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## **NGO STATEMENT ON THE SUSTAINABLE AND FAIR USE OF EU FUNDS**

*Comments presented on the occasion of the Second Reading negotiations between Parliament and Council on the cohesion policy regulations*

Representing a broad coalition of social and environmental NGOs, we call upon the European Parliament and the European Council to consider the following points with regard to the inter-institutional negotiations on the General Regulation on the Structural and Cohesion Funds and the European Regional Development Fund regulation:

- 1) Ensure a strong partnership principle in Article 10 of the General Regulation
- 2) Define gender equality and non-discrimination, and environmental protection and improvement as clear objectives of the Structural Funds in Article 14 and a new article 14 bis
- 3) Ensure in Article 51 of the General regulation that expenditure of not-for-profit NGOs, in particular the use of volunteer time, is considered part of the calculation of the contribution to the funds
- 4) Include 'environmental improvements, social inclusion and accessibility' in Article 2 of the European Regional Development Fund

In its first reading on 6<sup>th</sup> July 2005, the European Parliament made important steps forward on the above points, which must not be lost in the current negotiations.

### **1) THE ARTICLE 10 ON PARTNERSHIP**

The latest compromise text from the European Council (dated 21 December) significantly weakens Article 10 on the partnership principle. It does so by introducing words "where appropriate" and "such as" in paragraph 1 and by removing the list of partners outlined in line 1(c). This would make partnership optional, as opposed to the mandatory partnership principle in the current regulation 1260/1999.

The table below shows the difference between the Commission's original proposal and the Council's negotiations on Article 10(1).

The signatories to this statement support the European Parliament's position, which *"rejects any weakening of the principle of partnership as envisaged in the original proposal, especially in terms of strategic planning and monitoring of the programmes; calls particularly for the maintenance of the list of appropriate bodies (Article 10(1)(c))"*.

In November 2005, the Commission's evaluation of the partnership principle concluded that "structural funds deliver more, faster and better when national, regional and local authorities work together with their economic and social partners and with civil society groups". Partnership has proved to be a key to success in the Structural and Cohesion Funds programmes and its weakening would be an unfortunate step backwards. Involvement of partners varies considerably across the EU. Civil society organisations and environmental authorities should be recognised as representative partners at the national and regional levels.

<u>Commission's proposal – Art 10(1) supported by the NGO coalition</u>	<u>Council doc 21 Dec – Article 10(1)</u>
<p>1. Assistance from the Funds shall be decided by the Commission within the framework of close cooperation, hereinafter "partnership", between the Commission and a Member State. The Member State organises, in accordance with current national rules and practices, a partnership with the authorities and bodies which it designates, <b>namely:</b></p> <p>a) the competent regional, local, urban and other public authorities;</p> <p>b) the economic and social partners;</p> <p>c) <b>any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.</b></p>	<p>1. The objectives of the funds are pursued in the framework of close co-operation, hereinafter partnership, between the Commission and the Member State. The Member State shall organise, <b>where appropriate</b> and in accordance with current national rules and practices, a partnership with the authorities and bodies <b>such as:</b></p> <p>a) the competent regional, local, urban and other public authorities;</p> <p>b) the economic and social partners;</p> <p>c) <b>any other appropriate body.</b></p>

## 2) ARTICLE 14 ON EQUALITY BETWEEN MEN AND WOMEN AND NON DISCRIMINATION

The NGO coalition fully supports the proposal from the Council Presidency to include non-discrimination as a horizontal objective in the General regulation and calls upon the European Institutions to keep the proposed text:

### ***Equality between men and women and non discrimination***

"The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is promoted during the various stages of implementing the Funds.

The Member States and the Commission shall take appropriate steps to prevent any discrimination on the basis of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementing the Funds and, in particular, access to them."

## **SUGGESTED NEW ARTICLE 14bis ON ENVIRONMENTAL PROTECTION AND IMPROVEMENT**

Several Member States – most notably the UK, Austria, Lithuania and Latvia – are calling for a stand-alone article on environmental protection and improvement, along the lines of what is being proposed for the article on anti discrimination and equality between men and women:

**“The Member States and the Commission shall ensure and demonstrate that environmental protection and improvement is promoted during the various stages of implementing the Funds.”**

Without such a stand-alone article, the future regulation will be weaker than the current regulation 1260/1999. The protection and improvement of the environment needs to be clearly mentioned as a Community priority.

