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## Commission sets out options on future cohesion policy



Joint press conference by Johannes Hahn, EU Regional Policy Commissioner and László Andor (left), EU Commissioner for Employment, Social Affairs and Inclusion (right) on the presentation of the 5th Report on Economic, Social and Territorial Cohesion.

Credit © European Union, 2010

The Commission's 5th Report on Economic, Social and Territorial Cohesion was published on November 10. The EU's cohesion policy has made a significant contribution to growth and prosperity and promoting balanced development across the Union. Nevertheless, in view of the substantial economic and social developments over recent years, the policy now has to address new challenges. In the wider context of the EU budget review, the report underlines that future cohe-

sion policy investments must be closely aligned to the objectives of the Europe 2020 Strategy. It also proposes introducing much stricter conditions as well as incentives to ensure the effective use of the funds dedicated to cohesion policy and an increased focus on results.

The report was presented during a press conference addressed by EU Regional Policy Commissioner, Johannes Hahn, and László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. Mr Hahn stated that "The findings from

this report and the consultation to follow will help us prepare a cohesion policy that is better adapted to the economic situation of today." Mr. Andor added that "More than ever before, the ESF must be put at the service of a true European employment initiative, helping people find a job fast. Cohesion policy will be instrumental in achieving the EU's employment and social targets as part of the new Europe 2020 strategy".

The report presents an extensive assessment of the economic, social and environmental situation and trends in

EU regions and sets out a number of different options for adapting the policy post-2013. It shows how cohesion policy has benefited all regions both through direct investments and indirect trade benefits, as well as supporting EU-wide priorities, such as environmental protection and research and innovation.

Evaluations show that, between 2000 and 2006, investment from cohesion policy:

- helped to create an estimated 1.4 million new jobs, supported small firms and boosted research
- offered valuable training opportunities to millions of women, young people, the vulnerable in society and the unemployed and helped around 2 million beneficiaries of training per year move into a job
- modernised transport links, supporting the construction or improvement of thousands of kilometres of road and rail and the modernisation of ports and airports
- improved environmental conditions for millions of Europeans bringing the quality of drinking water and treatment of waste water up to EU standards

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## The EU – a Global Player

Today, the President of the European Council, Herman Van Rompuy, and the President of the European Commission, José Manuel Barroso, will welcome US President Barack Obama to Portugal for a Summit between the European Union and the United States. On November 29 and 30, the 3rd Africa-EU Summit will be held in Libya. The importance of these two summits cannot be underestimated. Both the transatlantic relationship as well as that between Africa and the EU are of paramount importance to Europe.

Together, the EU and the US account for half of the global economy and provide approximately 80 percent of official development assistance worldwide. Moreover, they collaborate effectively on various foreign policy issues such as the Middle East.

The theme of the Africa-EU Summit will be "Investment, Economic Growth and Job Creation". Heads of State and Government are expected to adopt an Action Plan for 2011-2013 that will include concrete actions to strengthen cooperation in various areas such as peace and security, climate change, regional integration, private sector development, infrastructure, energy, agriculture, food security and migration.

These summits are also opportunities for the EU to assert itself as a major global actor. In the coming days, the European External Action Service is expected to start operating. The Treaty of Lisbon has been in force for almost a year. The Union now has a permanent President of the European Council and a High Representative for Foreign Affairs and Security Policy. They ensure the external representation of the EU on issues concerning the Union's common foreign and security policy.

The EEAS will assist the High Representative to coordinate the Union's external action and assist the President of the European Council and the President and Members of the Commission in their respective functions in the area of external relations besides ensuring close cooperation with the Member States.

This is crucial for the EU to finally emerge as a global player that can speak with one voice. As Barroso stated on September 7 in his State of the Union address to the European Parliament, "If we don't act together, Europe will not be a force in the world, and they will move on without us: without the European Union but also without its Member States."

Vanni Xuereb

## Chris Said reappointed Parliamentary Secretary



On November 4, Dr Chris Said was sworn in as Parliamentary Secretary for Consumers, Fair Competition, Local Councils and Public Dialogue. He has also been entrusted once again with responsibility for MEUSAC. MEUSAC congratulates Dr Said on his reappointment.

