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REPORT FROM THE COMMISSION

11th Annual Report on the Structural Funds (1999)

This report has been prepared by the Directorate-General for Regional Policy in the European Commission, in collaboration with the Directorates-General for Employment and Social Affairs, Agriculture and Fisheries, together with contributions from the Secretariat-General and the Directorates-General for Economic and Financial Affairs, Enterprise, Competition, Energy and Transport, the Environment, Research, the Internal Market, Education and Culture, the Budget and Financial Control and the European Anti-Fraud Office.

The single currency was introduced on 1 January 1999. For convenience and greater consistency, we have decided to denominate all amounts in this Report in euros, even for operations prior to that date. The symbol '€' in this Report refers to the ecu in the case of amounts concerning the period before 1 January 1999 and to the euro from that date.

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ACRONYMS AND ABBREVIATIONS

INTRODUCTION

A. GENERAL REVIEW

This Report is being presented under Article 16 of the Framework Regulation governing the Structural Funds (Regulation (EEC) No 2052/88 as amended), as required by Article 31 of the Coordination Regulation (Regulation (EEC) No 4253/88 as amended). The Report describes how the Structural Funds regulations were implemented during 1999, with a particular focus on Objectives 1 to 6 and the Community Initiatives. The structure of the Report is designed to meet this reporting requirement but some changes have been made over the years.

One innovation introduced in the 7th Annual Report (1995) was to concentrate on a special theme. This year, the theme is measures to promote equal opportunities for men and women. In addition, once again the report is shorter. The Report proper thus deals with the most significant events in the field of the Structural Funds during the year, while the annexes contain comprehensive data on the financial implementation of programmes. In addition to the chapters fulfilling the reporting requirement, Chapter 1 provides a brief summary of the principal developments in 1999 and touches also on preparations for the next programming period (2000-06).

Review of the year

Work on economic and social cohesion carried out by the Structural Funds in 1999 falls under three broad headings:

1. Completion of the period 1994-99

As the last year of the programming period, 1999 saw the programmes fully implemented. This meant that very few new items of assistance were adopted during the year.

In all, only five such items were adopted in 1999 for the various Objectives. These comprised two operational programmes for Objective 1 (regions whose development is lagging behind), one concerning the territorial pacts for employment in Spain, the other a programme to develop ecological buses in Greece. In addition, three global grants were adopted for Italy. All together, these five new items accounted for only 0.1% of assistance from the Funds for the period.

At the same time, 24 small Community Initiative programmes were also adopted: they comprised two Interreg II C (transnational cooperation) programmes, one concerned with the Atlantic area and the other to combat drought in Greece; all the other 22 programmes concerned the SMEs Initiative.

As in 1997 and 1998, the implementation of appropriations speeded up considerably in 1999, in many cases enough to make up the backlogs which had accumulated during the early years of the programming period. This was true of both the national initiative programmes (CSFs/SPDs) and the Community Initiatives.

In the case of the CSFs/SPDs, by the end of the year (which was also the end of the period), 99% of the total assistance from the Funds had been committed. There was a

considerable speeding up in commitments during the year, which accounted on its own for 21% of the total since 1994. Similarly, 75% of appropriations had been paid by the end of the year. Payments at local level for 1994-99 may continue to be made until 31 December 2001.

As in 1998, Objectives 1 (regions whose development is lagging behind) and 3 (combating unemployment and exclusion) achieved the best rates of implementation. Objective 1, which accounts for 2/3 of the budget of the Funds, committed virtually all its appropriations (99%) and paid 78%. By contrast, Objectives 2 (areas undergoing industrial conversion), 4 (labour market) and 5(b) (fragile rural areas) had lower rates of payments.

Again as in 1998, the Member States which had the best rates of implementation of appropriations were the least prosperous Member States, and therefore the main beneficiaries of the Funds: Spain, Portugal and Ireland. By contrast, the more prosperous countries continued to lag behind in the implementation of payments.

The implementation of the Community Initiatives (CI) also speeded up considerably, partly thanks to the reallocation of finance carried out in 1998. By the end of the year, some 95% of total appropriations for the period had been committed, and 57% paid, a considerable improvement over previous years. Disparities in implementation between the various Initiatives persisted, with Resider, Rechar, Adapt, Employment and Pesca recording the highest levels of implementation.

2. Increased attention to priority themes

The Commission devoted special efforts in 1999, as it did in previous years, to giving fresh impetus to a number of its activities and priorities. Safeguarding and promoting employment, in particular, continued to be a priority receiving sustained support: the European Employment Strategy, for example, which was formally launched at the extraordinary European Council in Luxembourg in November 1997, was consolidated during 1999. A complete review of the national action plans for employment was undertaken and resulted in recommendations to the Member States on how best to honour their commitments. The Commission guidelines on employment adopted in 1998 were expanded in 1999 to include new goals, such as lifelong training, access to the information society, the involvement of the social partners in the organisation of work and the incorporation in the programmes of equal opportunities for men and women. In its resolution on the employment guidelines, the Council stressed the role of the Structural Funds, and particularly the ESF, in achieving the goals of the European Employment Strategy. The regulations governing the Structural Funds in 2000-06 require the Member States to include the employment guidelines, and more generally the principles set out in the European Employment Strategy, in their programmes.

Elsewhere, following the adoption of the guidelines on national aids, the Commission asked the Member States to submit it a draft national map of regional aids showing the regions proposed for the derogations permitted by the Treaty and the ceilings on the intensity of investment aid or aid to create jobs linked to investment. Because they were sent late, the maps of some Member States could not be approved before the end of 1999.

A closing seminar on spatial planning was held in Brussels in February and the final version of the ESDP (European spatial development perspective) was adopted at the informal Council in Potsdam in May. The options proposed in the ESDP are included in the new programming for 2000-06.

3. The final preparations for the 2000-06 programming period

Following the proposed regulations to govern the Structural Funds which the Commission had drawn up in 1998, 1999 was a crucial year for actual preparations for 2000-06, since it saw the adoption of a large number of decisions.

On 24 and 25 March at the extraordinary European Council in Berlin, the Heads of State and Government reached agreement on Agenda 2000, which fixes the financial perspective for the Structural Funds and the Cohesion Fund for the whole period 2000-06. In the case of the Structural Funds, it also decided the overall funding for each Fund and for each Objective. The Heads of State and Government also agreed on the funding for structural assistance to the applicant countries over the period 2000-06.

Furthermore, after lengthy discussion and consideration by the various Community institutions, the proposed regulations adopted by the Commission in March 1998 were adopted by the Council in May and June 1999: the Regulation on the EAGGF was adopted on 17 May and all the regulations concerning the Structural Funds, including the general Regulation, were adopted on 21 June. All these regulations apply to appropriations for the 2000-06 programming period from 1 January 2000. The regulations establishing the new pre-accession instruments were also adopted by the Council on 21 June: these are the regulations on the ISPA (instrument for structural policies for pre-accession), SAPARD (pre-accession instrument in the field of agriculture and rural development) and the regulation coordinating pre-accession assistance.

Once these new regulations had been adopted, on 1 July the Commission, in accordance with Agenda 2000, approved decisions on the indicative allocation by Member State of the commitment appropriations for all the Objectives, the allocations to each Community Initiative, the list of regions eligible under Objective 1, including those benefiting from transitional support, and the ceiling on the population eligible under Objective 2 in each Member State.

The general Regulation on the Structural Funds gives the Member States four months from the adoption of the lists of areas eligible under Objectives 1 and 2 to send the Commission their draft programming documents ('plans'). Since the list of regions eligible under Objective 1 throughout the Union was approved on 1 July, the Commission received most of the plans for this Objective before 31 December 1999. Most of the plans were considered acceptable straight away by the Commission and negotiations with the Member States could begin quite quickly with some programmes being adopted by the Commission in the first quarter of 2000. The lists of areas eligible under Objective 2 were drawn up later because the criteria were more complex and specific national features had to be taken into account. This meant that the Commission received no Objective 2 plans before 31 December. However, all except those for Italy were received between January and the end of April 2000.

B. EQUAL OPPORTUNITIES FOR MEN AND WOMEN: THE THEME OF THE 1999 ANNUAL REPORT

In each of the last four years, the Annual Report on the Structural Funds has picked out a theme relevant to all four Structural Funds. To date, the subjects covered have been: the environmental dimension of assistance (1995), support for technological development in the regions (1996), action to help small businesses (1997) and local development (1998). This year, the report looks at measures to promote equality between men and women and, more specifically, the improvements made in incorporating this political priority in the Funds' programmes.

The principle of equality for men and women ("equal opportunities")

Equality between women and men in the Treaty

Equality between women and men is a basic principle of democracy and respect for humankind. The Union has been the driving force in promoting equal opportunities for women and men. The Treaty of Amsterdam strengthens the basis for measures to promote equality between women and men. Article 141 provides a specific legal basis for adopting measures to ensure the application of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, including the principle of equal pay for equal work or work of equal value. Finally, Article 141 also allows Member States to adopt or maintain positive-action measures for the under-represented sex in respect of professional careers. Article 2 of the Treaty of Amsterdam formalises the Community commitment to gender mainstreaming (see box in section 2.1.2. of this Report), by establishing equality between women and men as a specific task of the Community as well as a horizontal objective affecting all Community tasks.

Equality between women and men as a productive factor

While the promotion of equality between women and men is usually regarded as a matter of social justice, it is often also believed to be a burden or a constraint on economic growth and development, perceived as a luxury that countries may not be able to afford under current competitive conditions. However, it is well documented that promoting equal opportunities should improve labour market efficiency and better use of human resources. The importance of women in today's labour market cannot be overstated. Demographic projections show that Europe's population is ageing, which has far-reaching consequences on health, pensions and intergenerational solidarity and on employment. This means that the employment growth that we need for coming decades depends largely on getting more women into the labour force.

Gender gaps in the labour market. The present situation.

Active participation by women in the labour market has been increasing continuously over the last 30 years – women have accounted for almost the entire growth of the Union's workforce over the last 10-15 years. Women's employment has risen from just over half (54%) of the level of men's to over 70% at present – but yet the gender gaps remain:

- in almost all Member States unemployment rates are higher for women than for men;
- the gender gap in employment rates is almost 20%, on average, amongst the Member States;
- women's employment is reduced with the number of children in the household. This does not hold true for men. Women perform the vast bulk of unpaid work at home, including care for children and other dependants;
- even in countries with high participation and employment rates the labour market remains very segregated and women remain over-represented amongst part-time workers, often on an involuntary basis. The wage gap between women and men remains considerable (28% on average at EU level).

The above data show the importance of the gender-mainstreaming of employment policies and structural policies, which constitute the main Community instrument for promoting cohesion, improving employment and integration prospects and for achieving sustainable development.

The European Employment Strategy

There has been considerable progress over the last years. Equal opportunities is now an integral part of the European Employment Strategy. Member States have committed themselves to improving gender gaps in employment, reconciling family and working life and adopting a gender-mainstreaming approach in implementing their employment policies. The Employment Guidelines recognise the significance of gender equality to the economy. Equal opportunities is now a matter of both social justice and of good economics.

Taking account of equal opportunities in the Structural Funds

In recent years, greater attention has been also paid to how the Structural Funds can have a greater impact on equality between women and men. This resulted in a 1996 Council of Ministers resolution on the mainstreaming of equal opportunities for women and men in the Structural Funds.

This effort has been continued subsequently at various levels: a methodological study on the application of the principle of equal opportunities in assistance under the Structural Funds was carried out in 1997 and its results were published in March 1998. Another study, based on good practice observed in Germany, the United Kingdom and France, was presented at a seminar on the subject at Gelsenkirchen in January 1999. These considerations helped ensure that the principle of equality for men and women was more firmly incorporated in the new regulations governing the Funds in 2000-06.

Accordingly, the new regulations on the Structural Funds for 2000-06 contain new features on the integration of equal opportunities for women and men. Member States and regions will have to carry out an in-depth *ex-ante* analysis from a gender perspective, setting appropriate selection criteria for projects and monitoring all activities from a gender perspective. This means that indicators and statistics have to be broken down by sex. Member States will also have to promote balanced

participation by women and men in Monitoring Committees and involve the authorities responsible for equality.

The principle of equality for men and women is asserted in 13 of the 56 articles of the new general Regulation on the Structural Funds¹.

But the integration of equal opportunities into the Structural Funds has an importance which goes well beyond its legal justification. The eradication of inequalities between men and women on the employment market will increase the overall effectiveness of the plans and programmes of the Structural Funds. Growth, competitiveness and employment can only be ensured by the full mobilisation of all, men and women alike.

The aims of the Structural Funds and equality for men and women correspond very closely, as can be seen from these examples:

- expanded possibilities for men and women to participate at all levels of the labour market make investments in human resources more effective and efficient;
- improved qualifications and professional skills for women help increase productivity and opportunities for employment and promotion;
- the economic activities established by women often provide an innovative response to employment opportunities and local needs;
- improved transport services and childcare facilities give women more opportunity to gain access to the employment market and create new sources of jobs.

¹ Regulation No (EC) 1260/1999 of 21 June 1999.

1.1. THE PREPARATION OF THE 2000-06 PROGRAMMING PERIOD

1.1.1. *The Berlin agreement, a reference framework for the structural policies in 2000-06*

At the extraordinary European Council held in Berlin on 24 and 25 March 1999, the Heads of State and Government reached agreement on Agenda 2000.

Cohesion policy in the 15 Member States:

The commitment appropriations available for cohesion policy in the 15 Member States during the period 2000-06 amount to €213.01 billion (at 1999 prices). This is less than the €239.4 billion (at 1999 prices) proposed by the Commission in March 1998 but nevertheless reflects the high political priority given to the cohesion effort. It is broken down as follows:

- €195.01 billion for the Structural Funds;
- €18 billion for the Cohesion Fund.

The Heads of State and Government also agreed on the allocation to each of the three Objectives of the Structural Funds and to the Financial Instrument for Fisheries Guidance for assistance outside the regions eligible under Objective 1:

- €135.95 billion for Objective 1, 69.7% of total funding for the Structural Funds;
- €22.45 billion for Objective 2, 11.5% of total funding for the Structural Funds;
- €24.05 billion for Objective 3, 12.3% of total funding for the Structural Funds.

Structural assistance for the countries applying for accession²:

The Berlin European Council approved the amounts proposed by the Commission for structural assistance to the countries applying for accession in 2000-06, €46.860 billion (at 1999 prices):

- €7.28 billion for the Instrument for structural policies for pre-accession (ISPA);
- €39.58 billion for post-accession structural assistance.

In addition, SAPARD (Community assistance for pre-accession measures for agriculture and rural development) will have €520 million per year for the applicant countries until they actually join.

² Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

The Commission decisions following adoption by the Council of the Regulations governing the Structural Funds:

Once the new Regulations on the Structural Funds³ had been adopted, on 1 July, the Commission took seven decisions⁴ concerning Objectives 1, 2 and 3 and the FIG which were the necessary preliminaries to implementation of the new programming period, 2000-06:

- four decisions fixing an indicative allocation by Member State of the commitment appropriations for Objectives 1, 2 and 3 and the FIG outside the Objective 1 regions respectively;
- one decision on the funding allocated to each of the Community Initiatives;
- one decision drawing up the list of regions covered by Objective 1, including the regions receiving transitional support;
- one decision establishing a population ceiling for each Member State under Objective 2.

It should be noted that, unlike the previous programming period 1994-99, rural development measures within areas eligible under Objective 2 will no longer be financed by the EAGGF-Guidance Section, but by the EAGGF-Guarantee Section (the instrument which finances the common agricultural policy).

- Indicative allocation of commitment appropriations by Member State (see table):

The indicative allocations of appropriations by Member State were laid down by the Commission pursuant to Article 7 of Council Regulation (EC) No 1260/1999 and the conclusions of the Berlin European Council.

³ Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds; Regulation (EC) No 1261/1999 of 21 June 1999 on the ERDF; Regulation (EC) No 1262/1999 of 21 June 1999 on the ESF; Regulation (EC) No 1263/1999 of 21 June 1999 on the FIG; Regulation (EC) No 1257/1999 of 17 May 1999 on the EAGGF.

⁴ OJ L 194, 27.7.1999, pp. 47 et seq.

Period 2000-06 (commitment appropriations; € million; 1999 prices)

Member State	Objectives					FIFG (Outside Objective 1)	Total
	1	Transitional support Objective 1	2	Transitional support Objective 2	3		
BE	0	625	368	65	737	34	1829
DK	0	0	156	27	365	197	745
DE	19229	729	2984	526	4581	107	28156
GR	20961	0	0	0	0	0	20961
ES	37744	352	2553	98	2140	200	43087
FR	3254	551	5437	613	4540	225	14620
IE (2)	1315	1773	0	0	0	0	3088
IT	21935	187	2145	377	3744	96	28484
LU	0	0	34	6	38	0	78
NL	0	123	676	119	1686	31	2635
AT	261	0	578	102	528	4	1473
PT	16124	2905	0	0	0	0	19029
FI	913	0	459	30	403	31	1836
SE (3)	722	0	354	52	720	60	1908
UK (2)	5085	1166	3989	706	4568	121	15635
EUR15	127543	8411	19733	2721	24050	1106	183564

(1) Excluding Community Initiatives and innovative measures

(2) Including appropriations for Peace (2000-04)

(3) Including appropriations for the special programme for Swedish coastal areas

Objective 1

For the regions eligible under Objective 1, the method involves allocating for each inhabitant of the eligible regions an amount of aid equal to a percentage of the gap between the level of per capita GDP in the region concerned and the Community average. This percentage reflects the level of prosperity of the Member State to which the region belongs. A supplement is added for regions where unemployment is particularly high. This method results in a direct link between the extent of the problems which all the eligible regions of a Member State face (regional prosperity and unemployment) and the effort made by the Union to help those regions. It therefore tailors financial support to reflect the difficulties of the regions.

In 2000 the regions receiving transitional support under Objective 1 will receive the same treatment as those regions fully eligible under that Objective. Accordingly, their level of prosperity will be assimilated to that of a region whose per capita GDP is 75% of the Community average. However, no region receiving transitional support under Objective 1 may receive in 2000 aid greater than 75% of the level received in 1999. Between 2001 and 2003, the annual funding provided as transition support will be tapered in linear fashion until in 2004 it reaches a per capita intensity equivalent to that which areas eligible under Objective 2 receive.

It should however be noted that some Member States have, in agreement with the Commission, tailored the annual profile of the assistance to regions receiving transitional support under Objective 1, in accordance with Article 7(3) of the general Regulation on the Structural Funds.

Objective 2

In the case of the areas eligible under Objective 2, the commitment appropriations were allocated on the basis of an equal level of per capita aid for all the areas eligible (€41.4 at 1999 prices).

The appropriations for transitional support under Objective 2 were allocated among the Member States concerned on the basis of the difference between the population eligible under the former Objectives 2 and 5(b) in 1994-99 and the population eligible under the new Objective 2 in 2000-06.

