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INTERIM REPORT

on the proposal for a Council Regulation establishing a Cohesion Fund
(COM(2004)0494 - 2004/0166(AVC))

Committee on Regional Development

Rapporteur: Alfonso Andria

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the proposal for a Council Regulation establishing a Cohesion Fund (COM(2004)0494 - 2004/0166(AVC))

The European Parliament,

- having regard to the proposal for a Council Regulation establishing a Cohesion Fund (COM(2004)0494 - 2004/0166(AVC))¹,
 - having regard to the request for assent submitted by the Council pursuant to Article 161, second paragraph, of the EC Treaty (C6-0000/2005),
 - having regard to its resolution of 22 April 2004 on the third report on economic and social cohesion²,
 - having regard to the report of the Temporary committee on the policy challenges and budgetary means of the enlarged Union 2007-2013³ and in particular the opinion of Committee on Regional Development on this subject, and to the Commission communication on the financial perspectives 2007-2013 (COM(2004)0487),
 - having regard to the proposal for a Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004)0492 - 2004/0163(AVC))⁴,
 - having regard to Rule 75(3) of its Rules of Procedure,
 - having regard to the interim report of the Committee on Regional Development and the opinions of the Committee on Budgets, the Committee on Budgetary Control and the Committee on Transport and Tourism (A6-0178/2005),
1. Requests the Council and the Commission to take into account the following recommendations:
- (i) considers that economic, social and territorial cohesion must remain a key basic component in defining European integration; considers therefore that the Cohesion Fund must continue to serve the Union's objective of promoting cohesion and solidarity between Member States;
 - (ii) requests that, during the new period, whenever referring to economic and social cohesion, reference be made in addition to the concept of territorial cohesion and that special attention be brought to bear with a view to developing this new concept;

¹ Not yet published in OJ.

² OJ C 104 E, 30.4.2004, p. 1000.

³ 2004/2209(INI) - A6-0153/2005.

⁴ Not yet published in OJ.

- (iii) considers that a political solution should be sought for the Union territories that will be excluded in future as a result of enlargement;
- (iv) supports the objectives of the Cohesion Fund and the principal means deployed for attaining them as proposed by the Commission;
- (v) asks for support for the increase in the financial allocation for the Cohesion Fund from € 18 billion (for the period 2000-2006) to € 62.99 billion and for a balanced distribution between the eligible sectors of the environment and transport infrastructure coupled with some flexibility in intervention by the Fund;
- (vi) points out that the appropriations set out in the proposal for a regulation cover only the period starting with the 2007 financial year and are for guidance only until such time as an agreement is reached on the financial perspective covering 2007 and the following years;
- (vii) takes the view that, once the next financial perspective has been adopted, the Commission will either confirm the figures set out in the proposal for a regulation or submit adjusted figures to the European Parliament and the Council, for their approval, thus ensuring compatibility with the ceilings;
- (viii) stresses the strategic dimension and priority nature of programming for amplifying the relevance effect of cohesion policy;
- (ix) reiterates and stresses the European Parliament's role as a budget decision-making authority in this area;
- (x) calls on the Council and the Commission to transfer to the financial documents (in accordance with Article 3 of the Financial Regulation) the annual breakdown of commitment appropriations proposed by the Commission,
- (xi) calls for the presentation of the Cohesion Fund budget to be improved and made clearer by separating the budget headings for each of the three budget areas referred to in Article 2 of the proposal for a regulation (COM(2004)0494);
- (xii) points out that the Cohesion Fund is subject to the provisions of the Financial Regulation and therefore insists on compliance with that Regulation.
- (xiii) asks the Commission to add the following words at the end of Article 2(1):
 ‘as amended by Decision No 884/2004/EC;’
- (xiv) maintains that, in addition to the trans-European transport networks, projects to improve regional networks and make them safe and operational should likewise be eligible under the Cohesion Fund;

- (xv) requests the inclusion, in the different transport sectors belonging to the area of intervention of the Cohesion Fund, of coastal shipping, sea links and cross-connections with the outermost regions and smaller islands;
- (xvi) Article 2, point 3 should read as follows:

‘areas that can be developed on a sustainable basis and clearly present environmental benefits, namely energy efficiency and renewable energy and, in the transport sector outside the trans-European networks, sections equivalent to motorways or trunk roads connecting the trans-European networks, rail (including rolling stock), river and sea transport, intermodal transport systems and their interoperability, management of road and air traffic, clean urban transport and public transport (including rolling stock and road infrastructure for coach and bus transport).’;
- (xvii) calls for the inclusion in Article 2 of the Regulation of an explicit reference in favour of people with disabilities and asks that the projects financed by the Cohesion Fund provide also for the possibility of removing barriers and obstacles of every kind;
- (xviii) considers that the final financial agreement must ensure that we are able to meet the political challenges of our age, chief among which is the reform of the cohesion policy; to that end 0.41% of the EU’s Gross National Product (GNP) is the appropriate level;
- (xix) considers that the suspension of all or part of financial aid from the Fund in the event of the decision provided for in Article 104, paragraph 8, of the EC Treaty, must be the subject of a special decision by the Council and not occur automatically, as provided for by the proposal for a regulation;
- (xx) calls for consistency to be ensured between projects financed by the Cohesion Fund and those financed under other Community programmes, especially where Natura 2000 is concerned;
- (xxi) welcomes the extension of the scope of assistance to energy efficiency and renewable energy, as their application potential is great in the countries involved and consequent benefits, including improved air quality, the creation of new jobs and enhanced social justice, are of common European interest;
- (xxii) considers that the rules relating to the major projects governed by Articles 38-40 of the proposal for a general regulation should be explicitly incorporated in the regulation on the Cohesion Fund so as to make for greater transparency;
- (xxiii) calls also for the explicit inclusion of the financing of technical assistance (studies, assessments, expert opinions, statistics, etc.) governed by Article 43 of the proposal for a general regulation;
- (xxiv) underlines the need to introduce a flexibility clause, combined with a stringent checking procedure, concerning the ineligibility of expenditure on the purchase of

land for an amount exceeding 10% of the total eligible expenditure for the operation concerned in Article 3(3) of this regulation in order to allow a project to be carried out in cases where this figure is inadequate and may pose problems for implementation; considers, however, that expenditure for the renovation of social housing with a view to achieving energy savings, protecting the environment and achieving the objective of social cohesion, should be made eligible;

- (xxv) calls for the suspension of funding for projects that are developed in breach of EU environmental legislation;
 - (xvi) asks the Commission to draw up a list of indicative priorities in the programming phase for the assessment of project outcomes, in terms of quality, the effectiveness of Community funding and its contribution to sustainability in all the areas financed by the Cohesion Fund;
 - (xxvii) requests the Commission to introduce the principle of a 'premium system' so that the progress achieved by the best performing Member States can be rewarded, especially in terms of better evaluation of funded projects, better cost-benefit analysis, innovation and contribution to sustainable development;
 - (xxviii) feels it would be helpful to enhance intervention by national, regional and local administrations in implementing the Cohesion Fund through specific support measures and application of 'best practice';
 - (xxix) supports application of the automatic decommitment rule (the N+2 rule) to the Cohesion Fund; however, calls for flexibility in its application during the first three years of the new programming period;
 - (xxx) calls on the Commission to take into account the specific characteristics of peripheral Member States and island Member States eligible under the Cohesion Fund in view of the fact that they suffer from natural and demographic handicaps, resulting in difficulties and a disparity in the level of development;
2. Instructs its President to request further discussion with the Council in conformity with Rule 75(3) of its Rules of Procedure and, where appropriate, to open the conciliation procedure with the Council laid down in the 1975 joint declaration pursuant to Rule 56 of its Rules of Procedure;
 3. Instructs its President to forward this resolution to the Commission and Council.

EXPLANATORY STATEMENT

1. Basic objectives of the Cohesion Fund

The Cohesion Fund¹ was set up in 1993 by the Maastricht Treaty in preparation for Economic and Monetary Union. In order to participate in Economic and Monetary Union, Member States must reduce their government deficit and keep public debt under control. At the same time, the least prosperous countries must invest heavily in order to catch up with their more developed neighbours and increase their growth capacity. The Cohesion Fund was set up, therefore, so that the least affluent countries could work to meet the convergence criteria, while continuing to invest in infrastructure thanks to aid from the Cohesion Fund.