# The Annual Report of the Court of Auditors on the implementation of the 2009 budget

The European Court of Auditors is the EU Institution established by the Treaty to carry out regular audits of EU finances. As the EU's external auditor it contributes to improving EU financial management and acts as the independent guardian of the financial interests of the citizens of the Union. In this regard the Annual Report of the Court of Auditors on the implementation of the budget covering the financial year 2009 was issued on 9 November 2010 and provides the basis for the discharge procedure, in which the European Parliament decides whether the European Commission has satisfactorily carried out its responsibilities for implementing the budget.

In the report, it is noted that in the opinion of the Court, the transactions underlying the 'Revenue' part of the EU Budget and the commitments for the policy groups 'Economic and financial affairs' and 'Administrative and other expenditure' are in all material aspects legal and regular. As regards the policy groups 'Agriculture and natural resources', 'Cohesion', 'Research, energy and transport', 'External Aid, development and enlargement' and 'Education and Citizenship', in the Court's opinion, the payments are materially affected by error rates of between 2% to 5% or more than 5% in the case of 'Cohesion' and the supervisory and controls systems are partially effective in preventing or detecting and correcting the reimbursement of overstated or ineligible costs.

These conclusions are based on sample checks carried out by the Court of Auditors on expenditure managed by the Commission in the case of policy groups that are managed by the Commission (centralised management) and expenditure managed by select Member States in the case of policy



Dr. Louis Galea presenting a copy of the Court of Auditors' Annual Report for 2009 to Malta's Permanent Representative to the European Union, Ambassador Richard Cachia Caruana.

groups that are managed by the Member States (shared management) and are therefore an overall assessment. The Court also noted that when compared to 2008 there is a significant decrease in its estimate of the error rate concerning the payments for 'Cohesion', and this confirms a continuing reduction in the error rate.

In the case of the review carried out on the agriculture and natural resources policy group and specifically the agriculture and rural development area, the Court of Auditors based its opinion on the basis of an assessment of the supervisory and control systems of Paying Agencies in 8 Member States – Lithuania, Latvia, Slovakia, Cyprus, Italy, Malta, Greece, and Spain (Basque region). The Court of Auditors based its assessment on three main areas: admin-

istrative procedures and controls to ensure correct payment including quality of databases; on-the-spot inspection methodology, selection, execution, quality control and reporting of individual results; and implementation and control of agriculture and environment compliance.

Malta's administration in this area received mixed reviews where it fared well in the implementation and control of agriculture and environment compliance ('effective' according to the Court of Auditors terminology), was found broadly compliant in on-the-spot inspection methodology, selection, execution, quality control and reporting of individual results with only the need to improve on application of measurement tolerances ('partially effective' according to the Court of Auditors ter-

minology), and was found to have a number of weaknesses in administrative procedures and controls to ensure correct payment including quality of databases ('not effective' according to the Court of Auditors terminology). The overall assessment was 'not effective', an assessment which was shared with Greece and Cyprus.

In its reactions to the Court of Auditors' findings, also published as part of this Report, the Commission has emphasised that while there is room for improvement the deficiencies do not render the systems ineffective and all deficiencies are followed up through conformity clearance procedures which ensure that the EU Budget is safeguarded. Moreover the assessment of the Court of Auditors focused on the implementation of the systems in 2007, with these systems, including IT systems, being improved and upgraded in 2008, allowing for payments to be issued in a correct and accountable manner. These systems have in fact been reviewed by the Commission which confirmed the validity of the systems and in the financial clearance for the year ending October 15, 2009 the Investigations and Audit Department certified in full the amounts paid.

Ambassador Richard Cachia Caruana, Permanent Representative of Malta to the European Union commended the work of Louis Galea, Member of the European Court of Auditors, and welcomed the Annual Report on the implementation of the 2009 EU Budget. He emphasised that **"all elements in the Report presented today – not just those that concern Malta – will continue to be followed closely by the Maltese Government. It is in everybody's interests, particularly those of the Member States that ultimately provide the Union's funding, that all EU funds are spent in the most efficient and effective way"**.

