

Agenda 2000: general regulation governing Structural Funds, revision for the period 2000-2006

1998/0090(AVC) - 19/11/1998 - Interim resolution adopted by Parliament

In adopting the report by Mrs Arlene McCARTHY (PSE, UK) and Mr Konstantinos HATZIDAKIS (EPP, Gr) Parliament approved the Commission proposal seeking to allocate 0.46% of the Union's GNP annually for structural actions during the period 2000-2006. It considered, however, that an annual growth of EU GNP of about 2.5% was very optimistic. It considered that the EAGGF guarantee section resource (agricultural expenditure) used under Objective 2 should be considered, even under Heading 1, as an expenditure target and as non compulsory expenditure. However, Parliament did not state a position on the 'performance reserve' proposed by the Commission, amounting to 10% of total structural funds and intended to benefit regions which had the most effective development projects. - Objective 1 (less-favoured regions): Parliament took the view that regions covered by Objective 1 should be regions corresponding to level NUTS II, whose per capita GDP is less than 75% of the Community average and the most remote regions and sparsely populated northern regions. Parliament considered that two-thirds of the appropriations from the Fund should be devoted to this aim. - Objective 2 (regions undergoing restructuring): Parliament stressed that the figures concerning population covered by Objective 2 were only indicative and referred to the level of the European Union. They should represent about 10% of the population in the case of the industrial areas, 5% in the case of the rural areas, 2% in the case of the urban areas and 1% in the case of the fisheries areas. It considered that the proposed eligibility criteria did not reflect the structural weaknesses of regional economies and proposed adopting a menu of supplementary indicators such as wealth disparities within regions, low GDP, decline in working age population, geographical handicaps (peripheral, island, mountain status) and environmental situation. Parliament considered the unemployment criterion to be fundamental. It was also important to take account of conurbations and also small and medium-sized urban areas. - Objective 3: Parliament considered that actions under Objective 3 of the European Social Fund should be horizontal in nature, i.e. they should cover all the regions of the Member States. It welcomed the Commission's proposal for a 1% special local Social Capital Fund and specifically support for voluntary sector organisations. - Fisheries: Parliament proposed the drawing up of a horizontal regulation bringing together the structural measures for the fisheries sector within a single legal framework. - Transitional measures: given the reductions from seven to three, Parliament asked that, during a transitional period, all the regions formerly eligible under Objectives 1, 2 and 5b should benefit from a transitional support fund and that consideration should be given to extending the ERDF financial support until 2006 in order to consolidate projects in progress. - Complementarity and partnership: Parliament made a series of requests, including: . recognition of the significant role played by local and regional authorities within the partnerships and the role of the NGOs; . participation by the most representative environmental NGOs in the preparation, implementation, monitoring and evaluation of programmes; . the right of the social partners to vote in the monitoring committees; . reinforcement of the implementation of the partnership principle. - Programming and coordination: Parliament called for the guidelines to be defined, in cooperation with the Commission, Council and Parliament, stating the common priorities for each objective. It called on the Commission and the Member States to ensure (at the planning and implementation stage of the measures associated with the structural funds) that equality of opportunity for men and women was promoted. It called for further consideration to be given to how large projects and projects which crossed the boundary of eligible regions could be supported. - Community Initiatives: Parliament welcomed the Commission's proposal to reduce to three the fields of Community Initiatives: crossborder, transnational and inter-regional cooperation, rural development and action to combat all forms of discrimination and inequalities in access to the labour market. It considered that the main priority was INTERREG which should have a special strand on interregional cooperation with and between islands. It stressed the need to continue and step up

the efforts made to revitalise and open up rural areas through the Community Initiative LEADER. It reaffirmed its opinion on maintaining the Community Initiative URBAN (urban regeneration) which should cover both conurbations and small and medium-sized towns. It hoped to see the continuation of coordinated ERDF and ESF measures which made it easier for women to gain access to the labour market and childcare facilities and to set up companies. It called for the creation of a new kind of Community initiative to respond to economic crises and economic restructuring at European level which has resulted in job losses. It called for 6% of the total allocation of the Structural Funds to be attributed to Community initiatives. It considered that the financing of permanent and common administrative activities of the Commission by the Structural Funds' technical assistance resources must be exceptional and should be restricted; it called on the Commission to transmit clear information to the budgetary authority on the management costs for the Structural Funds. - Financial contributions by the funds: Parliament considered that apart from the cases provided for in the regulation, Community contributions could rise to 80% or more of the total eligible costs for all the regions whose per capita GDP is below 70% of the Community average. It called for the maximum rate of contribution to be raised to 65% of the total eligible cost for measures in declining rural areas under Objective 2. It called for the planned advance payment at the time of first commitment of appropriations to be increased from 10% to 20% in order to eliminate the risk of an unacceptable financial burden for the beneficiaries. It considered lastly that the new 'managing authority' proposed by the Commission should be a decentralised authority. Lastly Parliament called on the Member States systematically to put up signs which indicated clearly the part played by European funding and the European logo. In conclusion Parliament called for the opening of the conciliation procedure with the Council with a view to the various recommendations made by Parliament under the assent procedure being taken into account.