### **3) ARTICLE 51 ON CONTRIBUTION BY THE FUNDS**

It is important that the contribution rate by the European community is calculated in a way that it does not prevent not-for-profit NGOs from delivering projects. We are important stakeholders and partners in the efforts to improve the quality of life and to promote social inclusion and sustainable development in Europe. The Structural Funds are important tools that help us to achieve these important goals.

The European Council Summit in December 2005 proposed that the contribution rate from the Funds should be calculated differently in the old and the new member states; in the EU15 private expenditure would be excluded from the calculation.

It is essential that across the EU the expenditure of non-for-profit NGOs, in particular the use of volunteer time, is considered part of the calculation. This would ensure that the funds are used where they are most needed, for example, supporting socially excluded minority groups, rather than being limited to the often more narrow range of actions co-financed by national governments

**To this effect, we suggest the following amendment:**

51.2 For the other operational programmes of the Member States other than those mentioned under paragraph 1 -with the exception of the operational programmes in the Eastern Länder of Federal Republic of Germany eligible for support under the Convergence Objective-, the contribution from the Funds under the “Convergence” and “Regional Competitiveness and Employment” Objective shall be calculated in relation to the total public expenditure, **including expenditure from not for profit non-governmental organisations working in the public interest.**

### **4) ARTICLE 2 ON PURPOSE OF THE EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)**

On 6<sup>th</sup> July 2005 the European Parliament amended Article 2 on the purpose of the **European Regional Development Fund**, adding the promotion of environmental improvements and social inclusion, and recognising the need to remove the barriers faced by people with reduced mobility in accessing goods and services and built up areas.

We call on the European Parliament to maintain this position, as this addition ensures that the ERDF meets the principles of non-discrimination and sustainable development laid down in articles 13 and 6 of the EC Treaty.

<u>European Parliament's proposal – Article 2 supported by the NGO coalition</u>	<u>Council doc 21 Dec – Article 2</u>
<p style="text-align: center;"><i>Article 2</i> <b>Purpose</b></p> <p>The ERDF shall contribute to the financing of assistance <b>seeking to reinforce</b> economic, social and territorial cohesion <b>in the context of the European Union sustainable development strategy by addressing and dealing with the underlying causes of inter- and intra-regional</b> disparities and supporting the structural development and adjustment of regional economies, including the conversion of declining industrial regions.</p> <p>In so doing, the ERDF shall give effect to the priorities of the Community, <b>the details of these priorities to be determined by regional and local partners in accordance with operational programmes and national rules</b>, in particular: (a) the need to strengthen competitiveness <b>through an innovative approach to regional and local development intended to create sustainable jobs, to promote social inclusion and equality between men and women and to achieve environmental and social improvements through the implementation of Community environmental and social legislation</b>; (b) the need to remove the barriers faced by disabled people in accessing goods and services and built-up areas by ensuring that accessibility is a condition of any project benefiting from the Funds.”</p>	<p style="text-align: center;"><i>Article 2</i> <b>Purpose</b></p> <ol style="list-style-type: none"> <li>1. Pursuant to Article 160 of the Treaty and Regulation (EC) No (...), the ERDF shall contribute to the financing of assistance towards the reinforcement of economic and social cohesion by redressing the main regional imbalances through supporting the development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions lagging behind, and by supporting cross-border, transnational and inter-regional co-operation.</li> <li>2. In doing so, the ERDF shall give effect to the priorities of the Community, and in particular the need to strengthen competitiveness and innovation, to create and safeguard sustainable jobs, and to ensure sustainable development.</li> </ol>

**Signatory organisations in Brussels 07th March 2006;**

BirdLife International  
CEE Bankwatch Network  
European Antipoverty Network (EAPN)  
European Citizen Action Service (ECAS)  
European Disability Forum (EDF)  
European Environmental Bureau (EEB)  
European Federation of National Organisations working with Homeless (FEANTSA)  
European Federation for Transport and Environment  
Friends of the Earth Europe  
Social Platform  
Solidar  
WWF