

## Basic information

**2004/0166(AVC)**

AVC - Assent procedure (historic)

Cohesion Fund

Repealed by [2011/0274\(COD\)](#)

See also [2004/0163\(AVC\)](#)

### Subject

4.70.02 Cohesion policy, Cohesion Fund (CF)

Procedure completed

## Key players

European  
Parliament

### Committee responsible

REGI

Regional Development

### Rapporteur

ANDRIA Alfonso (ALDE)

### Appointed

06/10/2004

### Former committee responsible

REGI

Regional Development

### Former rapporteur

ANDRIA Alfonso (ALDE)

### Appointed

06/10/2004

### Committee for opinion

BUDG

Budgets

### Rapporteur for opinion

GRIESBECK Nathalie  
(ALDE)

### Appointed

20/09/2004

TRAN

Transport and Tourism

ORTUONDO LARREA Josu  
(ALDE)

02/09/2004

### Former committee for opinion

BUDG

Budgets

### Former rapporteur for opinion

The committee decided not  
to give an opinion.

### Appointed

20/09/2004

CONT

Budgetary Control

The committee decided not  
to give an opinion.

22/09/2004

ENVI

Environment, Public Health and Food Safety

The committee decided not  
to give an opinion.

TRAN

Transport and Tourism

The committee decided not  
to give an opinion.

Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN	2741	2006-07-11
	Economic and Financial Affairs ECOFIN	2726	2006-05-05
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Regional and Urban Policy		

Key events			
Date	Event	Reference	Summary
14/07/2004	Initial legislative proposal published	COM(2004)0494 	Summary
14/12/2004	Results of vote in Parliament		
24/05/2005	Vote in committee		Summary
07/06/2005	Committee interim report tabled for plenary	A6-0178/2005	
05/07/2005	Debate in Parliament		
06/07/2005	Decision by Parliament	T6-0278/2005	Summary
06/07/2005	Results of vote in Parliament		
05/05/2006	Debate in Council		
06/06/2006	Legislative proposal published	09078/2006	Summary
15/06/2006	Committee referral announced in Parliament		
22/06/2006	Vote in committee		Summary
26/06/2006	Committee report tabled for plenary, 1st reading/single reading	A6-0226/2006	
04/07/2006	Decision by Parliament	T6-0290/2006	Summary
04/07/2006	Results of vote in Parliament		
04/07/2006	Debate in Parliament		
11/07/2006	Act adopted by Council after consultation of Parliament		
11/07/2006	End of procedure in Parliament		
31/07/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2004/0166(AVC)

<b>Procedure type</b>	AVC - Assent procedure (historic)
<b>Procedure subtype</b>	Legislation
<b>Amendments and repeals</b>	Repealed by <a href="#">2011/0274(COD)</a> See also <a href="#">2004/0163(AVC)</a>
<b>Legal basis</b>	EC Treaty (after Amsterdam) EC 161
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	REGI/6/28417 REGI/6/22661

#### Documentation gateway

#### European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	<a href="#">BUDG</a>	<a href="#">PE353.613</a>	24/05/2005	
Committee interim report tabled for plenary		<a href="#">A6-0178/2005</a>	07/06/2005	
Interim resolution adopted by Parliament		<a href="#">T6-0278/2005</a> OJ C 157 06.07.2006, p. 0096-0289 E	06/07/2005	<a href="#">Summary</a>
Committee draft report		<a href="#">PE374.097</a>	07/06/2006	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0226/2006</a>	26/06/2006	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0290/2006</a>	04/07/2006	<a href="#">Summary</a>

#### Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	<a href="#">09078/2006</a>	06/06/2006	<a href="#">Summary</a>

#### European Commission

Document type	Reference	Date	Summary
Initial legislative proposal	<a href="#">COM(2004)0494</a> 	14/07/2004	<a href="#">Summary</a>
Commission document (COM)	<a href="#">COM(2012)0642</a> 	07/11/2012	<a href="#">Summary</a>
Commission working document (SWD)	<a href="#">SWD(2012)0362</a> 	07/11/2012	
Commission working document (SWD)	<a href="#">SWD(2016)0318</a> 	19/09/2016	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
		<a href="#">CDR0234/2004</a>		