Objective 3

The appropriations for Objective 3 were allocated among the Member States using the following criteria: long-term unemployment, unemployment among young people, the level of employment, the gap between the sexes in access to the labour market, the level of education and the level of poverty.

Allocation of FIFG appropriations outside Objective 1

FIFG appropriations outside Objective 1 were allocated according to two main criteria: (1) the relative size of the fisheries sector in each of the Member States concerned and the specific needs of the sector, and (2) the relative progress made in implementing the 1994-99 programmes.

• **Funding for each of the four Community Initiatives**

On 1 July 1999 the Commission also decided on the commitment appropriations allocated for 2000-06 to each of the four Community Initiatives provided for in the general Regulation on the Structural Funds. At 1999 prices, this amounted to:

- Interreg III: €4 875 million (cross-border, transnational and interregional cooperation);
- Equal: €2 847 million (combating discrimination on the labour market);
- Leader +: €2 020 million (targeted measures for rural development);
- Urban: €700 million (urban areas in crisis).

• **Lists of areas eligible under Objectives 1 and 2 (see map of eligible areas at the beginning of this Report):**

In 2006 the areas receiving assistance under Objectives 1 or 2 will cover 41% of the population of the Union as compared with 50% in 1999. This geographical concentration, together with the financial concentration of Objective 1, will mean that assistance under the Structural Funds can be targeted on the most seriously affected areas.

Objective 1:

The list of regions eligible under Objective 1 in 2000-06 was drawn up by the Commission pursuant to Article 3 of the general Regulation on the Structural Funds. These regions have a population of 92 212 000 people, 22% of that of the Union.

Objective 2:

Under the general Regulation on the Structural Funds (No 1260/1999), the population of the areas eligible under Objective 2 may not exceed 18% of that of the Union. Since Ireland, Greece and Portugal are entirely covered by Objective 1 or transitional support under Objective 1, 12 of the 15 Member States are concerned by Objective 2.

In accordance with Article 4(2) of the general Regulation, the ceiling on the eligible population for each Member States was calculated on the basis of four factors:

- the population in the NUTS III areas with meet the Community criteria for eligibility (Article 4(5) and (6));
- total unemployment and long-term unemployment outside the regions eligible under Objective 1;
- total unemployment and long-term unemployment in densely populated areas;
- the "safety net", which limits to one third the maximum reduction in the eligible population in a Member State as compared with that covered by the former Objectives 2 (industrial areas undergoing conversion) and 5(b) (fragile rural areas).

Once it had defined the ceilings on eligible population, the Commission asked the Member States concerned to send it their proposals for areas eligible under Objective 2 by 31 August. These proposals were received between 16 August and 3 December. The Commission decided to group the acceptable proposals (i.e. those that were complete and in conformity with the rules) according the date they were received so that those Member States which had been first to submit proposals in accordance with the statutory provisions, could begin implementing their programming rapidly. In 1999, the Commission therefore took decisions of principle on the areas eligible under Objective 2 on the following dates:

- 26 October, Finland, Belgium, Denmark and the Netherlands;
- 24 November, Germany;
- 22 December, United Kingdom and Spain.

After consulting the three Committees provided for in the general Regulation on the Structural Funds, the Commission took its final decision for the first four Member States mentioned above on 22 December 1999. The list of areas eligible under Objective 2 in the other Member States concerned apart from Italy was adopted early in 2000.

The Commission decisions concerning the pre-accession instruments ISPA and SAPARD

For the first time, a genuine pre-accession strategy has been established to prepare for an enlargement of the Union. Regulations (EC) Nos 1267/1999 and 1268/1999 adopted by the Council on 21 June 1999 set up respectively the following new pre-accession instruments:

- a structural instrument for pre-accession (ISPA) which will provide assistance in a manner similar to the Cohesion Fund to prepare for accession to the Union of the following applicant countries: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. ISPA has €1 040 million (at 1999 prices) per year to provide assistance for investment in the environment and transport infrastructure;
- an instrument for Community support for pre-accession measures for agriculture and rural development (SAPARD) in these ten countries which has €520 million (at 1999 prices) per year.

ISPA:

On 20 July 1999 the Commission took a decision of principle laying down the indicative breakdown by beneficiary country of the total assistance under ISPA. This was based on the criteria set out in Article 4 of ISPA Regulation, population, area and per capita GDP.

On 21 December, the ISPA Management Committee gave a favourable opinion on the draft breakdown, following which the Commission adopted its final decision on 7 March 2000.

SAPARD:

In July 1999, the Commission adopted a decision on the indicative allocation of the annual Community financial contribution to pre-accession measures for agriculture and rural development⁵ and at the end of 1999 published Regulation (EC) No 2759/1999 laying down rules for the application of Regulation (EC) No 1268/1999.

Each applicant country was allocated aid from SAPARD on the basis of objective criteria such as the agricultural population, the area of agricultural land, the level of prosperity (GDP) and its particular territorial situation.

1.1.2. Adoption of the new Regulations on the Structural Funds (2000-06)

The Commission had adopted its proposals for Regulations in preparation for the new programming period in March 1998⁶. These proposals were considered and discussed by the various Community institutions throughout 1998. The Berlin extraordinary European Council on 24 and 25 March 1999 resulted in an overall agreement on Agenda 2000, including the financial perspective for 2000-06, which enabled the Council officially to adopt the series of Regulations in May and June

⁵ Decision 1999/595/EC.

⁶ COM(1998) 131 final, 18 March 1998.

1999: the Regulation on the EAGGF was adopted on 17 May⁷ while all the other Structural Fund Regulations were adopted on 21 June 1999⁸. All the Regulations apply from 1 January 2000.

These new Regulations simplify the legislative framework of the Funds:

- the former "framework" and "coordination" Regulations are merged into a single general Regulation (1260/1999), which contains all the provisions applying to all the Funds; previously these were scattered over several Regulations;
- the ERDF, ESF and FIFG Regulations are retained in a simplified form;
- a single Regulation on support for rural development by the EAGGF replaces the nine previous regulations; it contains all the rural development measures which may be financed by either the Guidance or Guarantee Section of the EAGGF.

The general Regulation reflects the desire for greater efficiency in the use of the Structural Funds, principally through :

- a reduction to three in the *number of Objectives* and the provision of transitional support to regions which cease to be eligible;
- a reduction to four in the *number of Community Initiatives*: the continuing Interreg and Leader; a new Initiative promoting means of combating discrimination on the labour market, Equal; and the continuation of Urban, which targets urban areas in crisis. There is a major simplification: each Community Initiative will be financed by only one Fund but each Fund may extend its scope to include activities normally supported by the other Funds.
- *clarification of the respective responsibilities* of the Commission and the Member States, who have primary responsibility for the implementation of the Funds; within each country, the participation of the various partners is extended to strengthen the principle of partnership ;
- provisions to *simplify the programming and implementation* of the Funds: the programmes adopted by the Commission will be based on the strategy and priority topics and on the arrangements for implementation; implementation of the measures will be the responsibility of the Member States through a "programming complement";
- new provisions governing *management, monitoring and evaluation*: a precise description of the duties of the managing authorities and Monitoring Committees, a description of the content of the annual reports on implementation, definition of the goals of evaluations and monitoring indicators;
- installation of a simpler but more rigorous system of *financial management*: automatic annual budgetary commitments by the Commission; payment of an advance when the programme begins followed by interim payments reimbursing

⁷ Regulation (EC) No 1257/1999.

⁸ Regulation (EC) No 1260/1999 laying down general provisions; Regulation (EC) No 1261/1999 on the ERDF; Regulation (EC) No 1262/1999 on the ESF; Regulation (EC) No 1263/1999 on the FIFG.

actual expenditure certified by the Member States, with the final balance being paid when the item of assistance is closed;

- enhanced financial control.

The Fund Regulations also contain some simplifications:

The ERDF Regulation makes few changes: the ERDF will continue to support three types of investments: productive investment in firms, particularly small firms, infrastructure and endogenous development, including local employment initiatives.

The ESF Regulation is in line with the new Title on employment introduced by the Treaty of Amsterdam. This means that the ESF will contribute to the European Employment Strategy in five priority fields: active labour market policies, social inclusion, life-long training, adaptability and improving employment opportunities for women.

The FIFG becomes a fully fledged Structural Fund.

The new EAGGF Regulation seeks to establish an integrated and sustainable rural development policy through a single instrument which will ensure greater coherence with the common agricultural policy (CAP). There are three major development priorities: strengthening the agriculture and forestry sector, improving the competitiveness of rural areas and preserving the environment and rural assets. The arrangements for implementing the EAGGF Regulation are set out in the implementing Regulation (EC) No 1750/1999 and the transitional rules on support for rural development are contained in Regulation (EC) No 2603/1999 adopted in December 1999.

1.1.3. The proposed guidelines for the Community Initiatives for 2000-06

During 1999, the Commission drew up draft guidelines for the four new Community Initiatives for 2000-06 (Interreg, Urban, Leader and Equal). Naturally, the various Community institutions were consulted on these proposals before they were adopted by the Commission.

- The draft guidelines for Equal were adopted on 13 October 1999. They are intended to develop cross-border cooperation to promote new means of combating all forms of discrimination and inequalities in connection with the labour market. Equal also covers the social and vocational integration of asylum seekers. Once these proposals had been adopted, the Commission began consultations with the Member States and the European Parliament, and the final version of the guidelines for Equal was adopted on 15 April 2000.
- The draft guidelines for Leader + were adopted on 14 April 2000. Leader + is intended to promote integrated strategies to stimulate rural development. Its aims are to support innovative pilot projects through local action groups and encourage exchanges of experience and transnational cooperation.
- The Commission adopted the final text of the guidelines on Interreg III on 28 April 2000. The Initiative has three strands: strand A concerns cross-border cooperation, i.e. the promotion of integrated regional development between border

regions; strand B concerns transnational cooperation, that is, a contribution to harmonious territorial integration throughout the European Union; strand C seeks to increase interregional cooperation and so improve the policies and techniques of interregional economic development. The guidelines for 2000-06 are based on experience in 1994-99 and are intended to build on the results already obtained by ensuring that the regions and areas involved coordinate their efforts and engage in genuine cooperation: accordingly, they should implement joint strategies and programmes and create joint administrative structures. To this end an information day on Interreg III was held on 29 November 1999.

- The Commission adopted the guidelines for Urban on 28 April 2000. This Initiative has two major aims: (a) promoting the preparation and implementation of particularly innovative strategies for the economic and social regeneration of small and medium-sized towns or crisis-hit areas of large urban centres; (b) extending and exchanging knowledge and experience on sustainable urban regeneration and development in the European Union.

1.1.4. Preparation of the programmes for 2000-06: the first stages

- Following the adoption of the Regulations for 2000-06, a number of subsequent stages were laid down prior to formal adoption of the programming documents:
- Immediately after the Fund Regulations were adopted, the Commission drew up the Guidelines intended to help the national and regional authorities prepare their programming strategies for each of the Objectives 1, 2 and 3. These guidelines were adopted on 1 July 1999⁹ and have three main pillars: (i) improving regional competitiveness; (ii) promoting employment, the Community's first priority; (iii) integrating urban and rural development.
- The Commission drew up the lists of regions and areas eligible under the territorial Objectives (Objectives 1 and 2). The list of regions eligible under Objective 1 was drawn up for the whole Union on 1 July 1999 using the only criterion involved (per capita GDP), and at NUTS II regional level (administrative region). Since the criteria for eligibility under Objective 2 were more numerous and more complex (see Article 4 of the general regulation on the Funds, Regulation (EC) No 1260/1999) and apply to lower-level areas (NUTS III), the lists were drawn up for each Member State separately. That is why the zoning for Objective 2 in certain Member States could not be definitively fixed until early in 2000 (principally France and Italy).
- Once the lists of eligible regions and areas had been adopted, the Member States had four months to draw up the draft national or regional programmes (or "plans", i.e. draft CSFs or SPDs) which they then sent to the Commission.
- After receiving a plan which met all the statutory conditions, the Commission had five months to adopt the corresponding programme (CSF or SPD). That was a time for intensive negotiations within the Commission and with each Member State to adjust the content of the plans and agree a final document. Similarly, the Commission had five months to adopt the operational programmes, which the

⁹ COM (1999) 344 final, 1 July 1999.

Member States could submit either with the CSF to which they relate or at a later date.

Once the SPDs/OPs were adopted, the Member State had a further three months to send the Commission a "programming complement". In this document, it is the prerogative of the Member States to specify certain provisions of the SPDs and OPs (detailed content of measures; categories of final beneficiaries; financing plan for each measure; arrangements for the computerised exchange of data between the Member State and the Commission).

The vast bulk of the **Objective 1 plans** reached the Commission before 31 December 1999. Only the draft SPDs for three French overseas departments (Guadeloupe, Martinique and French Guiana) were received after that date (10 January 2000). Most of the plans were considered acceptable by the Commission and negotiations with the Member States could begin quite quickly with some programmes being adopted by the Commission in the first quarter of 2000 (the two SPDs for Finland and the SPD for Austria).

In the case of Objective 2, the lists of eligible areas were drawn up later than in the case of Objective 1 because of the more complex nature of the criteria to be taken into account. That is why the Commission received no plans by 31 December. All the plans for Objective 2 were received between January and April 2000.

For the programming of appropriations under the **human resources programmes (Objective 3)**, all the plans were submitted to the Commission before the end of 1999 and negotiations with the Member States had already begun on most of them.

In the case of rural development, only the first stage in the preparation of the plans had been reached at the end of 1999. The rural development measures to be included in the programmes for Objectives 1 and 2 are specified in the preparatory plans for these programmes. However, in the case of certain areas not totally eligible under Objective 2, the rural development measures may form part of a larger project including areas not eligible under the Objectives. These rural development plans are therefore drawn up at the geographical level considered the most appropriate. As far as possible, the rural development measures applicable in an area must be incorporated in a single plan. These plans, drawn up on the basis of an *ex-ante* evaluation by the authorities designated by the Member State, were to be submitted to the Commission no later than 3 January 2000, following consultations with the relevant regional authorities and organisations.

Furthermore, all assistance for rural development must include agri-environmental measures.

1.2. DEVELOPMENT OF THEMATIC PRIORITIES FOR COHESION

1.2.1. *The European Employment Strategy: more integrated assistance from the Funds*

With the entry into force of the Treaty of Amsterdam, the European Employment Strategy gathered new momentum. Following the extraordinary European Council on employment held in Luxembourg in November 1997, all EU governments started to implement the new policy co-ordination approach by setting common objectives (Employment Guidelines), establishing National Action Plans and jointly monitoring progress (Joint Employment Reports). In 1999, the Luxembourg process was further consolidated and a full annual cycle was completed in accordance with Article 128 of the Treaty, whereby the review of the national measure plans has led for the first time to recommendations to Member States on how they should implement their commitments in respect of the common objectives of the Employment Strategy.

Since their first adoption in 1998, the Employment guidelines have centred on four pillars reflecting the main political priorities: improving employability, developing business spirit, encouraging adaptability in business and the work force, and strengthening the policies for equal opportunities. These priorities were spelled out in a set of 21 guidelines, which have been further adapted and developed, in line with the assessment of national action plans and the employment situation, in order to incorporate new objectives. In 1999, the guidelines were developed so as to include new objectives such as lifelong learning, access to the information society, involvement of the social partners in improving work organisation, and gender mainstreaming.

The Joint Employment Report for 1999 analyses the employment situation in Europe, which remains characterised by a low employment rate of 61%, low participation by women and older people in the labour market and persistent high rates of long-term and youth unemployment. In response to these challenges, the European Employment Strategy has become the accepted framework for reform, including labour market policies, tax and benefit systems, education and training systems and employment services. There is now a clear move towards a more preventative approach to youth and adult long-term unemployment, although some Member States are more advanced than others in complying with the common targets of offering to all young and adult unemployed a new start before they have completed 6 or 12 months of unemployment. Furthermore, a majority of Member States have reached the 20% benchmark for the participation of the unemployed in training and other similar active measures. The importance of lifelong learning and the role of the service sector are beginning to be seen more strategically by Member States, and they show an increasing commitment to the equal opportunities pillar. On the other hand, progress on improving business spirit remains unclear, whereas in the area of adaptability progress is disappointing.

In its resolution on the Employment Guidelines for 1999, the Council underlined the support the ESF can give to the objectives of the Employment Strategy, notably through its contribution to the qualitative development of human resources. In particular, the ESF should promote the necessary shift in the policy mix from passive to active labour market policies, and give more emphasis to preventative instead of purely curative measures. The Structural Funds Regulations for the period 2000-06 and the Guidelines for their operation require Member States to integrate the

programming of the Structural Funds assistance, in particular ESF-supported programmes, with the implementation of the Employment guidelines and, more generally, the European Employment Strategy.

The recommendations addressed to Member States on the implementation of their employment policies reinforce this orientation for most of them, as they focus on areas where the contribution of the ESF is relevant, such as labour market policies for the prevention of youth and long-term unemployment, vocational training, and policies for promoting equal opportunities between women and men.

1.2.2. A new map of national regional aid

Following the adoption of the guidelines on national regional aid¹⁰, the Commission invited the Member States to send it a draft national map of regional aids showing the regions proposed for derogations under Articles 87(3)(a) and (c) of the Treaty and the ceilings on the intensity of aid for initial investment or aid for investment-related job-creation for each region and the relevant ceilings on cumulation.

Although some countries (Spain, Italy, Luxembourg) did so only in December, all the Member States sent their draft regional aid maps during the year. After considering their proposals, the Commission approved the draft maps submitted by Denmark, Greece, Ireland and Finland, and the parts of the maps relating to regions eligible for a derogation under Article 87(3)(a) in Germany and Portugal.

However, the Commission expressed doubts about the compatibility with the Treaty of the drafts from some Member States. It therefore initiated proceedings under Article 88(2) against the proposals concerning the maps of Belgium, France and the Netherlands, and the parts of the maps concerning the regions eligible for a derogation under Article 87(3)(c) in Germany and Portugal.

Because they were sent late, the maps from the other Member States could not be approved before the end of 1999. While approval is pending, to the extent that the maps of regional aids lay down the list of regions where investment aids, whether or not part-financed by the Structural Funds, may be granted to large firms, the countries concerned may no longer grant aid of that type from 1 January 2000. That suspension, however, applies only to State aid for regional purposes, and in no way affects assistance from the Structural Funds to part-finance aid schemes for other purposes or which does not include aides to firms.

