# Structural Funds. 7th annual 1995 Report

1996/2216(COS) - 26/06/1997 - Text adopted by Parliament, single reading

In its adoption of the report by Mr Alfonso NOVO BELENGUER (ARE, E), Parliament expresses its concern at the degree of budgetary under-implementation as regards the Structural Funds, and, in particular, the European Social Fund. Parliament calls on the Commission to analyse the causes of the delays and to submit an annual report on the state of financial execution of each Community Support Framework and Union initiative. The Commission is asked to inform Parliament, in its subsequent annual reports, on developments concerning the outstanding appropriations. Parliament expresses its deep concern at the slow pace of the procedures for programming and allocation of appropriations in respect of the Funds, and advocates consideration of more carefully targeted measures and reallocation of unused resources to Member States which have demonstrated their capacity to absorb the appropriations concerned over the programming period in question. Parliament notes that in 1995 the shortfall was accounted for essentially by Member States not covered by the Cohesion Fund. Parliament welcomes the attention paid by the Commission to compatibility and complementarity of the Structural Funds with other Community policies, particularly environment policy. It calls on the Commission to undertake a closer analysis of the question of compatibility with the fundamental objective of the Structural Funds, namely economic and social cohesion. There are still considerable inequalities between the regions of Europe which have to be bridged: Parliament believes the Commission should draw up a study for new Community policies with a view to the reform of the Funds in 1999, the aim being to establish the causes of the gaps existing between the most developed regions and those suffering from natural disadvantages (island, outlying and mountain regions). Parliament notes that the principle of additionality is not always respected by the Member States: in respect of the first programming period, it notes the Commission's failure to ensure respect for the principle in all cases, in seven of the Member States. Parliament suggests the inclusion of an aid suspension clause linked to compliance with the additionality principle, in the context of the future reform of the Funds It rejects applying the conditionality principle to the Structural Funds, considering that they should not be subject to compliance with the convergence criteria or with the budgetary constraints envisaged in the future stability pact. Parliament commends the new assessment system providing for intervention by independent experts, and welcomes the Commission's drawing-up of the 'Common guide for monitoring'. Noting the substantial progress achieved in applying the principle of partnership with the regional authorities, Parliament deplores the shortcomings noted in the application of this principle with respect to local authorities and the social partners. In the interests of employment promotion, Parliament considers that the regional authorities and the social partners should have a greater role in the planning, management and monitoring of projects cofinanced by the EU. The workings of the monitoring committees should be improved. Parliament wishes to see a radical simplification of the existing administrative rules as part of the forthcoming reform of the regulations, as well as more decentralized management and the streamlining of procedures. With respect to agriculture, Parliament considers that the intervention of the Structural Funds is a key element in income support for farmers, and that the payment circuits should be made more flexible. Parliament reiterates its support for the efforts to decentralize management and its demand for the simplification of the rules and clarification of the question of eligible investment as far as agriculture is concerned. Finally, Parliament calls for the codecision procedure to be applied to the Structural Funds and the Cohesion Fund.