'Today and Tomorrow of the EU Funds – 26-28 February 2004

# Proposals for the reform of EU Cohesion Policy 2007-2013

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#### What are the Structural Funds?

- European Regional Development Fund concerns economic and social development, generally funds large, mainly urban, infrastructure and capital projects.
- European Social Fund helps the unemployed and disadvantaged groups back to work.
- The "Guidance" section of the European Agriculture Guarantee and Guidance Fund finances rural development measures and aid for farmers.
- Financial Instruments for Fisheries Guidance helps to adapt and modernise the fishing industry.

### Why are the funds important?

- They promote economic growth, social cohesion and protection of the environment.
- 2<sup>nd</sup> largest chunk of the EU budget (after CAP) at €214 billion over 2000-2006.
- This is OUR money, which, spent badly, can have serious detrimental effects on biodiversity.

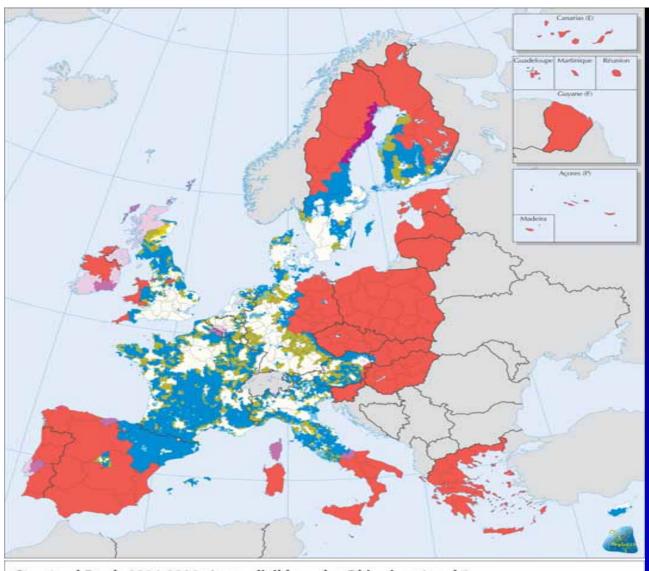


### What's happening next?

Future directions have recently been outlined:

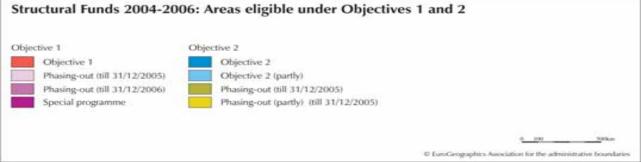
- 10 February: New Financial Perspective outlining the distribution of EU budget 2007-2013
- 18 February: Third Cohesion Report setting out proposals for EU regional policy for the EU 25 from 2007 to 2013





Seeing red:

money is
moving
eastwards,
for example,
Structural
Funds
eligibility
2004-2006







## Financial Perspective for Cohesion:

- Heading 1b: Cohesion for growth and employment
- incorporating the ERDF, ESF and Cohesion Fund
- 344.9 billion euro (336.3 billion after deducting administration costs and the EU Solidarity Fund)



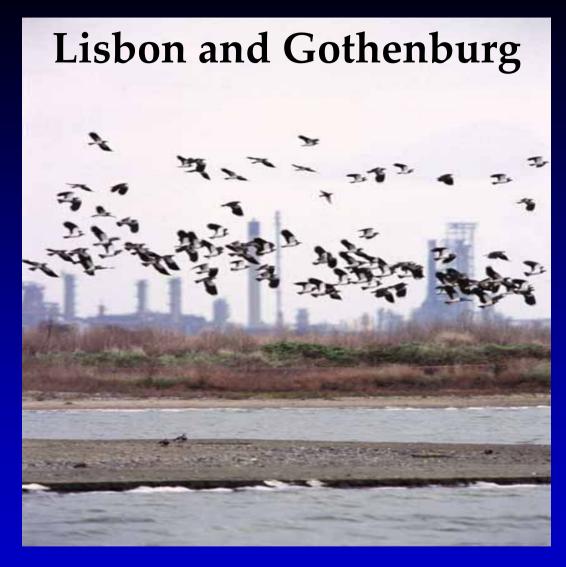
## Financial Perspective for the environment:

- Heading 2: Preservation and management of natural resources
- 301.1 billion euro for CAP
- 101.6 billion euro for:
  - a Fisheries Fund (the FIFG)
  - a new single Rural Development Fund (joining contributions from the guarantee and the guidance section),
  - and a new ENVIRONMENT FUND

The new Environment Fund and the Rural Development Fund will be managed separately from the Structural and Cohesion Funds



"Sustaining economic development and creating long term, stable jobs depends on protecting the environment against the potentially damaging effects of growth and on preventing excessive depletion of exhaustible resources"



From 3<sup>rd</sup> Cohesion Report, conclusions, page xiii



## Three key themes for EU Cohesion Policy

- Innovation and the knowledge economy
- Accessibility and services of general economic interest
- Environment and risk prevention



## Delivered through three Objectives

- Objective 1 Convergence, supporting growth and job creation in the least developed Member States
- Objective 2 Regional competitiveness and employment, which is about anticipating and promoting change
- Objective 3 European territorial cooperation



#### Distribution

#### Objective 1

78% of the Budget, 269 billion euro (ERDF, ESF and Cohesion Funds)

Will apply to regions whose per capita GDP is less than 75% of the EU average; mostly acceding countries

#### Objective 2

18% of the budget, 62.1 billion euro (ERDF and ESF)

Applies to areas outside Objective 1, mostly present EU 15. Funds allocated by Member State governments from national appropriations.

