Agenda 2000: Cohesion Fund (amend. Regulation (EC) No 1164/94)

1998/0104(AVC) - 18/03/1998 - Initial legislative proposal

OBJECTIVE: in connection with the revision of the Structural Funds, to present the specific Regulation concerning the Cohesion Fund for the financial programming period 2000-2006, taking account of the implications of Agenda 2000 (COS0590). SUBSTANCE: After four years of operation, and despite considerable efforts, the current beneficiaries of the Cohesion Fund still have not reached the threshold set by the Protocol on Economic and Social Cohesion annexed to the Treaty on European Union, namely a GNP of at least 90% of the Community average. Therefore, in accordance with the Agenda 2000 proposals, it is proposed that the Cohesion Fund be retained in its existing form until 1996 with a financial framework of ECU 21 billion. As in the past, it will be used to finance projects in the fields of the environment and trans-European transport infrastructure networks. However, certain adjustments are proposed with the aim of preparing the Fund for operation with the future single currency and rendering it more effective: 1) macroeconomic conditionality: this will continue to apply, both for the countries not participating in the euro (Greece) and for those participating (Spain, Portugal and Ireland). In the case of the former, the current provisions will remain in force; in the case of the latter, conditionality will continue to apply but in addition there will be a requirement to respect the growth and stability pact. To monitor the possible emergence of excessive deficits in the countries concerned (which would result in financing being suspended), the Commission proposes to intervene: -either under the Council Regulation on multilateral surveillance, -or under the excessive public deficit procedure; 2) greater use of other sources of complementary private finance: in order to maximize the pump-priming effect of Community funding and improve the viability of projects, the mobilization of private financial resources is to be increased; 3) better application of the polluter-pays principle: the rate of assistance from the Cohesion Fund should be used as an incentive to ensure that European aid is compatible with appropriate pricing in the field of the environment; 4) an enhanced role for the Member States in financial control: the responsibility of the Member States for supervision and sound financial management of Community appropriations will be enhanced, as will coordination and cooperation with the Commission with regard to supervision.