

European Regional Development Fund, European Social Fund and Cohesion Fund: revenue-generating projects

2008/0186(AVC) - 27/10/2008 - Legislative proposal

PURPOSE: to amend Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, in respect of certain revenue-generating projects.

PROPOSED ACT: Council Regulation.

CONTENT: the new financial management rules introduced by Regulation No 1083/2006 include provisions on the financial contribution from the Funds (Title V) and in particular on revenue-generating projects (Article 55).

A number of difficulties have been highlighted in connection with the application of the provisions of Article 55, including a disproportionate administrative burden, especially for operations co-financed by the European Social Fund and small operations financed by the European Regional Development Fund (ERDF) or Cohesion Fund.

These difficulties may have adverse consequences in terms of operation management, especially for projects in areas of Community priority such as the environment, social inclusion, research, innovation or energy, and in terms of the administrative burden.

Article 55 should therefore be simplified.

According to the proposal, paragraphs 1 to 4 of Article 55 of Regulation (EC) No 1083/2006 shall apply only to operations which are co-financed by the ERDF or Cohesion Fund and the total cost of which exceeds **EUR 1 million**.

This Regulation shall be applicable retroactively from 1 August 2006 to all operations receiving assistance from the Structural Funds or Cohesion Fund during the 2007-2013 programming period.