation of a Member State as opposed to the CSRs which are not necessarily tailored to the specific situation of a Member State. The Partnership Contracts should also focus on national strategies concerning poverty reduction, gender equality, and national disability strategies, as well as sustainable development.
- 1.11 More flexibility is required to allow Member States and regions to respond in the most effective and efficient way to the common targets being set, while at the same time respecting territorial, economic and social specificities. Furthermore, the CSF must make a specific acknowledgement of territorial specificities which have an impact on the implementation of the CSF Funds.

2. **Introduction**

- 2.1 The European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) are the five EU Funds managed by the Member States and the Commission. The Commission is proposing that the objectives of each fund are pursued more effectively through a closer coordination of the funds in order to avoid overlaps and maximise synergies.
- 2.2 With the aim of facilitating the development of the Partnership Contracts and Operational Programmes, the creation of a Common Strategic Framework (CSF) is being proposed by the Commission to increase coherence between the five Funds in terms of the policy commitments made in the context of the Europe 2020 strategy and investments on the ground. The CSF builds on the 11 thematic objectives that are identified in the Common Provisions Regulation (CPR).
- 2.3 The CSF seeks to improve coordination and secure the more targeted use of European funds. It will also remove the unnecessary and inefficient separation that currently exists between the funds. This is a positive development which should lead to a more effective Cohesion Policy resulting in the policy achieving a greater impact. Such a development is thus strongly supported by the EESC.

3. **Launching and adopting the CSF**

- 3.1 Clear guidance is needed on how the CSF Funds can most effectively target smart, sustainable and inclusive growth in the Partnership Contracts.

- 3.2 In response to concerns raised by the Parliament and the Council, the Commission is proposing to split elements of the CSF into i) a new annex of the CPR and ii) a delegated act which will mainly contain the "indicative actions of high European added value".
- 3.3 The EESC supports the approach of the Commission as long as this ensures:
- a quicker adoption of the CSF
 - greater clarity as to what can and cannot be funded
 - that Member States are able to undertake actions which address particular territorial issues.
- 3.4 The Commission is however also proposing that all elements of the CSF contained in both the annex and the delegated act can in turn be amended by a delegated act. The EESC finds this to be unacceptable and it defeats the purpose of including the main CSF elements as an annex to the CPR.
- 3.5 The Commission's role with regard to what constitutes a *technical* versus a more *substantive* amendment should be clearly set out in the regulation so as to avoid issues of interpretation that may arise.
- 3.6 The EESC must express concern with the delays being experienced in achieving political agreement on the Cohesion legislative package, including the CSF. A continued delay will have an impact on the preparations of the Partnership Contracts and therefore affect on the efficient start of the 2014-2020 programming period.
- 3.7 The nature and format of the proposed Partnership Contract must be crystallised. Whilst the CPR provides information on the elements that should be included in the Partnership Contract, the exact format of this document is as yet unknown.

4. **Linking Cohesion Policy to Europe 2020**

- 4.1 The Europe 2020 strategy was agreed with the aim of stimulating smart, sustainable and inclusive growth. The positive contribution that the CSF Funds can make towards achieving Europe 2020 headline targets is clear and therefore it is logical that the policy objectives and targets of the CSF Funds are aligned with the Europe 2020 strategy.
- 4.2 The Europe 2020 strategy is a cornerstone for achieving the right balance between sound fiscal discipline and growth and development for the European Union. Achievement of Europe 2020 strategy goals will be the biggest challenge for the less developed Member States of the European Union. Especially States that implement a responsible fiscal discipline will need support and proof of solidarity from the EU via its Cohesion policy. Its financing has to be maintained at least at the current level and no forms of capping shall be acceptable.

4.3 The EESC supports this approach and reiterates its position that all EU policies must be focused on achieving much required growth. In expressing such a position, the EESC is also of the firm opinion that the key objectives of economic, social and territorial integration must remain the top most priority of the EU's Cohesion Policy. The value-added of Cohesion Policy must at no point be jeopardised.

4.4 The EESC is of the firm opinion that the indicative actions of high European added value under each thematic objective must give priority to initiatives that will enhance socio-economic and territorial development across the EU.

5. **The thematic approach**

5.1 The EC's proposals for thematic concentration as a means to reduce fragmentation of efforts are welcome. A strong coordination of efforts between the various CSF Funds and indeed all other EU programmes and initiatives is needed.

5.2 The CSF should clarify and confirm that within each thematic area it is up to the individual Member State to decide which Fund should play a key role in the achievement of the key targets and objectives.

