

# EUROPEAN PARLIAMENT

2004



2009

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*Committee on Fisheries*

**2004/0163(AVC)**

16.3.2005

## **OPINION**

of the Committee on Fisheries

for the Committee on Regional Development

on the proposal for a Council regulation laying down the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund  
(COM(2004)0492 – 2004/0163(AVC))

Draftsman: Dirk Sterckx

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## SHORT JUSTIFICATION

### The legislative background

The Commission's proposal for general provisions on the European Regional and Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Funds forms a general basis for the reform of the structural funds. The "cohesion legislative package" consists of a Regulation for the European Regional and Development Fund (ERDF)<sup>1</sup>, a Regulation for the European Social Fund (ESF)<sup>2</sup>, a Regulation for the Cohesion fund<sup>3</sup>, as well as a Regulation for creating the framework for a cross-border authority to manage cooperation programmes<sup>4</sup>.

In February 2004, the Commission presented two proposals aiming at an ambitious cohesion policy for the enlarged union of 27 or more. Firstly, in the proposal for the financial perspectives of the enlarged European Union of 27 Member States for the period 2007-2013 [COM(2004)0101] an allocation of EUR 336.1 billion (which equates to EUR 373.9 billion before the transfers to the proposed single rural and fisheries instruments) was proposed in support of the three priorities of the reformed cohesion policy. Secondly, the Third cohesion report [COM(2004)0107] presented a proposal for the priorities and delivery system for the new generation programmes under cohesion policy for the period 2007-2013.

The proposal for general provisions on the ERDF, the ESF and the Cohesion Fund makes a distinction between the ERDF, the ESF and the Cohesion fund on the one hand and support to fisheries, agriculture and the environment under funding for "preservation and management of natural resources", on the other. Accordingly, the Commission has proposed that from 2007-2013, the aid for fisheries shall be concentrated to the new European Fisheries Fund (EFF), which will succeed the current Financial Instrument for Fisheries Guidance (FIFG). Thus, the fisheries financing from the EFF would be separated under a separate budget heading. The Commission has anticipated expenditure of EUR 7.6 billion for the CFP, of which 4.963 billion would be allocated to the EFF.

### The challenges of the new cohesion policy

The necessity to revise the cohesion policy regulations is partly caused by the enormous challenges which follow from enlargement. Enlargement will have a considerable effect on the targeting of the measures belonging to the convergence objective, which will continue to have a threshold of GDP per head under 75% of the EU average. According to the Third Cohesion report, about 92% of the people in the new Member States live in regions with GDP per head below 75% of the EU 25 average. This will have an effect on 18 regions with GDP per head under 75% of the EU GDP before enlargement, which will no longer belong under the convergence objective threshold. The Commission has proposed a transitional mechanism whereby such "statistically affected" areas should be subject to the convergence objective until the end of 2013.

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<sup>1</sup> COM(2004)0495.

<sup>2</sup> COM(2004)0492.

<sup>3</sup> COM(2004)0494.

<sup>4</sup> COM(2004)0496.

Enlargement is an exciting opportunity for the whole of the Union but given the 12.5% reduction in the average GDP of the Union as a direct result of the accession of 10 new Member States, it is clear that the challenge for the new cohesion policy is to tackle urgently and effectively the significant socio-economic disparities that exist within the EU-25.

### **Towards a Strategic approach**

In order to answer to the challenges of the future cohesion policy, the Commission proposes a new architecture based on a strategic approach, which while taking the Lisbon and Gothenburg agendas fully into consideration rationalises the cohesion policy by defining its priorities, ensuring the coordination with the system of economic and social governance and allowing for a regular and open review of the progress made. The Commission therefore proposes that the Council should adopt, after consultation of the Parliament on the basis of a Commission proposal, an overall strategic document defining clear priorities for Member States and regions. The Commission would publish a yearly report summarising Member States' progress reports.

The priority themes for programmes would be found among three new objectives of the cohesion policy: convergence, regional competitiveness and employment, and territorial co-operation. The proposed budget for all these objectives would be € 336,1 bn (0,41 of EU GNI).

The convergence objective would include regional and national programmes from the ERDF, the ESF, the Cohesion fund, including a special programme for the outermost regions, and the budget for this objective would be €264 bn (78, 5 %). The regional competitiveness and employment objective would consist of regional programmes from ERDF, national programmes from ESF and the budget for this objective would be € 57,9 bn (17,2 %). The territorial co-operation objective would cover cross-border and transnational programmes and networking from the ERDF, with a budget of € 13,2 bn (3,94 %).