CofR	Committee of the Regions: opinion	<a href="#">OJ C 231 20.09.2005, p. 0035-0038</a>	13/04/2004	
EESC	Economic and Social Committee: opinion, report	<a href="#">CES0390/2005</a> <a href="#">OJ C 255 14.10.2005, p. 0088-0090</a>	06/04/2005	

Additional information		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

Final act	
<a href="#">Regulation 2006/1084</a> <a href="#">OJ L 210 31.07.2006, p. 0079-0081</a>	<a href="#">Summary</a>

## Cohesion Fund

2004/0166(AVC) - 07/11/2012 - Follow-up document

This annual report (2011) from the Commission on the Cohesion Fund covers Cohesion Fund operations in the 15 beneficiary Member States, 13 of which were Member States at the end of 2006 (i.e. Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Slovakia, Slovenia and Spain), as well as ex-ISPA projects adopted in the 2000-2006 period in Bulgaria and Romania, which joined the European Union on 1 January 2007. It must be recalled that Ireland's economic growth has made it ineligible since 1 January 2004; nevertheless, ongoing Cohesion Fund projects still await closure.

It should be recalled that the Member States eligible for the Cohesion Fund support can be divided into three groups:

- a group of four Member States eligible from the beginning of the 2000-2006 programming period (**EU-4: Greece, Ireland, Portugal and Spain**),
- a second group of ten Member States that joined the European Union in May 2004 (**EU-10: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia**), and
- the two Member States (**EU-2: Romania and Bulgaria**) that joined the European Union in January 2007.

**Projects:** altogether, the Commission adopted **1 192 Cohesion Fund projects** in the 2000-2006 period in the 16 eligible Member States. This figure includes 52 projects which were approved or submitted in the 1994-1999 period but continued to be implemented in the 2000-2006 period. Out of 1 192 projects adopted by the Commission, 808 concern the environment, 271 transport and 109 technical assistance; 4 projects are mixed.

**Payments made in 2011:** the 2011 initial budget for payments for the 2000-2006 Cohesion Fund projects amounted to EUR 1 377 million (EUR 2 500 million in 2010). The transfer of appropriations resulted in a **final budget of EUR 945 million**, which was entirely paid by the end of 2011. This is a lower execution level than in 2010 (EUR 2 321 million) or in 2009 (EUR 2 777 million), illustrating the fact that the Cohesion Fund project-implementation cycle is reaching its final stage.

As far as the ex-ISPA budget lines are concerned, the budget initially foreseen for 2011 amounted to EUR 358 million. Following budget transfers, the appropriations were reduced by EUR 164 million. An amount of **EUR 188 million** was paid by the end of 2011.

The main beneficiary countries are **Spain** in the EU-4 group, **Poland** in the EU-10 group and **Romania** in the EU-2 group.

**Outstanding commitments from the 2000-2006 period:** at the end of 2011, the **average absorption rate** (payments vs commitments) of all current beneficiary countries for both the Cohesion Fund and ex-ISPA projects was **86.8%**. The absorption rates range from 76.4 % (Hungary) and 80.0 % (Malta) to 94.5 % (Ireland) and 100 % (Cyprus).

At the end of 2011, the outstanding commitments ('reste à liquider' or 'RAL') corresponding to the 2000-2006 period amounted to EUR 4.76 billion. During 2011, the RAL was reduced by EUR 1.3 billion.

**Closure of Cohesion Fund projects:** of the 1192 projects co-financed in the 2000-2006 programming period, **690 were still ongoing** in the Member States at the end of 2011. Accordingly, 502 projects had been closed, including 105 projects closed in 2011 (compared to 102 projects closed in 2010). The majority of closures concerned the following Member States: Spain (44 projects closed), Greece (13), Portugal (10) and Poland (9).

