


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)		Procedure completed
2002/2094(COS)		
Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report		
Subject		
4 Economic, social and territorial cohesion		
4.15 Employment policy, action to combat unemployment		
4.40 Education, vocational training and youth		
8.20.08 Enlargement's economic and monetary point of view		
8.20.20 Enlargement's employment and social point of view		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	RETT Regional Policy, Transport and Tourism		21/02/2002
		V/ALE SCHROEDTER Elisabeth	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		22/04/2002
Council of the European Union		ELDR VÄYRYNEN Paavo	
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	AGRI Agriculture and Rural Development		28/05/2002
		V/ALE BAUTISTA OJEDA Carlos	
European Commission	Council configuration	Meeting	Date
	General Affairs	2437	17/06/2002
European Commission	Commission DG	Commissioner	
	Regional and Urban Policy		

Key events			
30/01/2002	Non-legislative basic document published	COM(2002)0046	Summary
13/05/2002	Committee referral announced in Parliament		
08/10/2002	Vote in committee		Summary
08/10/2002	Committee report tabled for plenary	A5-0354/2002	
06/11/2002	Debate in Parliament		

07/11/2002	Decision by Parliament	T5-0535/2002	Summary
07/11/2002	End of procedure in Parliament		
22/01/2004	Final act published in Official Journal		

Technical information

Procedure reference	2002/2094(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	RETT/5/16209

Documentation gateway

Non-legislative basic document		COM(2002)0046	30/01/2002	EC	Summary
Committee report tabled for plenary, single reading		A5-0354/2002	08/10/2002	EP	
Committee of the Regions: opinion		CDR0101/2002 OJ C 066 19.03.2003, p. 0011-0013	10/10/2002	CofR	
Text adopted by Parliament, single reading		T5-0535/2002 OJ C 016 22.01.2004, p. 0017-0104 E	07/11/2002	EP	Summary
Non-legislative basic document		COM(2003)0034	30/01/2003	EC	Summary

Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report

PURPOSE : the Commission's first progress report on economic and social cohesion. **CONTENT** : This progress report on cohesion has two principal objectives: -to update the analysis of economic and social cohesion presented in the Second Cohesion Report of January 2001, including for the first time, an analysis of disparities in a Europe of 25 in the light of the enlargement to include the 10 new Member States, which according to the Laeken European Council, will be ready to join the EU in 2004; -to outline the state of the debate on future cohesion policy for the period after 2006, and to prepare the next steps. In terms of regional incomes (GDP), the analysis confirms a major fall in the average level of GDP per head as the Union enlarges to 25 or 27 Member States and a widening of regional and territorial disparities on a scale without precedent in any previous enlargement. In a Europe of 25 (excluding Romania and Bulgaria who, in their negotiating position, foresee accession at a later stage) the disparities are narrower, and the increase in the relative prosperity of regions in the 15 less pronounced, compared with the situation in the Europe of 27. According to 1999 data, in passing from 15 to 27 Member States, average GDP per head falls by 18%, and by only 13% in a Europe of 25. In terms of employment, there is a general improvement across EU15. A mixed picture emerges in the candidate countries. Where the EU saw a net gain of 3 million jobs in the year 2000, the candidate countries lost some 600000 jobs. The candidate countries' long-term growth rate has tended to exceed that of the Member States by nearly 1% per annum on average. There are, however, wide disparities in levels of income and employment which are unlikely to be reduced appreciably before the long-term. An additional factor is a possible downturn in economic performance in Europe. With regard to human resources, there are a number of challenges: the sheer scale of regional imbalances in the labour market and economic development following enlargement; the polarisation of the labour market and society; the increasing skill need; the persistent gender inequality; the need for modernisation of economic and social systems in response to demographic changes, and the growing pressures from migration and mobility. The debate on cohesion policies after 2006 is only just beginning and very few national governments have so far committed themselves to a particular position. The priorities identified by the Commission are as follows: -cohesion policy should continue to target the least developed regions. While a number of alternative ways for identifying these regions has been put forward, there does not seem to be a viable alternative synthetic indicator to that of GDP per head, as currently used for Objective 1. The need to target aid on the regions in the candidate countries is generally uncontested, but the Objective 1 regions in EU15 - that would otherwise lose their priority status as their relative prosperity increases in an enlarged EU - should not experience a cut-off of aid, especially where this is due to the statistical effect of enlargement. There is no clear consensus, however, on how to ensure equal treatment for these regions that have yet to complete the process of economic convergence with the rest of the Union. At regional level, there is a clear demand the future policy should not focus exclusively on the least developed regions. It should continue to take account of urban areas, areas undergoing economic restructuring or with permanent natural handicap as well as the cross-border dimension. -cohesion policies should also target the Lisbon objectives: more and better jobs, greater social inclusion, equal opportunities, and continued push towards the knowledge-based society. On financial aspects and management, the efficient use of resources requires that the national and regional authorities concerned address challenges at the administrative level, the financial level and the economic level. In the light of experience, the Commission remains attached to three principles: -sound and efficient management; -transfers

