European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund, 2007-2013

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The Commission has prepared this Communication in order to set out an initial overview of the new generation of cohesion policy strategies and programmes for the period 2007-2013. It forms part of the Lisbon package, which is central to the new cohesion policy strategies and programmes. The report also reflects on the potential role of the cohesion programmes in taking the Lisbon Strategy forward.

To recall, the revised cohesion policy, approved in 2006, introduced a number of reforms including the need to take on a more explicit and transparent focus expressed through the "Community Strategic guidelines on Cohesion" (CSGs). This framework encourages the Member States and regions to focus on those areas of investment that help deliver the National Reform Programmes (NRPs) whilst taking account of national and regional circumstances. In addition, the Member States have been asked to "earmark" major parts of their financial allocations to investments that can make a significant contribution to the Lisbon objectives. Further, the reformed cohesion policy provides for greater decentralisation of responsibilities to local and regional partners. By pooling local and regional knowledge, expertise and resources, the cohesion policy is well placed to focus on investments with the highest impact on growth and jobs.

The strategies drawn up by the Member States for the 2007-2013 programming period indicate that a clear change of emphasis is underway, in favour of the key Lisbon priorities. Under the earmarking provisions, the EU-15 Member States are required to invest the predominant part of their financial allocations (in other words 60% of Funds for their Convergence regions and 75% for their Regions competitiveness and employment regions) into categories that are central to growth-enhancing and job-creating investments. For the EU-12, the targets are voluntary but all new Member States have engaged in the earmarking exercise, albeit to varying degrees.

Globally, the results have been encouraging. For the less developed regions under the Convergence objective in EU-27, which together account for over 80% of cohesion policy resources, 65% of the funds are to be invested in the Lisbon-related objectives. This represents an increase of 11 percentage points compared to the previous programming period. Regions with programmes falling under the Regional Competitiveness and Employment Objective, which account for 16% of cohesion policy resources, and which traditionally have had to concentrate their more limited allocations on the more productive investments, plan to continue to invest a high proportion of the funds, 82% of the total for 2007-2013, on Lisbon-related priorities.

For the EU15 Member States, for which earmarking is obligatory, the corresponding figures are, as is to be expected, somewhat higher at 74% for the Convergence Objective and 83% for the Regional Competitiveness and Employment Objective, although these percentages vary significantly both across Member States and between different regions.

For the EU-12 Member States (and for which the earmarking provisions are not compulsory), the figure is some 59% under the Convergence Objective, which is also the same figure attained in the very limited number of programmes in these Member States that are supported by the Regional Competitiveness and Employment Objective.

The report concludes by noting that resources for the new generation of cohesion policy strategies and programmes (2007-2013) will be used to take the Lisbon objectives on growth and jobs forward. Thanks, primarily, to the implementation of reforms agreed upon for the 2007-2013 period. Encouraged by new earmarking provisions, the cohesion policy appears to have changed the nature of discourse between the Commission, national governments and regional governments. The paper calls upon the Member States and the regions to implement and deliver, within their programming documents, policies that prioritise and strengthen the Lisbon Agenda on jobs and growth. Indeed, the Commission will continue to work closely with the Member States using the systems and procedures that have been put in place for monitoring, evaluation and, where necessary, the adjustment of the programmes. In Spring 2008, the Commission will provide a more detailed report following the conclusions of all negotiations on the programmes for 2007-2013.

To conclude, the Commission argues, that for the cohesions policy to be a real success, it is critical that strong economic growth, more and better jobs and higher standard of living for all of the EU's citizens is continually promoted.