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

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Adopting the report by Mr Gerard COLLINS, (UPE, IRL) on the revision of the Cohesion Fund, the European Parliament considered that employment and equal opportunities should be mainstreamed in the Cohesion Fund, in the same way as in the Structural Funds. These were the key objectives which the Cohesion Fund should help achieve in the future. The Cohesion Fund was created in order to safeguard the application of this basic principle in the less developed economies of the European Union, to help them meet the EMU convergence criteria and to provide financial assistance to beneficiary countries in order to promote two sectoral policies, viz. the trans-European networks and the environment. These two policies place a relatively heavy financial burden on the budgets of the Member States in question, which structurally weaker economies find even harder to bear, which is why the European Parliament supported the Commission proposal to retain the eligibility criterion included in the protocol on social and economic cohesion, namely that the per capita GNP of beneficiary countries must be less than 90% of the Community average. The Treaty makes no provision for the addition of replacement or complementary criteria. On this basis, the four Member States which benefitted during the period of operation from 1993-1999 (Greece, Spain, Ireland and Portugal) will continue to be eligible for the next period (2000 to 2006). The four beneficiary countries have made significant progress but so far none has reached the 90% threshold. In addition, although three of them have qualified for EMU, they still have not reached European Union standards on the environment and transport, which is why the European Parliament argued for the Commission proposal to require use of the fund to be more closely linked to the creation of the trans-European networks. It also suggested that resources from the Cohesion Fund should be used to support projects to maintain and restore biodiversity. It considered that the regulation should optimize the implementation of the Fund by entering into force in time for new projects under the next stage to be operational by 1 January 2000. It called for the regulation governing the fund to stipulate the conditions and the agreements to be followed should any of the four countries need to be phased out of the Cohesion Fund, in order to prevent an economic backlash when aid was reduced. On the question of conditionality, Parliament considered that this was safeguarded by the Council decision on excessive public deficit (suspension of financing); it opposed conditionality based on the Stability and Growth Pact and called for the double conditionality proposed by the Commission to be clarified before a final decision was taken. Finally, the European Parliament called for a consultation procedure with the Council so that account could be taken of the various recommendations made by the European Parliament during the assent procedure.