Basic information

1998/2080(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Links between regional and competition policy **Subject** 2.60 Competition 4.70 Regional policy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Policy	AZZOLINI Claudio (UPE)	18/11/1997

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
17/03/1998	Non-legislative basic document published	N4-0247/1998	Summary
29/04/1998	Committee referral announced in Parliament		
27/10/1998	Vote in committee		Summary
27/10/1998	Committee report tabled for plenary	A4-0412/1998	
27/01/1999	Debate in Parliament		
09/02/1999	End of procedure in Parliament		
28/05/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/2080(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148

Stage reached in procedure	Procedure completed
Committee dossier	REGI/4/09993

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0412/1998 OJ C 379 07.12.1998, p. 0006	27/10/1998	
Text adopted by Parliament, single reading		T4-0073/1999 OJ C 150 28.05.1999, p. 0017-0049	09/02/1999	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	N4-0247/1998	17/03/1998	Summary

Links between regional and competition policy

1998/2080(COS) - 17/03/1998 - Non-legislative basic document

OBJECTIVE: the Commission communication deals with regional policy and competition policy and seeks to reinforce their concentration and mutual consistency in the context of Agenda 2000. SUBSTANCE: taking into account the various stages which must still be completed and the various parties involved, all the conditions are in place, from the Commission's point of view, for consistency to be achieved from 2000 between the two different types of regional area, namely the areas where national regional aids are authorised (Article 92(3) of the Treaty) and the areas where these aids are not authorised. In adopting this communication the Commission wishes to encourage the Member States to do the same, both individually and collectively within the relevant Council bodies. Therefore: - the Commission will propose to the Council that in the future Structural Fund regulations the regions lagging behind in their development should be designated by strictly applying the ceiling of 75% of per capita GDP so that these regions are the same as those qualifying for exemption under Article 92(3)(a) and thus to avoid consequent inconsistencies between the Objective 2 list and the designations under Article 92(3)(c); - in the light of the guidelines on regional state-aid schemes, the Commission calls on the Member States to notify it under Article 92(3) of all the regions treated as Objective 1 regions or qualifying for a separate regime of their own; - in the context of the future Structural Fund regulations the Commission will not accept a region as eligible under the new Objective 2 unless the Member State concerned undertakes to include it in the list of assisted regions notified to it under Article 92(3)(c). In duly justified cases the Commission could include other regions in the new Objective 2 as exceptions; - the Commission stresses that the guidelines on regional aid schemes identify eligibility under the Structural Funds as a major selection criteria; - it provides that the two designation exercises will start and end in time to guarantee that decisions can be taken in time for both designation lists to come into effect on 1 January 2000; - lastly it notes that the ceiling for coverage of total Community population in the regions of the Union (EU 15) selected under Article 92(3)(a) and 92(3)(c) is to be 42.7% in the period 2000-06.

Links between regional and competition policy

1998/2080(COS) - 09/02/1999 - Text adopted by Parliament, single reading

The resolution on the communication from the Commission to the Member States on the links between regional policy and competition policy was approved by the European Parliament. This report, by Claudio Azzolini (UPE,IT) proposes that the Commission's guidelines concerning Article 92(3)(a) should include all the areas to be incorporated into Objective 1 (that is, not only those with less than 75% of the Community's mean GDP per capita, but also the outermost regions and those which meet the current Objective 6 criteria). For the purpose of interpreting Article 92(3)(a), it considers that the areas "where the standard of living is abnormally low or where there is serious underemployment" should be defined in accordance with new Objective 1 but should the list of Objective 1 areas include limited exceptions to this rule, they should also be covered by Article 92(3)(a). The Parliament is concerned, from the point of view of consistency, about possible divergences between the criteria employed under Article 92(3)(a) and the Community criteria for eligibility under new Objective 2. It is also concerned that, given that the absolute value of Community aid is declining, the provisions of the new guidelines which limit the permitted intensity of national aid more strictly than before may damage the economic development of the most disadvantaged Objective 1 areas and many new Objective 2 areas which will receive less aid than before. The report asks for aid currently permitted by the new guidelines to be intensified for investment in the most remote regions and all other geographically disadvantaged regions referred to in the Treaty of Amsterdam, while also pointing out the need for continued support of structurally weak regions in the wealthier Member States. It

also insists that concentration of funding on the most disadvantaged areas of the Community must not mean that national support is only permitted in these regions. With regard to transitional funding of regions which no longer qualify for Objective 1, the Parliament considers the provisions laid down in the new guidelines on Article 92(3)(a) to be too strict and further wishes to see provision made under Article 92(3)(a) for the transitional funding of former Objective 2 regions. In all of these areas of concern, the Parliament would like to see the Commission take a more flexible approach and expresses its willingness, as guarantor of the objective of economic and social cohesion, to hold the Commission to account in this respect. It also warns that if the Commission does not find solutions to these problems, the internal market will be placed at risk from an uncontrollable proliferation of fiscal and substitution measures. The Parliament wishes to see generally strengthened coordination between business development policy and the Community's regional policy in order to limit distortions in all the Member States. It welcomes the Commission's recent decision, for projects requiring major inputs of capital, to limit aid to projects which will have an indisputable regional impact. In this context, it further calls on the Commission to extend this system to all sensitive industries still governed by specific rules on control over State aids, to set up a system of monitoring and controls to ensure the long-term commitment of the assisted undertakings to regional development and to give general consideration to the regional impact of all national aid systems and assess as precisely as possible the positive and negativeimpact of national regional aid according to the various forms it takes.