## EU Law-Making: Co-Decision, Legislators in Dialogue



A seminar entitled EU Law-Making: Co-Decision, Legislators in Dialogue was recently organised by MEUSAC and the European Commission's Representation in Malta.

In his introduction, Dr Vanni Xuereb, Head of MEUSAC spoke about the sui generis nature of the European Union as an international organisation made up of 27 sovereign Member States that have pooled their sovereignty together in some key areas of policy making. In

these areas, the Union and its institutions exercise an exclusive competence.

Dr Peter Agius, Senior Administrator in the General Secretariat of the Council of the EU proceeded to give an overview of and analysis of the process of legislation negotiation in the Council. He explained how the rotating presidency works following the changes introduced by the Lisbon Treaty. He also referred to the Council's working parties that lay the ground work for Committee of Permanent Representatives (COREPER) to be able to discuss the issues at hand.

Dr Agius also explained how the European Parliament is involved in the co-decision procedure.

His presentation may be downloaded from: <http://www.meusac.gov.mt/fmc/953/default.aspx>.

### Launch of 'It-Traduzzjoni tal-Ligi Ewropea'

During the seminar, Dr Agius also referred to the book which he has just published about guidelines for coherent European Law translations into Maltese. The Maltese language became an EU official language upon Malta's accession in 2004. At present the EU has 23 official languages. It is estimated that over 15,000 pages of EU material are translated on a yearly basis into Maltese. The EU is also obliged to provide information services into Maltese as many of its meetings, including those at its Institutions.

"It-Traduzzjoni tal-Ligi Ewropea" was launched at the beginning of this month. Consisting of 264 pages, it

took 5 years to finish and 15 different Maltese officials who work in different EU institutions worked together to compile it. During the launch, the Deputy Prime Minister and Minister of Foreign Affairs,

Tonio Borg, said that the translation of legal texts needed to provide a real connection between the EU and its citizens. He also congratulated Dr Agius for his exceptional work.



DOI – Saviour Cassar



Werner Hoyer meets with the Foreign and European Affairs Committee

DOI – Saviour Cassar

## Europe needs a new narrative – German Minister Werner Hoyer

**D**uring his recent visit to Malta, Minister of State at the Federal Foreign Office in Germany, Werner Hoyer delivered a public lecture at the University. The title of the lecture was: The Lisbon Treaty – One Year After.

During the course of his lecture, Dr Hoyer spoke about the need for the EU to organise itself better in order to make itself heard. Citing some examples, he stated that “the EU is rather a big payer than a big player” mentioning how although the 27 Member States contribute 40% of the UN’s budget, they are not capable of sending the EU’s High Representative for Foreign Affairs to address the General Assembly on behalf of the EU. Although other countries “have entered the international scene as powerful players”, the EU still lacks “the political clout it ought to have” he added. Europe needs to compete with other global actors and, therefore, it needs to be in a strong position to play a role in shaping the world of the 21st century. Only in this way will it be able to defend European values such as the respect of universal Human Rights, democracy and the Rule of Law.

According to the German minister, in order to be successful in the challenge posed by globalisation and in defending European values, Europe must concentrate on the political and economic dimensions.

Europe must speak with one voice and have a

coherent approach on the global challenges. Member States must see themselves as “part of one European Union that takes its fate into its own hand”. He also spoke about his country’s constructive role within the Union for the Mediterranean, mentioning the German backed Solar Plan, a renewable energy project linking northern Africa and the EU, as proof of this.

Dr Hoyer spoke about the importance of protecting the Euro and maintaining and extending the EU’s competitive edge in key economic branches.

In his closing remarks the German minister stated that “the European integration process needs a new narrative”. For 50 years, Europeans have identified with the integration process because of its success in preserving peace, increasing prosperity and promoting the free movement of persons. The EU needs to remain relevant in terms of preserving peace, prosperity and stability in Europe. “There is no alternative to the European integration process” Minister Hoyer concluded.