Project implementation peaked in 2010 and attention is now shifting towards the completion and submission of the closure documents. The Commission adopted concrete steps to **boost the closure process**. A Cohesion Fund closure task force was set up within DG Regional Policy in February 2011 to monitor, guide and facilitate the closure.

**Audits and financial corrections:** the Commission has ensured regular audit coverage of the Cohesion Fund projects in most of the Member States concerned. Cumulatively, the Commission has carried out **162 system audits and 20 closure audits** on the 2000-2006 period for Cohesion Fund projects.

In its Annual Activity Report for 2011, the Directorate-General for Regional Policy assessed the functioning of the management and control systems (2000-2006), based on the reported audit opinions expressed by the Member States' audit authorities and the Commission's own audit results.

A **positive assessment was made for 15 Member States** (one partly). An unqualified opinion was given for the Cohesion Fund systems in five Member States (Cyprus, Estonia, Malta, Portugal and Slovenia). **For 10 Member States, the opinion was qualified** with a moderate impact (Bulgaria, Czech Republic, Greece, Hungary/environment sector and technical assistance projects, Ireland, Latvia, Lithuania, Poland, Romania, and Slovakia).

**Irregularities: 64 notifications of irregularities** involving a total amount of **EUR 42 168 842** in respect of projects co-financed by the EU related to the above mentioned period have been reported to the Commission. Some EUR 20315 177 still remains to be recovered. Most of the cases were reported by Portugal, Greece and Lithuania (19, 14 and 8 respectively). However, Poland and Greece reported the highest amounts (EUR 16 million and 11 million respectively), i.e. approximately 64 % of the total.

**Evaluation:** the Commission and the Member States carry out appraisal and evaluation of all co-financed Cohesion Fund projects. In 2011, the Commission continued to carry out the *ex-post* evaluation of the Cohesion Fund, including ex-ISPA, for the 2000-2006 programming period. A set of 5 interlinked 'work packages' was prepared to:

- assess the contribution of the Cohesion Fund and ISPA to the development of the EU **transport** system and to achieving the EU *acquis* in the **environment** field, while also assessing the effect of ISPA as a preparation for Structural Fund and Cohesion Fund programmes;
- carry out *ex post* **cost-benefit analyses** for a sample of transport and environment projects, identifying lessons for future programming periods.

To date, the details of 238 major projects have been published in a specific searchable database on the INFOREGIO website.

## Cohesion Fund

2004/0166(AVC) - 11/07/2006 - Final act

PURPOSE: to establish the Cohesion Fund and to set out its objective's within the context of the reformed Cohesion Policy (2007-2013).

LEGISLATIVE ACT: Council Regulation 1084/2006/EC establishing a Cohesion Fund and repealing Regulation 1164/94.

CONTENT: this Act establishes the Cohesion Fund the purpose of which is to strengthen the economic and social cohesion of the Community based on the principle of sustainable development. It has been adopted within the context of the reformed EU Cohesion Policy (2007-2013) and has come into force alongside four other related legislative acts. They are:

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

The Cohesion Fund will be governed by the provisions set out in Regulation 1083/2006/EC. It is this more general Regulation that defines the objectives, the principles and the rules concerning partnership, programming, evaluation and management. Further, this Regulation and Regulation 1083/2006 should be read alongside the "Strategic Guidelines" prepared by the Commission. The Strategic Guidelines will form the basis for preparing national strategies and eventually the "operational programmes", through which the Cohesion Fund will be channelled. For a summary of the Guidelines, see procedure COD/2006/0131.

The Cohesion Fund will be distributed according to the investment and infrastructure needs of each Member State eligible for assistance. The level of funding for projects will be agreed upon, in partnership, between the Member States and the Commission. Spending under the Cohesion Fund is to focus on:

- The trans-European transport networks. Projects of common interest will be given priority.

