

Basic information	
2001/2207(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Economic and social cohesion. 2nd report	
Subject 4 Economic, social and territorial cohesion	

Key players			
European Parliament	Committee responsible		Rapporteur
	RETT Regional Policy, Transport and Tourism		MUSOTTO Francesco (PPE-DE)
	Appointed		20/03/2001
	Committee for opinion		Rapporteur for opinion
	ECON Economic and Monetary Affairs		ETTL Harald (PSE)
	Appointed		10/04/2001
	ITRE Industry, External Trade, Research, Energy		DAMIÃO Elisa Maria (PSE)
	Appointed		21/03/2001
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.
	ENVI Environment, Public Health, Consumer Policy		The committee decided not to give an opinion.
Council of the European Union	AGRI Agriculture and Rural Development		The committee decided not to give an opinion.
	PECH Fisheries		NOGUEIRA ROMÁN Camilo (V/ALE)
	FEMM Women's Rights and Equal Opportunities		TORRES MARQUES Helena (PSE)
Commission DG		Commissioner	

European Commission		
	Regional and Urban Policy	

Key events			
Date	Event	Reference	Summary
31/01/2001	Non-legislative basic document published	COM(2001)0024 	Summary
10/12/2001	Committee referral announced in Parliament		
19/12/2001	Vote in committee		
19/12/2001	Committee report tabled for plenary	A5-0007/2002	
06/02/2002	Debate in Parliament		
07/02/2002	Decision by Parliament	T5-0060/2002	Summary
07/02/2002	End of procedure in Parliament		
18/02/2002	Debate in Council		
21/11/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2207(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	RETT/5/15352

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0007/2002	19/12/2001	
Text adopted by Parliament, single reading		T5-0060/2002 OJ C 284 21.11.2002, p. 0209-0329 E	07/02/2002	Summary
European Commission				
Document type	Reference		Date	Summary
Non-legislative basic document	COM(2001)0024 		31/01/2001	Summary

Non-legislative basic document		COM(2003)0034 	30/01/2003	Summary
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0074/2001 OJ C 107 03.05.2002, p. 0027	14/11/2001	

Economic and social cohesion. 2nd report

2001/2207(COS) - 07/02/2002 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Francesco MUSOTTO (EPP-ED, I). It welcomes the results achieved in recent years as regards cohesion and the favourable impact it has had on the European Union's regional policy regarding the reinforcement of economic and social cohesion in the Community as a whole. It also points out that the principle of cohesion, and thus solidarity, is sanctioned by the Treaties and constitutes one of the foundation stones for integration of the Union's peoples and territories. It emphasises, however, that the progress made has been uneven and that specifically, although there has been a recovery in terms of per capita income among the Member States, unacceptable regional disparities remain, and these gulfs are widening instead of narrowing, leading to grave concerns about the possible further marginalisation of the most underdeveloped regions. It notes that with enlargement differences and disparities between the regions will substantially increase. The Parliament is convinced that a proper regional development policy must create conditions in underdeveloped areas that will promote new economic initiatives, stimulate the optimal use of regional resources and remove the structural factors responsible for delays, instead of restricting itself to merely reducing their effects through the compensatory transfers of resources. The resolution stresses the need to promote the overall harmonious development of the Community and points out that the European spatial development perspective (ESDP) can make a positive contribution to the development of a polycentric model. It expresses concern at the sharp disparities in unemployment which persists in many regions of the EU, together with the inadequate levels of vocational training and firmly believes that a proper regional development policy with flexible instruments can create fresh investment prospects and job opportunities in the less-favoured areas as well as helping to make optimum use of existing regional resources. It, on the other hand, deplores that partnership has only been partially applied; in fact, in some sectors (NGOs local authorities) have only been consulted at a late stage or have been given limited time to contribute to 2000-06 programming. The Parliament asks the competent national and regional authorities to apply the "bottom-up" principle at all programming, implementation and evaluation stages, so that local and regional actors are fully involved both in current EU regions and in the applicant countries. It regrets the fact that no penalty can be imposed when Member States infringe the additionality principle. It requests that the Commission present at the earliest opportunity a more detailed analysis of the impact of the principal Community policies on economic and social cohesion on the basis of the socio-economic indicators being drawn up and considers therefore that it is vitally important to implement a system to monitor variations in the impact of the various Community policies on European cohesion. With regard to cohesion policy after 2006, the Parliament welcomes the Commission's second report on economic and social cohesion and considers it to be useful and necessary basis for embarking on a broader debate on post-2006 cohesion policy. It regrets however that insufficient attention is being paid to the challenge posed by the forthcoming enlargement of the Union. Lastly, with regard to the funding for the future cohesion policy, the Parliament reiterates that future cohesion policy must be based on the principle of solidarity, partnership and additionality. It believes that it is not possible to fall below the level of 0.45% of Community GDP earmarked for cohesion policy without jeopardising the success of cohesion policy objectives and also believes that an evaluation of the needs of cohesion policy is necessary in the immediate future in the context of the financial perspectives with a view to enlargement. It reiterates the importance of the principle of additionality, as the only way of ensuring sufficient resources and operational synergies with Member States' governments. With this in view, it believes that the ceiling for Community funds should remain at 4% of national GDP for all Member States.