conditioned by results, exemplified by the introduction of the performance reserve for 2000-06. -due account of absorptive capacity. The existing acquis provides for a ceiling on total transfers to Member States of 4% of national GDP. The Commission has said this ceiling could be raised after 2006, for example to permit the realisation of certain major projects of particular Community interest, financed by the Cohesion Fund.?

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The committee adopted the report by Elisabeth SCHROEDTER (Greens/EFA, D) drawn up in response to the Commission's 1st progress report on economic and social cohesion. Looking ahead to enlargement, the committee stressed that the solidarity between the wealthy and less wealthy EU Member States which had been a hallmark of cohesion policy must remain an integral part of an enlarged Union. However, cohesion policy needed to be reviewed, improved and adapted to cater for the new, specific needs and socio-economic realities which would prevail after enlargement. Flexibility would be needed in the planning and implementation of the policy, and the committee felt that there should be gradual decentralisation of the management of funds, subject to proper monitoring. Turning to the objectives set out in the Commission report, MEPs felt that, when it came to identifying regions in need of assistance, the per capita GDP criterion should not be the only indicator, as proposed by the Commission; instead, other indicators reflecting regional sensitivities and development difficulties should also be taken into account. They were also critical of the fact that no mention had been made of the Objective 2 regions and stressed the need for continued Community support for those areas. The Commission was urged to make proposals concerning the future of the Objective 2 regions before the publication of its 3rd progress report. The committee also called for the new cohesion policy to accord priority to regions suffering from serious geographical or natural handicaps (remote and island regions, mountainous regions, etc.). The report called for early scheduling for the 2007-2013 period to ensure that EU funds were available to the regions on 1 January 2007 and urged the Commission to propose a suitable time-frame to Parliament and the Council. Other recommendations included introducing the principle of "one programme - one fund", adopting a simple but effective control procedure, ensuring strict application of the principle of subsidiarity and implementing structural policy measures by means of tripartite contracts with the regions and Member States in future. The Commission was urged to come up with proposals for guaranteeing greater consistency of EU policies, to the benefit of economic and social cohesion. Lastly, the committee said that the EU's regional and cohesion policy should draw on the guidelines set out in the European Spatial Development Perspective aimed at promoting polycentric and balanced development of Community territory. ?

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The European Parliament adopted a resolution based on the draft by Elisabeth SCHROEDTER (Greens/EFA, Germany) on economic and social cohesion. (Please refer to the document dated 09/10/02.) With regard to enlargement, Parliament insisted on the necessity of carefully adapting Community assistance within the cohesion policy framework to the specific needs and socio-economic realities (which have resulted from their unique history and economic and political transition) of future Member States. It reminded the candidate countries of the imperative need to further improve their administrative capacity and coordination mechanisms in their preparations for the management of the Structural Funds. Parliament asked the Commission to make the planning and implementation of the cohesion policy more effective and more flexible. It would be appropriate to gradually decentralise the management of funds provided that this is combined with an effective and rigorous monitoring of their use.?