

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

1998/0090(AVC) - 06/09/2004 - Follow-up document

The European Commission has prepared a legal examination detailing and assessing the separation of responsibility between the Community and Member States for managing the Structural and Cohesion Fund's budget. The Report scrutinizes the procedures through which, in co-operation with the Member States, the Commission can discharge its general responsibility for the implementation of the budget.

The first part of the Communication examines in some detail the current rules governing the Structural and Cohesion Funds in order to clarify the shared management responsibilities of each party. The second part of the report sets out the general guidelines adopted in July 2004. These guidelines formed the basis for the legislative proposal, which the Commission later adopted. The purpose of the guidelines was to increase the coherence, complementarity and efficiency of implementing the budget. This includes, for example, clarifying the Member State's obligation to co-operate – and the consequences for them if they fail to do so.

In the Communication, the Commission takes on board a number of suggestions proposed by the Court of Auditors regarding its responsibility to discharge and implement the budget. The Court of Auditors, for example, considers that the Commission should have the role of supervising operations both by defining the minimum requirements for them and by co-coordinating the objectives to be achieved as well as their implementation at all levels – i.e. national and Community. Although the Commission points to a number of measures it has taken to improve the efficiency of co-operation with the Member States it, nevertheless, acknowledges that more could be done. In order to address some of the shortcomings identified, the Commission has adopted a set of proposals to cover the reference period 2007-2013. In its proposal, the Commission suggests that the extent of its involvement in the checks should be proportionate to the assessed level of risk of irregularities. On a similar vein, the Commission proposes that the degree of Community intervention in the management and control procedures should also depend on the size of the Community contribution to the assistance.

To conclude, the report notes that greater management efficiency and simplification with financial checks should be accompanied by heavier penalties and measures to ensure rapid recovery in the event of irregularities or fraud. The consequences for not applying transparent rules regarding financing should be suitably severe. The rules should also include arrangements for the Commission to make financial corrections in cases where Member States fail to take adequate steps to comply with their obligations. Nor should the Commission hesitate to make use of procedures under Articles 226 and 228 of the EC Treaty in cases where Member States' have failed to fulfill their obligations.