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## The Structural Funds in 2000-06: Parliament's reaction

**On 18 November the European Parliament adopted a number of intermediate reports on the Commission's proposals for new Structural Fund regulations covering the 2000-06 programming period. The MEPs welcomed the broad outlines of the reform but recommended some changes. The Commission took this opportunity to point out that concentrating assistance was essential to improving its effectiveness. The final reports will not be adopted until after overall political agreement has been reached within the Council on the whole Agenda 2000 package; both institutions would like this to be before the European Parliament elections in June 1999.**

As far as the budget is concerned, Parliament agrees with the Commission's proposal that 0.46% of the GNP of the Union should be allocated each year throughout 2000-06 to structural measures.

On the Structural Funds themselves, Parliament is in favour of the proposed reduction in the number of priority Objectives:

- Objective 1: assistance for regions lagging behind in their development
- Objective 2: economic and social conversion of industrial, urban, rural and fishing areas facing major structural difficulties
- Objective 3: improving systems of education, training and employment.

Parliament also supports the idea of continuing to give priority to Objective 1 regions by allocating two thirds of the total resources of

the Structural Funds to them. Parliament agreed that assistance under Objective 1 should be based on strict application of the eligibility criterion proposed by the Commission, i.e. per capita GDP less than 75% of the Community average, except for the most remote regions and the sparsely populated Arctic circle regions. However, Parliament was not happy with the eligibility criteria for Objective 2 and has proposed additional criteria (intra-regional disparities, low GDP, decline in gainfully active population, natural handicaps and environmental situation). In the case of those regions which in 2000 would lose their eligibility under the current regionalised Objectives (1, 2 and 5(b)), Parliament has asked for consideration to be given to the possibility of extending the transitional support proposed by the Commission until 2006.

As for Objective 3, Parliament felt that it should cover the whole territory of Member States and not just the areas outside those eligible under Objectives 1 and 2, as proposed by the Commission.

On the subject of the Community Initiatives, Parliament thought that the three spheres of activity chosen by the Commission were appropriate:

- crossborder, interregional and transnational cooperation (Interreg III)
- rural development (Leader III)
- cooperation on developing new practices to combat social exclusion and inequalities of opportunity in access to employment.

However, it wanted the new Interreg III to include a specific strand on strengthening cooperation with and among island regions. It also called for a continuation of the Urban Initiative on urban revitalisation and the adoption of an Initiative for reacting to unforeseen economic and social crises.

In addition, Parliament was in favour of reinforcing the principle of partnership and wanted more emphasis on the role of local and regional authorities, the social partners and non-governmental organisations (in particular on environmental issues).

### Response of the Commission

During the Parliamentary discussions, Commissioner Wulf-Mathies pointed out that the geographical concentration of assistance under Objectives 1 and 2 was the keystone of this reform of the Structural Funds. Accordingly, additional eligibility criteria for Objective 2 could be envisaged, on the condition that the aggregate population covered by this Objective remained limited to 18% of the total population of the Union, as proposed by the Commission.

The Commissioner also reminded Parliament that schemes under the European Social Fund had to be integrated as

much as possible into the regionalised programmes run under Objectives 1 and 2 so as to avoid duplication with horizontal measures under Objective 3. She indicated, however, that the Commission was willing to study the possibility of implementing some of the schemes under Objective 3 in Objective 2 areas as Parliament was demanding.

For similar reasons, Mrs Wulf-Mathies thought it was not desirable to increase the number of Community Initiatives. The very success of the Urban Initiative had encouraged the Commission to integrate urban problems more effectively into the new Objectives 1 and 2. In the same way, she felt that unforeseen crises could be dealt with perfectly well under the three proposed Initiatives. The Regulations gave the possibility of revising programmes already adopted to take account of significant changes in the economic situation or to include new areas in Objective 2 at the half-way stage.

Readers are reminded that all the Commission's proposals are available on the Inforegio Web site:  
<[http://inforegio.cec.eu.int/wbpro/agenda2000/regul\\_en.htm](http://inforegio.cec.eu.int/wbpro/agenda2000/regul_en.htm)>

## Action Plan for Sustainable Urban Development

On 28 October, the Commission adopted "Sustainable Urban Development in the European Union: A Framework for Action", which has four goals:

- strengthening economic prosperity and employment in towns and cities (which in fact account for 80% of the population of the Union);
- promoting equal opportunities, social integration and the rehabilitation of run-down areas;
- improving the urban environment (management of transport, waste, energy etc.);
- contributing to good urban governance and increased participation of local actors and citizens.

For each goal, the Framework for Action sets out models for action of an innovative nature, based in particular on partnerships involving the public, private and voluntary

sectors. It also encourages the networking of projects and tools and the dissemination of "good practice". The idea is not to apply predetermined solutions but to start from local conditions, taking account of the institutional context in each Member State.

The Commission proposes the more effective use of current Community instruments in promoting more integrated urban development. It also recommends adjusting Community policies, legislation and funding in order to encourage the common pursuit of these goals.

The document is available on the Inforegio Web site:  
<<http://inforegio.cec.eu.int/urban/forum/src/frame1.htm>> or on request by fax to +32.2.296.60.03, or by e-mail to <[publication-service@dg16.cec.be](mailto:publication-service@dg16.cec.be)>.

