

The federal government's benchmarks for EU structural policy after 2006

I. Basic orientation

1. European structural policy has made substantial contributions towards improving economic and social cohesion and should continue to do so in future. The federal government is unreserved in its support for this policy, which is anchored in the Treaty, and for European solidarity.
2. Enlargement will give rise to new challenges for structural policy as well. There will be a considerable increase in regional development imbalances within the EU. By far the largest number of disadvantaged regions will be located in the new Member States. This should be the main focus of EU structural policy.
3. In the same way as other policies, structural policy must take account of financial constraints. Therefore, net contributors must not be overburdened. Structural funds' measures in the new Member States have to be funded largely from savings within the EU-15. In this respect, comparable regions must be accorded equal treatment.
4. European structural policy should in future be more closely geared to the principle of subsidiarity and hence to the concept of Community added value.

II. Details of the reform (concentration model)

1. In the new as in the old financial planning period, EU spending must be held well below the ceiling of 1.27 % of the gross national product of the enlarged Union.
2. The retention of the present ceiling for EU structural policy (0.45 % of EU GDP) for the period from 2007 to 2013 as proposed by the EU Commission is not acceptable. In absolute terms this would imply an increase in the total from around € 270 bn to around € 350 bn (both at 1999 prices).

3. In the new period (2007 - 2013) the acceding countries¹ will receive up to €² 150 bn in structural fund resources³. These resources must be raised predominantly through the concentration of funding in the EU-15.

To this end the present system must be reformed as follows (concentration model):

a) Concentration of EU structural resources on Objective 1 areas: This means concentrating funds on regions having a per capita GDP of less than 75 % of the EU average. This criterion is to be applied on an EU-25 or EU-27 basis.

b) EU structural policy outside Objective 1

The retention of a limited EU structural policy outside Objective 1 is supported by integration and regional policy considerations and the horizontal approach of the European Social Fund. This could include horizontal promotional measures having particularly high European added value, above all networks, exchange of experience and pilot projects (especially in the fields of employment policy and problems in urban environments) and cross-border, interregional and transnational cooperation. However, not more than 5 - 10 % of EU structural fund resources for the period from 2007 - 2013 should be expended on EU structural policy outside Objective 1. The present Objective 2 funding in regions with structural problems and the Objective 3 promotion would cease to be independent objectives.

4. Fair transitional arrangements with tight time-limits may be needed to avoid compromising the positive effects of past funding.
5. With regard to the new German Länder the rule must apply that comparable regions in the present European Union are accorded equal treatment (this means among others that per capita funding must be determined by the respective regional GDP, and national GDP may not be a factor).
6. Adequate flexibility of the state-aid regime for a national structural policy in Germany must continue to be ensured after 2006.
7. The procedure for implementing EU structural policy must be appreciably simplified. Fundamental reform is necessary in this respect.

¹ Including ROU, BUL

² Including cohesion fund, 1999 prices

³ On the basis of funding being limited to not more than 4 % of GDP.