During his visit, Hoyer also met the Deputy Prime Minister and Minister of Foreign Affairs, Tonio Borg, the Speaker of the House of Representatives, Michael Frendo, and the parliamentary Committee for Foreign and European Affairs. Minister Hoyer highlighted the fact that out of all 27 EU Member States, only Germany and Malta have achieved growth and successful economic results over the last months.

## Commission sets out options on future cohesion policy

(Continued from page 1)

However, the report reveals striking regional differences in areas from productivity, to infant mortality rates and vulnerability to climate change. Drawing on lessons learnt from the current and previous programming periods as well as discussions with a broad range of stakeholders, the report makes a series of proposals for reforming the policy.

The economic and financial crisis has underlined the need for a policy that invests in the competitiveness of all regions as well as continuing to support development in those lagging behind. Coinciding with the wider examination of total EU expenditure, the report stresses that future funding should focus on a limited number of priorities, in line with the goals set by the Europe 2020 strategy for achieving ‘smart, sustainable and inclusive growth’. Emphasising the benefits of

designing funding to suit national and regional development needs, it opens a debate on how the overall architecture of cohesion policy can ensure that each fund contributes effectively to achieving the Europe 2020’s policy objectives. The report argues that cohesion policy planning and management cycles should be recast to ensure that these objectives are translated into investment priorities.

To do this, the Commission proposes establishing a comprehensive overall strategic framework detailing priorities, objectives, and the reforms needed to maximise the impact of cohesion investment. A contract between Member States and the Commission would flesh out how these would be met, building on the countries’ future National Reform Programmes. This would include the setting of clear and measurable targets and emphasise the importance of national coordination of

funding from different EU sources to ensure effective delivery and visible results.

Another idea put forward is to offer incentives to make implementation of the cohesion programmes as efficient and ambitious as possible. A percentage of cohesion funding could be set aside and made available to national and regional authorities based on the quality, and progress, of the programmes they submit. The report also proposes ideas for simplifying the delivery system by reducing red-tape, and improving evaluation, performance and results through more effective target-setting.

A business meeting on the 5th Cohesion Report was organised by the Representation of the European Commission in Malta and the DG Regional Policy on November 16. Elena Grech, Head of Unit IPA/ISPA, accession negotiations, DG Regional Policy delivered the presentation and led the discussion that ensued.

## IN BRIEF...

### AN ENERGY STRATEGY FOR THE EU

The European Commission recently adopted the Communication “Energy 2020 – A strategy for competitive, sustainable and secure energy”. This Communication defines the energy priorities for the next ten years and sets the actions to be taken in order to achieve an energy efficient Europe, build a truly EU integrated energy market, empower consumers and achieve the highest level of safety and security. Moreover the strategy aims to extend Europe’s leadership in energy technology and innovation and to strengthen the external dimension of the EU energy market. This Communication will be followed by concrete legislative initiatives and proposals within the next 18 months.

### LEONARDO DA VINCI PROGRAMME: 15 YEARS OF SUPPORT FOR VOCATIONAL EDUCATION AND TRAINING

The EU is celebrating the 15th anniversary of its Leonardo da Vinci programme which helps to fund thousands of vocational education and training courses across Europe. Since 1995, the EU has helped more than 600,000 young people to go on training placements abroad. It has also funded 110,000 exchanges for trainers and more than 3,000 projects aimed at modernising the sector. The European Commission is currently investing €240 million a year through Leonardo da Vinci to support the mobility of trainees, apprentices and trainers and the modernisation of vocational education and training in 31 countries.



### ESTONIA: PREPARATIONS FOR THE EURO

The Commission has published a report on Estonia’s preparations to adopt the euro in less than 2 months. It concludes that the preparations are well advanced, but recommends further efforts in some areas during the final phase of the changeover, notably to prevent unjustified price increases and erroneous price perceptions.



### ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL MEETING

A meeting of the Economic and Financial Affairs (Budget) Council was held on November 15. Member States agreed on a position to take in the parallel Conciliation Committee negotiations with the European Parliament on the EU Budget for 2011. This Budget is the first to be negotiated under the new procedure of the Lisbon Treaty which puts the Council and the EP on an equal footing. The two institutions embarked on this exercise with two very different positions with the Council wishing to limit the EU budget for the next year to €141.777b in commitments (+ 0.2% compared to 2010) and €126.527b in payments (+ 2.9%), taking into account the current budgetary constraints of the Member States and budget implementation in the past years, and the European Parliament asking for €143.070b in commitments (+ 1.1%) and €130.559b in payments (+6.2%). Significant progress had been made in mitigating the different positions, with the EP agreeing, in principle, to the Council’s 2.9% proposal. However, the Council was unable to reach a conclusive agreement in the Conciliation Committee negotiations. As a result, under the Lisbon Treaty, the 2011 budget may have to retain the 2010 levels pro rata on a month-by-month basis until a settlement can be reached. To facilitate such a settlement, and in accordance with the Treaty on the Functioning of the EU, the Commission will submit a new draft budget for 2011 in the coming weeks.

### SPEAKER MEETS HOUSE OF LORDS DEPUTY SPEAKER

The Speaker of the House of Representatives, Michael Frendo, met with Lord John Roper, Deputy Speaker and Chairman of the European Affairs Committee of the House of Lords on November 8.



DOI – Jeremy Wonnaccott

### ‘EUROPE IS YOUR PLAYGROUND’

The European Commission is launching an EU-wide information campaign to ensure that people are aware of their social security rights when living, working, studying, travelling or retiring in other EU countries. A media campaign will run this and next month with the theme ‘Europe is your playground’.

### AIR CARGO SECURITY

The EU Aviation Security Committee met in Brussels with experts from Member States and the aviation industry to analyse and discuss the recent incidents involving explosive devices hidden in cargo and mail parcels transported by air within and through the EU. The Committee agreed that only an integrated approach within the EU, and in a wider global framework, can effectively protect air transport from unlawful interference, and at the same time protect EU citizens. The Committee discussed the need for more effective and innovative screening methods, and agreed that cargo and mail entering the EU must meet all relevant security standards.



# EU participates in G20 Summit in Seoul

The G20 summits started off in 1999 in the wake of the 1997 financial crisis that triggered the need for a global forum that could take into account the fast growing economies of Asia and emerging economies such as Brazil and Turkey. Since its inception the G20 has held annual meetings of Ministers of Finance as well as of heads of Central Banks. The G20 has assumed greater relevance as the pace of global economic change has become more rapid and in particular with the onset of the international recession. With the onset of the recession, the G-20 assumed greater importance as it has become the forum through which the world's major economies could agree on a joint reaction to the global financial and economic crisis.

19 countries are members of the G20 whilst the EU is the 20th member. The European Union was represented by European Commission President José Manuel Barroso and European Council President Herman Van Rompuy.

In a joint letter to the G-20, Barroso and Van Rompuy had urged all the G20 countries to recognise that the current economic imbalances are a common concern and that all major economies must do their part to achieve rebalancing. The two European leaders underlined the need to avoid competitive devaluation of currencies. They also



wrote about the need to reform the international financial institutions particularly the International Monetary Fund and the World Bank.

In a joint statement at the end of the summit, Barroso and Van Rompuy expressed their satisfaction with the outcome of the meeting. They welcomed

the Seoul Action plan that commits the G20 further to global action for balanced growth. "The Action Plan is a clear recognition of our joint responsibility policies. All major economies have agreed to do their part to achieve rebalancing to tackle imbalances."

The G20 leaders also supported 'a

modernised IMF that better reflects changes in the world economy' and that gives greater weight to the representation of developing countries and expressed the willingness to spare no effort to reach a balanced and successful outcome of the climate negotiations in Cancún.

