

Growth and jobs: cohesion policy, Community strategic guidelines, 2007-2013

2006/0131(AVC) - 06/10/2006 - Final act

PURPOSE: to adopt the “Community Strategic Guidelines” on the EU’s cohesion policy.

LEGISLATIVE ACT: Council Decision 2006/702/EC on Community strategic guidelines on cohesion.

CONTENT: the strategic guidelines complete the legislative framework of the EU’s cohesion policy. To recall, in July 2006 the EU adopted a number of legislative acts which define the cohesion policy. They are:

- Council Regulation 1083/2006/EC *laying down general provisions on the ERDF, ESF and CF*. For a summary see AVC/2004/0163.
- Council Regulation 1081/2006/EC *on the European Social Fund*. See COD/2004/0165;
- Council Regulation 1084/2006/EC *establishing the Cohesion Fund*. See AVC/2004/0166;
- Council Regulation 1080/2006/EC *on the European Regional Development Fund*. See COD/2004/0167;
- Council Regulation 1082/2006/EC *on a European grouping of territorial cooperation (EGTC)*. See COD/2004/0168.

Background

The strategic guidelines set out the principles and priorities of the EU’s cohesion policy. They act as an indicative framework for the Member States when preparing their “National Strategic Reference Frameworks” or NSRFs for the period 2007-2013..

The EU’s Cohesion Policy is based on Treaty Article 158 which states that the Community must strive to strengthen the economic and social cohesion of an enlarged Union; the intention being to promote economic sustainable development across the EU’s regions and to correct current economic imbalances between the regions. The Funds, together with the help of the European Investment Bank (EIB) as well as other existing financial instruments, are the means with which the Community realises this objective.

The strategic guidelines recommend how to make best use of the EUR 308 billion set aside for the ERDF, the ESF and the CF. Under the new legal framework, the guidelines represent the first stage in a three-stage procedure for implementing the cohesion policy. In a second stage the Member States produce their own national strategies based on the Guidelines, which take account of their specific challenges and opportunities. The national strategies, in turn, form the basis of the individual programmes which set out detailed expenditures plans for the development of individual sectors such as transport or telecommunications or the development of individual regions.

The Community Strategic guidelines on economic, social and territorial cohesion.

The guidelines are based on three priorities:

- 1) **Making Europe and its regions more attractive places in which to invest and work.** A number of actions are listed under this guideline and include, inter alia, support for rail infrastructure, supporting environmentally sustainable transport networks in urban areas and improving the connectivity of landlocked, insular or outermost territories of the TEN-T projects. Attention must also be given to the “motorways of the sea” and to short-sea shipping as a viable alternative to long-distance road and rail transport. In the energy sector, the guidelines propose projects which improve energy efficiency; the development and use of renewable and alternative technologies for heating (wind, solar biomass etc.) and investment in traditional energy sources to develop networks where there is evidence of market failure.
- 2) **Improving knowledge and innovation for growth.** A number of actions are foreseen under this guideline and include, amongst others, strengthening business co-operation; helping SME’s access RT&D funding; strengthening R&D capacity building; ensuring the availability of electronic services to both businesses and households and ensuring the availability of the ICT infrastructure in cases where the market fails to provide it at an affordable cost. This applies especially to remote and rural areas. Under this heading the guidelines also pay particular attention to improved access to finance. The Member States should consider supporting non-grant instruments such as loans and grants and to facilitate SME access to micro-credit.
- 3) **More and better jobs.** The drive for full employment and higher productivity depends on a wide variety of actions, which have been showcased above. The challenge is to create both high quality and permanent jobs. In terms of human capital development, three priorities for action have been set: to attract and retain more people in employment and to modernise social protection systems; to improve the adaptability of workers and enterprises and the flexibility of the labour markets and to increase investment in human capital through better education and skills. The type of action foreseen under this third heading includes developing policies that achieve full, quality employment; that promote a life-cycle approach to work and that recognise inclusive labour markets.

In addition, the guidelines establish four key principles that need to be applied whilst preparing national programmes. Firstly, attention must be given to the renewed Lisbon Agenda. Focus should, therefore, be given to knowledge, research and innovation and human capital. Secondly, the Member States are asked to pursue the objective of sustainable development. When preparing programmes for growth the national authorities will be obliged to take environmental considerations into account. Thirdly, the Member States must apply the principle of equality between men and women when preparing and implementing their programmes and fourthly, Member States are requested to take the necessary steps to prevent any discrimination on the basis of gender, race, ethnic origin, religion, belief or sexual orientation.