

EUROPEAN PARLIAMENT

2004



2009

Committee on Agriculture and Rural Development

2004/0167(COD)

29.4.2005

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council
on the European Regional Development Fund
(COM(2004)0495 – C6-0089/2004 – 2004/0167(COD))

Draftsman: Gábor Harangozó

SHORT JUSTIFICATION

The enlargement to EU-25 has, more than previous enlargements, introduced areas into the Union that suffer from significant disadvantages. The disparities exist not just in relation to the EU-15, but also in terms of uneven development within and between the new Member States themselves. Nowhere is this clearer than in the gulf between rural and urban areas, again of much more significance to the new members where the agricultural sector plays an important role in the overall economy. These rural areas will continue to undergo far reaching structural changes; therefore it is hard to imagine the EAFRD being the sole financing source for development in rural areas, so an increased focus on rural areas is necessary for the reformed ERDF.

It is indeed of paramount importance to ensure that such disparities are not reinforced by the changes to the ERDF but are combated and that citizens from all parts of the EU are given the opportunities to develop, modernise and enhance their environments, communities, economies and societies, along the lines laid out in the Lisbon and Gothenburg agendas.

The current focus of many Member States attempts to combat long-term unemployment can often ignore the specific structural, demographic, social and economic factors affecting the countryside and, therefore, the draftsman thinks that provisions to diversify the economy in rural areas have great potential. However, it is important that the focus on developing tourism as an alternative employer doesn't simply result in the creation of low-wage, seasonal jobs in tourism to replace low-paid seasonal jobs in agriculture.

The draftsman suggests specific amendments to integrate rural and isolated areas into the wider economic life of the Union, while attempting to protect unique aspects of rural life that may be lost if such areas are drawn into a tighter, subordinate economic role with the centre. The rolling out of transport and, particularly, ICT infrastructure offers to increase the potential and diversity of economic life in these areas. By making specific reference to peripheral regions and villages with low density population having low potential to access these infrastructures the aim is to offset disadvantages, most notably physical distance from economic centres and social services.

Increased and more diverse economic activity should help regions and communities maintain themselves against pressures such as emigration and long-term unemployment, while concepts such as remote-working clearly have the potential to turn 'disadvantages', such as isolation and depressed house prices into comparative advantages. Apart from the extension of the physical infrastructure it is important to ensure that isolated people acquire the necessary skills to allow them to have a role in the new economy and to directly target the problems of social exclusion often experienced. Both Commissioners Hübner and Fischer Boel have recently stressed the "focus on education and training, research and development and promotion of innovation and sustainability" inherent in achieving the goals of the Lisbon agenda and the vital role of regional, urban and rural development.

As a matter of fact, it seems counter productive to isolate rural development from regional policy and a greater focus on rural needs in these ERDF reforms seems to be a necessity. There is a significant need to implement complex development strategies that on the one hand address the obstacles for proper economic development and that on the other are in synergy

with rural development. In this mindset, the draftsman has some reservations concerning the mono-fund approach as proposed by the Commission.

Appreciable efforts have been made to simplify the administration and management of funds for the implementation of the above-mentioned objectives. In particular, the financial instruments have been reduced to three. Nevertheless, their effective scope remains unclear, especially if the various cohesion policies and their programmes are not better coordinated amongst themselves and with other EU policies.

The new architecture broadens the role of the ERDF not only as a vector for increased financing but, above all, as a benchmark for the alignment of different EU policies and programmes for the implementation of the cited objectives of convergence, competitiveness, employment and territorial cooperation.

RECOMMENDATIONS

Beside all the positive aspects, we would like to give the Commission the following recommendations:

- Ensuring an integrated approach that will allow for complementarity between the different structural plans by ensuring an efficient coordination between ERDF, ESF and EAFRD programming and implementation.
- Maintaining synergy between the objective of competitiveness in rural areas and the EAFRD, by including ERDF and ESF actions into the rural strategic plans and drawing up appropriate strategic guidelines for effective coordination.
- Maintaining the integrity of the EAFRD budget (at the level proposed by the Commission), as the EAFRD acts as a necessary complement to European territorial development in rural areas.
- Elaborating on the "clear demarcation criteria" mentioned in article 9.
- Considering greater flexibility between the scope of priorities for both Article 4 and 5.
- Including of the word Interreg into the name of the new objective three as this has a long history and a well-based meaning to it.
- Considering the inclusion of the specific provisions for the Territorial Cooperation Objective in the General Regulation and not in the ERDF Regulation.
- Clarifying the relationship between the particular strand of cross-border and transnational cooperation and the European Neighbourhood and Partnership and the IPA.
- Drawing up appropriate Community guidelines for EGCC since its added value, financing and concrete working procedures are not yet clear.
- Considering greater involvement of decentralised authorities and other social partners for ensuring the fulfilment of the partnership and subsidiarity principles.
- Ensuring equal opportunities between men and women, addressing the specific needs of the disabled as well as ensuring equal opportunities for minorities not only as horizontal goals for ESF but also within the framework of ERDF.

AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1

Recital 1

(1) Article 160 of the Treaty provides that the European Regional Development Fund (ERDF) is intended to help redress the main regional imbalances in the Community. The ERDF therefore contributes to reducing the gap between the levels of development of the various regions and the extent to which the less favoured regions ***and islands***, including rural areas, are lagging behind.

(1) Article 160 of the Treaty provides that the European Regional Development Fund (ERDF) is intended to help redress the main regional imbalances in the Community. The ERDF therefore contributes to reducing the gap between the levels of development of the various regions and the extent to which the less favoured regions, including rural areas, ***islands, mountain areas, sparsely populated areas and cross-border regions***, are lagging behind.

Justification

This amendment answers the need of completeness by making an explicit reference to all regions that suffer a handicap.

Amendment 2

Recital 6 a (new)

(6a) The ERDF should play a particular role in favour of local economic development, in the context of raising the quality of life and developing the territory, especially by promoting territorial employment pacts, programmes for integrated urban development, rural

¹ OJ C ... /Not yet published in OJ.

development and employment initiatives.

Justification

To speed up the convergence of the less-developed regions, many of which are experiencing rising unemployment, it is necessary to promote employment initiatives.

Amendment 3

Recital 7

(7) Particular attention should be paid to guaranteeing complementarity and consistency between support granted by the ERDF and that granted by the European Agricultural Fund for Rural Development pursuant to Regulation (EC) No (...) [6] and by the European Fund for Fisheries pursuant to Regulation (EC) No (...) [7]. Programmes co-financed by the ERDF should therefore support the diversification of *the rural economies* and the areas dependent on fisheries, away from traditional activities..

(7) Particular attention should be paid to guaranteeing complementarity and consistency between support granted by the ERDF and that granted by the European Agricultural Fund for Rural Development pursuant to Regulation (EC) No (...) [6] and by the European Fund for Fisheries pursuant to Regulation (EC) No (...) [7]. Programmes co-financed by the ERDF should therefore support the diversification *of the economy and the cultural development* of rural *areas* and the areas dependent on fisheries, away from traditional activities.

Amendment 4

Recital 10

(10) The ERDF should address the problems of accessibility and remoteness from large markets confronting areas with an extremely low population density, as referred to in Protocol No 6 to the Act of Accession of Austria, Finland and Sweden. The ERDF should also address the specific difficulties encountered by *certain* islands, mountain areas *and* sparsely populated areas whose *geographical* situation slows down their development.

(10) The ERDF should address the problems of accessibility and remoteness from large markets confronting areas with an extremely low population density, as referred to in Protocol No 6 to the Act of Accession of Austria, Finland and Sweden. The ERDF should also address the specific difficulties encountered by islands, mountain areas, *rural areas*, sparsely populated areas *and cross-border areas* whose situation slows down their development, *with the aim of supporting independent sustainable development in these regions.*

Justification

Here, the aim is to bring the wording of Recital 10 in line with the amendments proposed

under Recital 1 to ensure better consistency.

Amendment 5
Recital 13

(13) It is necessary to support an effective cross-border and transnational cooperation with countries neighbouring the Community where this is necessary to ensure that the regions of the Member States which border third-countries can be effectively assisted in their development. Accordingly, it is appropriate to authorise on an exceptional basis the financing of assistance from the ERDF for projects located on the territory of third countries where they are for the benefit of the regions of the Community.

(13) It is necessary to support an effective cross-border and transnational cooperation with countries neighbouring the Community where this is necessary to ensure that the regions of the Member States which border third-countries can be effectively assisted in their development. Accordingly, it is appropriate to authorise on an exceptional basis the financing of assistance from the ERDF for projects located on the territory of third countries where they are for the benefit of the regions of the Community. ***It also is necessary to ensure proper weighting of the distribution of the financial resources between the transnational and cross-border strands of the "European territorial cooperation" objective. The cross-border strand requires particular attention since the borders of the Union have extended significantly and many of the regions lagging behind are border regions.***

Justification

This amendment aims at ensuring that the necessary financial means will be available for coping with the new challenges for the cross-border strand of European territorial cooperation in an enlarged Union.

