

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

2004/0163(AVC) - 12/06/2006 - Legislative proposal

PURPOSE : to lay down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (2007-2013).

PROPOSED ACT : Council Regulation (General regulation).

CONTENT : the Council agreed on a general approach on a draft Council regulation laying down general provisions on the European regional development fund (ERDF) and the European social fund (ESF) and on a draft regulation on the EU's cohesion fund, pending the assent of the European Parliament.

This Regulation defines the objectives to which the Structural Funds and the Cohesion Fund are to contribute, the criteria for Member States and regions to be eligible under those Funds, the financial resources available and the criteria for their allocation. It defines the context for cohesion policy, including the method for establishing the Community strategic guidelines on cohesion, the national strategic reference framework and the process for examination at Community level.

The work of the structural funds and the cohesion fund will be concentrated on the three following redefined objectives:

1) Convergence of the Member States and the regions : the key aim of the renewed cohesion policy under the "convergence" objective will be to promote growth-enhancing conditions and factors leading to real convergence within the Union. It covers member states and regions whose development is lagging behind; the regions targeted by this objective are those whose per capita gross domestic product (GDP) measured in purchasing power parities is less than 75% of the Community average. Regions suffering from the statistical effect linked to the reduction in the Community average following enlargement of the Union will benefit for that reason from substantial transitional aid in order to complete the convergence process. This aid will end in 2013 and is not due to be followed by a further transitional period. Member states targeted by the convergence objective whose per capita gross national income (GNI) is less than 90% of the Community average will benefit under the cohesion fund. A total amount of **EUR 251 163 million** is foreseen for this objective over the seven year period.

2) Regional competitiveness and employment : this objective will cover member states and regions not eligible under the "convergence" objective. Eligible regions are those under objective 1 for the 2000-06 programming period that no longer satisfy the regional eligibility criteria of the "convergence" objective and therefore benefit from transitional aid, as well as all other regions of the Community. The "regional competitiveness and employment" objective will involve, through regional programmes financed by the European regional development fund, at helping regions and regional authorities to anticipate and promote economic change in industrial, urban and rural areas by strengthening their competitiveness and attractiveness, taking into account existing economic, social and territorial disparities. Through programmes financed by the European social fund, it is also aimed at helping people to anticipate and to adapt to economic change by supporting policies aimed at full employment, quality and productivity at work and social inclusion. A total amount of **EUR 49 127 million** is foreseen for this objective over seven years.

3) European territorial cooperation : this is a new objective proposed by the Commission, building on the experience of the Interreg initiative (interregional cooperation). It is aimed at furthering the balanced integration of the EU's territory by supporting cooperation between regions across land or sea frontiers. It will include actions to promote integrated territorial development and support for interregional cooperation and the exchange of experiences. A total amount of **EUR 7 750 million** is foreseen for this objective over seven years. The programming period for the structural funds and cohesion fund is of seven years as in the past.

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