Basic information

2003/2095(INI) INI - Own-initiative procedure	Procedure completed
Economic and social cohesion: regional trends, debate on future developments: 2nd interim report **Subject** 4 Economic, social and territorial cohesion 8.20.08 Enlargement's economic and monetary point of view 8.20.20 Enlargement's employment and social point of view 8.20.26 Enlargement's regional point of view	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
RETT Regional Policy, Transport and Tourism	MASTORAKIS Emmanouil (PSE)	19/03/2003

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2488	2003-02-24

European Commission

Commission DG	Commissioner
Regional and Urban Policy	

Key events

Date	Event	Reference	Summary
30/01/2003	Non-legislative basic document published	COM(2003)0034	Summary
24/02/2003	Debate in Council		
15/05/2003	Committee referral announced in Parliament		

08/07/2003	Vote in committee		Summary
08/07/2003	Committee report tabled for plenary	A5-0267/2003	
02/09/2003	Decision by Parliament	T5-0359/2003	Summary
02/09/2003	Debate in Parliament		
02/09/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2095(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	RETT/5/19527

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0267/2003	08/07/2003	
Text adopted by Parliament, single reading		T5-0359/2003 OJ C 076 25.03.2004, p. 0039-0107 E	02/09/2003	Summary

European Commission

Document type	Reference	Date	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	CDR0391/2002 OJ C 256 24.10.2003, p. 0013-0017	02/07/2003	
EESC	Economic and Social Committee: opinion, report	CES0953/2003 OJ C 234 30.09.2003, p. 0045-0049	16/07/2003	

Economic and social cohesion: regional trends, debate on future developments: 2nd interim report

2003/2095(INI) - 30/01/2003 - Non-legislative basic document

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 EU 15. - 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 Objective1. 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.

Economic and social cohesion: regional trends, debate on future developments: 2nd interim report

2003/2095(INI) - 02/09/2003 - Text adopted by Parliament, single reading

The European Parliament adopted its own-initiative report drafted by Emmanouil MASTORAKIS (PES, Greece) on the Commission's report on economic and social cohesion. (Please see the summary of 08/07/03.) The resolution was adopted by 452 votes favour, 56 against and 23 abstentions. Parliament also stated that the current threshold of 0.45% of Community GDP allocated to the cohesion policy was a threshold beneath which it is not possible to fall without jeopardising the achievement of the objectives laid down in the Union's cohesion policy. An evaluation of the needs of cohesion policy must take place immediately in the context of the financial perspectives with a view to enlargement. Parliament stressed the importance of the Cohesion Fund, particularly for the applicant countries. Those Member States which have a GDP of less than 90% of the EU average and are not members of the euro zone receive a combined grant from the Cohesion Fund and the Structural Funds for use in the environmental sector and for trans-European networks. In addition, there is a need for more clarification of the scope of activities within the various objectives. Parliament called for the measures and funding to be moved from Objective 3 to the new Objective 2. There must be an accurate definition of the relationship between regional policy and the rural development policy implemented within the framework of the second pillar of the Common Agricultural Policy and the socio-economic aid available from the structural section of the Financial Instrument for Fisheries Guidance. Parliament emphasised the need for clear and unambiguous criteria for the implementation of Objective 2, in order to achieve a balanced distribution of economic resources between the regions in accordance with actual requirements. Finally, Parliament demanded that in the framework of the revision of the Structural Funds regulations, the role of partnership should be strengthened given the unequal progress in applying partnership in the Member States. The Commission should propose a harmonisation of the implementation and selection of partnership in regional policy.