Amendment 6
Recital 13 a (new)

(13a) The difference between the needs of the regions eligible for the "Regional competitiveness and employment" objective has significantly increased with the enlargement of the Union. Since the subsidiarity principle should allow regional authorities to define their priorities, more flexibility has to be given to the scope of intervention of Article 5. Nevertheless, it

should not imply any changes in the distribution amongst the three objectives of the financial resources dedicated to the ERDF. The financial framework should be preserved as laid down in Regulation (EC) No..../2005.

Justification

With this new recital, the draftsman aims at ensuring that the necessity to broaden the scope of intervention of art. 5 will not lead to a different weighting of the distribution of the financial resources amongst the three ERDF objectives at the expense of the Convergence objective which remains the main ERDF intervention objective.

Amendment 7
Article 1, paragraph 2

It lays down specific provisions concerning the treatment of urban and rural areas, of areas dependent on fisheries, of the outermost regions, and of areas with natural handicaps.

It lays down specific provisions concerning the treatment of urban and rural areas, of areas dependent on fisheries, of the outermost regions, and of areas with natural **or demographic** handicaps.

Justification

An explicit reference to demographic handicaps addresses the need of completeness and also allows article 1 to cover as well sparsely populated areas.

Amendment 8
Article 2, paragraph 1

The ERDF shall contribute to the financing of assistance towards the reinforcement of economic, social and territorial cohesion by reducing regional disparities and supporting the structural development and adjustment of regional economies, including **the** conversion of declining industrial regions.

The ERDF shall contribute to the financing of assistance towards the reinforcement of economic, social and territorial cohesion by reducing regional disparities and supporting the structural development and adjustment of regional economies, including **strengthening competitiveness and innovation, creation of sustainable jobs, social inclusion and equality of opportunity, protection and improvement of the environment**, conversion of declining industrial regions **and the promotion of sustainable and balanced development throughout the Union, taking into account**

the specific needs of the disabled as well as the need to correct the particular disadvantages arising from remoteness, isolation or insularity.

Justification

This rewording allows a more precise definition of sanctioned interventions.

Amendment 9
Article 4, point 3

3) Environment, including investments connected with waste management, water supplies, urban waste-water treatment and air quality, integrated pollution prevention and control, rehabilitation of contaminated sites and land, promotion of biodiversity and nature protection, aid to SMEs to promote sustainable production patterns through the introduction of cost-effective environmental management systems and the adoption and use of pollution-prevention technologies;

3) Environment, including investments connected with waste management, water supplies, urban waste-water treatment and air quality, integrated pollution prevention and control, rehabilitation of contaminated sites and land, ***rehabilitation of publicly owned common areas in deteriorated urban neighbourhoods, development of urban green areas, noise prevention, water quality protection, water management, promotion of clean public transport, risk prevention, landscape planning in rural areas,*** promotion of biodiversity, ***protection of animals*** and nature protection, aid to SMEs to promote sustainable production patterns through the introduction of cost-effective environmental management systems and the adoption and use of pollution-prevention technologies;

Justification

The aim is to include some of the aspects under the Convergence objective affecting significantly more regions that are currently only eligible under the Regional competitiveness and or the European territorial cooperation objectives. Furthermore, the environmental aspect of urban rehabilitation should also be taken into account.

Amendment 10
Article 4, point 5

5) Tourism, including promotion of natural and cultural assets as potential for the development of sustainable tourism,

5) Tourism, including promotion of natural, cultural ***and historical*** assets as potential for the development of sustainable tourism,

protection and enhancement of the cultural heritage in support of economic development, aid to improve the supply of tourism services through new higher value-added services;

promotion of physical culture and sport, protection and enhancement of the cultural heritage in support of economic development, aid to improve the supply of tourism services through new higher value-added services;

Justification

To meet the objective of convergence, Fund support should be given inter alia to tourism, including the promotion of natural and cultural assets. The historical heritage should also be included here (e.g. commemoration of places linked to important historical events). This is essential because in Article 8 the historical heritage is mentioned as a value separate from the cultural heritage. The goal of promoting tourism needs to be supplemented by the promotion of the closely related area of physical culture and sport. The aim is to improve the quality of life in regions which are lagging behind and physical culture and sport are obvious ways of doing this. The Fund should support investment in these areas, both in cities and in rural areas.

