

EUROPEAN PARLIAMENT

2004



2009

Committee on Regional Development

2004/2209(INI)

3.2.2005

OPINION

of the Committee on Regional Development

for the Temporary Committee on Policy Challenges and Budgetary Means of
the Enlarged Union 2007-2013

on policy challenges and budgetary means of the enlarged Union 2007-2013
(2004/2209(INI))

Draftswoman: Constanze Angela Krehl

SUGGESTIONS

The Committee on Regional Development calls on the Temporary Committee on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers that European regional policy is an indispensable tool for promoting social and economic cohesion, enabling the Union to undertake actions to reduce regional disparities, stimulate the sustainable development of the regions, their growth and competitiveness and employment, as well as to develop and promote its concept of a tolerant, caring society with a shared interest in solidarity; is convinced that joint action at European level is cost-effective, since it permits the realisation of economies of scale, the rationalisation of procedures and the pooling of resources, particularly in the context of cross-border cooperation; asserts that the existence of a strong, well financed European regional policy is a condition sine qua non of the Union's ability to deal with successive enlargements;
2. Endorses the suggestions made by the Committee on Regional Policy, Transport and Tourism in its opinion of the 18 March 2004 on the Commission's communication 'Building our common future: policy challenges and budgetary means of the enlarged Union 2007-2013'¹, and in particular:
 - supports the level of investment in material and human capital which the Commission proposes in that communication in the context of cohesion for growth and employment, and particularly welcomes the Commission's emphasis on strengthening human resources in order to improve the potential for growth and competitiveness;
 - asks the Commission to set development targets and indicators along the lines of the conclusions of the Lisbon and Gothenburg European Councils and the results of the mid-term review, such targets and indicators to be measurable, concrete and practicable, to cover the economic, social and environmental dimensions, and to be a full part of regional and national programmes;
 - calls, therefore, for the upper limit for the financial perspective to be established at 1.24 % of gross national income (GNI), as proposed by the Commission, in order to ensure that sufficient resources are available for the Regional and Structural Funds as well as for vital trans-European transport projects and soft location factors;
3. Stresses that the cohesion policy in an enlarged European Union will be required to meet enormous needs and that, therefore, 0.41% of the Union's gross national income must be the minimum level of funding;
4. Appreciates the financial effort made in favour of ultra-peripheral regions, but considers that in order to compensate for the difficulties which those regions encounter in accessing the internal market it must be borne in mind that ultra-peripherality is a constant which does not vary as a function of income;

¹ COM(2004)0101.

5. Draws attention to the importance of supporting sparsely populated regions and of the special situation of island and mountain regions;
6. Welcomes the mainstreaming of URBAN and Equal, and the consequential increase in funding which will *inter alia* enhance the opportunities for cooperation between urban and regional authorities;
7. Notes that the Commission proposes that the ceiling on resources should remain at 1.24 % of GNI and agrees with the Commission that the proposed increase in the use of those resources, within the ceiling, is indispensable if the Union is to meet commitments and avoid increased public disappointment with Europe;
8. Observes that enlargement is an historic event of which we are all proud; stresses the need, however, for the financial cost of enlargement to be shared among all Member States in a fair and balanced manner in order to avoid the risk of the cost being borne only by the cohesion countries and the disadvantaged regions of the EU which have not yet completed the convergence process themselves;
9. Is aware that financial resources must be spent efficiently, but at the same time points out that the EU's cohesion and structural policy has in past years made clear the European added value achieved and has always helped to acquire further financial resources in the regions; is aware, furthermore, that the accession to the EU of the ten new Member States in 2004 presents a new challenge to cohesion policy as a whole, and at the same time marks the beginning of a long process of cohesion;
10. Considers it essential to back the Commission's proposal to plan the financial perspective for a seven-year period, ending in 2013, because of foreseeable teething troubles in the new financing period as well as the necessity of programming Structural Fund projects on a multi-annual basis;
11. Points out that, for the first time in the context of the 2004 EU enlargement, regions are, for statistical reasons, falling outside the Objective-1 criteria; recognises that regions and Member States which have seemingly become richer - only for statistical reasons - demand our special attention, and strongly supports in this context the proposal by the Commission to set up a new financial instrument within the convergence objective for phasing out; stresses the necessity of keeping the current rules on state aid in these regions;
12. Welcomes the possibility, in particular under new priority 2, of encouraging innovative actions in the regions, which represent a key factor for realisation of the Lisbon objectives and for the progress of the European Union; supports priority 2 assistance and underlines the important position which the 'regional competitiveness and employment' objective occupies in the overall context of the Structural Funds;
13. Believes that regions which lose their status on account of non-statistical growth should benefit from a phasing-out instrument;
14. Calls upon the Commission to recognise the interplay of regional policy with competition policy in regions affected by the statistical effect and to include in its