- The environment. The Cohesion Fund may intervene in areas related to sustainable development including energy efficiency and renewable energy. It may also intervene in rail, river and sea transport, intermodal transport systems and their interoperability as well as seeking to improve upon urban and public transport.

This Regulation introduces new provisions on conditionality, whereby the Council may decide to suspend funding (with effect from 1 January of the following year). The decision to suspend will be taken if a beneficiary Member State has either excessive government deficit or if the Member State has not taken effective action to redress Community concerns. The suspension of funding can be redressed in cases where the Member State has taken corrective measures.

Lastly, the Regulation will not affect the continuation or modification of projects or other forms of assistance already approved by the Commission on the basis of Regulation 1164/1994/EEC, which is now repealed.

ENTRY INTO FORCE: 1 August 2006.

## Cohesion Fund

2004/0166(AVC) - 06/06/2006 - Legislative proposal

PURPOSE : to lay down the objectives of the Cohesion Fund with a view to strengthening the economic and social cohesion of the Community in the interests of promoting sustainable development.

PROPOSED ACT : Council Regulation.

CONTENT : assistance from the Fund shall be given to actions in the following areas, ensuring an appropriate balance, and according to the investment and infrastructure needs specific to each Member State receiving assistance:

- trans-European transport networks, in particular priority projects of common interest as identified by Decision 1692/96/EC;
- the environment within the priorities assigned to the Community environmental protection policy under the policy and action programme on the environment.

In this context, the Fund may also intervene in areas related to sustainable development which clearly present environmental benefits, namely energy efficiency and renewable energy and, in the transport sector outside the trans-European networks, rail, river and sea transport, intermodal transport systems and their interoperability, management of road, sea and air traffic, clean urban transport and public transport.

Assistance from the Fund shall be conditional on the following rules: a) if the Council has decided in accordance with Article 104(6) of the Treaty that excessive government deficit exists in a beneficiary Member State, and b) has established in accordance with Article 104(8) of the Treaty that the Member State concerned has not taken effective action in response to a Council recommendation made under Article 104(7) of the Treaty, it may decide to suspend either the totality or part of the commitments from the Fund for the Member State concerned with effect from 1 January of the year following the decision to suspend.

If the Council establishes that the Member State concerned has taken the necessary corrective action, it shall decide, without delay, to lift the suspension of the commitments concerned.

At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended commitment in accordance with the procedure set out in the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

**For further information concerning the financial implications of this measure, please refer to the financial statement.**

## Cohesion Fund

2004/0166(AVC) - 06/07/2005 - Interim resolution adopted by Parliament

The European Parliament adopted a resolution drafted by Alfonso **ANDRIA** (ALDE, IT) on the cohesion fund with 580 votes in favour, 45 against and 47 abstentions. (Please see the summary of 25/04/2005.) In addition, Parliament asked for support for the increase in the financial allocation for the Cohesion Fund from EUR 18 000 million (for the period 2000-2006) to EUR 62 990 million and for a balanced distribution between the eligible sectors of the environment and transport infrastructure coupled with some flexibility in intervention by the Fund.

Furthermore, in addition to the trans-European transport networks, projects to improve regional networks and make them safe should also be eligible under the Cohesion Fund, and Parliament therefore requested the inclusion, in the different transport sectors belonging to the area of intervention of the Cohesion Fund, of coastal shipping, sea links and cross-connections with the outermost regions and smaller islands.

Finally, Parliament requested the Commission to introduce the principle of a 'premium system' so that the progress achieved by the best performing Member States could be rewarded, especially in terms of better evaluation of funded projects, better cost-benefit analysis, innovation and contribution to sustainable development. Parliament felt that it would be helpful to enhance intervention by national, regional and local administrations in implementing the Cohesion Fund through specific support measures and application of 'best practice'.

