FOURTH REFORM OF STRUCTURAL FUNDS 2007-2013

STARTING YEAR 2007

ENDING YEAR 2013

INSTITUTION
EU, National Administration and Regional Administrations

NORMATIVE BASIS
Lisbon Strategy

BACKGROUND
The original goal of reducing the existing divergence in development levels between different European Union regions must be continually strengthened with Bulgaria and Romania joining the EU in 2007. For this integration to be successful, regions that until now have been the main beneficiaries of the Funds have to contribute to their new partners’ economic development.

In addition to this collective effort from European countries, the economic and social situation as a result of globalisation, the effects of the technology revolution, population aging and increasing immigration have accelerated economic restructuring and represent significant additional challenges for the EU as a whole.
In order to tackle all these challenges, new Rulings have been approved that regulate the European Regional Development Fund (ERDF) and the Cohesion Fund, in addition to a new Ruling that creates a cross-border authority to apply cooperation programmes, the European Territorial Cooperation Group (ETCG). There is also a new standard regulating the Instrument for Pre-Accession Assistance.

**OBJECTIVES**

This new reform of the Structural Funds aims to simplify the Commission's role to concentrate on a strategic focus which is a real community added value. The new regulations give a strategic dimension to the new policy, asking Member States to transpose community priorities into national priorities.

**ACTIONS**

The former Priority Goals and the Community Initiatives are simplified giving way to a new structure where the whole cohesion policy is summarised in 3 single objectives and their financing is also reduced to 3 single instruments. Objective 1 involves less developed regions and has become the **Convergence** objective; it is financed via EDRF, the ESF and the Cohesion Fund. Objectives 2 and 3, centred on reconversion zones and training and employment, are translated into **Regional Competitiveness and Employment** financed by the ERDF and the ESF. The former Interreg initiative has become the **European Territorial Cooperation** objective financed exclusively by the ERDF. Both the URBAN II and the EQUAL programme are now part of the Convergence and Regional Competitiveness and Employment objectives.

The Cohesion Fund no longer operates independently, but forms part of the new first objective: **Convergence**. The fishing and rural development programmes are backed by the new European Agricultural Rural Fund for Development (EAFRD) and the European Fisheries Fund (EFF) but from now on they have their own legal foundations and no longer form part of the cohesion policy.
The following table presents a summary of the Cohesion Policy for 2007-2013.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Description</th>
<th>Eligibility criteria</th>
<th>Funds</th>
<th>Total meuros</th>
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<tbody>
<tr>
<td><strong>Convergence</strong></td>
<td>Growth and employment in the least developed regions. Special emphasis on innovation, capacity to adapt, quality of the environment and administrative efficacy.</td>
<td>NUTS I and II regions with GDP per capita under 75% of community average (EU25). NUTS II regions are considered to be &quot;transitory funding&quot; or &quot;gradual exclusion&quot; convergence regions if they have a GDP per capita under 75% of the EU 15 community average.</td>
<td>ERDF, ESF, Cohesion Fund</td>
<td>282,855</td>
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<td><strong>Regional Competitiveness and Employment</strong></td>
<td>Making regions more competitive and attractive, plus employment, anticipating economic and social changes.</td>
<td>All regions not covered by the Convergence objective or &quot;gradual exclusion&quot;. &quot;Transitory funding&quot; or &quot;gradual inclusion&quot; regions are considered to be regions that have GDP over 75% of EU 15 that were considered as Objective 1 in the previous period (currently Convergence Objective)</td>
<td>ERDF, ESF</td>
<td>54,965</td>
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<td><strong>European territorial cooperation</strong></td>
<td>Cross-border, transnational and inter-regional cooperation in urban, rural and coastal development and in creating networks of small and medium sized enterprises (SME).</td>
<td>All NUTS III regions.</td>
<td>ERDF</td>
<td>8,723</td>
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1 These are the initials in French for Statistical Territorial Units Nomenclature, used by the European Union for statistical purposes.