Economic and social cohesion. 2nd report

2001/2207(COS) - 31/01/2001 - Non-legislative basic document

PURPOSE: to present the Commission's Second Report on Economic and Social Cohesion. **CONTENT:** The Commission has chosen to present the Second Report on Economic and Social Cohesion at the beginning of 2001, which falls immediately after the first phase of the implementation of the reform of the Structural Funds, and after certain key decisions have been taken as regards financial allocations and geographical eligibility for support. It is, therefore, already possible at this stage to make a broad ex-ante assessment of the possible impact of reform. As the Treaty and the general Regulation on the Structural Funds require, the Report analyses the changes in cohesion and the factors which contribute to it. Without prejudging the timing, the procedures or the order of countries entering, the working hypothesis adopted relates to an enlarged Union of 27 Member States. So far as the data allow, each part of the Report includes consideration of the situation in an enlarged Union. This should be the context for analysis, rather than in terms of a more static analysis of the respective situation in the present 15 Member States and the 12 countries with which accession negotiations are taking place. An analysis of the regional features in Turkey, the 13th candidate country with which negotiations have not yet begun, is included separately. The report develops a set of conclusions and recommendations with a view to opening up a debate on the future of cohesion policy after 2006 in an enlarged European Union. The Commission is convinced that for the future, important changes will be required to a policy which was designed for the present Member States. While enlargement is a major part of the explanation for the need for change, it is not the only one in view of the far reaching economic and social and territorial changes affecting the present EU States. These changes are also examined in the report. The Commission itself is organising a Cohesion Forum in Brussels on 21 and 22 May 2001 to provide an opportunity for the exchange of ideas and discussion of future cohesion policy. The candidate countries will be fully involved in this consultation exercise. At a later stage, the Commission will set

out proposals which will then be presented to the European Parliament and the Council of Ministers for a new cohesion policy to take effect from 1 January 2007.