1.2.3. Progress in spatial planning

After a European-wide debate, promoted by the Commission and the Member States in close co-operation, culminating in eight transnational seminars in 1998 and a concluding forum in Brussels in February 1999, the first final document on the European Spatial Development Perspective (ESDP) was adopted in May 1999 at the informal Council of Ministers responsible for spatial planning in Potsdam. The Ministers and the responsible member of the Commission emphasised that this was one more important step in European integration. For the first time a jointly shared reference instrument for spatial development is at the disposal of decision-makers at

¹⁰

OJ C 74, 10.3.1998.

all levels of the Union. Three basic policy aims for the spatial development of the Union are proposed:

- development of a balanced and polycentric urban system and a new urban/rural relationship;
- securing parity of access to infrastructure and knowledge, and;
- sustainable development, prudent management and protection of nature and the cultural heritage.

For each of the policy aims the ESDP suggests concrete policy options, making it a suitable and operational tool for achieving a sustainable and territorially balanced development of the EU. The status of the document is non-binding, it does not provide for any new responsibilities at Community level and respects the subsidiarity principle. In order to promote the application of the ESDP, at their informal meeting in Tampere in October 1999 the ministers responsible for spatial planning and urban/regional policy and the European Commissioner for regional policy agreed on an action programme which includes the mainstreaming of the ESDP through the Structural Funds and the application of its policy orientations in appropriate Community policies and in the preparation of the enlargement of the European Union.

1.3. THE CONTINUATION OF RECENT WORK

1.3.1. The territorial pacts for employment: results so far and a publicity conference

Launched as part of the confidence pact for employment in 1996, this pilot measure was applied in 89 areas of the 15 Member States to a total population of over 35 million people.

Starting from an analysis of the area and supported by Community technical assistance, a broad partnership was organised in the various areas concerned to draw up a plan of integrated measures for employment. This plan then received support from the Structural Funds thanks to the margins for manoeuvre contained in programming. By the end of 2001, the action plans will have had funding of €1 600 million (including €500 million from the Structural Funds), which should create or directly maintain 55 000 jobs¹¹.

Publicity for this approach and its first results in preparation for the 2000-06 programming period was provided by a conference organised by the Commission in the form of an ideas exchange.

The conference was held in Brussels from 8 to 10 November 1999 and attended by some 830 people. On this occasion, 59 "instruments" derived from the action plans for the territorial pacts for employment and designed to be transferred were presented in the course of over 1 200 bilateral meetings between pact coordinators and representatives of local authorities and national administrations.

¹¹ Commission staff working paper "Second interim progress report on the Territorial Employment Pacts" SEC(1999) 1932, 26 November 1999.

The main contributions stressed:

- the substantial support provided by the Finnish Presidency to this approach by its Minister of Labour, and by the Committee of the Regions, represented by its President. Both speakers stressed the potential for job-creation which existed at local level and its links with the European employment Strategy;
- the Commission guidelines for the 2000-06 programming period¹² designed to include the territorial pacts in the programmes under the Objectives of the Structural Funds.

1.3.2. *The continuation of methodological work on the evaluation of programmes*

In preparation for the new programming period, the Commission continued the methodological work begun in 1998. The working papers on *ex-ante* evaluation, monitoring indicators and the performance reserve were the subject of lively discussions in the technical group on evaluation. These documents were distributed to the Member States and placed on the "Inforegio" Internet site.

Methodological consideration on evaluating the impact on employment continued using a study of practice in the Member States. Selecting examples of good practice (e.g. the calculation of net impact in the U.K. programmes), the Commission sought to encourage exchanges of methodological experience and know-how with assistance from the administrations concerned in order to be able to measure correctly the potential and actual impact on employment of structural assistance.

Progress was also made in developing methodologies for monitoring and evaluation in the field of human resources. The new guidelines were tested during the final evaluation exercise and validated together with the Member States. The guidelines include common monitoring criteria, a typology for the impact of assistance in the field of human resources and, in particular, the link between the effects on employment and employability.

¹² Commission staff working paper "Guide to the Territorial Employment Pacts 2000-06" SEC(1999) 1933, 17 November 1999.

CHAPTER 2 : IMPLEMENTATION OF PROGRAMMES IN THE MEMBER STATES

2.1. GENERAL PRESENTATION OF PROGRAMMING

2.1.1. *The programmes adopted in 1999*

1999 was the last year of the 1994-99 programming period. This meant that very few new programmes were adopted since all the programming was being implemented.

Only five new items of assistance were adopted in 1999 under the various Objectives. These comprised two operational programmes under Objective 1 which it had not been possible to adopt before: one included the territorial pacts for employment in the programming in Spain at a total cost of €64.6 million and the other was a programme to develop ecological buses in Greece at a total cost of €37.4 million. In addition to these two operational programmes, three global grants were also adopted in the Objective 1 regions of Italy at a total cost of some €45 million.

In all, these five new items accounted for only 0.1% of the total assistance from the Funds allocated to the various Objectives in 1994-99.

At the same time, a further 25 programmes under the Community Initiatives were adopted during the year. Apart from two Interreg II C (transnational cooperation) programmes, one for the Atlantic area and one to combat drought in Greece (€13.4 million each), these were very low-budget programmes (no more than €1.5 million). Most of these 22 new programmes were for the SMEs Initiative.

2.1.2. *General overview of implementation*

At the end of 1999, programming for the Structural Funds Objectives in 1994-99 was being implemented through 610 items of assistance, mostly under Objectives 1 and 2. In addition, assistance under the Community Initiatives was being implemented through 524 programmes.

In all, therefore, assistance from the Structural Funds for 1994-99 was being implemented through 1 134 programmes.

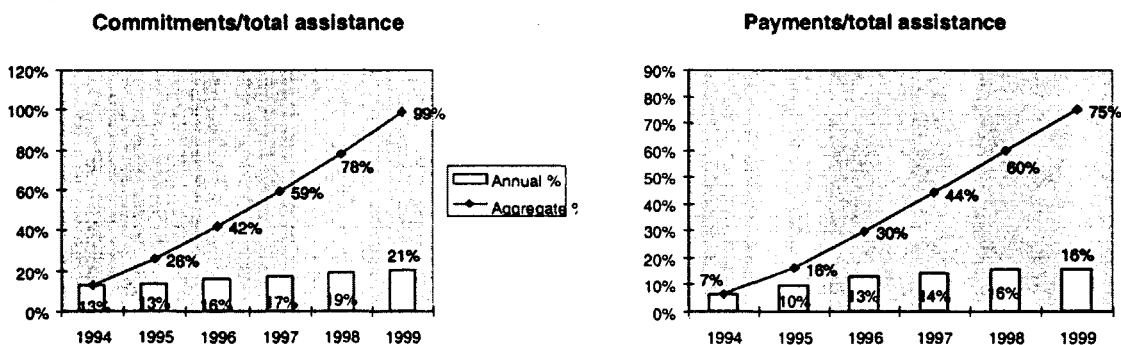
Assistance from the Structural Funds 1994-99 (CSFs and SPDs) in € million at 31 December 1999

	Total	ERDF	FSE	EAGGF	FIFG
B	1.888,99	866,69	738,28	256,96	27,05
DK	753,85	121,95	350,21	148,71	132,98
D	20.396,73	8.712,25	7.033,23	4.500,08	151,16
EL	14.530,91	9.886,72	2.564,67	1.944,41	135,10
E	33.185,87	18.853,83	8.853,81	4.316,38	1.161,85
F	13.859,21	5.613,21	4.788,70	3.234,59	222,71
IRL	5.826,15	2.680,22	2.038,81	1.058,35	48,77
I	20.856,34	11.803,03	4.981,48	3.737,64	334,19
L	86,52	15,46	27,54	42,39	1,13
NL	2.248,61	612,98	1.415,96	162,44	57,23
A	1.566,53	373,28	556,57	634,57	2,10
P	14.590,00	9.078,92	3.281,52	2.024,29	205,27
FIN	1.638,49	444,94	543,61	621,58	28,36
S	1.341,33	372,38	688,58	234,17	46,21
UK	11.828,61	5.582,49	5.547,82	591,71	106,60
TOTAL	144.598,14	75.018,36	43.410,79	23.508,27	2.660,71

Objective	Total	ERDF	FSE	EAGGF	FIFG
1	97.932,37	59.029,14	22.786,72	14.314,49	1.802,02
2	15.915,81	12.329,77	3.586,03	0,00	0,00
3	13.207,83	0,00	13.207,83	0,00	0,00
4	2.596,89	0,00	2.596,89	0,00	0,00
5a (agric.)	5.741,91	0,00	0,00	5.741,91	0,00
5a (fish)	850,43	0,00	0,00	0,00	850,43
5b	7.522,50	3.304,00	1.055,42	3.163,07	0,00
6	830,41	355,45	177,90	288,79	8,26
Total	144.598,14	75.018,36	43.410,79	23.508,27	2.660,71

Following the faster pace of implementation of assistance in 1997 and 1998, 1999 saw the complete implementation of programming, as the charts below show.

CSFs/SPDs: Implementation of appropriations 1994-99 over all Objectives



During this final year of implementation, 93.47% of the appropriations available for the year for Objectives 1 to 6 were committed and 87.09% paid. That meant that, at the end of the programming period, 99% of total assistance had been committed. There was a significant speed up in commitments during 1999, a year which accounted for 21% of all commitments made since 1994. The situation varies slightly from one Member State to another, but to a lesser extent than in previous years. Only two Member States (Belgium and Denmark) committed 100% of assistance in the

period. Most committed 99% although some had lower rates: Luxembourg (98%), Austria (98%) and the United Kingdom (96%).

With regard to payments too, there was a clear improvement in 1999, with the overall rate of implementation standing at 75%. **It should be noted that payments at local level for 1994-99 may be made until 31 December 2001.** Here too, there are some disparities between the Member States. As in 1998, the Member States with a high rate of implementation of payments are principally the "cohesion countries", that is, the least prosperous states which are the main beneficiaries of the Structural Funds: Spain (81%), Portugal (89%) and Ireland (87%). At the other extreme, some of the most prosperous Member States in the Union had a lower rate of implementation of payments than the Community average.

Implementation was highest for Objectives 1 and 3, where commitments reached 99% and 100% respectively and payments reached or fell just short of 80%, above average results. By contrast, delays in implementing payments for Objectives 2, 4 and 5(b) persisted. In the case of Objective 2, where progress was slowest, the delays may be explained by the fact that the programmes for 1997-99 were adopted during 1997 so that not all the measures under them could actually be implemented and most of the relevant payments will be made in 2000.

Equal opportunities for men and women in the national initiative programmes:

Gender mainstreaming aims at the systematic integration of the respective situations, priorities and needs of women and men into all policies. Its aim is to promote equality between women and men and to mobilise all general policies and measures specifically for the purpose of achieving equality. The effects of policy on the respective situations of women and men are taken into account in the planning stage and in the phase of implementation, monitoring and evaluation.

Mainstreaming is a strategy to promote equality between women and men in a more effective way. It is important to keep in mind that, when we embrace "mainstreaming", we do so as an addition to our existing mechanisms and positive action measures in favour of women or the under-represented sex. We are in fact talking about a complementary dual approach: horizontal action across the board, plus targeted, specific action where appropriate.

Mainstreaming is about transforming general policies and making them gender-sensitive. This means that policies should take into account the differences in the lives of women and men, seek to promote equality generally and address inequalities. It means designing assistance to ensure that constraints are overcome and that the needs and interests of women and men are met equally.

The Commission has made efforts to promote specific measures aimed at improving the situation of women through successive multi-annual Action Programmes and to implement gender mainstreaming in all policies.

The 1996 Commission Communication on "Incorporating equal opportunities for women and men into all Community policies and activities" gives a definition of the concept of "mainstreaming" and states the commitment of the Commission to adopt a policy based on "mobilising all general measures specifically for the purpose of achieving equality". This was the formal launching point of the commitment of the Commission to a policy based on mainstreaming and it has served as basis for all subsequent activities.

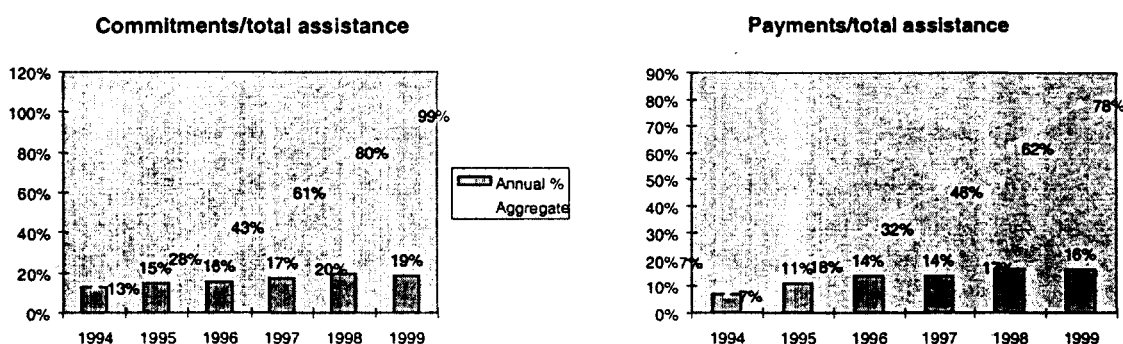
2.1.3. Implementation of Objectives 1 (regions whose development is lagging behind) and 6 (regions with a low population density)

Five items of assistance adopted in 1999 concerned Objective 1 (see point 2.1.1.). These new items required finance of only €147 million, 0.15% of total assistance from the Structural Funds for Objective 1 in 1994-99.

At the end of 1999, Objective 1 was being implemented by a total of 219 forms of assistance (SPDs, OPs, global grants, major projects). Two SPDs (both adopted in 1995) were implementing Objective 6 in the northernmost regions of Sweden and Finland.

Implementation of appropriations

As in 1998, with Objective 3 Objective 1 recorded the highest rates of implementation of appropriations in 1999. The pace of programme implementation continued to increase, as the charts below show:



In the case of Objective 1, virtually all the appropriations for the period had been committed by the end of 1999 and 78% had been paid. The faster pace of implementation, which began in 1997, was confirmed. 1999 was the last year of the programming period, and commitments must be implemented before 31 December. Good performances in implementing Objective 1 were recorded chiefly among the main beneficiaries of the Funds: Spain, Portugal, Ireland and Germany, all of which had rates of implementation above the Union average. Outstanding were Portugal (99% of appropriations committed and 89% paid) and Ireland (99% of appropriations committed and 87% paid); Greece reached the Community average, almost making up in 1999 its accumulated delays in implementing payments. As was noted in 1997 and 1998, the Member States which continued to be slow in implementing Objective 1 in 1999 were still the most prosperous countries: Belgium, France, Luxembourg, Netherlands and the United Kingdom. In Italy the implementation of appropriations in 1999 speeded up considerably, but, except in the case of commitments, not enough to make up the backlog which had built up since the beginning of the period.

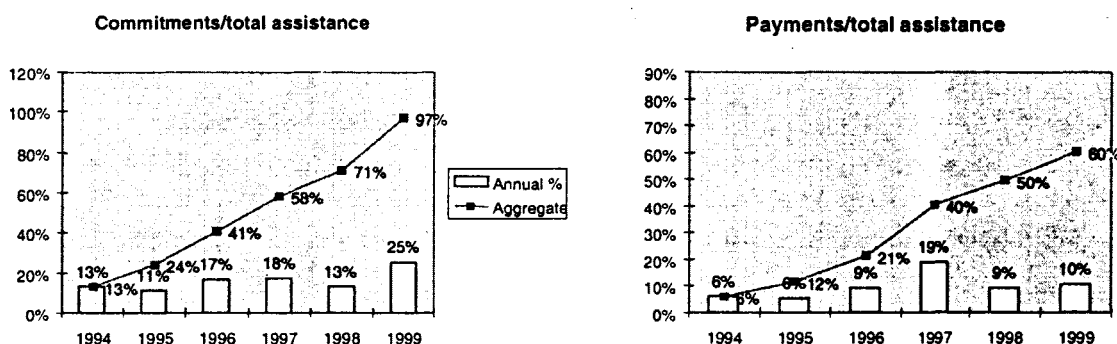
The situations in the two countries concerned by Objective 6 continued to be very different: while the implementation of commitments in both countries reached 100%, the rate for payments in Finland was much higher than in Sweden (65% and 54% respectively). Overall, these rates of implementation are well below the Community average for the Objectives as a whole. However, it should be recalled that the

Objective 6 programmes were not adopted until 1995, following the accession of Sweden and Finland.

2.1.4. Implementation of Objective 2 (areas undergoing industrial conversion)

Following the start in 1997 of the new programming period (1997-99) and the adoption that year and in 1998 of all the programmes concerned, no new Objective 2 programmes were adopted in 1999. That year was therefore one of consolidation of implementation at all levels.

Implementation of appropriations under Objective 2



Implementation of the programmes adopted only at the end of 1997 or in 1998 did not start until 1999 and so the rate of implementation of payments appears quite low (60% of total assistance for the period). Payments at local level for these programmes may, however, continue until 31 December 2001.

During 1999 the implementation of commitments speeded up considerably, amounting to 25% of the total for the period. Nevertheless, 3% of total appropriations for the period (€477.5 million) could not be committed by 31 December and so will have to be reinstated, since no appropriations can be transferred from 1994-99 to 2000-06.

2.1.5. Implementation of Objectives 3 and 4 (human resources and labour market)

Measures to promote equal opportunities in the field of human resources :

In the case of Objective 3, reallocations were made during the last quarter of the year to provide extra funds for the priorities of the European Employment Strategy, particularly to promote active labour market policies for young people, the participation of women in these policies and the incorporation of the gender dimension into these programmes.

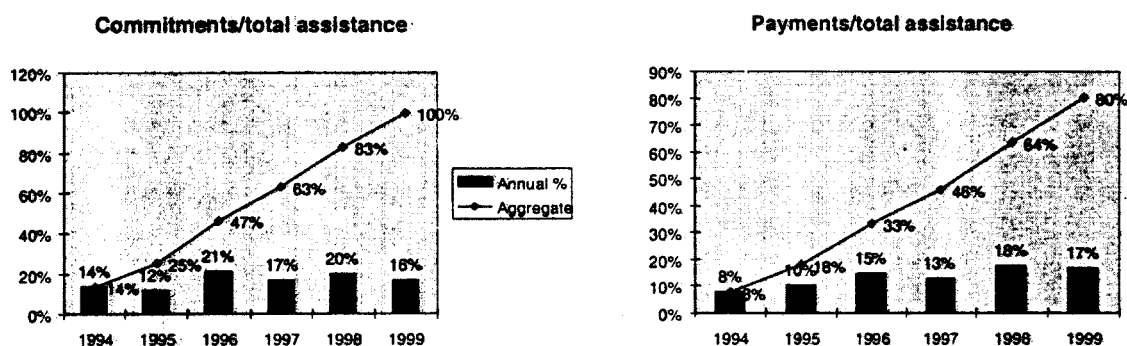
Because of their nature and aims, the Objective 4 programmes aimed at various sectors of the economy do not include specific measures to promote equal opportunities although some measures do benefit women, particularly in the field of vocational retraining.