## Equality Mark Launched

Last July, the National Commission for the Promotion of Equality launched the Equality Mark certification. This is awarded to companies that make the gender equality one of their values and whose management is based on the recognition and promotion of the potential of all employees irrespective of their gender and caring responsibilities. The concept promotes the idea that organisations are recognised for their commitment in gender equality with a logo to use in documentation and publications, after they are audited and evaluated by NCPE.

This certification process assesses set out criteria in Human Resources practices like: Implementation of an equality & sexual harassment policy, equal access to Family Friendly Measures and standard

operating procedures during recruitment among others. The criteria for certification were developed by NCPE in collaboration with employers and its partners in the project: the Employment & Training Corporation, the Foundation for Human Resources Development, the General Workers Union, the Malta Employers Association, and *Union Haddiema Magħqudin*.

Employers, who believe that their organisation possesses the right attitude to also obtain the Equality Mark certification, should contact NCPE to attend an upcoming information session. Bookings can be made on [equality@gov.mt](mailto:equality@gov.mt) or by tel: 2590 3850.

The Equality Mark forms part of a co-financed European Social Fund project ESF 3.47 – Unlocking the Female Potential



## ESPON 2013

### Call for Expression of Interest for the Knowledge Support System to open on Tuesday

The Planning and Priorities Co-ordination Department within the Office of the Prime Minister (PPCD) recently announced that a call for expression of interest for becoming part of the pool of experts in the ESPON Knowledge Support System (KSS) will **open on November 23**. The deadline for submitting an Expression of Interest is January 21, 2011. The pre-announcement can be viewed in the Official Journal of the EU (2010/C 278/13, 15.10.2010).

The ESPON 2013 Programme is part-financed by the European Regional Development Fund (ERDF), the EU Member States, Iceland, Liechtenstein, Norway and Switzerland. It supports policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory. ESPON supports Cohesion Policy development with European wide, comparable

information, evidence, analyses and scenarios on framework conditions for the development of regions, cities and larger territories. In doing so, it facilitates the mobilisation of territorial capital and development opportunities, contributing to improving European competitiveness, to the widening and deepening of European territorial cooperation and to a sustainable and balanced development.

Within the framework of Priority 1 of the ESPON 2013 Programme, the Knowledge Support System (KSS) ensures that projects of applied territorial research have a sound scientific base and meet a sufficient degree of scientific quality.

For further information one may visit [www.espon.eu](http://www.espon.eu) or contact the Planning and Priorities Co-ordination Department on [info.ppcd@gov.mt](mailto:info.ppcd@gov.mt)



## The European Union Youth Orchestra auditioning

Founded by the European Parliament in 1976, the European Union Youth Orchestra unites Europe's most talented young musicians from all 27 EU member states under some of the world's most famous conductors. The EUYO has performed in all major European cities and has come to be regarded one of the world's most prestigious and dynamic orchestras. The aim of the

EUYO is to unite Europe's most talented young musicians under internationally renowned conductors, in an ensemble that transcends cultural, social, economic, religious and political boundaries - all in the common pursuit of musical excellence. Each year, members of the orchestra have to re-audition along with new applicants in order to keep their places.

The Malta Council for Culture and the Arts will also be organising a master class, which

will be followed by auditions for young musicians to participate with the EUYO for the 2011/2012 season. The master class, conducted by the EUYO Head of Strings, Professor David Strange, will be held on December 17 at the St James Cavalier Centre for Creativity, Valletta. On the following day, Professor Strange will audition participants who perform well during the master class. Participation in the master class is free of charge. Apart from the

chance to be selected as a member or as a reserve for the Orchestra, the EUYO also select students for its annual summer school.

Applications for the 2011/2012 session may be downloaded from [www.maltaculture.com](http://www.maltaculture.com) or obtained from the Malta Council for Culture and the Arts, 230, Republic Street, Valletta during office hours. All application forms duly signed by the applicants, together with two



written references of musical ability must be submitted by hand to the Malta Council for Culture and the Arts by Monday December 4.

For more information contact Sean Buhagiar on 21245168 or by email on [sean.buhagiar@maltaculture.com](mailto:sean.buhagiar@maltaculture.com).