**Simplification of the management system** and greater decentralisation of the responsibility toward the partners in the Member States, regions and local authorities are among the most ambitious aims of the reform. The programming would be simplified by modifying the roles of the different actors: the Council would adopt strategic guidelines, on the basis of which the Member States would prepare strategic national framework documents to be negotiated with the Commission. The Commission would then adopt national and regional programmes for each Member State, but it would define the programmes only at a priority level. The simplification of programming would be promoted so that the future ERDF and ESF interventions would operate with only one fund per programme, as opposed to current multi-fund programmes. Funding of the programmes would be directly linked to the main domain of intervention of each fund.

### **Eligibility and the fisheries sector**

The Commission proposes that the financial resources dedicated to cohesion policy would be distributed among the Member States applying the method based on objective criteria used at the time of the Berlin Council (1999) for the "convergence" priority (GDP per person below

75 % of the Community GDP), but, temporarily taking into account the statistical effect of enlargement. Further, the Commission proposes that resources for the objective "regional competitiveness and employment" would be allocated between the Member States on the basis of Community economic, social and territorial criteria. As to the third objective, the resources would be distributed according to the population living in the eligible regions as well as the total population of the Member States concerned.

As a large proportion of the financial resources for fisheries have been transferred to the EFF, the role of the structural funds will be to complement the EFF. According to Article 3(3) of the Proposal, assistance from the Funds shall support the economic diversification of fisheries dependent areas away from traditional activities. However, the distinctive nature of the socio-economic problems in the fisheries sector, often caused by the mechanisms of the common fisheries policy and by stock depletion, should be taken into regard while applying the intervention criteria of the cohesion policy. The fisheries sector may experience temporary crises even in some relatively wealthy countries. Further, in accordance with the Commission proposal, particular and equal attention should be paid to the specific territorial characteristics typical to the outermost regions of the Union, sparsely populated parts in the far north of the Union, as well as certain islands, mountain areas, and border areas of the Union.

The European Parliament is called upon to give its assent to this proposal, which means it cannot suggest amendments. However, in order to emphasise the role that the structural funds can have in supporting the EFF, your Rapporteur suggests that the concept of "Regional Competitiveness and Employment" be introduced explicitly supporting the restructuring of areas hit by the decline of traditional activities. This is intended to reflect the fact that conservation measures taken under the Common Fisheries Policy can affect fishing communities equally hard both within and outside Convergence objective areas. In such a situation, your Rapporteur feels that the structural funds can have an important role in supporting the impact of the EFF.

## **Conclusions**

In general, the Rapporteur welcomes the strategic reform of the cohesion policy which seems to bring rationalisation and transparency into the organisation and use of structural funds. The Rapporteur also agrees with the Commission on the need to further decentralise the responsibility towards the partners on the ground in the Member States, regions and local authorities. On the other hand, the Rapporteur is not convinced that the simplification of management will also decrease the administrative difficulties faced especially by the poorest regions while trying to make use of the structural funds with their modest administrative resources.

As regards the distinction of the European Fisheries Fund from the structural funds and the transfer of fisheries structural financing mainly into the EFF, this seems to form a good starting point for a more efficient use of the resources as well as to increase the transparency of funding. The actions accompanying the restructuring needs of the fisheries sector, as well as those improving the working and living conditions in the areas where fisheries still plays an important role, will be financed by the EFF. Outside this, the structural funds would support the diversification of the rural economy and of the areas dependent on fisheries away from traditional activities. This clarifies the functions and the complementary role of different

funds having an impact on fisheries, but it should not have a detrimental effect on the overall level of funding currently available for the fisheries from the structural funds, including the FIG.

## PROCEDURE

<b>Title</b>	Proposal for a Council regulation laying down the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund
<b>Procedure number</b>	2004/0163(AVC)
<b>Committee responsible</b>	REGI
<b>Committee asked for its opinion</b> Date announced in plenary	PECH 1.9.2004
<b>Enhanced cooperation</b>	
<b>Drafts(wo)man</b> Date appointed	Dirk Sterckx 4.10.2004
<b>Discussed in committee</b>	25.11.2004    2.2.2005 4
<b>Date suggestions adopted</b>	15.3.2005
<b>Result of final vote</b>	for:                    19 against:              0 abstentions:        0
<b>Members present for the final vote</b>	Elspeth Attwooll, Marie-Hélène Aubert, Niels Busk, Luis Manuel Capoulas Santos, David Casa, Zdzisław Kazimierz Chmielewski, Carmen Fraga Estévez, Ioannis Gklavakis, Alfred Gomolka, Heinz Kindermann, Henrik Dam Kristensen, Albert Jan Maat, Rosa Miguélez Ramos, Bernard Poignant, Dirk Sterckx, Struan Stevenson, Catherine Stihler, Daniel Varela Suanzes-Carpegna
<b>Substitutes present for the final vote</b>	María Isabel Salinas García
<b>Substitutes under Rule 178(2) present for the final vote</b>	