- Implementation of Objective 3 (long-term unemployment, integration of young people and inclusion in the labour market)

Objective 3 is horizontal in nature (it covers the whole territory excluding the Objective 1 regions, which have an integrated approach) and targets various groups: unemployed young people, the long-term unemployed and those threatened with exclusion from the labour market.

Following the launch of the European Employment Strategy in 1997, the programmes were adjusted to take account of the new guidelines.

Implementation of appropriations - Objective 3

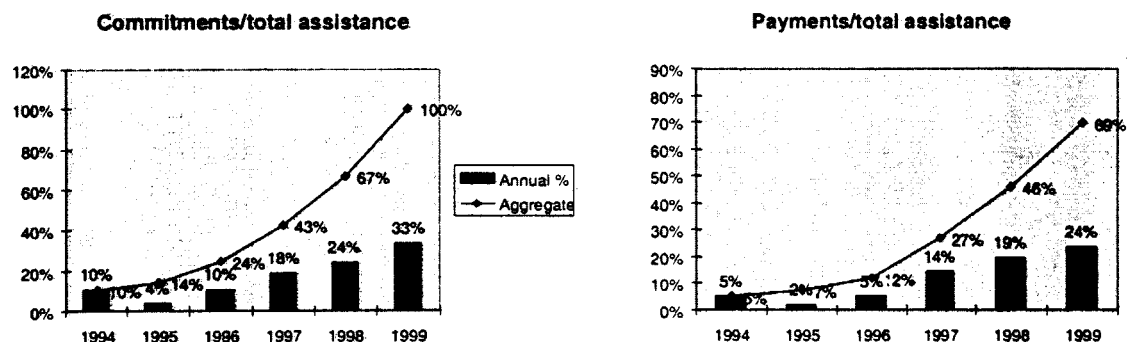


By the end of 1999, all the appropriations for the period had been committed and 80% paid, which is well above the average for the Objectives as a whole.

- **Implementation of Objective 4 (industrial change and systems of production)**

Objective 4 too is horizontal (the whole Community territory excluding the Objective 1 regions). It seeks to extend workers' employment opportunities and skills, particularly among those in greatest danger of unemployment. Measures include vocational training, monitoring and advice, networking and improving on-going training systems. The programmes therefore reflect the priority given to adaptability in the European Employment Strategy.

Implementation of appropriations - Objective 4



The improvement in the implementation of appropriations noted in 1998 continued in 1999. Specifically, substantial efforts were made in the United Kingdom, which had not submitted its Objective 4 programme until 1998, and in Italy. This meant that all the appropriations for the period could be committed by the end of 1999, but

implementation of payments reached only 69%, partly because of the highly innovative nature of some measures. Nevertheless, all payments should be implemented during 2000, including those for the United Kingdom and Italy, the two Member States where delays are greatest.

2.1.6. Implementation of Objective 5(a) (structural adjustment in agriculture and fisheries)

Objective 5(a) - agriculture:

Objective 5(a) - agriculture is a horizontal Objective concerned with agriculture and the modernisation of agricultural structures throughout the Union and so is linked to the common agricultural policy; it also provides assistance for forestry.

In 1999, the regulations on which the Objective is based (Regulations (EC) Nos 950/97, 951/97 and 952/97) were brought together in a single rural development Regulation (No 1257/1999), which applied from 1 January 2000. The Commission then adopted in February the Regulation concerning aid to producer groups (No 243/1999¹³), in March a Decision amending the list of less-favoured areas (No 251/1999¹⁴) and in July a Regulation on producer groups and associations of such groups (No 1606/1999¹⁵).

The Commission amended the CSF on the improvement of the conditions for the processing and marketing of agricultural products in Italy in order to increase the total amount. During the year, it also adopted twelve amendments to SPDs, affecting seven Member States.

Measures to promote equal opportunities in agriculture

The horizontal measures under Objective 5(a) applied during 1994-99 contain few specific measures for equal opportunities. However, some installations of young farmers concern women. Women may also benefit from investment aid, agri-environmental measures and measures concerning the processing and marketing of agricultural products. They are chiefly concerned by the promotion of projects relating to the manufacture of local products on the farm, particularly regional products, which provide extra income for agricultural holdings. They promote rural tourism projects and restoration work which is often linked to the direct sale of products on the farm and to craft activities.

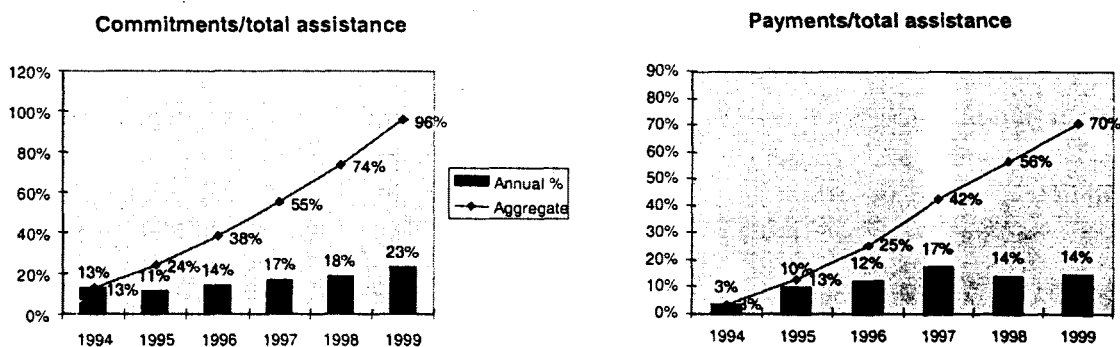
They call on replacement services where these are available (particularly in cases of sickness). Most rural areas suffer severely from the lack of services in many areas: education, health, child-care and assistance for old people. The new legislation on rural development allows these to be promoted in all regions (Article 33 of Regulation (EC) No 1257/1999).

¹³ Commission Regulation (EC) No 243/1999 of 1 February 1999 amending Regulations (EC) No 478/97 and (EC) No 20/98 laying down rules for the application of Council Regulation (EC) No 2200/96.

¹⁴ Commission Decision of 23 March 1999, OJ L 96, 10.4.1999, p. 29.

¹⁵ Commission Regulation of 22 July amending Regulation (EEC) No 220/91 laying down detailed rules for the application of Council Regulation (EC) No 952/97.

Implementation of appropriations



As in the case of the other Objectives, implementation of Objective 5(a) - agriculture continued to improve in 1999, particularly as regards commitments. By the end of 1999, 96% of the appropriations for the period had been committed and 70% paid. Nevertheless, these rates are lower than the average for the Objectives as a whole. Here too, there are considerable disparities among the various Member States: as in 1998, the lowest rates of implementation were in Italy and the Netherlands.

Objective 5(a) - fisheries:

The specific aims of the FIFG under Objective 5(a) - fisheries may be summed up as:

- for the fishing fleets: balance between the fishing effort and available resources ("adjusting fishing capacity"), without endangering the essential renewal of fleets and the modernisation of vessels;
- in the other fields (aquaculture, processing and marketing of products, port facilities, etc.): modernisation and rationalisation of the various factors and units of production to improve the profitability and competitiveness of firms in the sector and increase supply.

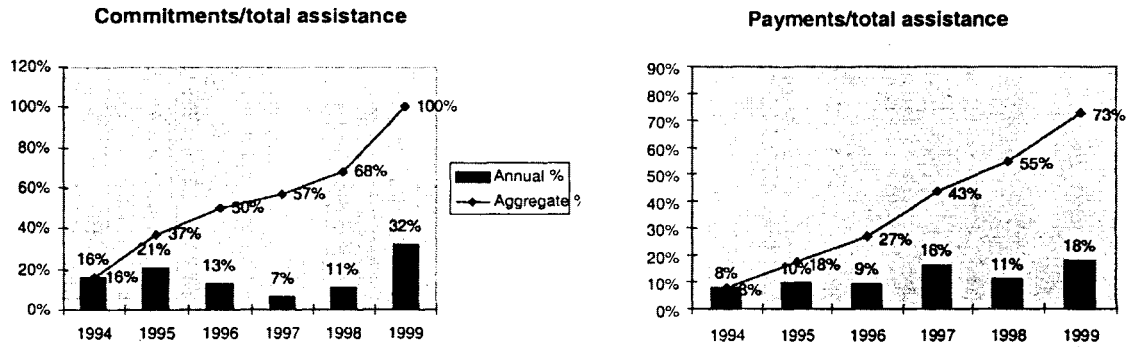
Accordingly, the priorities fixed for the selection of finance granted are:

- for the fleets: an irreversible reduction in fishing capacity (definitive laying up of fishing vessels; establishment of joint ventures); compliance with the reduction targets laid down in the "multiannual guidance programmes - MGP";
- in the other fields: modernisation of facilities, compliance with health standards; reduction of environmental impact; diversification of production.

Measures to promote equal opportunities in the fisheries sector:

The Commission intends to have a study on the role of women in the fisheries sector carried out, summarising all the available information on this subject. It will also encourage the Member States to include in the new programming of the FIFG for 2000-06 measures to promote equal employment opportunities in the fisheries sector and measures to help mothers with small children in small in-shore fisheries (under Articles 11 and 17 of the new FIFG implementing Regulation).

Implementation of appropriations for Objective 5(a) - fisheries:



In 1999, some twenty programmes had to be reprogrammed on one or more occasions, either because of delays in implementation, to adjust the financial breakdown among measures or to incorporate the results of the annual indexation.

During the year, progress was made in implementing the backlog of appropriations caused by the stagnation in 1998: by 31 December 1999 all the appropriations for the period had been committed and 73% paid. This is in line with the average for the Objectives as a whole.

Most of the Member States which still had a backlog in 1998 eliminated it, in some cases by reducing the initial allocation to the programmes (Italy, United Kingdom, Denmark).

2.1.7. Implementation of Objective 5(b) (development of rural areas)

Objective 5(b) is a regionalised Objective designed to facilitate the development and structural adjustment of rural areas outside the Objective 1 regions. During 1999, about 110 amendments were made to the programming documents for the 12 Member States concerned. These were intended to bring the finance available into line with the measures making most progress.

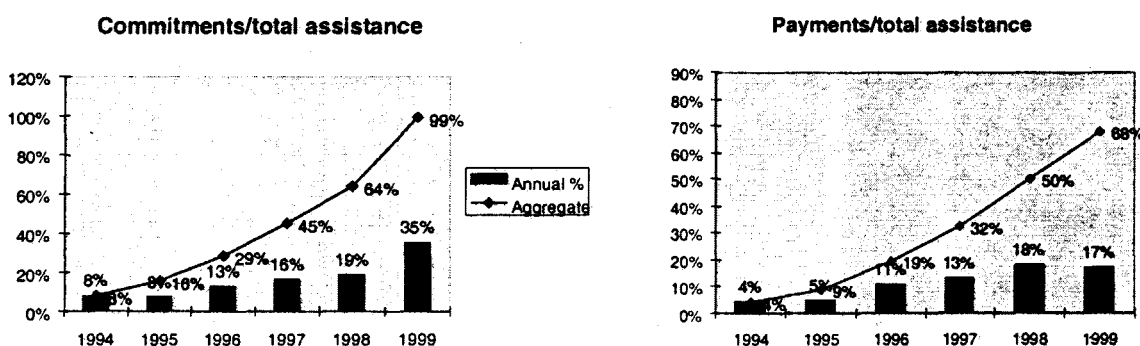
Measures to promote equal opportunities in rural areas:

There are few specific measures in the programmes for the Objective 5(b) areas. Those submitted concerned women in business (Sweden) and vocational training aimed specifically at women, a measure not regarded as effective, either because the type of training selected was ill adapted to the labour market or because it did not meet the aspirations of the women concerned.

Although there are few precise figures on the number of women benefiting from the various measures (except, in some instances, for vocational training), women have benefited mainly from projects to diversify activities in rural areas.

On the other hand, the EAGGF has financed a large number of measures for young farmers. These normally supplement the installation grant and comprise in particular measures offering support, training, guidance and technical assistance. They supplement the horizontal measure and make it more effective by providing agricultural advisers to guide and prepare the young farmers, both men and women, and help them choose their method of working.

Implementation of appropriations



The implementation of appropriations speeded up sharply in 1999, particularly as regards commitments. This was due partly to the improved targeting of measures and to adjustments to measures following the interim evaluations carried out in 1998. Many programmes were amended as a result to bring them more closely into line with Community priorities, such as support for employment (through measures to support firms in France, Finland and the United Kingdom) and the improvement of the rural environment in Belgium and Denmark.

By the end of 1999, 99% of the appropriations for the period had been committed and 68% paid. This meant that Objective 5(b) was continuing to lag behind as regards payments (the second lowest rate of implementation, after Objective 2).

While most Member States had satisfactory rates of payment (about 70-75%), other Member States did not succeed in making up the backlog: this was particularly true of Belgium, Italy and the Netherlands. The 1998 mid-term review revealed certain special features which explain the delay in implementation in Italy: the separation of procedures for implementing the Objective 5(b) programmes from those for the ordinary regional programming, the predominance of aid schemes with a large number of small projects, the complexity of the national rules to be observed when carrying out projects and, most important, the length and complexity of calls for tenders. In Belgium, the two programmes in Flanders continued to suffer delays, mainly because of problems in operating the regional partnership.

2.1.8. Implementation of the Community Initiatives

This chapter does not cover all the Community Initiatives (CI) but merely reviews the main features of 1999.

The reallocation of finance carried out in 1998 at the request of Parliament resulted in a substantial speeding up in the implementation of the Community Initiatives in 1999. The reallocations provided a further €100 million for the Peace Initiative (reconciliation in Northern Ireland) with a corresponding reduction in the assistance for certain other Initiatives experiencing greater difficulties in implementation.

Adoption of new Community Initiative programmes:

During 1999, 25 new Community Initiative programmes were adopted, 22 providing very small individual amounts (€0.2 to 1.9 million) under the SMEs Initiative. An Urban programme (regeneration of crisis-hit urban areas) was also adopted for the Brussels-Capital region (€1.4 million). Two more costly programmes were adopted under Interreg II C (transnational cooperation): one for the Atlantic area (Spain, France, Ireland, Portugal and the United Kingdom), the other to prevent drought in Greece. Each of these two new programmes has funding of €13.4 million.

The Adapt and Employment Initiatives:

The EU-wide evaluations, along with the work of the Thematic Focus Groups, began to produce their first concrete results. The Member States and the Commission drew specific strategic lessons from this work, which should allow the most important results of the Initiatives to be integrated into mainstream policy provision at European level and, through the European Employment Strategy, at national level.

Specifically, in January 1999, a conference on "Building territories for the millennium" took place in Northern Ireland, to capitalise on the outcomes of the Thematic Focus Group on territorial approaches in the initiatives. In June the UK hosted a conference on "Empowering the excluded" (Employment-Integra), and in November the Thematic Focus Groups on "Crossing the job threshold" (Employment and Adapt) and "Empowerment of young people" (Employment-Youthstart) held a joint conference in Helsinki and Stockholm.

The Leader II Initiative:

During 1999, the beneficiary groups (the LAG - Local Action Groups) took the decisions required to approve individual projects so that all Community funding could be committed by the end of the year. The LAG also worked hard on finalising the international cooperation agreements provided for in their programmes.

The Pesca Initiative:

The fact that Pesca involves three Structural Funds has considerably complicated its management, at both Community and national level. It has been decided not to continue the Pesca Community Initiative in the new programming period 2000-06 but to assist the fisheries sector solely through the FIG, whose assistance can be supplemented by the ERDF and the ESF in the areas dependent on fisheries eligible under the regional programmes for Objectives 1 and 2.

As regards the transnational measures under Pesca, the following should be noted:

- the Commission launched the fourth and final call for proposals for transnational projects for cooperation and networking between areas dependent on fisheries. As a result, 15 projects, which will receive Community assistance worth about €800 000, were selected;
- the third Pesca thematic conference, on "The future of aquaculture in Europe" was held on 5 and 6 November in Santiago de Compostela (Spain);
- four Pesca interregional meetings were held in 1999: in February in Galway (Ireland) on the future of aquaculture, in April in Preveza (Greece) on the same topic, in June in Turku (Finland) on women and fisheries and in December in the Azores (Portugal) on the situation with regard to fisheries in the outermost regions and the islands.

The Community Initiatives and equal opportunities:

The Employment-Now Initiative: 1999 was the final year of the Employment-Now programme and saw the culmination of five years of innovative work across the EU. Over the lifetime of Now, some 1 900 projects tested many different approaches to the full inclusion of women in the labour market, and the lessons learned by these projects are being incorporated into the design and implementation of employment and training policy and practice in every Member State. At European level the Commission organised a Thematic Focus Group which examined in detail the question of the desegregation of the labour market, using the concrete experiences of Now and Adapt projects. The outcome of this work will be published in various formats during 2000. The policy and implementation lessons of Now were used during 1999 in the design of the new human resource Community Initiative, Equal, where questions of inclusion and anti-discrimination are central. In this way the priority given to equality of opportunity by the Now programme will be carried through into Equal.

Some measures under the Urban Initiative are specially aimed at women and their environment: they may include the establishment or expansion of nurseries and child-care facilities in urban areas in difficulties and adjustments to their timetables. In Italy, an innovative measure concerning a "network against the violence suffered by women" was launched. This pilot project, which began in the second half of 1999, is located in Catania, Naples, Rome, Venice (lead city) and Palermo, with Cosenza, Reggio Calabria, Foggia and Lecce as associated cities. The creation of this network is intended to identify and investigate the environments at risk, select the types of assistance which may be used in response to the violence which women suffer inside and outside the home and so devise a methodology to achieve this.

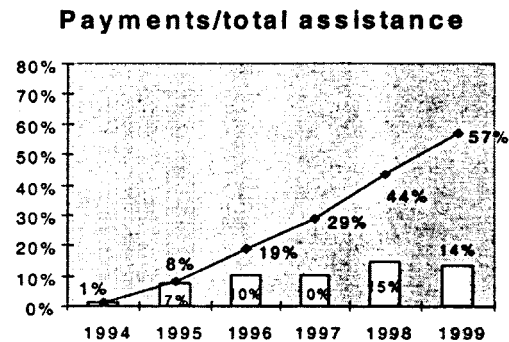
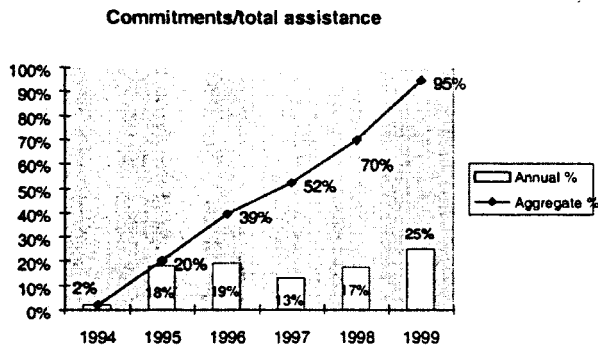
The Leader Initiative also helps women. Many measures, although not specifically directed at women, have helped promote their activities. This is demonstrated by a report of the Observatory on rural development, submitted to the rural women group in the Advisory Committee on rural development¹⁶. Women make up 28% of those leading LAG (local action groups), political leaders and agricultural technicians. This figure is as high as 60% in Finland. Of women project promoters, 26% are concerned with rural tourism or processed products, 22% with services and shared facilities and 21% with new technologies. Women have also contributed directly to the creation of 18% of the jobs stemming from this Initiative (village restoration: 12%, tourism: 12% and the agri-food industry: 8%). Most of these measures comprise micro-projects which do not figure in the national initiative programmes.

