

MOTION FOR A RESOLUTION

further to Oral Question B5-0209/2000

pursuant to Rule 42(5) of the Rules of Procedure

by the following Members: Davies, Attwooll, Wallis, Clegg, Watson, Sánchez García, Väyrynen, Pohjamo and Pesälä

on behalf of the ELDR Group

on the additionality principle in Structural Fund appropriations

B5-0321/2000**Resolution on the additionality principle in Structural Fund appropriations***The European Parliament,*

- having regard to Article 11 of Council Regulation (EC) No 1260/1999 of 21 June 1999,
 - having regard to Court of Auditors report No 6/99 concerning the principle of subsidiarity,
- A. whereas Council Regulation (EC) No 1260/1999, laying down general provisions on the Structural Funds, requires Member States to respect the principle of additionality in the allocation of public expenditure to projects cofinanced from the Structural Funds by stipulating that EC funding may not replace public or comparable structural expenditure by the Member State,
- B. whereas additionality is necessary to strengthen the leverage effect of Community resources and must therefore be an addition to, rather than a substitute for, public funding by the national authorities,
- C. whereas, in the past, the pragmatic arrangements between the Commission and the Member States have not succeeded in finding effective procedures for monitoring compliance with the principle of additionality,
- D. whereas, as a general rule, the level of expenditure must be at least equal to the average annual expenditure in the previous programming period unless the latter was characterised by an exceptionally high level of public structural spending or subject to particular macroeconomic conditions,
- E. whereas the absence of a theoretical base and a lack of clarity as to the appropriate methodology leads to considerable variations in calculating public structural expenditure which undermines the validity of the results and makes a clear and transparent assessment very difficult,
- F. whereas the Commission is required to determine, with the Member States, the overall level of expenditure for Objective 1 areas within a Member State and for Objective 2 and 3 areas combined within a Member State,
- G. whereas the Commission is also required to verify the additionality of national spending plans prior to approving the Community Support Frameworks and Single Programming Documents and may reject them if this principle has not been respected,
- H. whereas there is no other sanction mechanism foreseen if anomalies in respect of the principle of additionality are encountered following approval of the CSF/SPD,

- I. recognising that although one of the general objectives of the latest reform of the Structural Funds was to simplify their operation, this must not be at the expense of close financial supervision,
 - J. whereas Structural Fund appropriations are paid out to the central governments of the Member States,
 - K. whereas national and regional authorities have committed themselves to match EU funding with an equal contribution from national public expenditure,
- 1. Points out that regional development plans, although submitted to the Commission by national governments, are drawn up precisely to reflect the needs and priorities of individual regions yet the verification of public expenditure commitments is only required on a national level, thus enabling Member States to reallocate funds internally to the detriment of certain regions yet still formally to comply with the additionality principle;
 - 2. Considers that, as long as central governments of Member States are the immediate recipients of the EU budget contribution to structural funding, they should be under an obligation to ensure that the proportion of this finance subsequently allocated to any individual region corresponds directly to the proportion which, in consultation with the Commission, is earmarked for that region at the planning stage;
 - 3. Believes that the allocation of such financial contributions from the EU budget should be kept entirely separate from, and additional to, any internal devolved budgetary settlements within the Member State;
 - 4. Asks the Commission to inform the European Parliament of the measures it is taking to verify whether Member States' public expenditure plans on EU-supported structural actions comply with the principle of additionality and to indicate those Member States which are found to be in breach of the principle in the current programming period;
 - 5. Considers that clear implementing guidelines are needed to make assessment of additionality clearer, more transparent and more effective, and that this should contain a fixed methodology to guarantee greater consistency of national data submitted for verification;
 - 6. Urges the Commission to be vigorous in the application of this principle of additionality;
 - 7. Considers that the mid-term verification of additionality should be linked to the allocation of the performance reserve;
 - 8. Considers that, even though Regulation (EC) No 1260/1999 provides a legal requirement for the Commission to verify the additionality of public expenditure only on a Member State level, the spirit of the principle must also be maintained; in this regard the Member States should ensure the transparent application of the principle of additionality region by region;

9. Instructs its President to forward this resolution to the Commission, the Member States and the Committee of the Regions.