

Economic and social cohesion. 2nd report

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PURPOSE: to present the Commission's Second Report on Economic and Social Cohesion. **CONTENT:** The Commission has chosen to present the Second Report on Economic and Social Cohesion at the beginning of 2001, which falls immediately after the first phase of the implementation of the reform of the Structural Funds, and after certain key decisions have been taken as regards financial allocations and geographical eligibility for support. It is, therefore, already possible at this stage to make a broad ex-ante assessment of the possible impact of reform. As the Treaty and the general Regulation on the Structural Funds require, the Report analyses the changes in cohesion and the factors which contribute to it. Without prejudging the timing, the procedures or the order of countries entering, the working hypothesis adopted relates to an enlarged Union of 27 Member States. So far as the data allow, each part of the Report includes consideration of the situation in an enlarged Union. This should be the context for analysis, rather than in terms of a more static analysis of the respective situation in the present 15 Member States and the 12 countries with which accession negotiations are taking place. An analysis of the regional features in Turkey, the 13th candidate country with which negotiations have not yet begun, is included separately. The report develops a set of conclusions and recommendations with a view to opening up a debate on the future of cohesion policy after 2006 in an enlarged European Union. The Commission is convinced that for the future, important changes will be required to a policy which was designed for the present Member States. While enlargement is a major part of the explanation for the need for change, it is not the only one in view of the far reaching economic and social and territorial changes affecting the present EU States. These changes are also examined in the report. The Commission itself is organising a Cohesion Forum in Brussels on 21 and 22 May 2001 to provide an opportunity for the exchange of ideas and discussion of future cohesion policy. The candidate countries will be fully involved in this consultation exercise. At a later stage, the Commission will set out proposals which will then be presented to the European Parliament and the Council of Ministers for a new cohesion policy to take effect from 1 January 2007.