Two transnational Leader II projects selected as their topic the promotion of women's activities and publicity, information and awareness-raising work is directed to this public. All the measures have had considerable impact in the areas concerned and the Leader finance has facilitated access to other sources of funds.

In the case of Pesca, in June 1999 the Commission organised an interregional meeting under this Initiative on the subject of women and fisheries.

¹⁶ This rural women group was set up in 1998. It is made up of representatives of European-level farming and rural development organisations.

Implementation of appropriations



Following the reallocation of appropriations among the Community Initiatives, by the end of 1999 95% of total assistance for the period had been committed and 57% paid. The commitment of virtually all the assistance means that measures carried out on the spot can be paid by 31 December 2001.

The disparities in the rates of implementation of the various Initiatives tended to decline in 1999, at least as regards commitments. In fact, commitments appear fairly uniform at around an average of 95% for the Initiatives as a whole; the Pesca, Adapt and Employment Community Initiatives, together with Resider and Rechar, have the highest rate of commitments. The rates for Peace and SMEs are lower: in the case of Peace, because the reallocation of appropriations resulted in an increase in total funding of €100 million (25% of the original amount) while, in the case of SMEs, the poor rate of commitment is due to the very late adoption of certain programmes in 1998 and 1999, because of their innovative elements, particularly as regards local partnerships.

The variations in progress in terms of payments are more marked, ranging from 52% to 74%. As in 1998, Employment and the industrial conversion Initiatives (Rechar, Konver, Retex - but not Resider) recorded the highest rates of implementation of payments. It should be noted that implementation of Adapt, which was lagging substantially behind in 1998, has improved considerably and in 1999 reached the average for the Initiatives as a whole. As in the case of the CSFs and SPDs, payments for the Community Initiative programmes may be made until 31 December 2001.

2.1.9. Innovative measures and technical assistance

Each Fund may finance innovative measures or technical assistance up to the following maximum percentages of annual funding: ERDF 1.5%, EAGGF 1%, ESF 1.5% and FIFG 2% (see Annex 4).

Budget heading B2-1600 (environmental measures under the Structural Funds) was established by the European Parliament in 1997. Implementation in 1999 continued the satisfactory trend recorded in 1998 with 100% of appropriations being committed by the end of the year. Measures financed in 1999 included the purchase of satellite images for the "Corine Land Cover 2000" project, environmental education and the development of the landscape in Portugal (Alentejo), a seminar on the promotion of sustainable development in Berlin and a pilot project on the same subject in Upper Normandy.

A report on the measures carried out in 1997-98 was sent to the European Parliament in March 1999.

Innovative measures and equal opportunities

As in the case of the national initiative programmes and the Community Initiatives, some innovative measures promote equal opportunities for men and women.

As regards interregional cooperation, a seminar was organised under Recite for the networking of centres of resources to encourage the integration of women into economic life.

An Ecos-Ouverture programme is preparing the applicant countries to make equal opportunities a priority.

In rural areas, targeted measures were adopted in 1999: of the 16 new measures adopted in 1999, 13 concerned projects for women farmers or women living in the countryside. These measures include improving the skills and status of women and structuring services to those living in the countryside in France, a electronic service network for women farmers and women in the countryside in Sweden and the establishment of a network of childcare centres in rural areas in Spain.

Innovative measures and technical assistance under Article 10 of the ERDF Regulation

New measures adopted in 1999: (See Annex 4)

- Virtually all the new commitments were for interregional cooperation. In the case of internal interregional cooperation and under the Recite II programme, the Commission approved 14 projects costing a total of €28.7 million. This meant that the programme has committed a total of €111.5 million for 56 interregional cooperation projects involving a total of 295 partners.
- During 1999 the 56 projects completed the first phase of an eight-month work programme at the end of which each project leader was required to submit a verification report on feasibility which the Commission used to decide (following a meeting with the project partners, the technical assistance bureau and two outside experts) whether the project should continue. The Commission agreed that, so far, 41 of the 42 projects which have completed this first phase should continue. DG REGIO's goals were (i) to verify the feasibility of the projects after the networks had been operating for eight months and to halt implementation of those for which the first phase had not proved satisfactory, (ii) to identify the strengths and weaknesses of each project by undertaking an intensive monitoring of some of them, (iii) to suggest improvements which could be made to the project on the basis of the feasibility phase with the help of outside experts. Two seminars were organised, one for leaders of projects concerned with the internationalisation of SMEs and the other for networks promoting equal opportunities. In addition, a seminar on the administrative and financial obligations of project managers was held in 1999.
- The Commission launched 63 Ecos-Ouverture projects in the field of external interregional cooperation. These projects were selected from more than 500

proposals submitted, demonstrating the very high level of interest by local authorities in cooperation at European level which compensates for the procedural difficulties inherent in measures of this type. The programme prepares for the forthcoming enlargement at decentralised level in a number of fields of vital importance to the authorities in the CEEC such as the preparation of regional development strategies, the economic development of cultural assets, equal opportunities, the environment and aid to small firms.

- As in previous years, two Europartenariat events were held: in Vienna (Austria) in May and in Potsdam (Germany) in October. They were linked to "Phare-Partnership" meetings and provided the occasion for over 44 000 contacts relating to cooperation projects between small firms in the Union and those in the CEEC. The Commission is currently undertaking an evaluation of Europartenariat in order to establish the value added over the last ten years and suggest the changes required in view of the new challenges facing small firms on international markets.

The intermediate phase (RISI 1 and RISI 2) of the Regional Information Society Initiative, which seeks to implant the concept of the Information Society in the least developed regions of the Union, was completed in 1999. The success of RISI has resulted in finance for a second phase (RISI+) to further the aims of incorporating the Information Society in the regional development strategies, mainly through finance for Structural Funds programmes. In October 1999, 13 "mono-regional" innovative projects were launched, with Community finance of some €250 000 per region in order to test some measures planned for the first phase. As regards the Regional Strategies for Innovation (RIS), in 1999 21 regions completed preparation of a strategy and an action plan designed to improve public policy and know-how on the promotion of innovation in small firms in the regions concerned. The action plan should mean that in future these regions improve the quality and quantity of public and private expenditure on innovation in order to make their economies more competitive. The success of the RIS led the Commission to support a second phase (RIS+) to take further the goals of promoting innovation in regional development strategies by financing pilot projects stemming from the RIS action plan. Since July 1999, 25 RIS+ projects have been launched with Community finance of about €250 000 per region.

- Alongside the new measures selected in 1999, some pilot projects begun in earlier years continued. These included the six RTT projects for technology transfer based on interregional cooperation, which bring together some 30 organisations in various regions of the Union and different sectors: textiles, aquaculture, clean technologies and recycling, footwear, etc. which have continued to implement their action plans. Similarly, virtually all the 26 urban pilot projects (1997-99) were extended, at their own request, to enable them to continue their work until the end of 2000. The urban audit begun in 1998, whose results will be published in 2000, continued in 1999, collecting some 30 indicators of the quality of life in 58 of the largest cities in Europe. Furthermore, the 15 Terra regional planning pilot projects reached cruising speed in 1999. The annual meeting of partners was held in Finland, as was a technical seminar on indicators.

Measures financed under Article 10 of the ERDF Regulation (€ million):

Type of measure	Allocation 1995-1999 (1)	Commitments 1999	Commitments 1994-1999 (2)	% (2)/(1)	Payment 1999	Payment 1994-1999 (3)	% (3)/(1)
Interregional cooperation	180,0	51,5	177,6	99%	15,1	39,9	22%
- national interregional cooperation (73)	110,0	31,2	127,8	116%	12,1	21,7	20%
- international interregional cooperation (66)	70,0	20,3	49,8	71%	3,0	18,2	26%
Regional development	90,0	10,3	88,7	99%	18,6	61,3	68%
- promoting technological innovation (71)	20,0	6,0	23,9	119%	6,2	12,4	62%
- information society (42)	20,0	3,1	20,6	103%	5,2	14,2	71%
- culture and economic development (35)	15,0	-0,1	14,8	99%	2,8	11,3	76%
- new sources of employment (42)	15,0	0,0	15,3	102%	1,6	12,7	85%
- support and assistance(7)	20,0	1,2	14,2	71%	2,8	10,7	53%
Territorial planning (47)	45,0	0,2	56,3	125%	4,7	27,7	62%
Urban pilot projects (31)	80,0	0,0	69,4	87%	8,6	36,5	46%
Total	395,0	61,9	392,0	99%	47,0	165,4	42%

* Price 1995

Technical assistance under Article 7 of the ERDF Regulation:

Under Article 7, the ERDF may spend up to 0.5% of its annual funding on studies, technical assistance and information.

In 1999 preparation and monitoring work accounted for about 43% of total commitments: these measures included 27 new commitments concerning the continuation of the Territorial Pacts for Employment until the end of 2001 in 10 Member States at a cost to the ERDF of €100 000 each. Another major component of this type of measure was the promotion of cross-border cooperation (€3 million). Information and publicity measures (18% of new commitments) concerned principally a multimedia exhibition on cross-border cooperation in the field of regional planning to support the Interreg II C Community Initiative. The regional studies (12% of new commitments) went mainly to the establishment of an on-going system of labour force surveys in the Member States (LFS - Labour Force Survey) and to a grant to extend the regionalisation of national accounts. Conferences, colloquia and seminars (about 8% of new commitments) included finance for a conference on "Sustainable development durable and regional planning in Europe", improvement of the quality of Objective 2 programmes through exchanges of experience in the United Kingdom and the euro-Mediterranean colloquium in Palermo.

Technical assistance under Article 7 of the ERDF Regulation (€ million):

	Commitments 1999	Commitments 1994-1999	Payments 1999	Payments 1994-1999
Preparation and monitoring	9,3	45,3	6,4	26,9
Evaluation	0,6	15,3	1,9	13,4
Regional studies	2,6	6,1	0,9	3,2
Conferences, colloquia and seminars	1,9	8,0	1,0	4,5
Information and publicity measures	3,9	29,7	5,3	24,9
Technical assistance and facilities	3,2	20,3	2,5	15,1
TOTAL	21,6	124,5	18,1	87,9

Since these are differentiated appropriations, payments do not necessarily correspond to commitments in the same period

Innovative measures and technical assistance under Article 6 of the ESF Regulation:

New sources of employment

1999 was the year in which a large part of the work on the employment and training pilot projects under Article 6 started to contribute to the capitalisation process initiated under the Third pilot System. This exercise enabled the Commission to further promote its local development policy throughout all employment-related policies. Some of the projects launched in 1996 had come to an end by the end of 1999. The information gathered from the final evaluation reports already seems to confirm the job-creation potential of local development and the new sources of jobs as identified in the White Paper on Growth, Competitiveness and Employment. As part of its information and dissemination policy, the Commission drafted an Article 6 Project Directory, containing short descriptions and contact data for projects funded under the 1996 and 1997 calls for proposals. The Brochure is scheduled to be published in 2000.

Local Social Capital

In 1998 the Commission launched a call for proposals on local social capital pilot projects. This will allow the identification of good practices for implementing Article 4(2) of the new ESF regulation concerning programmes under Objectives 1 and 3¹⁷. The local social capital intermediary bodies are non-profit organisations that provide financial (micro-grants) and technical (quality technical and logistic advice and participatory supervision) support to micro-projects aimed at restoring social cohesion, reinforcing local networks and groups seeking social inclusion of people and the start-up of micro-firms and cooperatives. During the first half of 1999 the Commission finalised the evaluation of the 594 proposals received, selecting 31 intermediary bodies from 12 Member States. The intermediary bodies started work officially on 1 September. A Launching Seminar was held in Belfast from 16 to 19 September. It was the opportunity to exchange views, harmonise methods and approaches, and learn from the experience gained through the Peace programme¹⁸ on

¹⁷ See Article 4(2) of Regulation (EC) No 1262/1999 of the European Parliament and of the Council of 21 June 1999 on the European Social Fund.

¹⁸ Special Support Programme for Peace and Reconciliation in Northern Ireland.

related issues. In mid-December the Commission made available a Handbook of Promoters.

During 1999 the Commission chose the firm entrusted with the on-going and *ex-post* external evaluation of the pilot projects. A seminar was held in Brussels on 10 December to inform the projects about the evaluators' methodology and to discuss self-evaluation by the intermediary bodies.

Regional Information Society Initiative

Measures concerning the investigation of the socio-economic benefits of the Information Society have continued with regions which have been involved in the RISI scheme (Regional Information Society Initiative). The RISI scheme is supported in a number of European Regions by Article 10 ERDF and Article 6 ESF backed by the Directorate-General for the Information Society. Regions which have prepared a strategy and action plan (RISI 1) will continue to work on a second phase to examine the feasibility of applications identified in their strategy documents. A total of 21 regions are involved in this work, with 13 supported by the ERDF and 8 by the ESF. Multi-regional partnerships which have established pilot Information Society applications (RISI 2) are currently in the final stages of their projects. There are nine projects in total of which seven are supported by the ERDF and two by the ESF.

Free Movement of Workers

As a result of the action plan for the Free Movement of Workers, support is being provided through Article 6(1)(a) ESF to 13 projects in the domain of labour mobility. These projects have been selected following a restricted call addressed to Social Partners Organisations at European level.

New Forms of Work Organisation, New Training Methodologies and New Forms of Dialogue

Following a call for proposals of March 1998 addressed to inter-professional and sectoral social partners organisations, support is being provided to eight projects related to new forms of work organisation, new training methodologies and new forms of dialogue.

Measures financed under Article 6 of the ESF Regulation (€ million):

	Commitments		Payments	
	1999	1996-1999	1999	1996-1999
Innovative Actions, studies	43,5	158,	29,3	98,4
Technical assistance	19,0	194,8	19,7	242,3
Total	62,6	353,6	49,1	340,7

Innovative measures and technical assistance under Article 8 of the EAGGF Guidance Section Regulation

During the year, 16 new measures were adopted under Article 8. Following the selection in 1998 of 75 proposed demonstration projects for women farmers and women in the countryside, 13 new measures of the 16 concern this type of project and will receive assistance from the EAGGF Guidance Section totalling €2.7 million. These measures include improving the skills and status of women and structuring services to those living in the countryside in France, a electronic service network for women farmers and women in the countryside in Sweden and the establishment of a network of childcare centres in rural areas in Spain. The other types of measures recently adopted include a project to develop craftsmanship in wood in the Moy Valley in Ireland.

Measures financed under Article 8 of the EAGGF Regulation (€ million):

	Commitments		Payments	
	1999	1996-1999	1999	1996-1999
Evaluation, monitoring, technical and studies	0,0	3,0	0,3	1,8
Pilot and demonstration projects	-0,1	14,4	2,3	7,0
Dissemination measures-	0,0	3,5	1,4	2,2
TOTAL	-0,1	21,0	4,1	11,0

Excluding commitments, decommitments and payments in respect of measures in previous years

Innovative measures and technical assistance under Article 4 of the FIFG Regulation

The studies launched in 1999 include:

- a series of studies on grants in the fisheries sector in the European Union and non-member countries;
- a study on the impact of technical progress on the fishing effort in preparation for the Multiannual Guidance Programmes (MGP) for the fishing fleets.

The main features of information and awareness raising in 1999 were:

- the preparation of a new magazine for the fisheries and aquaculture sector and other interested parties;
- participation in the "European Seafood" international fair in Brussels in April devoted to the processing and sale of fisheries and aquaculture products.

Most of the appropriations for technical assistance were allocated to maintenance of the register of the Community fishing fleet, which is an important management tool for deciding on financial aid for fishing vessels.

Measures financed under Article 4 of the FIG Regulation (€ million)

	Commitments 1999	Commitments 1994-1999	Payments 1999	Payments 1994-1999
Studies	2,2	8,7	1,6	5,6
Publication	1,4	2,2	0,5	1,9
Technical	0,5	5,3	0,4	3,7
TOTAL	4,1	16,2	2,4	11,2

2.2. COUNTRY-BY-COUNTRY SURVEY

2.2.1. BELGIUM

1. The major achievements of the Funds by Objective

Examples of measures to promote equality between women and men in Belgium:

The Urban programme for Curreghem (Brussels) contains a measure to establish and equip a day nursery. This project, costing a total of €160 000, is being part-financed to the tune of €50 000 by the ERDF. It includes a fully equipped day nursery for the inhabitants of the Curreghem area which will give young mothers in particular an opportunity to seek work, follow training courses or take part in reintegration activities.

OBJECTIVE 1

Hainaut (with a population of 1 300 000, i.e. one third of the population of Wallonia) is eligible under Objective 1. The Monitoring Committees decided on several changes to the SPD to allocate appropriate resources to measures with projects awaiting financing, mainly involving investment aid, research aid and venture capital measures. Various projects for adding value to the tourist infrastructure were finalised in 1999, including the development of the Grand Hornu and the Bois de Cazier sites and the restoration of the ramparts in Binche. The funding allocated to the project to protect the Tournaisis carboniferous water table (the Transhennuyère) was supplemented to ensure successful completion of the work. Cleaning up industrial and urban wasteland also continued despite administrative and legal difficulties (acquisition of sites, decontamination and assignment of cleared sites to new uses). At the end of 1999, at the Commission's request, a Monitoring Committee was charged with the qualitative evaluation of 1994-99 programming. The following issues were looked at: productive investment aid; access to venture capital; the attractiveness of the province; research and development measures; raising public awareness; tourism; economic activity and computerisation of SPD administration.

A new measure to assist the social economy was launched in 1999, aimed at setting up placement undertakings, and eight undertakings in Hainaut were granted ESF assistance. This measure had two main objectives: firstly, to meet demand backed by purchasing power to help to integrate people in difficulty into society and working life, and, secondly, to meet demand from those who cannot afford to pay for local services whose market prices are often still too high for individuals. In line with the European Employment Strategy, priority was also given to measures for modernising teaching methods, by promoting the use of new information and communication technologies (ICT) in secondary education. These measures are coupled with teacher training. It has also been decided to make computer equipment available to improve access to ICT in colleges. ICT is given priority not only in education but also among job-seekers and workers in small firms. The measures to promote RTD continue to be a resounding success, and 62 researchers with experience in various high-technology sectors have been assigned to research centres and centres of excellence in Hainaut, enabling better use to be made of technical facilities and improving information about their potential to users and to the regional economy. This success is the fruit of good integration of ESF and ERDF assistance in the field.

