

Cohesion Fund

2004/0166(AVC) - 06/06/2006 - Legislative proposal

PURPOSE : to lay down the objectives of the Cohesion Fund with a view to strengthening the economic and social cohesion of the Community in the interests of promoting sustainable development.

PROPOSED ACT : Council Regulation.

CONTENT : assistance from the Fund shall be given to actions in the following areas, ensuring an appropriate balance, and according to the investment and infrastructure needs specific to each Member State receiving assistance:

- trans-European transport networks, in particular priority projects of common interest as identified by Decision 1692/96/EC;
- the environment within the priorities assigned to the Community environmental protection policy under the policy and action programme on the environment.

In this context, the Fund may also intervene in areas related to sustainable development which clearly present environmental benefits, namely energy efficiency and renewable energy and, in the transport sector outside the trans-European networks, rail, river and sea transport, intermodal transport systems and their interoperability, management of road, sea and air traffic, clean urban transport and public transport.

Assistance from the Fund shall be conditional on the following rules: a) if the Council has decided in accordance with Article 104(6) of the Treaty that excessive government deficit exists in a beneficiary Member State, and b) has established in accordance with Article 104(8) of the Treaty that the Member State concerned has not taken effective action in response to a Council recommendation made under Article 104(7) of the Treaty, it may decide to suspend either the totality or part of the commitments from the Fund for the Member State concerned with effect from 1 January of the year following the decision to suspend.

If the Council establishes that the Member State concerned has taken the necessary corrective action, it shall decide, without delay, to lift the suspension of the commitments concerned.

At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended commitment in accordance with the procedure set out in the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

For further information concerning the financial implications of this measure, please refer to the financial statement.