



1025-7039

Cooperation on developing the territory of the European Union: agreement at the Potsdam Council

At the informal Council meeting held in Potsdam on 10 and 11 May, the Ministers responsible for spatial planning adopted the European Spatial Development Perspective (ESDP), which lays the foundations for closer cooperation in this field. They also adopted the initial guidelines for an action plan and underlined the importance of Interreg III for the application of the ESDP.

The ESDP sets out the main economic, demographic and environmental trends in the European Union with a view to helping to coordinate national spatial development policies. It should contribute therefore to achieving three fundamental goals of the Union: economic and social cohesion, sustainable and environmentally-friendly development, and more balanced competitiveness of the European territory. A broad-ranging political debate on its contents took place in preparation for its implementation. The agreement concluded in Potsdam reflects the results of that debate, which were drawn together at the Brussels Forum held on 2 and 3 February.

The Ministers took the view that, while the ESDP is not binding on the Member States, it will serve as an appropriate policy framework in the respective spheres of responsibility of the national, regional and local authorities and the Commission. They agreed therefore to send the ESDP to the planning authorities and the regional and local authorities in their countries.

The Ministers also acknowledged that the Interreg III Community Initiative is an important instrument for the application of the ESDP and pressed for funding to be allocated to cross-border cooperation (strand A of the Initiative), especially in view of the enlargement of the Union. Regarding strand B (transnational cooperation), account will have to be taken of a growing need for a polycentric and regionally balanced development of the Union, including the most remote regions.

The Potsdam Council supported the progressive establishment of an action programme, and adopted the following guidelines:

- account should be taken of the ESDP in sectoral planning, when the new regulations on the Structural Funds are being implemented and in particular when the trans-European transport networks are revised;
- the European Spatial Planning Observatory Network (ESPON) should be established quickly;
- a competition on "the future of the regions of Europe" should be held for the first time in the year 2001 and could include a competition for pupils in secondary schools on the theme of the European integration of their region;
- the ESDP should be used as a basis for preparing geography books for secondary schools, and for a guide on the development of coastal regions.

The ESDP is currently available in English, French and German on the Inforegio website <<http://inforegio.cec.eu.int/esdp>> or on request by fax to: +32.2.296 60 03

Reform of the structural measures: approval by the European Parliament

On 6 May the European Parliament adopted the reports on the regulations which are to govern the Structural Funds and the Cohesion Fund in the period 2000-06. The members of the European Parliament gave broad support to the agreement reached at the Berlin European Council on the reform of the structural measures and the budget allocation of EUR 213 billion earmarked for them.

The Parliament expressed its views for the first time in November 1998 in a series of interim reports on the proposed regulations. A number of the changes regarding the Structural Funds requested on that occasion were incorporated in the texts of the Berlin agreement, for example, extending transitional support beyond 2003 in areas no longer eligible under the new Objective 2, and applying Objective 3 in Objective 2 areas.

The final compromise reached with the Council, however, includes the continuation of the Urban Community Initiative and certain additional adjustments. During the period 2000-06 the Urban Initiative will provide support for the economic and social regeneration of declining cities and districts with a view to fostering sustainable urban development.

This agreement meant that the Council could formally and definitively adopt the regulations on 21 June.

An updated comparative analysis of the regulations for 1994-99 and 2000-06 is available now on the Inforegio website <<http://inforegio.cec.eu.int>>

The Cohesion Fund 2000-06

Following the Berlin agreement between the heads of state and government, the amendments to the Cohesion Fund regulation were finalised by the Council and approved by Parliament. All in all, the regulation as amended reflects the proposals presented by the Commission in March 1998. It will come into force on 1 January 2000.

It will be recalled that the Berlin European Council decided that the Cohesion Fund, which supports projects connected with the environment and trans-European transport networks, will continue to assist Spain, Portugal, Greece and Ireland in 2000. These countries still have a per capita GNP less than 90% of the Community average and have put in place an economic convergence programme.

In the period 2000-06, the allocation for the Fund will be EUR 18 billion. The annual commitment appropriations for the first four years will be EUR 2.615 billion, for 2004 and 2005, EUR 2.515 billion, and for 2006, EUR 2.510 billion. The indicative breakdown of overall resources from the Fund among the recipient countries will be: Spain 61%-63.5%, Greece 16%-18%, Portugal 16%-18% and Ireland 2%-6%.

Before the end of 2003 the eligibility of the four countries under the Fund will be reviewed in light of the per capita GNP criterion of less than 90% of the Union average. Where a country is no

longer eligible, the remaining appropriations will be deducted from the allocation for the Fund.

Macroeconomic conditionality has been adjusted. The Commission can now alert the Council if a Member State no longer meets the requirements set by the programmes for stability and convergence in terms of the excessive public deficit criterion. However, appropriations will not be suspended until the deficit has actually reached 3%.

Regarding projects, the main changes are the following:

- the ex-ante evaluation will be more thorough than it has been in the current period; the regulation will require a fuller appraisal of the alternatives and of the environmental impact;
- the rate of Community assistance may remain at 80% to 85% of public expenditure. However, this will be reduced if projects are generating income, or where the "polluter-pays" principle is applied.
- financial management will be simpler: the level of advances will be high (20% of total assistance), interim payments will be based on actual expenditure, and balances will be 10% to 20% depending on the size of the projects. Appropriations may, however, be decommitted if work is not started within two years.

The regulations and implementing provisions will be available shortly on the Inforegio website <<http://inforegio.cec.eu.int>> or on request by fax to: +32.2.296 60 03.



European Commission
Directorate-General for Regional Policy and Cohesion

CX-AB-99-005-EN-C