

Structural Funds**Parliament reiterates support for transition regions**

By Isabelle Smets | Tuesday 05 July 2011

The European Parliament confirmed, at its plenary session in Strasbourg on 5 July, its support for the creation of a category of intermediate regions in the future EU cohesion policy, for regions with GDP between 75% and 90% of the EU average. The appeal to the European Commission to create this category is contained in a report that spells out Parliament's recommendations for the post-2013 Structural Funds, adopted by 506 to 48, with 101 abstentions. Rapporteur Markus Pieper (EPP, Germany) is opposed to specific treatment for regions in transition but the great majority of MEPs support the idea. The paragraph in question was adopted by a comfortable majority, moreover, confirming what Parliament had already requested in its report on the future EU budget (see *Europolitics* 4219).

The report speaks of "transitional assistance" for regions in transition, but covering the full programming period. After the vote, Pieper put out a statement to the effect that setting up such a category of regions on a permanent basis "would remove all incentives for these regions to use EU money efficiently in order to provide structural improvements". He had originally tabled an amendment calling for assistance to become successively lower and to be limited in duration, as well as being restricted to regions strongly affected by demographic and/or structural changes. He ended up withdrawing the amendment, though, which was not put to the vote.

Adoption of the report reinforces the Commission's determination to propose this new category of regions, as set out in its proposals for the new budgetary framework 2014-2020, presented on 29 June (with an allocation of €39 billion).

MORE TARGETED AND STRICTER AID

Parliament calls for a limit to be placed on eligibility periods for regions "which prove unable to show any significant improvements in their economic, social and environmental situation after several programming periods". MEPs were divided on this paragraph: the amendment was adopted by 363 to 295. It also recommends stricter rules on the monitoring of irregularities in the use of Structural Funds and suggests a systematic suspension of payments as soon as evidence suggests "significant deficiency" in the functioning of the accredited control authorities.

The report also supports the idea of making the payment of aid contingent upon respect for certain predetermined commitments. It also insists on correct implementation of existing EU legislation (transport, environment, etc) but "rejects the imposition of conditions requiring member states to undertake fundamental social and economic reform".

The EP also supports the Commission's proposed system of thematic priorities. It nevertheless states that the lower the region's level of development, the more this list must take account of specific regional needs. It also calls for cohesion policy to make a greater contribution to the rapid development of environmental technologies and renewable energy. "This should be one of the priorities." The European Commission will probably interpret this as EP support for its plan to oblige the most developed regions to spend 20% of their funding on energy efficiency and renewable energy projects.

The Commission will present its legislative proposals at the end of September. They will contain: a draft general regulation on the Structural Funds, a draft regulation on the European Regional Development Fund (ERDF), a draft regulation on the European Social Fund, a draft regulation on the Cohesion Fund and a draft regulation on territorial cooperation.

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