SECOND REPORT
ON ECONOMIC AND SOCIAL COHESION

INTRODUCTION

The role of the Cohesion Report

Article 159 of the Treaty states that every three years the Commission should present ‘a report on the progress made towards achieving economic and social cohesion and on the manner in which the various means (including different Community policies) provided for in (the) article have contributed to it.’ This report is the response to this requirement. Article 45 of the General Regulation on the Structural Funds specifies the contents of the report.

The Commission adopted the First Cohesion Report at the end of 1996. This was the basis for the first Cohesion Forum held in April 1997 and for the proposals contained in ‘Agenda 2000 – for a stronger and wider Union,’ which led to the reform of cohesion policy adopted by the Council in June 1999.

The Commission has chosen to present the Second Report on Economic and Social Cohesion at the beginning of 2001, which falls immediately after the first phase of the implementation of the reform of the Structural Funds, and after certain key decisions have been taken as regards financial allocations and geographical eligibility for support. It is, therefore, already possible at this stage to make a broad ex ante assessment of the possible impact of the reform.

The second Report also contains an updating of the regional analysis contained in the Sixth and last Periodic Report on the situation and development of regions published in 1999. Such an updating is more necessary than before since the Cohesion Reports replace the Periodic Reports which the Commission has published since the beginning of the 1980s.

First analysis of cohesion in an enlarged Union

As the Treaty and the general Regulation on the Structural Funds require, the Report analyses the changes in cohesion and the factors which contribute to it. Without prejudging the timing, the procedures or the order of countries entering, the working hypothesis adopted relates to an enlarged Union of 27 Member States.

So far as the data allow, each part of the Report includes consideration of the situation in an enlarged Union. This should be the context for analysis, rather than in terms of a more static analysis of the respective situation in the present 15 Member States and the 12 countries with which accession negotiations are taking place. An analysis of regional features in Turkey, the 13th candidate country with which negotiations have not yet begun, is included separately. This will be the subject of a more systematic analysis in future reports after negotiations have begun.
Launching the debate

The report develops a set of conclusions and recommendations with a view to opening up a debate on the future of cohesion policy after 2006 in an enlarged European Union. The Commission is convinced that for the future, important changes will be required to a policy which was designed for the present Member States. While enlargement is major part of the explanation for the need for change, it is not the only one in view of the far reaching economic and social and territorial changes affecting the present EU15. These changes are also examined in the report.

The debate which will ensue will involve the EU institutions and agencies, Member States and regional and local authorities, as well as the relevant economic and social interests, non-governmental organisations, universities and other academic institutions. The Commission itself is organising a Cohesion Forum in Brussels on 21 and 22 May 2001 to provide an opportunity for the exchange of ideas and discussion of future cohesion policy. The candidate countries will be fully involved in this consultation exercise.

At a later stage, the Commission will set out proposals which will then be presented to the European Parliament and the Council of Ministers for a new cohesion policy to take effect from 1 January 2007.