Economic and social cohesion. 2nd report

2001/2207(COS) - 30/01/2003

PURPOSE : to present the second progress report on economic and social cohesion. CONTENT : the report mainly covers three topics: - analysis of the situation and trends concerning economic and social cohesion in the EU with 15 and with 25 Member States; - the main topics of the debate on future cohesion policy in 2002; - preparing for enlargement up to the end of 2006; 1) Economic and Social Cohesion: Situation and Trends : EU enlargement in 2004 will present an unprecedented challenge for cohesion. Several factors need to be considered, including: - An unprecedented widening of economic disparities within the Union: the gap in per capita GDP between the 10% of the population living in the most prosperous regions and the same percentage living in the least prosperous ones will more than double in EU 25 compared with the situation in EU15. - The geographical shift in the pattern of disparities: in EU25, 116 million people, or 25% of the total population, will live in regions with a per capita GDP below 75% of the EU average as opposed to 68 million people, or 18% of the total, in EU15. - A less advantageous employment situation : three million jobs will have to be created if the average level of employment in the new Member States is to be aligned with that of the rest of the EU. On the other hand, other factors demonstrate the economic potential of an enlarged EU: the candidate countries in general have had a higher rate of economic growth than the present Member States and overall will help raise the average level of education in the Union. 2) The debate on future cohesion policy continues : the debate on the future of cohesion policy has remained intense throughout 2002 since the publication of the first progress report a year ago. Contributors have stressed the added value of EU regional policy in generating jobs and incomes in less well-off Member States and regions, promoting territorial integration, achieving Community priorities, and contributing to better governance. The following issues emerged as central to the agenda for future policy: - Less developed regions : there is a broad consensus on the need to continue to concentrate resources on the less developed regions. On the definition of these regions, the contributions to the debate have not seriously questioned the continued use of the present eligibility criteria based on regional GDP. - Special cases : there are concerns, as well as demands for special treatment, for some of today's generation of less developed (Objective 1) regions. These include those that will experience an increase in their relative income per head simply as a result of the decline in average per capita GDP in the enlarged Union, with consequences for their eligibility for EU support. Other concerns relate to the future of the least densely populated regions in the North. A particular case is that of the outermost regions whose particular handicaps are explicitly recognised in Article 299 of the Treaty. - Action outside the less developed regions : in the current period, 2000-06, approximately one-third of the Structural Funds is allocated to regions which are not eligible under Objective 1. This is because of the many problems faced even in relatively prosperous Member States where the Union has a particular added value to contribute in terms of raising competitiveness, promoting sustainable development, and contributing to economic restructuring. - Co-operation : co-operation across frontiers and between regions is a European responsibility par excellence and there is universal demand for such efforts to be continued beyond 2006, possibly on the basis of new cross-border legal frameworks. - Simplifying management : simplification and greater decentralisation of responsibilities is an issue to be addressed both for current and future programmes. There is a general agreement that current management systems with very detailed rules are inappropriate, given the vast differences in needs, types of assistance and resources made available. There is also wide recognition that enlargement will aggravate the tension between the need for a more decentralised delivery system and the need for effective control. An avenue to be explored is that of a contractual approach involving the Commission, the national authorities, and the regional authorities perhaps in some official tripartite arrangement. - Financial resources : when establishing the future budgetary allocations for economic and social cohesion, the Union will need to take account of the unprecedented scale of disparities in an enlarged Union. The Commission will put forward its proposals on the new financial perspective in due course. Many contributions to the debate, especially at regional level, relate to a figure equivalent to 0.45% of EU GDP as a minimum level for the resources to be allocated to cohesion policy for the period after 2006, a position which was endorsed notably by the European Parliament. 3) Preparing for enlargement up to the end of 2006 : accession negotiations with Estonia, Latvia, Lithuania, Slovakia, Slovenia, Hungary, the Czech Republic, Cyprus, Malta and Poland were completed at the Copenhagen European Council in December 2002 which finally opted for an envelope of almost Euro 21.7 billion for the Structural Funds and the Cohesion Fund for the period 2004-06. Aid from the Structural Funds will inevitably be delivered mainly through Objective 1 programmes. One third of the global financial allocation will be delivered through the Cohesion Fund. As regards the future deadlines : the third report on economic and social cohesion will be adopted at the end of 2003. Wide-ranging consultations will take place in 2003, including a major event in March 2003 on the future management of the Structural Funds. There are also plans to arrange consultations on the proposals of the third report in 2004 as part of a Forum on cohesion. The Commission will present its overall proposals for all policies together with the financial perspectives for the period after 2006. The objective is to ensure that 2006 is devoted to the negotiations with the Member States and the regions on the new programmes for 2007-13.