Article 161, second paragraph, of the EC Treaty states that 'a Cohesion Fund set up by the Council (...) shall provide a financial contribution to projects in the fields of environment and trans-European networks in the area of transport infrastructure'.

The objective is, therefore, to establish a fund that complements the other Community regional development instruments in the fields of environment and public transport infrastructure in order to promote economic and social cohesion and mutual support among the Member States.

Only those Member States whose per capita gross national income (GNI) is less than 90% of the Community average and who have put in place a programme designed to satisfy the economic convergence conditions under Article 104 of the EC Treaty are eligible.

2. Adjustments to the regulation establishing a Cohesion Fund

Since the EU enlargement on 1 May 2004, the Cohesion Fund has applied to the ten new Member States as well as to the three beneficiary Member States of EU-15 (Spain, Portugal and Greece) eligible at the end of the 2000-2006 period. Ireland ceased to be a beneficiary on 1 January 2004 and Spain will no longer fulfil the eligibility criteria for Cohesion Fund financing as of 1 January 2007.

The Commission proposal is well adapted both to the needs of an enlarged Union with a greater disparity between Member States and regions and in terms of the incentives for solidarity and economic and social cohesion. The less developed regions will derive benefit from the 'convergence' objective thanks to aid from the Fund.

Your rapporteur nevertheless acknowledges key adjustments that have been made to the regulation:

The increase in the **financial envelope for the Cohesion Fund** from EUR 18 billion (for the 2000-2006 period) to EUR 62.99 billion is important given that more than half the Member States will receive assistance from the Cohesion Fund. The widening of the scope of measures

¹ Regulation (EC) No 1164/94, amended by Regulations (EC) N°1264/1999 and (EC) N°1265/99.

under the Cohesion Fund is in conformity with the relevant provisions of the Treaty and in phase with the priorities decided at Lisbon and stems from the Gothenburg objective of sustainable development. This will therefore enable the Union to meet the substantial funding needs of the beneficiary Member States in terms of the environment and transport. Community funding must be split equally between the eligible areas of environment and transport. However, to ensure a degree of flexibility in assistance under the Fund, it is important that it is adapted to the needs of each Member State.

Trans-European transport networks in particular, projects of European interest and environmental infrastructure remain the priority for Cohesion Fund measures. A new element introduced by the regulation is a greater contribution to sustainable development under the Cohesion Fund, in line with the Gothenburg priorities. This means the Fund can now finance transport projects, beyond the trans-European networks, relating to rail, navigable maritime and river waterways, multi-modal transport programmes and sustainable urban transport and projects promoting sustainable development from an environmental point of view, such as in the key areas of energy efficiency and renewable energy.

The Commission emphasises in Recital (1) the importance in this regulation of specifying the mission of the Cohesion Fund in relation to this new framework, in particular, to the regulation laying down the general provisions. In view of the problems during the current period and of the need to improve future implementation and boost transparency, your rapporteur believes that **the major projects** that are the Cohesion Fund's most important intervention tool and **the financing of technical assistance** (studies, assessments, expert opinions, statistics, etc.) must be explicitly spelt out in this regulation. Such transparency does not run counter to the simplification of the implementation of regional policy but underlines the mission and the importance of the major projects for the Cohesion Fund programmes.

With regard to environmental and transport infrastructure, the Cohesion Fund and the ERDF will be managed according to a single programming system for the 2007-2013 period, in order to create greater synergy. Major projects, the total cost of which exceeds EUR 25 m for the environment and EUR 50 m for other areas, will, however, be approved by the Commission separately but managed under the programmes relating to them. Ideally, the Cohesion Fund should highlight **its particular priorities** within the **national frameworks** as distinct from those of the ERDF.

Article 3(3) of the Regulation establishing a Cohesion Fund proposes that the purchase of land for an amount exceeding 10% of the total eligible expenditure for the operation concerned should count as ineligible expenditure. In certain cases **the 10% limit on expenditure for purchasing land** prevents the realisation of a project under the Cohesion Fund. Your rapporteur feels that there needs to be a flexibility clause allowing a derogation to be obtained in certain cases, thus providing greater freedom in decisions on the eligibility of expenditure so that the project can be carried out. At the same time, a flexibility clause needs to be coupled with an effective control mechanism in order to avoid problems with fraud and corruption.

