

Translation Part 2:

Conference of the Prime Ministers of the German Länder on May 23rd, 2003, in Berlin

Benchmarks of the German Länder for the EU structural policy after 2006

The Prime Ministers of the German Länder summed up the following benchmarks.

1. The actual European structural policy must continue in a reformed process after 2006. Thereby the German Länder demand a fair sharing out of charges and discharges between the Länder governments and the federal government with consideration of the national total interest.
2. Regions with a per capita GDP up to 75% of the EU-average (EU 25) as well as the regions concerned by the statistical effect, must preserve the Objective-1 status. The consequence of the statistical effect would hit especially the East-German Objective-1-Regions. Just a Phasing out will not be convenient regarding the special problems of the regions, which are affected by the statistical effect. Therefore, these regions must be put equal to the Objective 1-Regions in the next promotion period. For reasons of equal treatment as for aid-legal reasons, a solution should be found within the new Objective-1. To the regulation starting from 2007, a rule should be taken up that the regions, which statistically will have a per capita GDP of more than 75% of the EU- average because of the lowering statistical effect, must be treated like Objective-1– Regions. The regional prosperity would be as before a criterion for allocation of the Objective-1 promotion on the supported areas and also to contribute a fair allocation of the means, without placing the financial upper limits in question. Therefore, it must be guaranteed, that for these regions also further aid intensity in accordance with article 87, paragraph 3, letter A of the Treaty applies.

Record explanation to this number :Three German Länder have the view, that a 75% promotion criterion also must be maintained strictly after 2006. Regions of the German countries, which fall out of promotion because of the enlargement of the European Union , receive a phasing out. Comparable regions must be treated equally within the present EU-15. Beyond that, the federal government is requested to compensate EU- funding means appropriately financially, once they fall out.

3. Outside Objective-1, the promotion must continue in an appropriate way, which takes place today as Objective- 2 and Objective- 3 promotion. In order to avoid a one- sided load of the today's promotion regions, an appropriate sharing out relation of the means between Objective-1 on the one hand - including the regions concerned by the statistical effect – and on the other hand the promotion outside Objective- 1 in the EU- 15 must be maintained also after 2006. Regarding the transitional arrangements, the Phasing Out of Objective- 1 must be added to the Objective-1 Promotion.
4. A promotion outside of Objective-1 takes place only for the overcoming of area-specific regional-economic development imbalances and disadvantages or for continuation of job market and socio-political goals regardless of the Community Initiatives. It serves also for the managing of the problem situations in border regions of the EU-15 along the borders to the acceding new Member States. The funding area demarcation may be made therefore exclusively according to objective, socio-economic and calculable criteria. Possible indicators for funding area demarcation on the level of NUTS III can be e.g. unemployment, income and necessary structural adjustments.
5. The providing of necessary means for the new Member States must take account of the budgetary situation of the member states, in particular the “net contributors”, not exclusively via heightening of the European Union household. The present upper limit for the European Union household of 1,27% of the common – GDP must be kept equal also after the enlargement and, if possible, must be held below the ceiling of 1,27 % of the gross national product of the enlarged Union. The expenditures for the coherence policy in the new Member States after 2006 must far-go through a stronger concentration of the structural policy with the EU – 15, in order to limit an additional load of net contributors.
6. About the financial height of the structural funding resources, which are necessary in order to ensure an appropriate continuation of the promotion in the context of Objective- 1 and/or Objective- 2/3 in the next promotion period, the Länder will take up immediately the discussion agreed upon with the federal government on the basis of this resolution.
7. The European aid-regime is to be changed to the extent, that a larger measure of an organisational margin for their regional policy is granted to the Länder. For financially weak regions however, external influxes of funds create in fact the basic conditions to operate their own structural policy. Apart from these financial conditions, the necessary instrumental and competition-legal margin must be given under common basic conditions

within the EU-community. Regional domestic subsidy races are to be avoided thereby absolutely.

(Not authorised, unofficial Translation, made by the State Chancellery of Lower Saxony, Hannover/ Germany; contact person. Dr. Peter Best Tel. +49 511 120 4653/ 4661; Peter.Best@stk.niedersachsen.de)