analysis the impact of the current and prospective State aid rules on the regions concerned;

15. Welcomes the creation of a Growth Adjustment Fund, which should permit the Union to take speedy and effective action to accelerate progress towards objectives the attainment of which is behind schedule; supports the Commission's view that the Community's commitment can make European assistance to address the specific problems of the regions concerned visible;
16. Recognises that there is a need for certain flexibility mechanisms, but takes the view that the latter must not have any effect on the political and quantitative priorities agreed in the financial perspective and must enable unexpected crises to be dealt with and must, consequently, be highly specialised in nature;
17. Notes that, in future, financial management of the Structural Funds will be more proportional and decentralised, thus shifting more of the responsibility for good financial management to the Member States and regions and municipalities; encourages the Commission in its efforts to rationalise procedures, reduce administrative costs and speed up decisions; requires the Commission, however, to make sure by means of suitable instruments, such as the performance reserve, that European funding is used in accordance with Community guidelines and, in order to ensure transparency, to inform Parliament of any inadequacy identified in national or regional financial control procedures as well as of the measures it has taken to rectify the situation;
18. Points out that, from a regional policy perspective, the multiannual nature of financial planning and consequent planning certainty are indispensable for the regions and that the financial perspective instrument must not be thoughtlessly called into question by any European institution; calls on the Council to work intensively with Parliament towards taking a decision on the financial perspective, as soon as possible, to the benefit of the enlarged Union and the integration thereof;
19. Calls upon the Commission to quantify the requests made above and upon the Temporary Committee on the Policy Challenges and Budgetary Means of the Enlarged Union to take this increase into account in its final report;
20. Urges the Commission to ensure that any measures adopted do not cause the cohesion policy to be cut back in favour of other policies and to be aware that, although cohesion expenditure should be used in order to achieve sustainable development, competitiveness cannot be a substitute for convergence in the Member States; condemns those Member States which have sought to reduce the European ideal to a sterile discussion of 'money in/money out';
21. Calls on the Commission to ensure that the schedule is maintained and the new programmes for the cohesion and structural policy can begin in 2007 on schedule.

PROCEDURE

Title	Policy challenges and budgetary means
Procedure number	2004/2209(INI)
Committee responsible	FINP
Committee asked for its opinion Date announced in plenary	REGI 15.9.2004
Enhanced cooperation	
Draftswoman: Date appointed	Constanze Angela Krehl 29.9.2004
Discussed in committee	19.1.2005
Date suggestions adopted	1.2.2005
Result of final vote	for: 42 against: 2 abstentions: 3
Members present for the final vote	Alfonso Andria, Stavros Arnaoutakis, Elspeth Attwooll, Jean Marie Beaupuy, Bastiaan Belder, Rolf Berend, Jana Bobošíková, Graham Booth, Giovanni Claudio Fava, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Pedro Guerreiro, Gábor Harangozó, Konstantinos Hatzidakis, Alain Hutchinson, Carlos José Iturgaiz Angulo, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Miloš Koterec, Constanze Angela Krehl, Ioannis Matsis, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, Jan Olbrycht, István Pálfi, Markus Pieper, Francisca Pleguezuelos Aguilar, Bernard Poignant, Elisabeth Schroedter, Alyn Smith, Grażyna Staniszevska, Catherine Stihler, Margje Sudre, Salvatore Tatarella, Kyriacos Triantaphyllides, Vladimír Železný
Substitutes present for the final vote	Philip Bradbourn, Simon Busuttil, Brigitte Douay, Mojca Drčar Murko, Richard Seeber, Thomas Ulmer
Substitutes under Rule 178(2) present for the final vote	