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Cohesion forum

Before translating the orientations of the third report (see article opposite) into a proposal for a regulation, the Commission is organising a major debate on the occasion of the 'Cohesion forum', on 10 and 11 May. More than 1 000 officials responsible for cohesion policy in present and future Member States and the candidate countries will be attending this meeting at the European Parliament building in Brussels.

http://europa.eu.int/comm/regional_policy/debate/forcom2004_en.htm

Guide to the Cohesion Fund

The Regional Policy DG has published a *Guide to the Cohesion Fund 2000-06*. The guide details the fund priorities and explains the procedures for submitting a project. It is available in English, French, Greek, Portuguese and Spanish.

http://europa.eu.int/comm/regional_policy/sources/docoffic/working/sf2000_en.htm

First results for the ISPA

On 13 February, the Regional Policy DG presented the initial results of the implementation of the Instrument for structural policies for pre-accession (ISPA). During the 2000-04 period, the Commission approved 324 projects for a total amount of EUR 7 billion.

http://europa.eu.int/comm/regional_policy/funds/ispa/docum_en.htm

Study of mountainous regions

The Regional Policy DG has just published a study on mountainous regions in 29 European countries. This document analyses the data collected, assesses the impact of policy and makes recommendations.

http://europa.eu.int/comm/regional_policy/sources/docgener/studies/study_en.htm

A new partnership for cohesion: convergence, competitiveness, cooperation

On 18 February 2004, the European Commission adopted the 'Third report on economic and social cohesion' (COM(2004) 107), setting out its vision of cohesion policy in an enlarged Union for the period 2007-13.

In his presentation of the 'Third report on economic and social cohesion', European Commissioner Michel Barnier summed up the essence of the Commission's proposal: *'We must reduce disparities in order to accelerate growth. Growth and cohesion are two sides of the same coin [...]. We are on the eve of a historic moment in the development of the European Union: the reunification of the continent. But this will widen the gap between rich and poor. The first objective of the next generation of European programmes will be to help the poorest regions. However, even if the poorest regions are situated in the new Member States, we must continue to help regions in the Fifteen which continue to lag behind as well as many other declining urban or industrial regions or regions facing permanent natural handicaps which are still grappling with serious economic and social problems.'*

The third report takes stock of past action and ends with recommendations for the future of cohesion policy in an enlarged Europe. Particular stress is placed on the impact and added value of European structural policy. The results show that differences in terms of earnings and employment have decreased in the Union over the past decade, especially since the mid-1990s. Nevertheless, the most disadvantaged regions still have some way to go before they catch up with the rest and it will take a long-term effort to achieve it.

In conclusion, the Commission proposes a new architecture for EU cohesion policy, structured around three key priorities: convergence, competitiveness, cooperation.

Convergence

Convergence: supporting growth and job creation in the Member States and least developed regions. This is particularly true for regions with a per capita GDP less than 75 % of the Community average. At the same time, to offset the 'statistical effect' of enlargement, temporary support is proposed for regions

whose per capita GDP would have been less than 75 % of the Community average calculated for the Fifteen. The modernisation and diversification of the economic structure, the development and modernisation of basic infrastructure, environmental protection, more efficient administration, better quality labour market institutions, education and training systems, and the optimal use of human resources will be the principal areas of co-financing for national and regional programmes. Also, Member States with a GDP which is below 90 % of the Community average will be eligible for assistance under the Cohesion Fund, which will help finance programmes in the field of transport and the environment.

Competitiveness

Regional competitiveness and employment: anticipating and encouraging change. Cohesion policy outside the Member States and least favoured regions will have a dual objective. First of all, *through regional programmes*, cohesion policy will help the regions and regional authorities to anticipate and promote economic change in industrial, urban and rural areas by strengthening their competitiveness and attractiveness, taking into account existing economic, social and territorial disparities. Secondly, *through national programmes*, cohesion policy will help individuals to prepare for and adapt to economic change, in accordance with the priorities of European employment strategy, by supporting policies aimed at full employment, a better quality and more productive labour force, and social inclusion.

Cooperation

European territorial cooperation: ensuring a harmonious and balanced development throughout the Union. Drawing on the experience acquired under the Interreg initiative, the report argues for the continuation of policy to promote harmonious and balanced development throughout the Union by supporting

cross-border and transnational cooperation. Cross-border cooperation will, in principle, include all regions neighbouring external or internal borders, both land and sea. The key task is to seek common solutions to common problems through cooperation between the competent authorities in these regions, in fields such as the development of urban, rural and coastal areas, strengthened economic relations and the networking of small and medium-sized enterprises.

Regarding the implementation of cohesion policy, the report does not call into question the underlying principles (strategic planning, decentralised management, continuous monitoring and evaluation). It does, however, propose some profound changes, in particular the creation of a new dialogue with the Council so as to facilitate the adaptation of policy in line with the Lisbon and Gothenburg priorities.

On the subject of the financial resources available to cohesion policy for the period 2007–13, the Commission's bud-

get proposal of 10 February 2004 makes provision for a single budget of EUR 336.3 billion, or 0.41 % of the Union's GDP (0.46 % before transfers to instruments for rural development and fishing). Present estimates give the breakdown of this amount between the three priorities, as follows: 78 % (convergence); 18 % (regional competitiveness and employment); 4 % (European territorial cooperation).

The reform presented by the Commission forms the basis of its forthcoming proposals on the new regulation of the Structural Funds and heralds the major debate at the Council of Ministers and European Parliament.

To find out more, consult the report at the following address:

http://europa.eu.int/comm/regional_policy/sources/docoffic/officialreports/cohesion3/cohesion3_en.htm

A paper version of this report is currently being published and will be sent to all recipients of *inforegio news* as soon as it is available.

Financial perspectives for an enlarged Union

On 10 February, the European Commission presented its proposals on budgetary planning for the period 2007–13, in the form of a communication (COM(2004) 101).

For enlargement to yield its full benefits and to help Europe to prosper, the Commission proposes three key priorities: sustainable development (including growth, cohesion and employment); European citizenship; strengthening of the Union's role as a global partner.

These objectives can be achieved within a Union of 27 Member States without any increase in the present ceiling on expenditure. The total annual amounts required in terms of payments could reach EUR 143.1 billion in 2013, which — even for an enlarged Europe — is just 1.15 % of the EU's gross domestic product. On average, the amounts will be equivalent to 1.14 % of GDP during the period under consideration.

By mid-2004, the Commission will draw up the appropriate legislative proposals as well as a precise roadmap for achieving these objectives. This will give the Council and European Parliament time to react. Legislative decisions will then be taken by the enlarged Commission. The financial perspective should therefore be adopted during the first half of 2005.

The communication may be consulted at:

http://europa.eu.int/comm/budget/pdf/financialfrwk/enlarg/COM_2004_101_en.pdf

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Directorate-General for Regional Policy

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