Amendment 11 Article 4, point 6

6) Transport investments, including trans-European networks and integrated city-wide strategies for clean urban transport, which contribute to improving the access to and quality of passenger and goods services, to achieving a more balanced modal split, to promoting intermodal systems and reducing environmental impacts;

6) Transport investments, including trans-European networks ***and road construction and upgrading outside the TEN-T backbone taking into account the need to create links with island, rural, landlocked and otherwise remote regions and between those regions and the Union's core areas,*** and integrated city-wide strategies for clean urban transport, which contribute to improving the access to and quality of passenger and goods services, to achieving a more balanced modal split, to promoting intermodal systems and reducing environmental impacts;

Justification

The construction and upgrading of roads outside the TEN-T backbone should explicitly appear in the text of the regulation especially as a reference to the Commission's comment on the October 1st SAWP meeting where the Commission has argued that TEN-T is financed from the Cohesion Fund and the secondary systems from the ERDF in case of roads as well. The second part of the amendment provides more focus on transport needs in peripheral regions.

Amendment 12

Article 4, point 8

8) Education investments, which contribute to increasing the attractiveness and quality of life in regions;

8) Education investments, which contribute to increasing the attractiveness and quality of life in regions **and helping to provide equal educational opportunities**;

Justification

The Fund rightly supports investment in education (Article 4, point 8) in an effort to help increase the attractiveness and quality of life in the regions. Efforts to provide equal educational opportunities should also be included here. This is a matter of vital importance. One of the most troublesome aspects of life in rural areas is the difficulty of access to education, with the remoteness of schools, the need for long and expensive journeys, and so on. In addition, the maintenance of schools in rural areas is more expensive, owing to demographic factors and the lower number of pupils. The Fund should therefore also support investment designed to provide equal educational opportunities in rural areas.

Amendment 13
Article 4, point 9

9) Health, including investments to develop and improve health provision which contribute to regional development and quality of life in regions;

9) Health, including investments to develop and improve health provision, **disease prevention and easier access to medical services** which contribute to regional development and quality of life in regions;

Justification

To meet the objective of convergence, the Fund rightly supports investment in health services, although aid in this sector should not be confined to developing and improving health provision, but should also extend to disease prevention, and - particularly important in rural areas - improving access to medical services, since inhabitants of rural areas are usually at a disadvantage in this field.

Amendment 14
Article 5, introductory part

Under the “Regional competitiveness and employment” objective, the ERDF shall focus its assistance, in the context of regional sustainable development strategies, on the following priorities:

Under the “Regional competitiveness and employment” objective, the ERDF shall focus its assistance, in the context of regional sustainable development strategies, **primarily** on the following priorities:

Justification

The draftsman considers that the list of priorities should not be exclusive, but allow the ERDF to take into account the specific needs and the heterogeneous nature of the regions and their development and relative competitiveness.

Amendment 15
Article 5, point 2

- c) promoting clean *urban* public transport; c) promoting clean public transport;

Justification

There is no obvious reason why improvements in this field should be limited to urban areas as rural public transport tends to cover a far greater distance per customer journey.

Amendment 16
Article 5, point 3, (b a)(new)

ba) facilitating dissemination of the knowledge economy in isolated and rural areas, by promoting the adoption and exploitation of ICT to add value, diversify and expand economic activity.

Amendment 17
Article 6, point 1, (b a) (new)

ba) by promoting the sustainable development of rural areas;

Amendment 18
Article 7, point a

- a) VAT; a) *reimbursable* VAT;

Justification

This would ensure that the rule endorses previous and ongoing practices for ERDF programmes. It would also comply with the provisions of the ESF regulation and so avoid incomprehensible discrepancies within the European cohesion policy.

Amendment 19
Article 9, paragraph 1

Member States and regions shall ensure complementarity and consistency between the measures co-financed by the European Agricultural Fund for Rural Development (EAFRD) pursuant to Regulation (EC) No (...) and the actions co-financed by the European Fund for Fisheries (EFF) pursuant to Regulation (EC) No (...), on the one hand, and the programmes co-financed by the ERDF, on the other.

Member States and regions shall ensure complementarity and consistency between the measures co-financed by the European Agricultural Fund for Rural Development (EAFRD) pursuant to Regulation (EC) No (...), **as provided for by Article 11(3), fifth indent, of the Regulation in question**, and the actions co-financed by the European Fund for Fisheries (EFF) pursuant to Regulation (EC) No (...), on the one hand, and the programmes co-financed by the ERDF, on the other.