Implementation of the 'fisheries' measures in Hainaut made good progress in 1999, and the budget initially proposed for the processing of fisheries and aquaculture products quadrupled over the period.

OBJECTIVE 2

The priority given to making the economy of the Meuse-Vesdre area more dynamic and diverse was emphasised by stepping up aid measures for investment, developing the infrastructure for attracting businesses to the area and improving its tourist potential. The measures for technological innovation (and in particular centres of excellence) were also enhanced. At the same time, lower priority was given to measures to improve the environment and to assist the merchant social economy. In the field of human resources, short-term training measures targeted at workers and job-seekers and training in new technologies were a success. Integrated ESF/ERDF measures to develop research centres showed satisfactory results, while measures aimed at developing the social economy were not very successful.

Under the Aubange SPD the call for tenders was issued for the construction of the data communications centre in the Triple Point business park.

In Flanders, the Commission approved (in August for Limburg and in December for Turnhout) decisions adding the indexation amounts to the original budgets and allowing a final realignment of the Structural Funds assistance. At the end of 1999, both Objective 2 programmes had managed to commit all of the Community budget. In the first quarter of 1999 the ongoing evaluation reports for both Objective 2 programmes were published, indicating significant improvements in the regional economic and employment situation, with differences between the regions and the rest of Flanders decreasing. The percentage of women and young people in the regional unemployment statistics remained high. More attention is to be paid to new infrastructure facilities, SMEs, technological innovations, human capital and stimulating enterprise. As regards human resources, 83% of those taking part in training courses had been able to find new jobs, but only 25% of trainees were women. Under both programmes great efforts were made to take a proactive approach to undertakings' dossiers.

OBJECTIVES 3 and 4

In the French Community (Wallonia and Brussels), 1999 saw above all the continuation of the establishment of pathways to integration, with the setting up of sub-regional coordinating committees for integration pathways, on the one hand, and training promotion centres, on the other. The remit of the sub-regional coordination committees is to encourage local coordination between operators. The training promotion centres, for their part, are information and guidance tools aimed at ensuring transparency of supply and disseminating information to interested parties and operators on the ground. In Flanders measures to get people into jobs have been successful in family and home help services, building, for which increased demand on the part of undertakings had been noted, and initiatives in the field of new technologies. Cooperation with employers has proved vital and some measures have been developed in this area. The major preoccupation was to find suitable means of integrating the most vulnerable categories. In Brussels, the bulk of the Objective 3 programme resources were used to develop support and accompanying measures (in particular childcare facilities for job-seekers) and social aid promotion centres (local

missions). Other important areas were measures to facilitate re-integration and the active role played by workshops for job-seekers.

As far as Objective 4 in the French Community is concerned, the focus was on measures to assist SMEs and VSEs (very small firms). The Plato project, an idea taken from an Objective 2 project in Flanders, combines a management training programme for SMEs with support from managers from large companies to help the managers of small businesses to work better and exchange experience. The Cequal projects, the first phase of which started in 1997, reached its cruising speed in the training and support phase in 1999. Cequal is geared to increasing awareness and providing continuing vocational training for about 500 SMEs and VSEs each year. The training courses cover drawing up an inventory of the firm, training directors and managers, TQ (total quality) and ISO quality training and evaluation at the end of the training period. One of the priorities for 1999 was to increase ICT awareness among personnel in such firms. The measures will continue until mid-2001. A system of training vouchers was introduced to encourage training and guidance. Thanks to ESF funding, more vouchers could be distributed, thereby increasing both the resources available for lifelong training for workers and expanding the effective demand for training. In Flanders the selection criteria for projects were adjusted to make part-financing available to more projects, including those involving training for middle management and self-employed people. The concept of a training plan in an undertaking was thought to greatly help social advancement and thus merit general application.

OBJECTIVE 5(a) - Agriculture

Measures to improve the efficiency of agricultural structures, aid for young farmers and farm investment are dealt with by the Federal Government and the Flemish and Walloon regional executives. Wallonia is the only region implementing compensatory allowances for natural handicaps (less-favoured areas). Implementation of the SPDs for aid for the processing and marketing of agricultural and forestry products is progressing at a satisfactory rate in Flanders, Wallonia and Brussels-Capital. In 1999 aid went to the same sectors as in the previous year, i.e. potatoes, fruit and vegetables, meat and forestry in Wallonia, and meat, eggs, poultry and fruit and vegetables in Flanders. In the light of developments on the agricultural markets, the SPDs for Flanders and Wallonia were amended in 1999. The majority of the projects are innovative and environmentally-friendly.

OBJECTIVE 5(a) - fisheries

The upward trend in investment in the fisheries sector in recent years continues. In 1999 priority in the investments part-financed by the FIGG shifted from processing and marketing of fishery products to modernisation of fishing vessels.

OBJECTIVE 5(b)

Progress on the SPD for Wallonia in 1999 was satisfactory. The delays on some measures - resulting from the need for careful preparation - were made up. This programme is being implemented through cooperation between the three Funds concerned. The ESF is providing back-up for the measures being financed by the other Funds: the vocational training measures and schemes to promote employment have been carried out to meet the demand for skilled labour for the development measures supported by the EAGGF and the ERDF so as to maximise the impact of the Funds. Women account for about 40% of the participants in training schemes. A final amending decision was approved by the Commission in June 1999, enabling all the appropriations to be committed by 31 December. This indicates that all the measures under the SPD have progressed well and that all the projects under this programme will be completed.

The two Flemish programmes (Meeetjesland and Westhoek) lay emphasis on an integrated approach to rural development, which must be seen from an overall perspective of land utilisation taking advantage of the assets of different areas. Increasing and maintaining employment is one of the main priorities. Tourism is regarded as a key factor in regional development, but there is also the aim of attracting businesses to the area. Some environmental measures and measures to assist SMEs have been undertaken under the two SPDs (creation of a coordination and support centre for environmental matters and an assessment of the environmental impact of undertakings in the region). The two Monitoring Committees met twice in 1999. They noted that progress on projects that were not strictly agricultural in nature was slower, mainly as a result of problems connected with part-financing by the Flemish Government. Two amending decisions were adopted in 1999 for each of the two Flemish programmes, providing for transfers between measures under a single Fund, between Funds (Meetjesland) and between Objectives (Westhoek), rescheduling of annual tranches, application of the deflator and technical adjustments to certain measures (Westhoek).

2. The Community Initiatives

In the field of industrial conversion Resider enabled Wallonia to finance facilities for industrial zones and research and university centres and to set up a business and innovation centre in Tubize. Work on improving the environment of areas seriously damaged by the steel industry continued in the La Louvière region. Under the Konver Community Initiative a new subprogramme was created in 1999 in the Brussels region with an allocation from the reserve. This subprogramme 'conversion of the military activities of SABCA' focuses on two measures: encouraging research and development and training personnel in new technologies. The Rechar Community Initiative in Limburg (Flanders) benefited from transfers from other measures to economic infrastructure and economic incentives. The Retex Community Initiative in Flanders also underwent amendments: greater weight was given to measures to support the textile and clothing industry, although overall measures to assist economic conversion account for 75% of assistance.

The Urban Community Initiative provided assistance for a business incubator, along with social, sports and transport facilities, in Mons-La Louvière. The Brussels region benefited from a second Urban programme targeted at an underprivileged quarter of

Anderlecht in 1999. The measures proposed involve developing integration activities, upgrading economic activities in the area and improving infrastructures and local amenities.

As for Interreg II, the 'Mouth of the Scheldt' and 'Middengebied' programmes were the subject of new decisions, approved on 15 November and 10 December respectively, making transfers between measures possible.

In the field of human resources the Adapt and Employment Community Initiatives in Wallonia and Brussels finalised their projects and went on to disseminate the results. Large-scale dissemination of Adapt experience began in the second half of the year with weekly television coverage of projects. In Flanders, 45 of the 47 projects selected originally were still in progress. The thematic action groups designed to develop transnational cooperation also continued their work.

A decision to amend the two Leader II programmes in Flanders was adopted in 1999 so that the proceeds of indexation could be allocated and the entire ESF appropriation transferred to the other Funds. In Wallonia 1998 and 1999 saw the selection of local action groups. Sixteen of them started work on their rural innovation programmes.

In the fisheries sector, the Pesca Community Initiative is now well known to potential beneficiaries and projects are exceeding the appropriations available, which means that the programme can be wound up.

2.2.2. DENMARK

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Denmark

The Danish trade unions "Kvindeligt Arbejder Forbund DAK" (Women Workers' Union) and "Specialarbejderforbundet i Danmark SID" (Specialist Workers' Union) are in charge of a project involving "mobile guidance workshops" in three geographic areas of Viborg County. These workshops are run by a project leader and a chief trainer. The workshops visit companies and trade unions to advise participants on literacy courses as stepping-stones to further education. At the workshops, potential participants are tested on their reading and writing skills. Portable computers are used throughout the course in order to increase mobility and at the same time demystify technology. The aim of the project is to provide guidance for people who left school early, motivate them and enable them to acquire the skills they need for further education/lifelong learning.

Target group

People with limited education, whether unemployed or in work, with literacy problems.

Project financing

The ESF Objective 5(b) programme granted DKK 953 932, which corresponds to 30% of the eligible costs for the project "Mobile Guidance Workshops". Objective 3 funding was also granted for 105 unemployed participants, while the 5(b) project applies to 230 participants. All the social partners are involved in the project.

OBJECTIVE 2

The overall objectives of the Lolland programme are to foster the region's development potential, to widen the base for business development, to maintain and increase the number of jobs in the short and the long term, and to increase the overall income of the region. The creation and preservation of approximately 230 jobs in the short term, and 600 in the longer term, is anticipated. Another 6 000 people will be trained.

The overall objective of the North Jutland programme is to strengthen the conditions for increased growth in the business of the region, and thereby to maintain and to increase the number of jobs. The strategy for reaching this objective is "globalisation": a strengthening of the companies' ability to compete internationally, by innovation, conversion capacity and better skills, and by strengthening educational and other infrastructure framework conditions. It is expected that the programme will result in the creation of approximately 2 100 new jobs, and that 4 800 people will be trained.

Both programmes have performed well: for instance, job creation will exceed the targets set out in the programme and all the funding available was committed by the end of 1999.

OBJECTIVES 3 AND 4

The Objective 3 programme made satisfactory progress on the whole. The implementation of the programme continued according to the conclusions and recommendations in the mid-term review. The final evaluation made in 1999 concludes that there was a general tendency within the programme to increase the focus on people with a relatively long background of unemployment, in particular those having been unemployed for more than two years at the start of a project. As the number of unemployed and long-term unemployed has fallen, the remaining group may be assumed to have experienced longer spells of unemployment as well as other problems.

According to the evaluation report the research also reveals a certain correlation between the content of the projects and the expected result of participation. Projects consisting solely of education are thus thought to lead to either further education or employment, whereas projects combining education with training will most likely result in employment. The same goes for projects consisting of training with no education element. However, in the last case an equal number of participants are likely to stay within public activation schemes. With the aim of improving and developing projects further, a study was launched to identify and explain what factors and dynamics of a project and its context might be significant for its success or failure.

For Objective 4 an external expert made a final evaluation in 1999. The report concludes that the great majority of projects target both sexes. A minority is focused primarily on women, while only a few projects primarily and explicitly target men. The report also reveals that projects which focus primarily on anticipation seek to develop new analytical methods as well as to carry out specific analyses. Another important objective is to improve the basis of decision for policy makers at different levels. For projects that focus on training the primary objectives of these are the

qualification of employed persons for new job profiles or alternative employment. Projects which promote the development of training systems primarily contain activities such as course development and development of technology-supported training materials.

OBJECTIVE 5(a) - agriculture

Out of the €130 million for improving the efficiency of agricultural structures, the largest part (€71 million) is earmarked for investment aid. The next largest items are installation aid for young farmers and training aid. Other measures applied under Regulation (EC) No 950/97 but of minor importance are compensatory allowances for farmers on 30 small islands and additional investment aid for young farmers. The biggest change in 1999 was the restriction on aid for investment in animal welfare on pig and cattle farms. In 1999 some 731 material improvement plans were approved representing a total investment of some €90 million. As far as aid for the processing and marketing of agricultural products is concerned, a total of 29 projects had been approved by the end of 1999, which was down on 1998.

OBJECTIVE 5(a)- fisheries

The FIG allocation was reduced by €12 million at the end of the programme due to national budgetary constraints. Throughout the programming period, the main part of the available funds was invested in fleet modernisation and processing and marketing with approximately one third of total investments each, whereas adjustment of fishing effort absorbed about 10% of total available funds. At the end of 1999, the Commission had paid all the remaining advances except the final advance for 1999. The total number of projects part-financed exceeded 3 300.

OBJECTIVE 5(b)

The main objectives are the creation and safeguarding of jobs and the improvement of incomes in the areas, while at the same time ensuring that environmental effects are taken into consideration. Progress was rather slow in the first part of the programming period, but the situation has improved since. By the end of 1999 the whole Community contribution had been committed. Adjustments in the budget allocated to different measures were decided on the basis of the recommendations contained in the interim evaluation report. These adjustments strengthened the emphasis on the agricultural conversion programme (particularly into organic farming) and on improved animal welfare. Other areas that were emphasised included investment aid for SMEs, vocational training and retraining (with the focus on SME development), and tourist infrastructure.

2. The Community Initiatives

Denmark is involved in five Interreg II A programmes and two Interreg II C programmes. As mentioned in the 10th annual report on the Structural Funds, mid-term evaluations for all Interreg II A programmes were carried out during 1998. These concluded that the programme had performed well in terms of integrating action and making it consistent across borders. Financially all programmes managed to commit the funding available by the end of 1999. Two Interreg II C programmes, covering the Baltic Sea area and the North Sea area respectively, for which Denmark receives €4 million from the ERDF, were approved in December 1997. The

programmes got off to a good start in 1998 and continued to perform well throughout 1999. The quality of the projects and the involvement of local actors such as county councils, thus ensuring a bottom-up approach, were also encouraging.

The Danish SME programme, covering the Objective 2 and Objective 5(b) areas, had up to 1998 showed low implementation rates but managed in 1999 to speed up implementation considerably. This was achieved by the introduction of a new measure aimed at increasing small firms' use and understanding of the potential benefit of information and telecommunications technology.

As regards human resources, Denmark is participating in seven of the nine thematic focus groups under Adapt and Employment and at national level thematic work has been organised around three main themes: new work organisation (Adapt); new entrepreneurs (Adapt and Employment); marginalisation and activation (Employment). These themes were chosen because they were characteristic of Danish Adapt and Employment projects and because they were central to the European employment strategy and the Danish national action plans. These working groups, facilitated by external experts and involving a limited number of best practice projects, were set up at the beginning of 1999. The conclusions of this work have been published and the findings were also the main themes of a national Adapt and Employment dissemination conference held on 9 December 1999. This conference, called "The future of the workforce - the workforce of the future" brought together some 300 representatives of social partner organisations, business promotion actors, public authorities, politicians, education and training institutions, enterprises and institutions. In addition, the results of individual projects or groups of projects have been compiled and published.

The Danish Leader II's long-term objective is to maintain and redevelop the areas as active, living and viable local communities. After a relatively slow start, projects have begun to come forward. According to the mid-term evaluation report presented in June 1998, the expectation was that all or the vast majority of the programme resources were likely to be utilised. The final amendment to the programme in December 1999 made it possible to commit 100% of the allocation.

The Pesca programme has had a quite significant success in Denmark. Approximately half of the available funds have been invested in projects aimed at improving the competitiveness of the fisheries sector and at promoting innovation, while one third has been used for conversion to activities outside the fisheries sector. In 1999, the amount of Community funding was increased through the allocation of indexation and reserve funds, and the Monitoring Committee adopted a further minor amendment to the programme at the end of the year.

2.2.3. GERMANY

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Germany

The efforts to make the Brandenburg economy more competitive - given the Land's serious underemployment situation, with limited employment opportunities, particularly for women - require great care to be taken in targeting Structural Fund resources for employment purposes. As there were no systematic records showing the impact of the use of Structural Fund resources on equal opportunities, the Brandenburg Ministry for Labour, Social Affairs, Health and Women commissioned an ERDF-funded study to see how Structural Fund resources can be effectively used to promote equal opportunities and to pinpoint appropriate areas for coordinated action by the Funds. The results of this study will be of interest to other regions besides Brandenburg.

In the Objective 1 human resources (sub)programmes, increasing emphasis was placed on action for women, who are considered the "losers of German unification". On average, about 50% of the participants in all ESF-funded measures were women, i.e. roughly the same percentage as women account for in the unemployment figures for the new Länder (51%). A number of specific measures for women's vocational (re)integration were also implemented under the Objective 1 CSF.

Dortmund is one of the cities most seriously affected by the decline of the coal and steel industry in the Ruhrgebiet (Objective 2). The ERDF project "Integratives Telehaus für Frauen" (distance working facilities for women) has been particularly successful in promoting structural change and incorporating other structural assistance objectives such as equal opportunities for women and men in working life and access to the labour market for disadvantaged groups. It is acknowledged that new technologies lead to new, sustainable jobs, and the women's distance working facilities project is providing opportunities for women, including in particular disabled women, to acquire skills in the area of modern information and communications technologies. In addition to creating jobs, priority is also being given to overcoming prejudice against disabled women on the labour market. The total investment for the distance working facilities amounts to €832 000, half of it coming from the ERDF.

OBJECTIVE 1

The commitment of appropriations for the 16 operational programmes in the new Länder was completed in 1999. A total of €7 095.4 million, i.e. 100% of the appropriations, was thus committed. By the end of 1999 a total of €5 549.7 million (78%) had been paid out. The breakdown by Land and programme was as follows.

According to statistics from the national authorities, over the 1994-99 programming period some 40 000 projects received assistance, 133 519 new jobs were created and 348 863 jobs were safeguarded. The Monitoring Committee met in Magdeburg (Saxony-Anhalt) on 2 June and in Freiberg (Saxony) on 27 October. The Commission called a meeting of the Working Group on Technical Assistance in Bonn on 2 March. The economic and social partners were involved in the discussions through a preparatory meeting and their participation in the regional subcommittees.

In 1999 €72 182 000 of indexation funds (ERDF €36 091 000) was available. Additional resources for the technical assistance that is 100% funded by the Commission were also made available for the operational programmes in 1999 at the Commission's instigation. An appropriation of €13.7 million is set aside for this purpose. An important objective of this priority is decentralisation and the involvement of the economic and social partners at regional and local level in order to put job creation on a broader basis for the new programming period.