Despite simplification, decentralisation and more strategic programming, it would be a good idea for the Commission to draw up **a list of indicative priorities** in the programming phase

for the quality and evaluation of project outcomes and for the effectiveness of Community financing.

A '**premium system**', in the form of a 'Community reserve for quality and performance', is intended for the Structural Funds only (Articles 20, 48 and 49 of the proposal for a general regulation). The objective of the Cohesion Fund is different from that of the Structural Funds. It aims to take the place of national budget expenditure to support projects in the beneficiary Member States without any internal regional distinction. The Cohesion Fund will play a vital role during the 2007-2013 period given that, following enlargement, more than half the Member States will benefit from it. In addition, Community financing will be three times higher than for the previous period. It is important, therefore, that the Cohesion Fund's contribution to achieving economic and social cohesion is fully appreciated and that the progress made by the best performing Member States is rewarded.

In order to motivate Member States and their regions to frame and select quality projects of European interest, it appears that it is necessary to introduce a premium system based on certain main criteria such as, for example, the quality of the project proposed and completed, the beneficiary Member State's ability to put to good use the monies allocated from the Cohesion Fund, the carrying-out of the project, the transnationality of the project and its contribution to sustainable development, the degree to which neighbouring countries cooperate and coordinate assistance for transport and for the environment and the promotion through projects of renewable energy sources and environmentally friendly waste treatment.

In accordance with the subsidiarity principle, cohesion policy currently contributes to the gradual and timely strengthening of the role of regional actors. However, when it comes to implementation, the technical and administrative capacity at local level is not always adequate for this new role. Specific accompanying measures and the application of the **best practice** system could be useful in helping national and regional authorities to manage the funding they receive more effectively.

Applying automatic decommitment (**the N+2 rule**) to the Cohesion Fund, which from now on is subject to the same rules as the ERDF and the ESF, encourages the prompt use of Cohesion Fund resources. The current period has shown that this rule brings a sense of discipline that aids the thorough and precise preparation of projects and the management of the Structural Funds. It will be necessary, however, to monitor carefully how the N+2 rule is applied to Cohesion Fund assistance of a different nature from assistance under the Structural Funds. Your rapporteur believes that a transitional period of three years is a good compromise between the requirement on the beneficiary Member State to spend the budgetary allocations during the two years following their commitment and the difficulties of managing major projects.

In the discussions on the future of the Cohesion Fund, enlargement plays a major role given that more than half the Member States will benefit from the Cohesion Fund. The least affluent countries must invest heavily in order to catch up with their more developed neighbours and boost their growth potential. The abolition of aid for Member States that have benefited over several years from the Cohesion Fund and whose per capita gross national income (GNI) has reached 90% of the Community average will not fail to have an impact on the economy of the country in question. Abolition risks cancelling out the progress made thanks to the Cohesion

Fund and having repercussions not only for the country in question but also for the stability of the Community in terms of economic and social cohesion.

Although there are significant difficulties in financial and technical terms, your rapporteur believes that **the application of a transitional mechanism for the phasing out of aid** granted to Member States who will no longer benefit from the Cohesion Fund is appropriate. However, the mechanism would need to be transitional, provisional and limited to current projects.

The regulation establishing a Cohesion Fund must enter into force in time for the new projects to be operational as from 1 January 2007 under the new programming cycle.

24.5.2005

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Regional Development

on the proposal for a Council regulation establishing a Cohesion Fund
(COM(2004)0494 –2004/0166(AVC))

Draftswoman: Nathalie Griesbeck

SHORT JUSTIFICATION

GENERAL REMARKS

The Committee on Budgets proposes to adopt an opinion for the Committee on Regional Development on COM(2004)0494. This proposal for a Council Regulation is the subject of an assent procedure in the European Parliament pursuant to Rule 75 of the Rules of Procedure.

The Committee on Regional Development is the committee responsible for the proposal. It proposes to use Rule 75 of the Rules of Procedure and to submit **an interim report** on the Commission proposal to Parliament. The Committee on Regional Development should adopt the report on 24 May 2005.

Proposal COM(2004)0494 has been drafted as part of the cohesion policy legislative package of five documents (for more information, see the short justification in the opinion on the general provisions).

Under the provisions of the EC Treaty a Cohesion Fund is to be used to provide a financial contribution to projects in the field of environment and trans-European networks in the area of transport infrastructure (Article 161, subparagraph 2).

