European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund, 2007-2013

2004/0163(AVC) - 06/07/2005 - Interim resolution adopted by Parliament

The European Parliament adopted a resolution drafted by Konstantinos **HATZIDAKIS** (EPP-ED, GR) by 574 votes to 45 with 44 abstentions. Parliament could only approve the proposal in its entirety without amendment under the assent procedure. In a resolution, Members nevertheless proposed a number of adjustments to the Commission’s text. (Please see the document dated 24/05/2005.) The Council is urged to reach a decision at the earliest opportunity on the 2007-2013 financial perspective, and in any event before the end of 2005, to give the regions enough time to prepare new operational programmes.

The key points in the vote are as follows: that 0.41% of Community GDP should be earmarked for cohesion policy; a rejection of any significant modification to the overall architecture of the Commission proposals, including attempts to renationalise all or part of EU regional policy; cohesion policy to be ring-fenced from negotiations on the financial perspective or attempts to make drastic cuts in EU spending. Specifically on financing, Parliament called for a political solution providing for special compensation to be established for those regions or Member States that face substantial financial losses, due to the disparities caused by the implementation of the Commission proposal regarding the allocation of financial resources.Parliament regarded the Commission's proposal to allocate EUR 336.1 billion to support the three priorities of the revised cohesion policy as the bare minimum needed to make the reform a success.

Parliament called for statistical effect regions to have a funding level of 85% of the resources provided to the full convergence regions at the beginning of the funding period, which will reduce to 60% by 2013;

Given the serious need for structural funding for many EU regions in the new programming period, all resources allocated to cohesion policy should be spent for this purpose. Parliament called, therefore, for the possibility of re-using unspent resources due to the N+2 rules within Sub-heading 1b for the regions that are in a position to absorb them on the basis of the principles of effectiveness and fairness.

Regarding funding eligibility in calculating EU co-financing, the report proposes eligibility for spending on the renovation of social housing with a view to achieving energy savings and preserving the environment.

The report suggests that the Commission's budget proposal for the European territorial cooperation objective should be maintained and that interregional cooperation should be an integral part of this co-operation.

Parliament considered that the Commission proposal to impose financial corrections on firms that relocate their activities is an indispensable measure, in order not to put in jeopardy the consolidation of economic, social and territorial cohesion in the affected regions. It proposed the establishment of monitoring systems in order to quantify the economic and social costs of any relocation so that appropriate penalties may be set accordingly. At the same time, it called for the adoption of all necessary legal measures to ensure that firms which receive Community funding do not relocate for a long and predetermined period.

On the subject of maritime borders, the report opposes the arbitrary 150 km maximum distance between two maritime regions for them to qualify for funding within the framework of trans-border cooperation proposed by the Commission and calls for special measures to be taken to ensure that peripheral regions can also participate.

The resolution also calls for “balanced and fair treatment” for regions suffering from severe natural handicaps, such as islands, mountains, border areas and sparsely-populated regions. The report calls for a reference to these areas to be included in the strategic section of the national strategic reference framework to be adopted by the member states, mentioning the particular needs of the EU's ultra-peripheral areas, Malta and Cyprus. Parliament strongly supported the special action of EUR 1 100 million for the outermost regions proposed by the Commission, as well as the possibility of financing operating aid,

Focusing on the urban dimension, Parliament maintained the obligation to submit information on how the urban question is being dealt with in terms of ERDF (European Regional Development Fund) programmes, including a list of chosen areas.

Finally, Parliament concluded that financing levels should be at least equivalent to the current level.