#### **Objective 3**

4% of the budget, 13.8 billion euro (ERDF)

Applies to all areas



### Objective 1 – Convergence

#### Some examples:

- <u>Innovation</u> investment in information society, tourism, local infrastuctures
- <u>Accessibility</u> TENs, secondary networks and 'social infrastructures'
- Environment cleaner transport, energy efficiency, supporting measures to prevent natural and technological risks AND helping Member States achieve full compliance with the EU body of law.

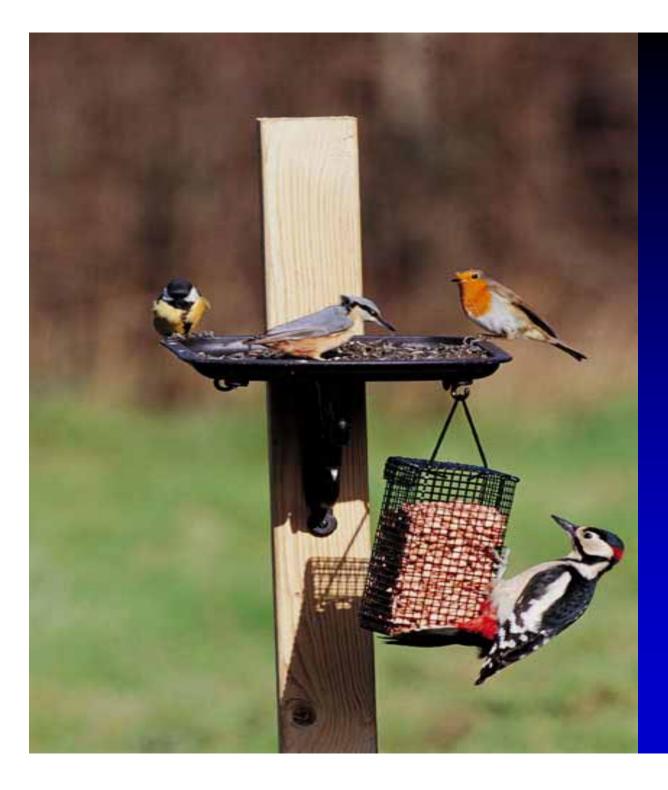
## Objective 2 – Regional competitiveness and employment

#### More examples:

- Innovation promoting research and development
- <u>Accessibility</u> secondary connections (eg to TEN transport), investment in information communication technology
- Environment investment in infrastructures linked to Natura 2000 promoting sustainable development, cleaner technologies, renewable energy

## Objective 3 – European territorial cooperation

- builds on the Interreg Initiative
- Supports cross-border, external relation and transnational economic development solutions
- Transnational cooperation would focus on strategic priorities, such as, research and development, information society, environment, risk prevention and integrated water management



Meeting different needs:

the funds
would be
managed at a
political and
an
operational
level



Together for birds and people

## The Commission proposes:

Separate Objective 1 programmes for ESF and ERDF (inc. Cohesion funds)

**EU Strategy** document

Member State strategy document

Regional (ERDF) programmes

National (ESF) employment programmes

European territorial cooperation programmes



Together for birds and people

### Key changes:

- Member State strategy and operational documents will not be management instruments or have the same level of detail as existing Community Support Frameworks or Programme Complements
- Tri-partite agreements between Member States, regions and local authorities
- Emphasis on increasing the involvement of social partners and representatives from civil society (eg environmental NGOs) "in the design, implementation and follow-up of the interventions"

The Commission would have much less direct involvement in "regional competitiveness and employment" programmes in the EU 15



#### **Evaluation**

- No mention of Strategic Environmental Assessment of Structural Fund plans and programmes
- Continued evaluation before, during and after the end of programmes we would like to see the inclusion of sustainable development indicators
- Proposals for a Community performance reserve for best performing Member States and regions.



### What does this mean for the environment?



25 years of wise EU policies and good legislation, BUT – poor implementation and lack resources mean we are still not flying...



#### **Issues**

- The objectives of the EU Sustainable Development Strategy must be fully integrated into the new regulations and subsequent strategy and operational documents
- New regulations must ensure the same minimum condition to protect and improve the environment
- The proposals should build on this to include spending on biodiversity conservation within integrated sustainable economic, social and environmentally project proposals



### Issues (continued)

- The Commission must ensure that environmental legislation is fully applied, across all programmes, in particular requirements for environment assessments under the EIA Directive or article 6 of the Habitats Directive
- Managing authorities must evaluate project outcomes, especially environmental performance
- 33% of the performance reserve should be allocated towards environmental good practice

### **Environmental protection and enhancement must** continue to be integrated into EU Regional Policy



Or we will all lose out...