Council Regulation (EC) No 1164/94 of 16 May 1994 (OJ L 130, 25.5.1994, p. 1) established the Cohesion Fund, and, for the first time, provided a framework for its implementation. This regulation was subsequently amended by, inter alia, Regulations (EC) No 1264/99 and 1265/99 of 21 June 1999 (OJ L 161, 26.6.1999, pp. 57 and 62). Following the Union's enlargement on 1 May 2004, the Cohesion Fund applies to the 10 new Member States until the end of 2006, as well as to the three Member States eligible at the end of the 2000-2006 period (Greece, Portugal and Spain).

The Cohesion Fund is intended to contribute to the convergence of less developed Member States and regions through financial participation in the operational programmes of this

convergence objective.

As part of the reform of the cohesion policy implementation system, Cohesion Fund interventions are integrated into the multiannual programming of the Structural Funds. The reform was announced in the third cohesion report, which was adopted by the Commission in February 2004. The Commission claims that while maintaining the fundamental principles which underpin the value of the policy (multiannual programming, partnership, evaluation, shared management), this reform provides a balance between an increased strategic component and a simplification of the implementation system.

An extension of the domains of intervention is justified by the accession of new Member States on 1 May 2004, all of which are eligible for funding under the Cohesion Fund, and which face new and important financing needs. Thus the Cohesion Fund can also finance actions in support of sustainable development, where these have a clear environmental dimension, such as energy efficiency or renewable energy. Beyond the trans-European transport networks, this also allows for financing of rail, navigable maritime and river waterways, multi-modal transport actions and their inter-operability, road and air traffic management, clean urban transport, and communal transport. This extension of the domain of intervention is in accordance with the corresponding provisions in the Treaty, and is in line with the priorities decided by the European Council in Lisbon (March 2000) and Gothenburg (June 2001).

Member States benefiting from the Cohesion Fund must conform to the conditions set out in the Treaty regarding convergence programmes and those regarding excessive deficits for the Member States participating in economic and monetary union. Implementation of the Cohesion Fund is conditional upon the satisfaction of these conditions. If the Council decides, on the basis of a Commission proposal, that an excessive deficit exists and that the Member State concerned has not taken effective action, the payment will be suspended as from January 1 of the following year. The suspension ceases when the Council decides, on the same basis, that the Member State concerned has taken the measures necessary to allow a return to a situation that is in accordance with the Treaty and with the Council decisions.

FINANCIAL IMPLICATIONS

Only those Member States whose per capita gross national income (GNI) is less than 90% of the Community average are eligible.

On the basis of the Commission proposal and until such time as the work on the financial perspective is known, the commitment appropriations available for all the Structural Funds for the period 2007 to 2013 will stand at EUR 336.194 billion, at 2004 prices.

The Cohesion Fund finances the 'convergence' objective, which shall amount to EUR 264 billion (78.54% of the resources). The proposal covers the future 27-Member State European Union.

CONCLUSIONS

Draftswoman's recommendations

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to include the following recommendations in its report:

The European Parliament,

1. Points out that the appropriations set out in the proposal for a regulation cover only the period starting with the 2007 financial year and are for guidance only until such time as an agreement is reached on the financial perspective covering 2007 and the following years;
2. Takes the view that, once the next financial perspective has been adopted, the Commission will either confirm the figures set out in the proposal for a regulation or submit adjusted figures to the European Parliament and the Council, for their approval, thus ensuring compatibility with the ceilings;
3. Stresses the strategic dimension and priority nature of programming for amplifying the relevance effect of cohesion policy;
4. Reiterates and stresses the European Parliament's role as a budget decision-making authority in this area;
5. Calls on the Council and the Commission to transfer to the financial documents (in accordance with Article 3 of the Financial Regulation) the annual breakdown of commitment appropriations proposed by the Commission,
6. Calls for the presentation of the Cohesion Fund budget to be improved and made clearer by separating the budget headings for each of the three budget areas referred to in Article 2 of the proposal for a regulation (COM(2004)0494);
7. Points out that the Cohesion Fund is subject to the provisions of the Financial Regulation and therefore insists on compliance with that Regulation.

