

European Regional Development Fund (ERDF)

2004/0167(COD) - 06/07/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Giovanni Claudio **FAVA** (PES, IT) by 605 votes in favour, 37 against with 13 abstentions. (Please see the summary of 24/05/2005.) Parliament enlarged the scope of the regulation, saying it should cover urban and rural areas, areas dependent on fisheries, outlying and island regions, trans-frontier regions, mountain areas and those with serious natural or demographic handicaps.

Parliament decided that VAT costs should not be eligible for financing from the ERDF. On housing costs, Parliament stated that costs should also be excluded, with the exception of expenditure which relates to renovation of social housing with a view to saving energy and protecting the environment in the context of sustainable urban development.

Parliament's amendments emphasised that the ERDF should give priority to social inclusion and equality between men and women and to achieve environmental and social improvements through the implementation of Community environmental and social legislation. The promotion of equality will include support for the creation of firms, specific measures for female entrepreneurs to facilitate the economic exploitation of new ideas, and promotion of infrastructures and services enabling family and working life to be reconciled. Parliament also emphasised the need to remove the barriers faced by disabled people in accessing goods and services and built-up areas by ensuring that accessibility is a condition of any project benefiting from the Funds.

The report gave some focus to research and technological development (R&TD) and their integration into the European research area, with a view to reducing the technology gap between regions. The products of research financed wholly by public funds via the EC budget or national research institutes, which are not yet patented, may be offered to SMEs free of any charge provided that such research is directly transformed into an innovative industrial good. In order to support the exchange of knowledge without the necessity of developing new expertise, the application of a regional or national 'knowledge voucher' should be accessible as a general instrument.

Parliament also focused on economic and social regeneration of crisis-hit towns, cities and peripheral urban areas. Article 4 now includes comprehensive plans for sustainable development of crisis-hit urban areas, medium-sized and small towns functioning as centres and peripheral urban areas, revival of the town-hinterland relationship with regard to services of general economic interest. There should be direct aid to investment, with particular attention to high-quality clean technologies, in order to restructure heavy industries in the regions where transition to the market economy has taken place only recently.

The Council should now come to a common position during the British Presidency. The budget and the start date for the release of funds depend on an eventual agreement on the EU financial perspective 2007-2013.