



REVES Position Paper on the Commission Proposal for a “Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund”

- REVES, the European Network of Cities and Regions for the Social Economy, brings together cities and regions as well as social economy actors to promote stable local partnerships fostering policies of sustainable local development, social inclusion, solidarity and mutual understanding. It therefore welcomes the Commission “Proposal for a Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund”, notably its clear reference to regional policy being an instrument to reach the objectives of Lisbon and Gothenburg. Economic growth, employment and social inclusion as pre-conditions for sustainable local development are inextricably linked to each other and should thus not be dealt with separately.
- Consequently, REVES welcomes the priorities set by the Commission for its financial support in the framework of the regional policy such as sustainable local development in general, social inclusion and antidiscrimination, innovation, job creation and adaptability of workers and enterprises etc.
- Moreover, REVES appreciates the emphasis the Commission laid on gender equality as an important pre-condition of economic and social cohesion by making reference to Art. 2 and 3 of the Treaty. Women are still suffering considerable exclusion within society and the labour market, hindering them, for instance, to combine work and family in a way that balances the interest of the individual, society and economy.
- Nevertheless, in view of the considerable demographic changes that are influencing local and regional development to a large extent, REVES invites the Commission to put stronger emphasis on programmes fostering supportive policies and services for families as well as care for the elderly.
- REVES agrees with the proposal to apply the Cohesion Fund to Member States with GNI lying below 90% of the Community average. However, it urges the Commission to search for an appropriate, smooth and well-founded solution for those territories which, according to this rule will not benefit any more from these finances.

- Likewise, it welcomes the fact that a solution will be found for regions that will be affected by the “statistical effect” related to the new Convergence Objective.
- REVES in particular appreciates the Commission’s intention to reinforce urban issues, to foster a sub-delegation of responsibilities in the framework of the implementation of its regional policy to “city authorities” (see below) as well as to strengthen assistance to urban regeneration programming particularly for medium-sized cities. However, given their efforts centring on sustainable regional development, it also calls upon the Commission to consider the integration of groups or consortiums of rural local authorities into this process.
- In this context, REVES furthermore welcomes the proposal of the Commission advocating a higher participation of local and regional authorities in the preparation of the processes of programming and implementation of the funds.
 Being the closest to the citizens, local and regional authorities might best perceive the needs of society and economy. Moreover, as socio-economic laboratories cities and regions dispose of a high expertise with regard to practical solutions concerning employment, gender equality and social inclusion in general. The most adequate way to ensure sustainability, transparency and accountability of the funds and their managing authorities would thus be a bottom-up approach. Accordingly, REVES is calling upon the Commission to introduce local and regional strategic reference frameworks as a base for the development of the national strategic framework.
 Both, the development of the local and regional strategic reference framework as well as the drafting of the national strategic reference framework should be closely linked to the development of the NAPs/Inclusion and NAPs/Employment.
 With respect to the implementation of the funds, a “sub-delegation of responsibilities to city authorities” (paragraph 3.) or the establishment of other intermediate bodies at local and regional level as suggested in Art. 41 is highly recommended.
- Consequently, REVES strongly agrees with the partnership principle such as it has been strengthened in Art. 10, where the Commission promotes a “broad and effective involvement of all the appropriate bodies” described as “partners at national, regional and local level and in the economic and social or other spheres”: Experience has proven that relevant expertise and resources (=synergies) are the highest where they are based on local partnerships involving in particular social economy organisations. As already iterated by the European Commission in, for instance, the European Strategy on Employment or its study on “Strengthening the local dimension of the European Employment Strategy”¹, social economy actors in partnership with local and regional authorities have an important contribution to make in terms

¹ “Strengthening the local dimension of the European Employment Strategy” – see, for example, p. 29 or 36-37.

of (local) sustainable development and regeneration, job creation, the provision of services fostering social inclusion etc. Partnership and participation are important principles of Territorial Social Responsibility as they ensure an involvement of all relevant actors and experts at local level as well as a better dissemination of information and mainstreaming in the process of the implementation of operations. Moreover, an involvement of the aforementioned local entities in processes of preparation and monitoring of the national strategic reference framework as well as in the management of the funds could enhance other EU policy instruments such as the Open Method of Coordination for Social Inclusion or the EES (OMC). Organised in a functional way, their participation might ensure a most effective implementation and monitoring of the funds as well as a greater coherence and transparency of the Unions actions² in the field of regional policy.

- Following the aforementioned comments, it appears to be obvious that an effective implementation of operational programmes strongly depends on the application of the subsidiarity principle as it has been mentioned in Article 11: “Implementation of operational programmes referred to in Article 23 shall be the responsibility of Member States at the appropriate territorial level, in accordance with the institutional system specific to each Member State.
- Furthermore, according to the principle of “European territorial cooperation” such as it has been stated by the Commission, for instance, in Article 3§2c, REVES urges the Commission to support and make use of European networks of local and regional authorities for the monitoring processes foreseen. Their various resources and expertise will ensure the implementation of the funds based on a reconciliation of European, national and local interests.

Final Recommendations:

Social economy organisations represent important local partners for sustainable development. Given the social economy’s capacities in terms of innovation and job creation, the promotion of new entrepreneurship as well as the provision of services of general interest promoting social inclusion, it significantly differs from other economic sector as well as from civil society organisations that do not carry out any direct or indirect economic activities. As a consequence, REVES invites the Commission to quote social economy organisations separately when referring to the partnership principle (Art. 10).

As the example of the OMC in the field of Social Inclusion has proven, mere recommendations of the Commission for members states to involve the regional and local level in the development of documents such as NAPs did by far not always find their application. REVES is therefore calling upon the Commission to develop indicators with a view to evaluate the performance of the member states in this respect and make them part of the overall assessment of eligibility for funding. Such

² Draft Treaty establishing a Constitution for Europe: Art. 46§3

indicators could, for instance, draw upon the aforementioned integration of local and regional strategic reference frameworks into national strategic reference frameworks. Efficacious monitoring strategies with regard to the participation of local and regional actors in the drafting of strategic reference frameworks and the management of the operations appear to be an appropriate means to counteract the misuse or any other disproportional implementation of the funds.

Finally, REVES invites the Commission to work on other EU legislation affecting regional policy such as legislation on rules for state aid with a view to reduce inconsistencies hindering certain local actors to fully contribute to local sustainable development.