PROCEDURE

Title	Proposal for a Council regulation establishing a Cohesion Fund
Procedure number	(COM(2004)0494 – 2004/0166(AVC))
Committee responsible	REGI
Committee asked for its opinion Date announced in plenary	BUDG
Enhanced cooperation	
Drafts(wo)man Date appointed	Nathalie Griesbeck 20.9.2004
Discussed in committee	11.4.2005 23.5.2005
Date suggestions adopted	23.5.2005
Result of final vote	for: 19 against: 0 abstentions: 0
Members present for the final vote	Gérard Deprez, Valdis Dombrovskis, Markus Ferber, Nathalie Griesbeck, Catherine Guy-Quint, Ville Itälä, Anne Elisabet Jensen, Wiesław Stefan Kuc, Zbigniew Krzysztof Kuźmiuk, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Gérard Onesta, Antonis Samaras, Esko Seppänen, László Surján, Ralf Walter
Substitutes present for the final vote	Lidia Joanna Geringer de Oedenberg, Robert Navarro
Substitutes under Rule 178(2) present for the final vote	

25.4.2005

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Regional Development

on the proposal for a Council regulation establishing a Cohesion Fund
(COM(2004)0494 –2004/0166(AVC))

Draftsman: Josu Ortuondo Larrea

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. To add the following wording at the end of Article 2(1):

‘as amended by Decision No 884/2004/EC;’
2. To add the following fifth paragraph to Article 4:

‘This Regulation shall not prevent the Council from extending application of the Cohesion Fund on an annually decreasing basis over the period 2007-2013 to Member States whose wealth has exceeded 90% of the European average purely as a result of the statistical effect of the accession to the European Union of 10 new Member States on 1 May 2004.’
3. Article 2, point 3 should read as follows:

‘areas that can be developed on a sustainable basis and clearly present environmental benefits, namely energy efficiency and renewable energy and, in the transport sector outside the trans-European networks, sections equivalent to motorways or trunk roads connecting the trans-European networks, rail (including rolling stock), river and sea transport, intermodal transport systems and their interoperability, management of road and air traffic, clean urban transport and public transport (including rolling stock and road infrastructure for coach and bus transport).’

SHORT JUSTIFICATION

The Commission has proposed a new Council regulation on the Cohesion Fund. The procedure for adopting this proposal for a regulation is the assent procedure. The main objective of this proposal for a regulation is to specify the tasks of the Cohesion Fund and the specific ways in which it is applied, particularly as regards assistance under the Fund and its scope. It should be noted that eligibility of Member States and regions to financial assistance under the Fund is regulated in accordance with the Proposal for a Council regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004)0492).

The present proposal for a regulation lays down the scope of assistance and the conditionality rules governing assistance under the Fund.

Content of the proposal for a regulation

It is envisaged that the Fund will provide support for trans-European transport networks, particularly projects of European interest as identified by Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network (OJ L 228 of 9.9.1996, p. 1). Your draftsman of course wishes to make certain that the projects concerned will include those annexed to Decision No 884/2004/EC of the Parliament and of the Council of 29 April 2004 (OJ L 167 of 30.4.2004, p. 1) last amending the above-mentioned Decision, which currently includes an expanded list of projects to take account of the requirements of the new Member States and the priorities of the other Member States.

Your draftsman also notes that, beyond the trans-European networks, the Cohesion Fund will also promote rail, river and sea transport, intermodal transport systems and their interoperability, management of road and air traffic, clean transport and public transport.

The other relevant article of the proposal for a regulation concerns the action to be taken within the Cohesion Fund framework if the Council determines that an excessive government deficit exists in a Member State.

Draftsman's comments

The proposal for a regulation differs from the previous regulation in two important aspects. It does not lay down a system for managing and controlling the Fund, and it does not provide an indicative programme of annual expenses for a planning period (e.g. 2007-2013).

As regards the first aspect, the management and control rules are contained in the proposal for a regulation laying down general provisions. This is an understandable approach which aims to coordinate planning between the three funds (regional, social and cohesion) to better achieve the objectives of convergence, regional competitiveness and territorial cooperation.

Nevertheless, neither this proposal for a regulation nor the proposal for a regulation laying down general provisions sets out the Fund's expenditure allocation on a year-by-year basis or by programming period.