Justification

This amendment seeks to recall and draw attention to the provision in the new European Agricultural Fund for Rural Development Regulation in order to make clear that the need for synergy between the agricultural development policy and cohesion policy is a common factor in planning the two policies.

Amendment 20
Article 9, paragraph 2, point 1

1) infrastructure to improve accessibility;

1) infrastructure to improve **the** accessibility
and the attractiveness of such areas;

Amendment 21
Article 9, paragraph 2, point 3

3) development of **new** economic activities outside the agricultural and fishery sectors;

3) development of economic activities outside the agricultural and fishery sectors;

Justification

Assistance should not simply be limited to new activities but also to deepening and improving already existing ones.

Amendment 22

Article 9, paragraph 2, point 4 a (new)

4a) development of training measures in rural areas;

Amendment 23

Article 9, paragraph 2, point 5

5) development of tourism ***and*** rural amenities.

5) development of ***sustainable*** tourism, ***recreational amenities*** and ***cultural life in rural areas***.

Amendment 24

Article 9, paragraph 2, point 5 a (new)

5a) the production of biofuels and / or use of energy from renewable sources.

Justification

The rural areas should contribute to the ambitious target of the European Union of producing 12% of its gross income energy consumption by using renewable energy sources.

Amendment 25

Article 9, paragraph 2, point 5 b (new)

5b) investments in energy efficiency (infrastructure, technical support and information to end-users).

Amendment 26

Article 10, paragraph 2

Without prejudice to ***Article 3 and 4***, the ERDF shall in particular contribute towards the financing of investments aimed at improving accessibility, promoting and developing economic activities related to the cultural heritage, promoting the sustainable use of natural resources, and stimulating the tourism sector.

Without prejudice to ***Articles 3, 4 and 5***, the ERDF shall in particular contribute towards the financing of investments aimed at improving accessibility, promoting and developing economic activities related to the cultural heritage, promoting ***job creation*** ***and*** the sustainable use of natural resources, and stimulating the tourism sector ***and the comprehensive development and***

diversification of rural areas.

Justification

Unemployment is a significant factor in the movement of people away from naturally handicapped areas.

Amendment 27
Article 12, point 3 a (new)

3a) an assessment of the impact on employment in the areas concerned and their territorial neighbours, including labour patterns, seasonal effects and skills;

Justification

The likely effects on employment should be examined when establishing operational programmes under the "European territorial cooperation" objective, in order to better coordinate plans that may cut across educational, social and territorial divisions.

Amendment 28
Article 14, paragraph 3

3. Each Member State participating in the operational programme shall appoint representatives to sit on the monitoring committee referred to in Article 64 of Regulation (EC) No (...).

3. Each Member State participating in the operational programme shall appoint representatives to sit on the monitoring committee referred to in Article 64 of Regulation (EC) No (...), ***ensuring that the participating regional and local authorities are appropriately represented, in accordance with the institutional framework.***

Justification

Here the main aim is to ensure consistency with the partnership and subsidiarity principles.

PROCEDURE

Title	European Regional Development Fund
References	COM(2004)0495 – C6 0089/2004 – 2004/0167(COD)
Committee responsible	REGI
Committee asked for its opinion Date announced in plenary	AGRI 1.12.2004
Enhanced cooperation	--
Drafts(wo)man Date appointed	Gábor Harangozó 5.10.2004
Discussed in committee	3.2.2005 16.3.2005 19.4.2005
Date amendments adopted	19.4.2005
Result of final vote	for: 28 against: -- abstentions: --
Members present for the final vote	Filip Adwent, Peter Baco, Thijs Berman, Joseph Daul, Albert Deß, Gintaras Didžiokas, Lutz Goepel, Bogdan Golik, Ioannis Gklavakis, Friedrich-Wilhelm Graefe zu Baringdorf, Gábor Harangozó, María Esther Herranz García, Elisabeth Jeggle, María Isabel Salinas García, Agnes Schierhuber, Czesław Adam Siekierski, Marc Tarabella, Kyösti Tapio Virrankoski, Janusz Wojciechowski
Substitutes present for the final vote	Liam Aylward, María del Pilar Ayuso González, Ilda Figueiredo, Milan Horáček, Wiesław Stefan Kuc, Anne Laperrouze, Jan Mulder, Zdzisław Zbigniew Podkański, Karin Resetarits
Substitutes under Rule 178(2) present for the final vote	--