As for human resources, the total number of people who received ESF assistance and training during the whole period is estimated at roughly 950 000. The main elements of ESF assistance were initial training for young people, continuing training for the unemployed in small firms, employment assistance and training/coaching for persons creating new businesses. In order to improve the vocational integration of disadvantaged target groups, the "pathway approach" was enhanced in this field of ESF support. In these measures counselling, training and employment assistance were often combined in "packages". Overall, in the fields of recruitment and employment support evaluations confirmed that there was little deadweight, only 25%. The employment effect for the particular ESF target groups was therefore about 75%. As regards continuing training for *people employed in small firms*, an employers' survey in Saxony revealed that this type of assistance was considered very useful, mainly in terms of enhancing human capital and improving productivity and competitiveness. Particularly positive conclusions could be drawn from assessments made in the field of ESF support for business start-ups. A study in Thuringia found that 80% of the start-ups supported during 1994 were still in business in 1999. In addition to start-up training, coaching during the business consolidation phase helped stabilise such small firms. Overall 130 000 - 140 000 jobs were created through this type of ESF assistance.

In the field of agriculture and rural development, the greatest emphasis was placed on support for local development measures. Although the unemployment rate in the new Länder remains high, the support for numerous village development projects enabled jobs to be safeguarded and new ones to be created in agriculture, and the quality of life of the rural population thus improved substantially. Investment in farm tourism continued to make the rural regions more attractive and created new sources of income. The various programmes were restructured or altered: following a transfer of unused FIFG appropriations, €30 907 594 was transferred to the EAGGF Guidance Section and distributed to the Länder Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt and Thuringia; indexation was applied and some transfers were made between measures.

In the fisheries sector, implementation of assistance for "processing and marketing" caused some concern. In the light of these problems, the programme was reprofiled by transferring FIFG funds to the EAGGF. The reprofiled operational programme was finally fully committed in 1999.

OBJECTIVE 2

Assistance under the nine programming documents continued to focus on aid for SMEs; technology and innovation; development of economic infrastructure and measures to improve the environment. The Objective 2 area was allocated €7 657 000 from indexation resources in 1999. Numerous amendments to the single programming documents were decided on in 1999 in connection with indexation and the end of the programming period.

Three major projects in the Objective 2 area were approved by the Commission in 1999, including reutilisation of the former Krupp-Hoesch steel works in Duisburg-Rheinhausen (North Rhine-Westphalia), representing an eligible investment of over €50 million, on which a report was sent, as agreed, to the European Parliament.

OBJECTIVES 3 and 4

Objective 3 in Germany is implemented through 12 operational programmes, one managed by the Federal Government, the others by the 11 non-Objective 1 Länder. Under Objective 3 the ESF is used largely to finance measures or cost elements and to help target groups which are not sufficiently covered by the main national schemes.

While in the past the focus has mainly been on helping the long-term unemployed, the increase in youth unemployment over recent years and the ever-growing proportion of disadvantaged young people, who often leave school without a leaving certificate, has induced programme managers to redirect resources in favour of unemployed youngsters. The financial allocation for the priority "vocational integration of young people" was more than 10 times higher than in 1998 and represented more than a third of the total annual instalment for this programme. The "on-the-spot programme" has clearly offered additional chances for young people, since it has really been on top of existing efforts at Federal and Länder level.

The national Monitoring Committee discussed the preliminary results of the final evaluation which covered the years 1994 to 1998. The results show that nearly 300 000 persons benefited from assistance under Objective 3. Women accounted for more than 45% in the Länder programmes, while their share in total unemployment was around 43%.

On the whole the results of funding for the individual participants have been positive. Figures such as the percentage of drop-outs or the proportion of participants who had entered employment or training six months after completion of the measures are as high as for national labour market policy measures. In view of the particular difficulties of many of the target groups which were reached, this should be regarded as a success. Analyses show that measures funded with ESF support, such as placements, general education modules, social welfare and childcare, increased the level of success amongst participants.

The basic results of the interim evaluation for the **Objective 4** programme were discussed in November 1999. A control-group-based analysis with three categories of enterprises had been carried out during the year. The 1996-98 data provide evidence that firms benefiting from Objective 4 assistance had slight advantages in employment development. This is confirmed by the 1998-99 data. The analysis also

showed that 40% of all courses part-financed by the ESF were still traditional standardised courses which may nevertheless be effective in mobilising firms doing little or nothing to improve their employee's skills. The implementation of a support scheme carried out by the *Bundesanstalt für Arbeit* for "coaching business starters" revealed that trainers' qualifications can prove to be a limiting factor for the success of an aid scheme. The most striking outcome of the Objective 4 programme, which was innovative for German labour market policy when it started, is that this approach will be continued in the period 2000 to 2006.

OBJECTIVE 5(a) - agriculture

As far as measures to improve agricultural structures are concerned, about 50% of the total allocation of €869 million went on compensatory allowances under Regulation (EC) No 950/97 designed to compensate for natural handicaps affecting farmers in less-favoured areas. These areas account for half of Germany's utilised agricultural area. The sums spent on compensatory allowances continued to decline, while funding of farm investment aid increased. The third category of measures consists of installation aid for young farmers.

In 1999 the EAGGF Guidance Section's contribution to measures concerning the processing and marketing of agricultural products totalled €283.4 million for the period 1994 to 1999. These measures are governed by ten regional SPDs. In 1999, ten amendments were introduced, several of which concerned financial reprogramming and for each of these SPDs a financial allocation was made for evaluation.

OBJECTIVE 5(a) - fisheries

The positive trend of investment in recent years continued in 1999. The result of this progress was that all FIFG funds were committed by the end of 1999. The main focus of investment in 1999 was the processing and marketing of fish and fishery products.

OBJECTIVE 5(b)

The main task of the eight Monitoring Committees for the Objective 5(b) programmes was to prepare the programmes for the final phase of implementation. At their meetings the Committees decided on the allocation of the additional funds, which were available as a result of the indexation of the programmes, and on transfers of funds between measures and between the different annual instalments.

In most cases the additional EU contribution was allocated pro rata to the three Structural Funds according to the original decision. One major exception was Baden-Württemberg, for which the competent committee decided not only to allocate the indexation funds to the ERDF and the ESF but also to transfer €4.5 million from the EAGGF to the ERDF.

In some regions financial implementation was different from what was shown in the indicative financing plans. As a consequence and in order to permit the commitment of the EU funds in the EU budget by the end of the year, the financing plans had to be adjusted accordingly. All the Monitoring Committees decided on minor transfers between measures which reflected the rate of utilisation of the funds. At the end of

1999 all funds were fully committed and some regions used the possibility of "overbooking" in order to ensure the total use of Community part-financing.

2. The Community Initiatives

By the end of 1999 all the ERDF resources were committed. A mid-term evaluation of the SMEs Community Initiative was adopted by the Monitoring Committee. For the Community Initiatives too there were numerous applications for amendments to be processed in 1999 at the end of the programming period.

In the second phase of the Employment Community Initiative (1997-99) 418 projects were selected. Most of them had completed their life-span by the end of 1999. A few projects were extended into 2000 with the aim of allowing for in-depth self-evaluation, dissemination and mainstreaming activities. Women account for 60% of all Employment beneficiaries in Germany. Special attention was paid to women returning to the labour market, disadvantaged young people, in particular from (im)migrant communities, people with learning and hearing disabilities and ex-delinquents. A two-pronged approach was chosen for mainstreaming and dissemination at project and programme level: 13 project promoters were entrusted with the organisation of conferences and seminars or the publication of best practice. Themes covered include integrated pathways to employment, empowerment for disadvantaged groups, human resource development for the information society, employer networks to enhance job opportunities for people with disabilities, entrepreneurship and social economy.

These themes are mirrored by a series of "transfer seminars" scheduled for April 2000, bringing together project promoters, experts and key actors such as local/regional authorities, social partners, mainstream training providers and political decision-makers.

In 1998 Adapt focused on setting up networking between projects with the intention that in 1999 projects would go on exchanging experiences in networks and thematic groups, supported by ICTs and the programme's website. However, the focus of the mainstreaming programme was reviewed. A new target was established: the dissemination of good practice to potential users outside the programme, paying special attention to policy makers, administrations and social partners. In the framework of this mainstreaming effort, media productions, in the form of a series of 10 TV programmes, were to play a major role.

The Leader II Community Initiative had a positive impact. In accordance with the bottom-up principle, it mobilised numerous local action groups and harnessed local potential for concrete and innovative projects. At the end of the support period all the available appropriations were committed. Jobs had been created, the quality of supply to the regions improved, the ecosystem protected and the regional identity of rural dwellers preserved. Typical cultivated landscapes and villages had been restored or preserved. During the year amendments were made to programmes, including in particular reprogramming as a result of indexation and transfers between measures (mainly to reinforce local action groups).

Investment under the PESCA programme in 1999 was mainly focused on Regional Fund-related infrastructure works in fishing ports. Progress on implementation of the two parts of the Pesca programme (one covering the Objective 1 area and the other the fishery-dependent areas outside Objective 1) resulted in full commitment of all the Community funds. The German authorities regretted that this Community Initiative was not to be continued after 1999.

2.2.4. GREECE

1. The major achievements of the Funds by Objective

OBJECTIVE 1

The whole of Greece is eligible under Objective 1.

Measures to promote equality between women and men in Greece

Lack of childcare facilities is one of the main problems preventing young parents, particularly mothers, from entering the labour market. Through the OPs "continuing training" and "education and initial training", measures have been or are being implemented to create childcare facilities all over the country. Such schemes produce excellent results for the children while at the same time giving young mothers the opportunity to enter the labour market and seek part-time or full-time jobs.

Introduction of gender equality in school textbooks: A number of school textbooks have been adapted to take account of equality between men and women. This measure was implemented under the 'Education and Initial Training' OP.

During 1999 the rate of utilisation of the CSF appropriations continued to accelerate, thanks to the efficient work of the implementing agencies for the large CSF projects and to a series of decisions by the CSF Monitoring Committee that improved the situation:

- finalisation of the budgets of the operational programmes through a final round of transfers of appropriations among them;
- implementation of "circular 2/96" aimed at creating a more effective framework for public works in Greece, especially as regards exceeding budget limits.

The Monitoring Committees also decided to make transfers within programmes.

In 1999, the Greek authorities paid particular attention to horizontal issues, especially mechanisms and structures concerning public works. The most important concerned:

- quality control of public works. The "special adviser on quality control", continued his work, which consists of inspections and quality control through laboratory tests of the physical characteristics of the projects. The special adviser has already performed such inspections and quality controls on 1 100 projects and is expected to continue this work up to the end of 2001;
- public concessions. In this area, the Greek authorities engaged a financial adviser on motorway concession contracts and have confirmed their decision on the

immediate creation of a company to monitor the development of all major public works implemented through concession contracts;

- calls for tenders and contracts for public works. In this area, the Greek authorities renewed the contract with the "calls for tenders and contracts monitoring unit" founded by and operated through the "Centre for International, European and Economic Law" in Thessaloniki.

Regarding organisation of the Monitoring Committee secretariats, the "management and organisation unit" (MOU), set up by the Greek authorities to improve the efficiency of the Monitoring Committees, held the final open competitions for recruiting staff to the secretariat teams in those regions still without an MOU team.

Finally, the Greek authorities began preparations for the next programming period. These included meetings and exchanges of views among different levels of the Greek administration as well as among the social partners.

Following the 1998 review of the "Education and Initial Training" OP, implementation of the programme was considerably accelerated as regards both financing and content. A number of measures were re-oriented to take better account of or put more emphasis on issues of the educational reform in Greece (e.g. modernisation of upper secondary education, upgrading of initial technical and vocational education, opening up of tertiary education), which started in 1997. However, efforts will continue in the next programming period (2000-06), focusing more on specific policy priorities, in accordance with the policy fields of the new ESF Regulation and the guidelines of the European employment strategy. The "continuing training and employment promotion" OP entered its final phase of implementation with the approval of all measures to be implemented in 2000 and 2001. Implementation of the newly created measures for the promotion of equal opportunities (i.e. childcare facilities), social care, job promotion in small firms and acquisition of work experience for unemployed graduates started. A specific measure was adopted to assist unemployed persons in the areas most affected by the earthquake in September 1999. As regards the "combating exclusion from the labour market" OP, great efforts were made to accelerate implementation in 1999. Following the destructive earthquake of September 1999 in the greater Athens area, changes were made to the OP to take account of the needs of earthquake victims, including the patients of the Attica Psychiatric Hospital, which was severely damaged. Implementation of the "modernisation of the public administration" OP is progressing satisfactorily without major amendments.

Following the late adoption of the seven territorial employment pacts, implementation started along with the rest of the regional programme measures. The measures adopted under the Greek TEPs have a strong element of combined training, on-the-job training and employment promotion mainly in the fields of domestic economy, social care services, tourism and heritage, SMEs and promotion of cooperative undertakings. The local employment to be generated by the pacts is expected to be approximately 600 jobs over a period of two years. The partnership arrangements have mobilised local actors to a great extent, creating substantial experience and a precedent for the establishment of the bottom-up approach at regional and local level. Difficulties have been encountered in mobilising the private sector to a larger extent. Although the objectives, target groups and partnership arrangements are well in place, considering the delays in drawing up and adopting

the Greek employment pacts, data are not yet available on their quantitative and qualitative impact in the short term.

The agriculture programme was amended twice, once to add €45 million from indexation and reallocations under the CSF, and once to make a final financial adjustment by transfers between measures. This OP marked the end of CSF II, being the first OP in terms of use of appropriations and actual achievements, since 97% of the payments had been made before the end of 1999. There was a marked shortfall of EAGGF appropriations at the end which could not be covered by CSF reallocations, thus leaving a large part of the payments to the final beneficiaries of certain measures implemented after 1 January 2000 to CSF III, under the transitional provisions of the Structural Funds.

One of the major achievements of this OP was the modernisation of some 30 000 farms, almost half of which are run by farmers under 40. This is significant for the age profile of the farming population in Greece, considering that 57% of farmers are over 55. In addition, around 12 000 young farmers received installation aid and there were 600 projects on the processing/marketing of agricultural products. Under the regional strand (13 regional OPs), the EAGGF funded a wide variety of rural development schemes. Thanks to the performances referred to above, the EAGGF, with a rate of payments of 93% (weighted average) was the furthest advanced with the CSF on 31 December 1999. However, the 1994-99 programming period was dogged by a shortfall of EAGGF appropriations compared with the requirements identified, which meant that the expected results could be only partially achieved in terms of consolidating rural development, improving the competitive position of agriculture and increasing the fixed capital invested in farming.

The total EU contribution to the fisheries programme was reduced in 1999 from €153.1 million to €147.4 million. At the end of 1999, 100% of the programme had been committed, involving 3 200 projects, and 79% of the EU contribution had been spent. Expenditure is concentrated on measures concerning the fleet, aquaculture and the processing, marketing and promotion of fish products.

2. The Community Initiatives

In the human resources field, work started on the 177 projects selected in 1997 under the Employment Community Initiative second call for projects. The projects selected were evenly spread across the whole country. Under Adapt 114 projects from the second call started in 1998. SMEs play a prominent role in the Adapt projects, which was one of the objectives of this Initiative.

In 1998 and 1999, emphasis was laid on the dissemination and use of the results of projects. In addition, numerous national and regional events were organised in 1999 in connection with the thematic work undertaken at European level on identifying good practice and disseminating the results of the measures implemented.

As far as Leader II is concerned, the local action groups (LAGs) and other local players had committed all their appropriations by the end of 1999, which represented significant progress on their operational plans, particularly in view of the backlog of commitments accumulated from the beginning and early in 1999. Although the groups' payments had not reached spectacular rates by the end of 1999, the small size of the projects, combined with the two-year extension for making payments, will

enable the programme to be properly implemented in the long run. Leader's strength lies in the way it mobilises local partners and the fact that plans involve 52 local collective interest groups and thousands of projects generating wealth and creating jobs are being implemented for the benefit of the rural population. The *ex-post* evaluation will have to give details of these effects.

As far as Interreg II External Frontiers is concerned, all the EAGGF appropriations have been committed, but there are delays in carrying out the actual work: expenditure on the ground represented only 44% of the EAGGF measures at the end of 1999. This points to slow progress on more complex measures and projects.

As regards Interreg II/C Drought, an amount of €3 million was committed for implementing a number of studies and small water management projects in the most arid regions, including the islands.

For Pesca, the financing plan was revised twice in 1999 to adapt the programme to the needs of the fisheries sector and to allocate the €503 000 resulting from indexation. At 31 December 1999, 540 projects were under way; all the EU contribution had been committed and 59% had been paid by the Commission. Expenditure is concentrated on the construction of shelters and the promotion and marketing of fish products.

2.2.5 SPAIN

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Spain

With ESF assistance, the Extremadura women's employment promotion and information service (SERDIFEM) is developing a series of measures to bring women into the labour market. The service aims in particular to offer information, guidance and tailor-made training to women and to provide aid for specific training programmes, business start-up assistance and information about employment issues. It is also involved in raising awareness about the integration of women into the labour market.

The business start-up course for women, being run in cooperation with the *Instituto de la Mujer* and the *Ayuntamiento de Zaragoza*, aimed at integration into the labour market and self-employment, has been training 25 women, the majority of them aged between 25 and 35. This course has led to the establishment of 13 businesses, representing 20 new jobs.

OBJECTIVE 1

A new programme incorporating the territorial employment pacts in the Objective 1 regions was adopted in 1999. The financial contribution of the Structural Funds to this programme totals €64.6 million. At the end of the year, the total assistance allocated to this programme had been committed and 50% paid out. All the autonomous communities (regions) have committed the total amount of assistance for the 1994-99 programming period, apart from Asturias (97.7% committed), Castile-Leon (99.27%), Castile-La Mancha (97.59%) and Murcia (97.53%). On the basis of payments made, the most dynamic regions are the Canary Islands, Galicia

and Ceuta. Extremadura, Asturias, Cantabria and Andalusia, on the other hand, were still slightly behind schedule at the end of 1999.

The final adjustments and changes to the financing plans were also made in 1999. In this connection the multiregional INEM (national employment institute) programme received an additional allocation of €11 million from the CSF for the introduction of a new measures for employment workshops and for stepping up the guidance measure in conjunction with the national action plan for employment. All the financial commitments relating to this assistance have been made.

In the human resources field, the findings of the final interim evaluation, which covered the period 1996 to 1998, confirmed the results of the preliminary evaluation covering the first two years of the programming period (1994 and 1995). One interesting development is that evaluation of assistance has become standard practice for programme managers.

On agriculture and rural development, the final rescheduling of the various forms of assistance under the CSF (1994 to 1999) part-financed by the EAGGF Guidance Section involved the allocation of appropriations arising from indexation among the various regional operational programmes on agriculture and rural development, the transfer of €30.86 million from the ERDF-ICO global grant to the "food industry and structural agriculture measures" OP, the transfer of €3 706 000 from the ERDF to the EAGGF to boost the Murcia regional OP and the transfer of €1 million from the EAGGF Guidance Section to the ERDF within the SODICAMAN global grant.

