

SPEECH BY COMMISSIONER DANUTA HÜBNER

**AT THE PLENARY SESSION
OF THE EUROPEAN PARLIAMENT**

COHESION POLICY LEGISLATIVE PACKAGE

STRASBOURG (4TH JULY 2006)

Dear Mr. President,

Honourable Members of the Parliament,

Dear Minister,

I would like to start by thanking you for the continuous support, encouragement and the role the European Parliament has played in preparing the reformed cohesion policy.

First of all, let me say how much we appreciate your role in securing a significant financial envelope.

Secondly, we appreciate your contribution to setting up a new architecture and also new instruments for this policy. You have insisted on establishing a more ambitious Objective on Territorial Cooperation. That objective has a considerable and clear European added value, in particular in the enlarged Union. I am sure that the increase of 4% in the financial resources available for this objective of reinforcing trans-national and inter-regional cooperation, which had suffered the most substantial reductions in the European Council

decision of December 2005, will help us to be more efficient and more effective in bringing regions across EU together.

In addition, I would like to thank you for your support to develop a unique instrument designed to overcome the problems encountered by the Member States, their regions and local authorities in undertaking cross-border, trans-national or inter-regional cooperation actions, whether funded by Structural Funds or not. For the first time ever, through the European Grouping of Territorial Cooperation, the EU will provide an adequate legal framework for enhanced cross-border, inter-regional and trans-national cooperation.

Thirdly, I appreciate your role in ensuring that Cohesion policy will apply to all regions and Member States and that it will contribute to more and better jobs and faster economic growth. In this context, I am very happy that you welcomed our efforts to create new supporting instruments such as JASPERS, JEREMIE and JESSICA which will bring in new partners and expertise from European financial institutions (EIB, EIF, EBRD and CEB). That will address genuine market failures and make the Structural Funds work much harder.

Let me use this opportunity to express my personal thanks to the Rapporteurs Mr Konstantinos HATZIDAKIS, Mr Alfonso ANDRIA, Mr Claudio FAVA and Mr Jan OLBRYCHT, and to say how much we appreciated the role Mrs Constanze KREHL played as rapporteur for the Financial Perspective and her work on the Community Strategic Guidelines. Let me also thank Mr Jean Marie BEAUPUY, without

whose commitment the urban dimension would probably not be so prominent in our new policy.

It was a pleasure to work with Mr. Gerardo GALEOTE, Chairman of the Committee on Regional Development, whom I thank very much for his commitment. He always maintained a very constructive and cooperative spirit and we shared the same principles and priorities throughout the negotiations.

Jointly we have managed to avoid the policy based on a system of double standards in the application of the eligibility of non-recoverable VAT and in the application of the principle of total eligible cost as the basis for co-financing. We will not have two distinct cohesion policies for Europe, one for the 'old' Member States, one for the 'new'. It would have been, I believe, at odds with our efforts to produce an efficient and coherent policy, with transparency, sound financial management and simplified regulations.

You have shared our insistence on the need to strengthen the partnership principle. We have jointly reinforced the role of NGOs, the local and civil society and the environmental partners in our policy. With your support we have also strengthened provisions on non discrimination and sustainable development.

However, there are a number of items where we failed to fully convince our Member States of their added value. I am thinking of the

concept of a Community reserve, of our intention to render the urban dimension of our policy mandatory and of your idea of recycling the potentially unspent resources allocated to Cohesion policy.

As requested by the Parliament, the Commission has prepared a joint declaration, in which the Commission commits itself to present in 2010 the assessment of the budgetary execution of the Structural Funds and Cohesion Fund for the 2007-2013 programming period, including the consequences of the implementation of the decommitment rule.

Our major concern in the months to come is to ensure that the new good quality cohesion programmes will start on time. Much remains to be done. We are working with the Finnish Presidency to ensure that the Community Strategic Guidelines on Cohesion can be adopted by the Council after the European Parliament will have issued its opinion. I understand that this is foreseen for the end of September or early October. Member States will then formally present their national strategies on how they propose to use cohesion policy (National Strategic Reference Frameworks). Afterwards, Member States and regions will prepare the more detailed Operational Programmes for negotiation with, and final adoption by, the Commission. In order to avoid losing any time, the Commission has already entered into informal discussions. At present, 21 Member States have sent drafts of their national programmes.

We are gradually completing the preparation for the new 2007-2013 generation, but we have to think long-term. We will work together to move forward, to ensure that Cohesion policy will continue to support the convergence and the economic and social modernisation of Europe.

The fourth Cohesion Report - due for publication in spring next year - and the Cohesion Forum to be held at that time will be important steps and will flesh out the ideas for the future.

I look forward to your debate, convinced that your decision today will allow us to finalise successfully preparations for the new generation of our common Cohesion policy.