

COM-1/027

Brussels, 23 November 2001

**OPINION**

of the Committee of the Regions

of 14 November 2001

on the

**Second Report on Economic and Social Cohesion**

(COM(2001) 24 final)

**The Committee of the Regions**

**HAVING REGARD TO** the Commission's second report on economic and social cohesion (COM (2001) 24 final);

**HAVING REGARD TO** the Commission's decision of 2 February 2001 to consult the Committee of the Regions for an opinion on this subject, in accordance with Article 265 (1) of the Treaty establishing the European Community;

**HAVING REGARD TO** the decision taken by its Bureau on 13 June 2000 to assign the preparation of an opinion to Commission 1 - Regional Policy, Structural Funds, Economic and Social Cohesion and Cross-border and Inter-Regional Cooperation;

**HAVING REGARD TO** the draft opinion adopted by Commission 1 on 4 October 2001 (CdR 74/2001 rev. 2, rapporteurs: **Mr Eduardo Zaplana Hernández-Soro** (President of the Autonomous Region of Valencia, E/PPE) and **Mr Jan Tindemans** (Member of the Limburg Provincial Executive, NL/PSE)

**adopted the following opinion at its 41st plenary session on 14 and 15 November 2001 (meeting of 14 November):**

## The Committee of the Regions

1. wants to express its appreciation of the Commission's second report on Economic and Social Cohesion. Like the first report, the second one is a comprehensive document. It provides extensive information in particular regarding the policy pursued by the EU, but it is relatively less informative regarding the relevant policy of the Member States and contains hardly any information at all regarding the efforts of regional and local authorities. Moreover, it outlines the consequences for cohesion between Member States within the enlarged Union;
2. notes that the Commission's report demonstrates again that during the period under review cohesion between the Member States has clearly improved, but noticeably less so between regions, and that in some Member States the differences between regions have even increased;
3. notes that the forthcoming enlargement will directly aggravate territorial imbalances within the Union, thus justifying the need to pursue an objective of territorial cohesion as suggested by the European Commission;
4. concludes that the regional dimension of cohesion policy should be strengthened. This is based on the fundamental principle that the objective of cohesion policy is defined in Article 158 of the Treaty establishing the European Community as a harmonious development of the Union as a whole by strengthening economic and social cohesion, but that this cannot be achieved by means of a reactive policy which is effectively restricted to the granting of subsidies, as has been the case to date. In this perspective, it is important that all EU policies, especially sectoral policies with a high territorial impact as well as competition and fiscal policies, also contribute towards the cohesion objective;
5. takes the view that European regional policy needs to be considered as a horizontal policy with a bearing on all Community activities, which permit individual consideration of territorial entities;
6. emphasises the need for more determined involvement of the Member States in cohesion policy. For that it may be necessary to leave more scope for Member States' and regional and local authorities' own responsibility for the development of their regions. This does not mean, of course, re-nationalising cohesion policy, but rather a real integration of the principle into their domestic policies. National state support must therefore not work against the common cohesion policy, but strengthen it;
7. endorses the Commission's choice of priorities but wishes nevertheless to add an additional priority, namely the promotion of scientific research and technological development in the least advanced regions;
8. notes with approval that the Commission wishes to add to the current policy – which is almost entirely directed at solving persistent problems – a pro-active component aimed at future problems and at opportunities for regional development.

The Committee advises to gain experience as soon as possible with a pro-active policy at regional and local level on an experimental base. In particular, a link could be made here with theme 3 (regional identity and sustainable development) as a distinct feature within the innovative measures under the ERDF;

9. takes the view that adding a pro-active component to cohesion policy does not remove the need for a crisis-intervention instrument;
10. rejects the ceiling placed on cohesion policy funding of 0.45% by the Berlin Council in 1999;

11. shares the Commission's preference for

- direct zoning for objective 1 or its new equivalent for lagging regions;
- indirect zoning for objective 2 or its new equivalent for regions undergoing serious structural changes. The aim of objective 2 should be to correct specific imbalances of regions in certain fields such as, for example, R &D, communication infrastructures, education and training, in the form of final aids, of which the financial intensity would be different according to the economic capacity of the region;

12. proposes a regional targeting of interventions under objective 3;

13. rejects retention of the current criterion for the eligibility for objective 1, as well as two different thresholds, one for regions of current Member States and one for regions of new Member States;

14. considers that any method of selecting regions eligible for cohesion support must satisfy two essential requirements:

1. Regions which, but for enlargement, would have qualified for objective 1 after 2006 must retain their eligibility in the framework of an enlarged European Union.
2. No region must see its Structural Funds support suddenly cut. There should in any events be a safety net, and an adequate phasing-out system.

When applying these principles it will be necessary to take into account these specificities of regions with permanent geographical handicaps, i.e. island regions, mountain regions, sparsely populated regions and outermost regions, as it has been done until now, by making use, where appropriate, of the specific measures that are required to enable their needs to be taken into account in cohesion policy in the future.

15. shares the Commission's view as to the desirability of a polycentric development of the European area. This concept could be the spatial framework to address the territorial imbalances between and within the European macro-regions. In order to apply such a concept, it is therefore necessary to include the dimension of cooperation between regions and the urban and rural dimension of development in the implementation of the Structural Funds. The degree of commitment of the cohesion and regional policy instruments at different policy-making levels must of course be appropriate to the differences in situation and development between and within these regions.

Brussels, 14 November 2001.

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

**Jos Chabert**

**Vincenzo Falcone**

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