

Agenda 2000: general regulation governing Structural Funds, revision for the period 2000-2006

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The committee adopted the report by Arlene McCARTHY (PES, UK) and Konstantinos HATZIDAKIS (EPP, Gr) . The report contains the Regional Policy Committee's position on a Council regulation laying down general provisions on the Structural Funds. - Objective 1. The report supports the Commission proposal defining these regions as those with a per capita GDP of less than 75% of the Community average (NUTS level II). However, it wants a list of these regions be annexed to the regulation, so that any exceptions to the rule can be scrutinised under the assent procedure. It also believes Objective 1 regions should receive two-thirds of the appropriations allocated to the Structural Funds under the Financial Perspective. - Objective 2 (declining regions). The report says that the population figures covered by this objective are only indicative and refer to the EU's overall population. They should, according to MEPs, constitute about 10% of the population in the case of industrial areas, 5% in the case of rural areas, 2% in the case of urban areas and 1% in the case of fisheries areas. The eligibility criteria proposed by the Commission are criticised by MEPs, who feel they are ill suited to reflect the structural weaknesses of regional economies. They therefore call for the adoption of supplementary indicators such as: wealth disparities within regions, low GDP, decline in population of working age, geographical handicaps (status as peripheral, island, mountain or external border regions) and environmental situation. - Objective 3 (human resources). The committee believes that European Social Fund measures should be carried out under a horizontal approach and thus cover all the regions of the Member States so as to provide a coherent framework for measures to promote the development of human resources. While approving the Commission proposal for automatic cancellation of unpaid commitment appropriations after two years, the committee calls for such funds to be reallocated to regional or other forms of Structural Fund assistance within the same Member State. The committee calls for the same transitional period to be granted to all former Objective 1, 2 and 5b regions (to prevent them slipping back and allow consolidation of the progress made) while maintaining existing priorities in the levels of aid granted. It also asks for the regulation to include clear criteria for the distribution of resources for regions which are to receive transitional support. It stresses that transitional support regions must be the only eligible regions whose financial support will be degressive. Transparency is essential, hence the demand for transparent criteria to be included in the regulation for indicative breakdowns, by Member State, of 100% of the commitment appropriations available. The committee believes that the list of priorities laid down by the Commission for the objectives, means and tasks of the Structural Funds should be indicative and not exhaustive, so that account can be taken of local and regional priorities. Priority, says the committee, should be given to INTERREG by including a special budget line on interregional co-operation with and between islands. The URBAN initiative should also continue, says the committee, contrary to the wishes of the Commission. The committee shares the Commission's concern about the need to improve the performance and cost-effectiveness of the Structural Funds, but fears that the "performance reserve" proposed by the Commission could create uncertainty in programme management. It therefore proposes the adoption of alternative mechanisms (involving reducing the size of the performance reserve and defining more clearly the allocation criteria). In view of the present climate of budgetary austerity in the Member States, the committee supports the Commission proposal to allocate annually 0.46% of Union GDP to structural actions (in the period 2000-2006). The committee wants greater involvement of local, regional, social, and environmental partners including NGO's to be reinforced in all the programming and implementing stages of the Structural Funds. The report argues for the continuation and strengthening of the code of conduct signed by the Commission and Parliament at the time of the 1993 reform of the Funds, which grants MEPs the right of political scrutiny of the implementation of the Regulations.