5.3 While the main objectives set out in the CSF are valid, flexibility must play an important role. The Partnership Contracts need to take account of local and regional interests. It must be possible to allocate funding to specific regional priorities. The EESC is of the firm view that the principles of subsidiarity and proportionality must continue to play a central role in the implementation of the EU's Cohesion Policy.

5.4 The individual thematic objectives indicate actions that should be undertaken under the specific funds, but the complementarity aspect needs to be clarified as it is not apparent which instruments proposed under the various funds and actions actually complement each other. The EESC believes that the proposed actions under each thematic objective must make investments that accelerate socio-economic cohesion a priority. It is important that the indicative actions can be added to allow country specific responses.

5.5 The EESC is of the opinion that whilst all 11 themes as prescribed by the CPR are valid, a set of core themes should be established; these themes must be addressed by each Member State. Beyond the core themes, each Member State should then have the flexibility to direct its Partnership Contract towards other themes (from the pre-established list) which are appropriate to its individual situation.

5.6 Other specific themes that should be included in addition to the current 11 themes are:

1. Enhancing accessibility for persons with disabilities and people with reduced mobility;

2. Capacity building of stakeholders in cohesion policy²;
3. Meeting the demographic challenge.

These new thematic areas should be included in the CPR.

- 5.7 Actions concerning sustainable transport methods and transport management systems are currently excluded from thematic objective 4 (supporting the shift towards a low carbon economy). This should be rectified given the role of transport in emissions.
- 5.8 Thematic objectives are set out in article 9 of the CPR, whilst fund specific investment priorities are set out for each CSF fund in their respective draft regulations. The thematic objectives and the fund specific investment priorities do not fully match. Thus creates a degree of uncertainty and possibly confusion about which need to be followed. This is an especially urgent issue in view of the Partnership Contract process, which has already started in some Member States.
- 5.9 Whilst the CSF places a lot of emphasis on the delivery of multi-fund projects there is no reference to the delivery of multi-thematic projects which have considerable potential to deliver greater value-added. This possibility should be explicitly allowed through the CSF.

6. **The European Regional Development Fund and the Cohesion Fund**

- 6.1 The EESC has already put forward its detailed views on the two funds in its opinions "European Regional Development Fund"³ and "Cohesion Fund"⁴.
- 6.2 The ERDF has been earmarked to contribute to all the 11 thematic objectives.
- 6.3 The exact impact of this identified "focus" is unclear. Is preference to be given to one area of focus over another, or will this be up to each Member State to decide? The EESC firmly favours the latter approach as this allows for country/region specific approaches to be adopted.
- 6.4 The EESC firmly believes that the ERDF must first and foremost continue to provide essential support to SMEs. Such support should take the form of the provision of financing instruments, the setting up of SME networks as well as the provision of essential infrastructure⁵.

² Suggestions 1 and 2 are as per the EESC opinion "Structural Funds General Provisions", [OJ C 191 of 29.6.2012, p. 30.](#)

³ [OJ C 191 of 29.6.2012, p. 44.](#)

⁴ [OJ C 191 of 29.6.2012, p. 38.](#)

⁵ For example the setting up of industrial parks.

- 6.5 The EESC is however concerned about the proposal to totally exclude large enterprises from eligibility for the European Regional Development Fund (ERDF). Large enterprises are important sources of R&D and therefore the carrying out of such R&D should be eligible otherwise we risk aggravating an already critical situation where Europe is lagging behind in comparison with competing nations such as the USA and Japan.
- 6.6 Given that the level of financial resources cannot be increased in any significant way, the EESC believes there is a further potential in defining clearer objectives and ensuring that the proposed investment priorities are more precisely linked with the objectives⁶.
- 6.7 The Cohesion Fund has been earmarked to contribute to 4 thematic areas relating to the environment, sustainable development and transport (TEN-T).
- 6.8 To avoid past mistakes of spreading the Cohesion Fund over too many projects, the EESC wants to once again reiterate its call for a greater concentration on larger projects which are expected to have a greater impact in reducing disparities between Member States and in achieving social, territorial and economic cohesion.
- 6.9 In establishing such large projects, Member States must ensure consistency and complementarity with other EU funds and initiatives (such as the Connecting Europe Facility, LIFE programme and the various macro-regional strategies) to ensure that the full potential of the different funds and initiatives is achieved. This is for example extremely important when it comes to developing energy and transport infrastructure. It is vital that there is compatibility with, rather than competition between the different instruments.

7. **The European Social Fund**

- 7.1 The ESF has been earmarked to contribute towards four thematic objectives: employment and labour mobility; education, skills and lifelong learning; promoting social inclusion and combating poverty as well as administrative capacity building. It is however expected to contribute to the other thematic objectives as well.
- 7.2 This is in line with the views of the EESC expressed in the Opinion "European Social Fund"⁷, which expressed the view that the ESF should be the preferred instrument for implementing the goals of the Europe 2020 strategy, particularly with regard to employment, education, social inclusion and combating poverty. This view is especially relevant in the current scenario of rising unemployment and an unprecedented loss of jobs.

