

EUROPEAN PARLIAMENT

2004



2009

Committee on Budgets

2004/0166(AVC)

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 – C6-0000/2005 – 2004/0166(AVC))

Draftswoman: Nathalie Griesbeck

PA_Leg

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 – C6-0000/2005 – 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	