Consequently, it is impossible to evaluate the support the Cohesion Fund could provide to transport policy, including trans-European networks, in the countries concerned, even if the sum allocated to the 'convergence' objective is known.

It should be noted that only countries whose GDP does not exceed 90% of the EU average are eligible under the Cohesion Fund. However, enlargement has created a statistical effect which causes certain countries of the former Union of Fifteen to be excluded. Your draftsman believes the Commission should apply a degree of flexibility in this area as regards approval of Cohesion Fund assistance.

PROCEDURE

Title	Proposal for a Council regulation establishing a Cohesion Fund
Procedure number	COM(2004)0494 - 2004/0166(AVC)
Committee responsible	REGI
Committee asked for its opinion Date announced in plenary	TRAN
Enhanced cooperation	
Drafts(wo)man Date appointed	Josu Ortuondo Larrea 02.09.2004
Discussed in committee	16.3.2005 18.4.2005
Date suggestions adopted	19.4.2005
Result of final vote	for: 35 against: 3 abstentions: 1
Members present for the final vote	Margrete Auken, Inés Ayala Sender, Etelka Barsi-Pataky, Sylwester Chruszcz, Paolo Costa, Michael Cramer, Luis de Grandes Pascual, Christine De Veyrac, Armando Dionisi, Petr Duchoň, Saïd El Khadraoui, Robert Evans, Mathieu Grosch, Ewa Hedkvist Petersen, Jeanine Hennis-Plasschaert, Stanisław Jałowiecki, Georg Jarzembowski, Dieter-Lebrecht Koch, Jaromír Kohlíček, Jörg Leichtfried, Bogusław Liberadzki, Evelin Lichtenberger, Erik Meijer, Janusz Onyszkiewicz, Josu Ortuondo Larrea, Willi Piecyk, Luís Queiró, Reinhard Rack, Luca Romagnoli, Gilles Savary, Ingo Schmitt, Dirk Sterckx, Gary Titley, Marta Vincenzi, Corien Wortmann-Kool, Roberts Zile
Substitutes present for the final vote	Fausto Correia, Zita Gurmai, Willem Schuth
Substitutes under Rule 178(2) present for the final vote	

PROCEDURE

Title	Proposal for a Council Regulation establishing a Cohesion Fund	
References	COM(2004)0494 - 2004/0166(AVC)	
Legal basis	Article 161 EC	
Basis in Rules of Procedure	Rule 75(3)	
Date of request for Parliament's assent		
Committee responsible Date announced in plenary	REGI Rule 75(3)	
Committee(s) asked for opinion(s) Date announced in plenary	BUDG Rule 75(3)	TRAN Rule 75(3)
Not delivering opinion(s) Date of decision	CONT 23.3.2005	ENVI 20.9.2004
Enhanced cooperation Date announced in plenary		
Rapporteur(s) Date appointed	Alfonso Andria 6.10.2004	
Previous rapporteur(s)		
Simplified procedure Date of decision		
Legal basis disputed Date of JURI opinion		
Discussed in committee	14.3.2005	21.4.2005
Date adopted	24.5.2005	
Result of final vote	for: 37 against: 5 abstentions: 5	
Members present for the final vote	Alfonso Andria, Stavros Arnautakis, Elspeth Attwooll, Jean Marie Beaupuy, Rolf Berend, Adam Jerzy Bielan, Graham Booth, Bernadette Bourzai, Bairbre de Brún, Giovanni Claudio Fava, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Pedro Guerreiro, Gábor Harangozó, Marian Harkin, Konstantinos Hatzidakis, Jim Higgins, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Miloš Koterec, Constanze Angela Krehl, Jamila Madeira, Sérgio Marques, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, István Pálfi, Markus Pieper, Francisca Pleguezuelos Aguilar, Elisabeth Schroedter, Alyn Smith, Grażyna Staniszevska, Catherine Stihler, Margie Sudre, Kyriacos Triantaphyllides, Oldřich Vlasák, Vladimír Železný	
Substitutes present for the final vote	Inés Ayala Sender, Simon Busuttil, Brigitte Douay, Stanisław Jałowiecki, Ana Mato Adrover, Mirosław Mariusz Piotrowski	
Substitutes under Rule 178(2) present for the final vote		
Date tabled – A6	7.6.2005	A6-0178/2005
Comments	...	