Basic information

1998/0118(CNS) CNS - Consultation procedure Regulation	Procedure completed
Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC) **Subject** 4.70.02 Cohesion policy, Cohesion Fund (CF) 8.20.28 Structural funds and instruments	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Policy	COLLINS Gerard (UPE)	25/06/1998

Former committee responsible	Former rapporteur	Appointed
REGI Regional Policy	COLLINS Gerard (UPE)	25/06/1998

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	KELLETT-BOWMAN Edward T. (PPE)	03/06/1998
ECON Economic and Monetary Affairs, Industrial Policy	PORTO Manuel (PPE)	25/06/1998
ENER Research, Technological Development and Energy	CAMISÓN ASENSIO Felipe (PPE)	23/06/1998
TRAN Transport and Tourism	SISÓ CRUELLAS Joaquín (PPE)	19/05/1998
ENVI Environment, Public Health and Consumer Protection	MYLLER Riitta (PSE)	25/02/1998
PECH Fisheries		

Former committee for opinion	Former rapporteur for opinion	Appointed

	CONT Budgetary Control	DANKERT Pieter (PSE)	16/03/1998

Council of the European Union	Council configuration	Meetings	Date
	General Affairs	2192	1999-06-21

Key events

Date	Event	Reference	Summary
18/03/1998	Legislative proposal published	COM(1998)0130	Summary
26/10/1998	Vote in committee		Summary
26/10/1998	Committee interim report tabled for plenary	A4-0395/1998	
21/04/1999	Vote in committee		Summary
21/04/1999	Committee report tabled for plenary, 1st reading/single reading	A4-0228/1999	
05/05/1999	Debate in Parliament		
21/06/1999	Act adopted by Council after consultation of Parliament		
21/06/1999	End of procedure in Parliament		
26/06/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/0118(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 000 Rules of Procedure EP 050
Stage reached in procedure	Procedure completed
Committee dossier	REGI/4/10890 REGI/4/10165

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee interim report tabled for plenary		A4-0395/1998 OJ C 379 07.12.1998, p. 0004	26/10/1998	
		T4-0674/1998		

Interim resolution adopted by Parliament		OJ C 379 07.12.1998, p. 0123-0174	19/11/1998	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0228/1999 OJ C 279 01.10.1999, p. 0007	21/04/1999	
Text adopted by Parliament, 1st reading/single reading		T4-0433/1999 OJ C 279 01.10.1999, p. 0255-0321	06/05/1999	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary legislative basic document	06961/1/1999	09/04/1999	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1998)0130	18/03/1998	Summary
Document attached to the procedure	COM(1998)0182	18/03/1998	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0235/1998 OJ C 051 22.02.1999, p. 0010	18/11/1998	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 1999/1265
OJ L 161 26.06.1999, p. 0062 Summary

Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC)

1998/0118(CNS) - 09/04/1999 - Supplementary legislative basic document

Following on from the outcome of the Berlin Summit (23.03.1999) and the overall agreement reached by the Fifteen on Agenda 2000, this text consitutes the Council's consolidated version amending Annex II to Regulation (EC) No. 1164/94 establishing a Cohesion Fund (AVC98104). For the most part, this text retains the general structure proposed by the Commission in March 1998 in its initial proposal, but it introduces innovations with respect to the intervention of the Funds. The Council has retained the changes proposed by the Commission with respect to simplification of the financial management of projects but extended the link with the effective realisation of actions. Contrary to the Commission's proposal which sought to limit to 10% advances for payments from the Fund, the Council agreed on a rate of 20% following the signature of contracts. For projects with a

duration of less than two years or where Community assistance is less than EUR 50 million, the Council considers an initial commitment of 80% of assistance may be made when the Commission adopts the decision to grant Community assistance. In addition, a project which has not started within 2 years from the date of its expected start as indicated in the decision granting assistance can be cancelled. In any case, the Commission shall inform in good time the Member States and the designated authority whenever there is a risk of cancellation. There are also provisions laid down regarding strengthening project implementation measures (interim payments will be subject to strict conditions of presentation at various stages of progress of the work). The Council also specifies that the cumulated amount of payments cannot exceed 80% of the total amount of assistance granted (90% in certain justified cases). Lastly, the Council strengthened the measures for controlling expenditures and gave greater responsibility to the beneficiary state in terms of financial management. Co-operation between the beneficiary and the Commission in respect of the monitoring of projects has also been strengthened and systematised.

Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC)

1998/0118(CNS) - 06/05/1999 - Text adopted by Parliament, 1st reading/single reading

Under consultation procedure, the European Parliament adopted the report by Gerard Collins (UPE,EI), which approves the Commission proposal for a Council regulation amending Annex II to Regulation 1164/94/EC establishing a Cohesion Fund, subject to amendments requiring greater account to be given to environmental indicators and the views of the legally competent environmental authorities when implementing actions under the Fund.

Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC)

1998/0118(CNS) - 21/06/1999 - Final act

PURPOSE: amendment of certain technical aspects of the Regulation establishing the Cohesion Fund for the 2000-2006 period. COMMUNITY MEASURE: Council Regulation 1265/1999/EC amending Annex II to Regulation 1164/94/EC establishing a Cohesion Fund. CONTENT: In addition to the amendments adopted in the parallel procedure seeking to amend the Cohesion Fund (AVC980108), this Regulation makes a number of changes to the implementing provisions for the Regulation with a view to improving the use of the Cohesion Fund. The main changes concern the following aspects: - the definitions of 'project', 'project stages' and 'groups of projects' are further clarified; - ex ante evaluation of projects is strengthened in that the Regulation requires Member States to carry out a more complete study of the alternatives to, and the environmental impact of, the project; - financial management: in order to simplify the commitment system, the Regulation introduces the obligation to make commitments at the start of each financial year. Payments must also be made as follows: a single payment on account of up to 20% of the Fund assistance, and subsequent payments to refund the expenditure certified and actually paid; balance of 10-20% once the project has been completed; - financial redress: the Regulation introduces various measures to penalise failure to complete projects, including cancellation of the assistance granted; - the euro is to be used for all Cohesion Fund transactions. ENTRY INTO FORCE: 01.01.2000.

Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC)

1998/0118(CNS) - 18/03/1998 - Legislative proposal

OBJECTIVE: to amend certain technical aspects of the Regulation establishing the Cohesion Fund, in connection with the revision of the Structural Funds for the financial planning period 2000-2006 and taking account of the implications of Agenda 2000 (COS0590). SUBSTANCE: Apart from the substantive changes presented in the context of a parallel procedure to amend the Cohesion Fund (AVC98108), the Commission proposes a series of adjustments to the annexes establishing the Cohesion Fund, concerning the way in which the Fund operates. The main amendments concern: -the definitions of 'project', 'groups of projects' and 'stages of projects'; -the assessment of alternatives at the time of presentation of the various projects and assessment of their environmental impact; -the financial management of projects: the Commission proposes a simpler system for budgetary commitments, which should in principle be made at the beginning of each financial year. As regards payments, a single advance not exceeding 10% of the assistance from the Fund is proposed, in order to limit advances during the first year of the project. In addition, in order to ensure that subsequent payments are based on genuine expenditure, the Commission proposes making reimbursements of certified expenditure in respect of which payments have actually been made. Provisions are proposed to penalize non-implementation of projects, which would have the effect of freezing certain Community budget commitments; -the introduction of financial corrections when the Commission observes irregularities in the implementation of a project or where changes to an operation mean that it no longer merits the assistance.

Agenda 2000: Cohesion Fund (amend. annex II regul. 1164/94/EC)

1998/0118(CNS) - 19/11/1998 - Interim resolution adopted by Parliament

In adopting the report by Mr Gerard COLLINS (UPE, Irl.) on revision of the Cohesion Fund Parliament considered that the main horizontal themes of harmonisation such as employment and equality of opportunity should also be integrated into the Cohesion Fund as they are in the Structural Funds. These were key objectives that the Cohesion Fund should be in a position to achieve in the future. The Cohesion Fund was set up to ensure application of this basic principle in the least developed economies of the European Union, to assist them to fulfil the EMU convergence criteria and to provide financial assistance so that the beneficiary countries would implement two specific policies, namely trans-European networks and the environment. These two policies place a relatively heavy financial burden on the budgets of the Member States concerned, which is proportionally greater for the structurally weakest economies. Parliament therefore supported the Commission proposal to keep the eligibility criterion provided under the Protocol on economic and social cohesion: a per capita GNP for the beneficiary country of less than 90% of the Community average. The Treaty makes no provision for substitution or additional criteria and therefore the four Member States which have been beneficiaries during the period of operation 1993-1999 (Greece, Spain, Ireland and Portugal) would remain eligible for the subsequent period from 2000 to 2006. The four beneficiary

countries have made significant progress but none have yet reached the 90% threshold. Furthermore, while three have gained a place within EMU, they have still not achieved Community standards in respect of environment and transport. It is for this reason that Parliament called on the Commission to include in its proposal the need to link the use of the fund more closely to the creation of trans-European networks. It also suggested that the resources of the Cohesion Fund should support projects for the maintenance and restoration of biodiversity. It considered that, in order to optimise utilisation of the Fund, the regulation should enter into force such that the new projects under the next phase can be operational from 1 January 2000. It called for the Fund regulation to include the conditions and the necessary arrangements for a phasing out of any of the four countries concerned, in order to avoid sharp economic shocks resulting from a reduction in assistance. Parliament considered that the Commission Proposal (Article A) should be integrated into Article 1 of the main regulation under the assent procedure as it was not an implementing provision but defined the designation of projects, of stages or groups of projects and modified the fundamental principles of the Cohesion Fund. With regard to the economic and budgetary aspects, Parliament noted that there was a need to improve transparency and for the next programming period called for the amounts programmed and annually estimated in the budget to be clearly identified for each beneficiary country. Parliament called for the projects to be selected on the basis of their potential to achieve the social, economic and environmental objectives underlying them. It welcomed the greater emphasis on private funding but considered nonetheless that decisions on such matters should in each case be taken by the Member State. It called for some 5% of the total fund endowment to be made available for small projects grouped into a larger entity. It also considered that a single advance of only 10% was too limited, at least for short projects. It therefore suggested that projects with a total length of one or two years should receive an advance at a level close to what was currently practised. It also stressed the need for a clearer definition of the tasks of each of the different levels involved for evaluation, monitoring and financial control of the implementation of the Fund (competence shared between the Union, national and regional levels - partnership principle). It also considered that the proposal on automatic cancellation of assistance should be reconsidered in order to include reassignment of the cancelled assistance to other projects in the same Member State. With regard to conditionality and intervention, Parliament considered that it was assured through the Council decisions on excessive public deficits (suspension of financing); it opposed the conditionality of the Fund vis-à-vis the Stability Pact and called for the double conditionality proposed by the Commission to be clarified before a final decision was taken. In conclusion, Parliament called for the opening of a conciliation procedure with the Council in relation to how Parliament's various recommendations have been taken into account under the assent procedure.