

Handout

**Cohesion and Structural Funds**

- Cohesion: reduction of regional (economical/social) disparities-> focus on GDP per capita
- Structural Funds: used for compensation of MS. 1/3 of EU Budget (ca. 0.46% of EU GDP)
- Funds used for macroeconomic growth& stabilization
- Facilitates growth of union: Single Market Programme, economic& monetary union, integrative packages
- The larger the union the larger the budget required

| Year                              | mn.ecu/€   | % EU Budget |
|-----------------------------------|------------|-------------|
| 1975                              | 257 ecu    | 4.8         |
| 1981                              | 1,540 ecu  | 7.3         |
| 1987                              | 3,311 ecu  | 9.1         |
| 1992                              | 18,557 ecu | 25.0        |
| 1998                              | 33,461 ecu | 37.0        |
| 2002 (includes pre accession aid) | € 34,615   | 35.0        |
| 2006 EU25                         | €38,791    | 32.0        |
| 2013 EU27                         | €50,960    | 32.0        |

**The Commission`s four principles for implementing the structural funds**

- 1) **Concentration** of measures around priority objectives
- 2) **Programming**, whereby multi- annual, multi- task, and occasionally multi- regional programmes, rather than uncoordinated individual national projects, are funded
- 3) **Additionality**, making EU- Funds complement, rather than replace, national funding
- 4) **Partnership** involving the closest possible cooperation between the Commission and the „appropriate authorities“ at „national, regional and local level“ in each member state, and at every stage in the policy process from preparation to implementation

**Structural Funds objectives**

- Objective1: cover regions where GDP per capita is less than 75%
- Objective2: for regions facing major economical/industrial change
- Objective3: covers rest, specifies in education, training& employment

**Further Reform , 2007-13**

- Commission proposed 3 instead of 6 objectives
- Community Initiatives should be brought into three mainstream programmes
- Local authorities should be involved more
- More strategic programming and simple implementation
- More transparency and financial accountability

