



COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION  
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

**ON THE RESULTS OF THE ELIGIBILITY MID-TERM REVIEW IN  
ACCORDANCE WITH ARTICLE 2 OF THE COUNCIL REGULATION (EC)  
N° 1164/1994 ESTABLISHING A COHESION FUND**

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**1. INTRODUCTION**

Article 2 of the amended Council Regulation (EC) No 1164/94 establishing a Cohesion Fund requires an eligibility mid-term review. The regulation stipulates that any Member State whose gross national product (GNP) per capita, measured in purchasing power parities, exceeds 90% of the Community average shall lose its entitlement to assistance from the Fund for new projects. The review shall be carried out before the end of 2003 based on per capita GNP as shown by Community data for the period 2000-2002.

Article 4 of the amended Council Regulation (EC) No 1164/94 stipulates that, in the event of a Member State becoming ineligible, resources for the Cohesion Fund will be reduced accordingly.

Since Article 4 of the Regulation is clear on the consequences of a Member State becoming ineligible in the mid-term eligibility review, the Commission considers modification of the Regulation itself is unnecessary. Consequently, the Commission decided to adopt a Communication to the Council and the European Parliament outlining the result of the mid-term eligibility review and laying down its financial implications. These financial implications will be implemented by the Commission in the context of the annual budgetary forecast.

**2. RESULT OF THE MID-TERM ELIGIBILITY REVIEW**

Four Member States were eligible under the Fund from 1 January 2000: Spain, Greece, Portugal and Ireland. For the reference period 2000-2002, the Community data as of 1 November 2003 for these beneficiary Member States are as follows:

GNP/capita in purchasing power parities (index: EU15=100)

	2000	2001	2002	average 2000-2002
<b>Greece</b>	66,1	64,9	66,2	<b>65,7</b>
<b>Spain</b>	81,4	82,9	83,5	<b>82,6</b>
<b>Portugal</b>	66,7	67,3	67,0	<b>67,0</b>
<b>Ireland</b>	99,6	100,1	101,7	<b>100,5</b>

The Community data reveal that GNP per capita of Spain, Greece and Portugal does not exceed the eligibility threshold of 90% of the Community average. Consequently, the three Member States will continue to benefit from the Cohesion Fund until 2006. Ireland's GNP per capita, on the other hand, stands at 100.5% of the Community

average for the reference period 2000-2002, exceeding 90% of the Community average. Consequently, Ireland is ineligible under the Cohesion Fund as of 1 January 2004.

### **3. FINANCIAL IMPLICATIONS**

Ireland's ineligibility under the Cohesion Fund as of 1 January 2004 means that total resources for commitments in the period 2004 to 2006 will be reduced by EUR 164 million (1999 prices), corresponding to the amount foreseen by the Commission for Ireland for the said period.

Consequently, total resources to be made available for commitments for the period 2004 to 2006 shall be EUR 7.376 billion at 1999 prices.

Commitment appropriations for each year shall be:

- 2004: EUR 2.460 billion,
- 2005: EUR 2.460 billion,
- 2006: EUR 2.460 billion.