⁶ See EESC opinion on the "European Regional Development Fund", [OJ C 191 of 29.6.2012, p. 44.](#)

⁷ [OJ C 143 of 22.5.2012, p. 82.](#)

7.3 The EESC strongly supports the European Commission's proposal that at least 20% of the total national appropriations of the ESF be earmarked for social inclusion and combating poverty.

8. **The European Agriculture Fund for Rural Development**

8.1 Against the background of the CAP-reform towards 2020, the proposal for a MFF 2014-2020 and the current economic situation, the EC presented a proposal for a new EAFRD Regulation⁸. The new EAFRD endorses the priorities of the Strategy "Europe 2020", is based on the proposal of the Common Provisions Regulation (CPR) and is in line with the economic governance framework of the EU.

8.2 In its opinion on the CAP-reform package⁹ the EESC welcomed the proposed closer alignment of the CAP with the Europe 2020 strategy and the sustainability strategy for rural development.

8.3 Nevertheless, it is important that Member States are able to set their priorities in a flexible manner in order to find a balance between endorsing the specific targets of the CAP as laid down in the Treaties and enhancing the Europe 2020 strategy. Coherence between the two pillars has to be guaranteed at all times.

8.4 Currently it is uncertain to what extent priorities of the EAFRD will fit into those of the CSF. Therefore, measures taken within the scope of the EAFRD should give incentives to farmers, forest owners and others aiming at contributing to job-creation/-securing and economic growth, while simultaneously achieving sustainable development and climate-change actions.

8.5 This should be accompanied by a strong link to the European Innovation Partnership "Agricultural Productivity and Sustainability", in order to enhance green growth in all rural areas of the EU.

8.6 The EAFRD foresees a minimum share of 25 % for measures related to environment and climate-change, which the EESC appreciated. However, a dedication of 20% for climate-related measures seems to be too high in this respect and therefore this needs to be further elaborated in the CSF.

9. **European Maritime and Fisheries Fund**

9.1 On 2 December 2011, the EC adopted the proposal for a Regulation, establishing – in line with the MFF and the strategy EU 2020 – a new fund, constituting the financial framework

⁸ COM(2011) 627 final, 19.10.2011.

⁹ [OJ C 191 of 29.6.2012, p. 116.](#)

for the Common Fishery Policy (CFP) and the Integrated Maritime Policy of the EU 2014-2020¹⁰.

- 9.2 The proposed key actions can in principle be supported. It is vital that an integrated approach with all other policy areas is adopted.
- 9.3 As with the EAFRD, the CSF should assist in matching the objectives in a flexible manner, while keeping coherence between the specific targets of the CFP and those of EU 2020.
- 9.4 The CSF could bring more transparency in possible conflicts between EU-policies, like for example the Water Frame Directive and animal hygiene provisions.

10. **Horizontal principles and policy objectives**

- 10.1 The CSF sets out the promotion of equality between men and women and non-discrimination, accessibility for persons with disabilities and sustainable development as horizontal principles that should be applied across all funds and hence within all operational programmes. The EESC supports these principles and encourages the effective analysis of all project proposals and the effective monitoring of all programmes to ensure that these principles are well embedded.
- 10.2 The EESC believes that another horizontal principle that should be applied is that of "Communicating Europe". Given the general undermining of and loss of faith in the European Project, each project undertaken through Cohesion Policy must, through its added-value, clearly demonstrate how the EU can make a difference to the life of its citizens.

11. **Need for flexibility, simplification and momentum**

- 11.1 Simplification of procedures must be at the top of the agenda of both the Commission and the Member State Managing Authorities. Whilst acknowledging that each Euro spent must be well accounted for, it is unacceptable that the process of managing and applying for EU funds continues to remain so burdensome with the result that those beneficiaries most in need (e.g. SMEs, NGOs) end up losing out¹¹. Furthermore, every effort must also be made to ensure that only those projects which have real added value are chosen to be funded.
- 11.2 The CSF must lead to a real reduction of administrative burdens and costs, both for beneficiaries and implementing authorities, in order to give an added value. The required higher intensity of coordination requested by the CSF could however lead to an increase in the administrative burden on the managing and implementing authorities which in turn could

¹⁰ COM(2011) 804 final - 2011/0380 (COD).