# Cohesion Fund

2004/0166(AVC) - 04/07/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a report by Alfonso **ANDRIA** (ALDE, IT) by 567 votes in favour 29 against and 36 abstentions and gave its assent to the proposed regulation on the Cohesion Fund. (Please also see COD/2004/0167, COD/2004/0168 and AVC/2004/0163.) The package defines the objectives, the financial resources available and the criteria for their allocation in an enlarged EU. Approximately EUR 308 billion - or 35.7 per cent of the total EU budget - will be available to spend, as scheduled, from 1 January 2007.

# Cohesion Fund

2004/0166(AVC) - 14/07/2004 - Initial legislative proposal

**PURPOSE** : to specify the tasks of the Cohesion Fund, and its specific application, in particular regarding the conditionality of assistance and the fields of intervention of the Fund.

**PROPOSED ACT** : Council Regulation.

**CONTENT** : this proposal has been drafted as part of the cohesion legislative package. The package consists of a general Regulation (**AVC/2004/0163**), a Regulation for the European Social Fund (ESF) (**COD/2004/0165**), the European Regional and Development Fund (ERDF) (**COD/2004/0167**) as well as an entirely new proposal creating the framework for a cross-border authority to manage cooperation programmes (EGCC) (**COD/2004/0168**).

To recall, the Cohesion Fund is enshrined in article 161, paragraph 2, of the treaty, with the objective of contributing financially to interventions in the field of the environment and the trans-European networks.

Regulation 1164/94/EC established the Cohesion Fund, and, for the first time, provided a framework for its implementation. This regulation was subsequently complemented by Regulations 1264/99/EC and 1265/99/EC.

Following the Union's enlargement on May 1st 2004, the Cohesion Fund applies to the 10 new Member States until the end of 2006, as well as to the three Member States eligible at the end of the 2000-2006 period (Greece, Portugal and Spain).

It is envisaged that the Cohesion Fund contributes to the convergence of less developed Member States and regions through financial participation in the operational programmes of this convergence objective.

Under the reform of the implementation system of cohesion policy, Cohesion Fund interventions are integrated into the multi-annual programming of the structural funds, including major projects. The reform was announced in the third cohesion report, which was adopted by the Commission in February 2004. While maintaining the fundamental principles which underlie the value of the policy (multi-annual programming, partnership, evaluation, shared management), this reform provides a balance between an increased strategic component, and a simplification of the implementation system. Simplification notably occurs through the reduction in the number of funds, simplified programming, a clarification of the roles of the Commission and the Member States in terms of financial management and control, and by adapting the implementation modalities to reflect the intensity of the community contribution.

An extension of the domains of intervention is justified by the accession of new Member States on May 1 2004, all of which are eligible to the Cohesion Fund, and which face new and important financing needs. Thus the Cohesion Fund can also finance actions in support of sustainable development, where these have a clear environmental dimension, such as energy efficiency or renewable energy. Beyond the trans-European transport networks, this also allows for financing of rail, navigable maritime and river waterways, multi-modal transport actions and their inter-operability, road and air traffic management, clean urban transport, and communal transport. This extension of the domain of interventions is in accordance with the corresponding provisions in the treaty, and is in line with the priorities decided by the European Council in Lisbon (March 2000) and Gothenburg (June 2001).

The new architecture proposed for Cohesion Policy provides for simpler programming, greater flexibility, less administrative burden and a renewed Cohesion Fund.

Member States benefiting from the Cohesion Fund must conform to the conditions set out in the treaty regarding convergence programmes and those regarding excessive deficits for the Member States participating in economic and monetary union. Assistance under the Cohesion Fund is conditional upon the satisfaction of these conditions. If the Council decides, on the basis of a Commission proposal, that an excessive deficit exists and that the Member State concerned has not taken effective action, the payment will be suspended, effective from January 1 of the following year. The suspension ceases, when the Council decides, on the same basis, that the Member State concerned has taken the measures necessary to allow a return to a situation that is in accordance with the Treaty and with the Council decisions.

**For further information concerning the financial implications of this measure, please refer to the financial statement.**