¹¹ According to UEAPME only 2% to 3% of SMEs are benefitting from EU funds which amount to only 1% to 2% of the total funding available to SMEs.

also result in added burdens and complexities for beneficiaries. A thorough and formal analysis of the current and new administrative procedures must be carried out by the Commission prior to actual implementation.

- 11.3 Coordination must be reinforced both within Member States and within the Commission in order to exploit synergies between policies and instruments, and to reduce overlaps complexity and bureaucracy. This requires closer coordination between and within the Commission services responsible for the CSF Funds at all stages of negotiation and implementation, in order to ensure a more coherent and harmonised approach. This must be done in ways which do not increase the administrative burden.
- 11.4 The proposed use of e-Governance to create greater efficiency is welcome. Such a system should not however be restricted to CSF funds only but should include all EU funding streams and be accessible to all.
- 11.5 At present it is envisaged that the European Parliament and the Council may ask the Commission to submit a proposal to review the CSF when there are major changes to the EU 2020 strategy. This in our view is too restrictive. The EESC believes that there should be the possibility to adapt the CSF to changing circumstances especially if there is a significant change in the socio-economic environment which warrants an EU wide response.
- 11.6 Similar flexibility should exist for the Member States to adapt their national programmes to a wider range of circumstances than only the thematic objectives of the policy.
- 11.7 The EESC calls on the Commission to introduce a periodic and mandatory review of the CSF which allows for meaningful changes to take place.

12. **The partnership contract approach**

- 12.1 The principle of partnership as presented in Art 5 of the CPR is an essential principle which will help improve the effectiveness of the EU's Cohesion Policy and as such needs to be strongly supported by both the Council and the Parliament.
- 12.2 Consultation with the relevant stakeholders in the drawing up of the Partnership Contracts will be crucial in ensuring that the thematic objectives are translated into concrete actions and targets for smart, sustainable and inclusive growth.
- 12.3 Partnership Contracts should translate the elements set out in the CSF into their national context and set out firm commitments for the achievement of the priorities laid down in the regulations governing the CSF Funds. So that the partnership principle can be applied in practice, a bottom-up approach must be pursued in the decision-making process, with the views of civil society properly taken into account prior to the signing of Partnership Contracts by the EC and the Member States.

- 12.4 The Commission has issued a proposed code of conduct for the drawing up of the Partnership Contract. This is a valid document which provides useful guidance to Member States in engaging with civil society. The EESC cannot understand why the Council has rejected this code of conduct and calls on the Council to reinstate it.
- 12.5 Whilst it is up to the Member States to adapt their own processes for the involvement of civil society, it is the duty of the Commission to ensure that all relevant players are involved in an active and meaningful manner. The EESC however believes that currently the Commission does not have the necessary monitoring tools and mechanisms to achieve this. Failure by a Member State to involve civil society in a meaningful way should lead to the "non-conclusion" of the Partnership Contract. Furthermore the concept of partnership should be extended beyond the programming stage and also applied to the implementation, monitoring and evaluation stage.
- 12.6 The EESC emphasises the need for civil society to be provided with all the information concerning the "new approach" being undertaken by the Commission with respect to the CSF funds and the Partnership Contracts. An explanation of the process and how civil society will be involved at all stages of the drafting and implementation of the Partnership Contract must be delivered through a clear and effective communication process to ensure effective participation by civil society within the partnership process.
- 12.7 The focus of the Partnership Contracts on Europe 2020 should not be the Country-specific Recommendations (CSRs). In fact, they should be based on different elements, such as the National Reform Programmes which are designed on the country specific situation of a Member State as opposed to the CSRs which are not necessarily tailored to the specific situation of a Member State. The Partnership Contracts should also focus on national strategies on poverty reduction, on gender equality, and national disability strategies, as well as sustainable development.
13. **The territorial aspect of the CSF**
- 13.1 The CSF must make a specific acknowledgement of territorial specificities - mainly related to size and profile of the economic, social and territorial structures - and which have an impact on the implementation of the CSF Funds. This is an important aspect of the CSF because it is from here that Member States will be able to ensure that the Partnership will be designed to meet the specific requirements of their development needs and hence their territories.
- 13.2 In order to ensure commitment to the Europe 2020 strategy, more flexibility is required to allow Member States and regions to respond in the most effective and efficient way to the common targets being set, while at the same time respecting territorial, economic and social diversity and specificities.

- 13.3 The CSF should therefore provide further guidance on how the territorial challenges and specific needs are to be addressed in the partnership contract. This applies in particular to those territories referred to in Article 174 (TFEU).
- 13.4 The EESC recommends that greater consideration of territorial disparities should be given in the allocation formula used for the CSF funds.

Brussels, 12 December 2012.

The President
of the
European Economic and Social Committee

Staffan Nilsson