Implementation of all the forms of assistance was well advanced at the end of 1999. All the EAGGF Guidance Section appropriations programmed for the period 1994 to 1999 were committed at Community level by 31 December 1999. On the other hand, some forms of assistance were still showing low implementation rates, particularly the operational programme for the economic diversification of rural areas and the territorial pacts for employment. Payments for these two programmes will have to continue until the end of 2001.

In the fisheries sector the latest figures show that by the end of 1999 expenditure by the final beneficiaries had reached €1 329.66 million, i.e. over 68% of the total amount scheduled. In 1999 the rate of part-financing by the FIG was cut in order to reach a larger number of projects and, consequently the total costs eligible for FIG part-financing rose by some 12%. The fields of assistance where investment was greatest were adjustment of fishing effort, fleet renewal and modernisation, and processing and marketing of products.

OBJECTIVE 2

The eight operational programmes under the Community support framework (1997-99), i.e. seven regional ERDF-ESF measures and one multiregional ESF measure, maintained their progress on the ground as scheduled. As a result of the Monitoring Committee meetings held in 1999, amendments were made to the programmes, allocating the proceeds of indexation, transferring appropriations between programmes and making changes to projects under multiannual programmes.

At the end of 1999, with a view to drawing up the definitive financing plans for the finalisation of the national commitments, the Monitoring Committees for the seven

ERDF-ESF operational programmes met again to approve minor amendments to the 1999 tranches and the final financing tables. The Commission was notified of these changes at the end of December 1999 and was expected to approve the corresponding amending decisions early in 2000. Compared with the initial financing plan, drawn up at 1997 prices, the ERDF allocation increased by €38 745 000 while that of the ESF decreased by €1 386 000. All the Community commitments were completed by the end of 1999.

On the subject of human resources, after the first amendments in 1998 (transfers between Funds and application of indexation), in 1999 there were mainly slight adjustments between priorities and measures in the light of the estimates relating to actual implementation. The ESF's role within Objective 2 was confirmed, in particular in providing support for employment in small firms, back-up for local and urban development in declining areas and reinforcement of research, technology and innovation in new fields of activity. The concentration of ESF assistance on quality measures in 1999 will enable more consideration to be given to the needs of the Objective 2 areas in future ESF measures.

OBJECTIVES 3 and 4

The allocation of resources within Objective 3 by assistance priorities was maintained, with a slight increase for integration of young people. The breakdown of aid was as follows: 31% for combating long-term unemployment; 56% for integrating young people into the labour market; 9% for combating exclusion and 4% for promoting equal opportunities.

After the proceeds of indexation had been allocated in 1998, the financing plans underwent no major amendments in 1999. The ONCE foundation absorbed some resources released by other small bodies for measures to assist disabled people. The European Employment Strategy active policy measures continued to be financed, with a substantial increase in employment aid. Some minor adjustments between measures were made to the regional programmes.

In the case of Objective 4, 1999 confirmed that the SPD was operating properly. All the appropriations for the period had been committed. The proposed amendment approved by the Monitoring Committee in October 1999 did not alter the amount allocated to the programme, it merely adjusted the financing plan in force (a very slight increase in the resources allocated to training and anticipation).

A significant development in 1999 was the second phase of the interim evaluation. This exercise confirmed that a large part of the conclusions reached in the first phase still remained perfectly valid for the next programming phase. Although Objective 4 as such is no longer included in the regulations for the period 2000 to 2006, the type of measure it supported will continue. This is vital for Spain, where Objective 4 has above all helped significantly to get continuing training regarded as an investment, not just an expense. This is a first step towards consolidating a system of continuing training, which will have to be carefully coordinated with the systems of initial training and vocational training for the unemployed. A certain culture of anticipation is starting to take shape in Spain, and small firms are participating more and more in this type of measure, which has hitherto been targeted at large undertakings. For the next period, the ESF hopes to contribute to the development of lifelong learning in Spain from a particular perspective: by focusing clearly on small firms and following

the thematic priorities of the ESF Regulation: the information society, local development and equal opportunities.

OBJECTIVE 5(a) - agriculture

The bulk of aid for improving production structures (€153 million paid in 1999) is targeted on farm investment (€57 million paid out in 1999), followed by aid for young farmers (€47.5 million) and compensatory allowances (€43 million).

The rate of implementation of the SPD on aid for the processing and marketing of agricultural and forest products speeded up in 1999. In response to the Spanish authorities' request in 1998 to make additional appropriations available for this measure in 1999, €118 million was allocated to the SPD (€103 million, including indexation, from the reserve for Objective 5(a) and €15 million transferred from the financial framework of Regulation (EC) No 950/97, which was reduced by the same amount). Over the entire period, 1 635 projects were approved. Over 85% of the total investment relates to meat, fruit and vegetables, wine and milk. The final version of the interim evaluation of the SPD was also presented.

OBJECTIVE 5(a) - fisheries

The figures concerning expenditure by the final beneficiaries show a total by the end of 1999 of €280.92 million, i.e. 70.3% of the total scheduled. The rate of FIG part-financing was cut during the year in order to target a larger number of projects; consequently, the total costs eligible for FIG part-financing increased by around 20.7%. The fields of assistance with the largest investments were adjustment of fishing effort, fleet renewal and modernisation, and processing and marketing of products. The entire programme was committed.

OBJECTIVE 5(b)

At the Monitoring Committee meetings in June, it was decided to shift the balance between measures and priorities in the light of the progress made and the final estimates for the period 1994 to 1999. The decisions concerning the SPDs for the seven Spanish Objective 5(b) regions were adopted in December.

The biggest measures were rural infrastructure and village renovation and development in Aragon and Catalonia; agricultural diversification in the Balearic Islands; village renovation and development in Rioja; protection and restoration of the natural environment in Madrid; rural infrastructure and protection of natural resources in Navarre and rural infrastructure in the Basque Country.

In accordance with the European Employment Strategy, measures to promote equality between women and men by applying the gender mainstreaming principle in programmes played a prominent role.

In the rural areas with a dwindling population, the distance between inhabitants is an additional difficulty that has to be addressed in organising appropriate measures, particularly for the regions of Aragon, the Balearic Islands and Madrid, which have approved the transfer of €16.1 million from the ESF to other Funds. The largest transfer was €9.5 million to the ERDF for Aragon.

2. The Community Initiatives

Spain benefits from all the Community Initiatives, except, of course, Peace. Each Initiative is implemented by a national operational programme, except for Urban (two national programmes) and Leader II (17 regional global grants, one per region).

There was a distinct improvement in 1999 in the implementation of the Interreg II Spain-Portugal programme.

Assistance under all the Community Initiatives continued to make progress on the ground in 1999. As a result of the Monitoring Committee meetings, the operational programmes were rescheduled to take account of the allocation of the proceeds of the annual indexation and amendments to the projects for each multiannual measure.

As for human resources, implementation of the 689 Employment projects and the 189 Adapt ones continued, with the second and last phase of the projects launched in 1997. The rate of implementation for both these programmes was good. The Spanish authority responsible for ESF funding also took charge of capitalising on and disseminating good practice identified from the projects, through seminars, conferences, etc. on all the strands of the Initiatives; it also led a thematic group in which almost all the autonomous communities took part, on the various specific aspects of these programmes that might serve as a basis for the next Community Initiative on human resources, Equal.

With regard to Leader II (rural development), the local action groups receiving assistance made great progress in implementing their rural innovation projects. At the end of 1999 the groups, together with the final beneficiaries (project promoters) had committed all the Community appropriations for the regional programmes.

As for Regis II, which applies to the outermost region of the Canary Islands, implementation of the programme speeded up substantially during the year.

The Pesca programme is being implemented satisfactorily given the difficulty of transmitting data between the different ministries involved, which complicates keeping accounts of aid paid. The annual instalments for 1994, 1995, 1996 and 1997 have been wound up for all the Structural Funds involved. In any case, the actual expenditure by the final beneficiaries on the ground is more than the records suggest.

2.2.6. FRANCE

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in France

A study of the role of women in rural tourism was carried out in the Objective 5(b) areas of the Rhône-Alpes region. The study concentrated on three rural areas: a mountain area (Vercors), an area with a speciality product (the Drôme with its lavender route), and a tourist area close to a city (the Lyonnais). The study looked at the skills, pay and working conditions of women employed in tourism and also the participation of women in organisations framing tourism policy. The study came to the conclusion that women experience less stable conditions, are paid less and get less recognition, yet women are more involved in and more committed and more loyal to the undertakings they work for, and their careers progress faster than men's. This conclusion, which now has figures to back it up, was incorporated into the preparatory discussions on the new Objective 2 (2000-06) to take account of the situation of the 38 000 women employed in the tourist industry in Rhône-Alpes.

In the field of human resources, apart from specific measures on women's training (Auvergne, Champagne-Ardenne and Nord-Pas-de-Calais), there were some new schemes in the Objective 2 regions, such as a special fund for creating jobs for women (Provence-Alpes-Côte-d'Azur); a measure to assist women starting up businesses (Rhône-Alpes); a measure to help women enter the labour market via employers' groups (Picardy); the creation of an employment and equal opportunities observatory to provide better indicators in Provence-Alpes-Côte-d'Azur, and the development of new means of communication to overcome women's isolation (Auvergne).

Among the integrated operations financed by the ESF and the ERDF, the Trans'Faire project (Rhône-Alpes) offers an innovative approach to mobilising policy on equality between women and men in the fields of guidance and employment (integration, vocational training) with three major priorities: youth employment; equal career opportunities within an undertaking; balancing working life and family life and a person's place in society.

In Languedoc-Roussillon, a project was implemented under the "equality in working life" plan, 1998-2000 (Objective 4): within the Vitembal company (which designs and produces packaging for fruit and vegetables, meat, poultry and milk products), 60 women received targeted training designed to give women working in the thermoforming department access to skilled jobs.

The Urban Community Initiative at Aulnay-sous-Bois devised a project entitled "developing new childcare facilities". This project is targeted particularly at women working part-time, on a temporary basis or seeking employment, who often have difficulty in finding childcare solutions, putting them in a vulnerable position. To meet this need, the "Rose des vents" crèche gives priority to women from the northern quarters seeking employment, those in work placements or on assisted contracts or in fringe employment situations or women embarking on a process of integration into working life.

The Commission took over twenty decisions amending SPDs for Objectives 1 and 2 in 1999, mainly to align financing schedules on the actual progress of programmes. It also decided to approve an amendment to the multiregional "defence" programme (Objective 2) for which Community assistance from the ERDF of €38 million is envisaged, permitting all the ERDF appropriations to be committed and the OP to be adjusted to the actual needs of programming on the ground. Lastly, the Commission took several decisions amending Community Initiative programmes already under way to incorporate reserve resources and take account of needs arising from programming on the ground.

At the end of 1999 there were still 18 dossiers not yet wound up from the 1989-93 programming period, with a balance of some €60 million to pay. Several of these dossiers are awaiting additional information from the French authorities or simply awaiting the official application for payment of the balance. Problems connected with observations of the European Court of Auditors and the fraud prevention service (UCLAF, now OLAF) (4 cases), the procedure for the recovery of funds (2 cases), problems identified during on-the-spot checks (4 cases) and awaiting further information from the French authorities (8 cases) are the cause of the delay in winding these programmes up.

OBJECTIVE 1

The four overseas departments (Martinique, Guadeloupe, French Guiana and Réunion), Corsica and the arrondissements of Douai, Valenciennes and Avesnes ("Hainaut français") were eligible under Objective 1 for the period 1994 to 1999.

The delays in implementation were largely made up in 1999: by the end of the year, virtually all (98%) of the appropriations for the period had been committed. There was also a distinct improvement in the rate of payments compared with 1998.

On human resources, efforts focused mainly on improving skill levels, particularly in the under-25 age group, where the unemployment rate was very high, especially in the overseas departments, on the integration of those excluded from the labour market, on measures to assist adjustments to the labour market and on promoting competitiveness.

In agriculture, adjustments to programmes for the three Atlantic overseas departments and Hainaut were prepared at the end of 1998 and adopted at the first Monitoring Committee meeting in 1999.

In the fisheries sector FIGG assistance was cut in Corsica (€4.16 million), Guadeloupe (€1.8 million), French Guiana (€3.05 million) and Réunion (€3.61 million). Martinique's programme was revised so that appropriations could be transferred from one measure to another.

OBJECTIVE 2

A major effort was made in 1999 to implement the programmes. With two exceptions (Burgundy and Upper Normandy), all the SPDs for the period 1997 to 1999 were 100% committed by the end of 1999, compared with a rate of only 73% at the end of 1998. The fears expressed in 1998 about losing appropriations for some

regions were thus partially allayed: only about 2% of appropriations will be lost for the period 1994 to 1996 and 1% for 1997 to 1999.

Payments still have some way to go, on the other hand: although the overall rate was 64%, slightly above the Community average for Objective 2, some regions of France are still very behind on payments (Lower Normandy, Lorraine, Pays de la Loire, Rhône-Alpes). Payments on the ground can, nonetheless, be spread up to 31 December under the general Regulation on the Structural Funds.

OBJECTIVES 3 and 4

There was some reprogramming for Objective 3 in 1999, aimed at assisting the French programme for the prevention and combating of exclusion, and in particular the mechanisms provided for in the framework law on combating exclusion, adopted on 29 July 1998 and contained in the national action plan for employment. These are mainly schemes to assist in seeking employment: solidarity employment contracts, measures by the ANPE (National Employment Agency), tailor-made assistance for young people ("TRACE" pathway to employment dealing with 5 000 16 to 26-year-olds in 1998, 15 000 in 1999). The number of local action plans for economic integration also increased substantially and was one of the measures where the ESF's contribution was a determining factor.

Under Objective 4, training schemes to help workers adjust to industrial change formed the bulk of the programme. Unskilled manual labourers and other workers with low skill levels accounted for about half the beneficiaries. In particular there was training to help people adjust to technological changes (these made up half the training schemes), followed by training linked to improving quality and to organisational changes. The sectoral diversification of projects continued. The number of service undertakings exceeds that of manufacturing firms. Nearly two thirds of the projects involved approved joint enterprise councils (organismes paritaires collecteurs agréés - OPCA), trade associations and the networks of chambers of commerce. Joint projects involving more than one undertaking or body accounted for nearly 10% of the total number and are seen as an important means of targeting small businesses. Over 90% of the projects concerned SMEs and over half the beneficiaries were workers in small firms.

OBJECTIVE 5(a) - agriculture

The three main measures implemented in France for improving the efficiency of agricultural structures are aid for farm modernisation, start-up aid for new entrants to farming and compensatory allowances for natural handicaps.

Investment aid for farm modernisation involved around 6 000 holdings in 1999 (number of approvals), a figure that confirms the trend reversal that started in 1995. Almost 8 000 start-up aid applications were approved in 1999. This figure confirms the upturn in this aid since 1994 and reflects the priority given to this measure by the French authorities. Lastly, there were some 115 000 beneficiaries of compensatory allowances.

As far as aid for the processing and marketing of agricultural and forest products is concerned, the rate of implementation of the SPD was steadier than the previous year. This made financial reinforcement necessary, by a transfer of appropriations

initially allocated to other types of 5(a) measures. The whole of the EAGGF contribution had been committed by the end of 1999.

Over 80% of the total amount committed so far is for investment relating to meat, fruit and vegetables, wine and spirits, milk and milk products and eggs and poultry.

OBJECTIVE 5(a) - fisheries

The SPD financing plan was revised during the year to take account of the proceeds of indexation and reinforce the fleet and production and marketing measures. All the appropriations had been committed by the end of the year.

OBJECTIVE 5(b)

At the end of 1999, the overall rate of commitment for Community appropriations and for national public expenditure under 5(b) programmes was 100%. This very satisfactory result was largely due to the numerous technical, and particularly financial, adjustments made in 1999: rescheduling of the financing plans and transfers between measures, between Funds and even between programmes (from the two mountain-area programmes to the corresponding regional programmes). Many projects submitted at the end of the year could not be accepted as the appropriations had been accounted for.

Each programme was the subject of a final evaluation designed to serve as an *ex-ante* evaluation for the planning of the future Objective 2. The quality of these evaluations varies from one region to another, but the evaluators' recommendations and suggestions tend to relate to the same points, e.g. attaining better synergy between the Funds. Each region also drew up specifications incorporating the guidelines for better compliance with the statutory requirements of an *ex-post* evaluation. In connection with the Objective 5(b) programmes, ESF assistance took the form of financial support for training schemes covering business start-ups, training for craft workers and their spouses, employers' groups and development training schemes.

The two initiatives introduced for young job-seekers in Lower Normandy are interesting: the "employment services relay point" scheme offering young people access to personalised monitoring and allowing joint job-seeking action to be initiated, and an operation called local employment and training exchanges, designed to provide a solution close at hand for young unskilled people who are not very mobile. The Poitou-Charente region set up a scheme in the Marais Poitevin which is original in that it helps to address the problem of the social exclusion of the unemployed by involving them in preserving the natural heritage. A new job title "*agent de marais*" has been created on an experimental basis and sustainable jobs are being sought in the field of protecting and promoting the Marais.

2. The Community Initiatives

The Community Initiative programmes encountered difficulties in keeping to the initial schedule and the results of the national programming up to 31 December 1999 reflect these difficulties. While some CIs showed a 100% rate of commitment of appropriations at the end of the year (the Rechar, Resider, Retex and Konver industrial conversion initiatives, as well as Urban, Leader II, Pesca and some Interreg

II programmes), others had not been fully implemented (SMEs, Regis and numerous Interreg II programmes).

As for human resources, France set up a vast process for reinforcing Employment and Adapt in 1999. The aim was to increase the financial resources for numerous projects in the first phase (1995) and the second phase (1997) to support the most promising ones when the first results emerged. Over 200 Employment projects (all strands) benefited from the increase, which will enable them in most cases to continue their activities until the end of 2000. Numerous Adapt projects receiving extra funding focus on training needs and other implications of the development of new information and communications technologies. For the two Initiatives many local or regional events were organised in 1999 in connection with the thematic work being done at European level to identify good practice and disseminate the results of measures implemented. In this way numerous projects were able to make known the new products resulting from their activities. Various national events prepared the way for the "transnational week" dedicated to new ways of organising work and the information society (in the framework of Adapt) and "Impact" (products of the Employment Initiative).

Leader II showed an overall commitment rate of 100% for Community appropriations. Programming made good headway in 1999. Major efforts are still needed, however, to complete programmes as the rate of payment is still low (59%). As a general rule, irrespective of the rate of progress, the actors involved judge the situation to be good in terms of development philosophy, impetus and back-up for regional organisation and partnership schemes in the service of a global territorial strategy.

The Pesca financing plan was revised to take account of the proceeds of indexation, which were allocated primarily to the processing and marketing of fishery products. This measure also received appropriations transferred from the ESF and the ERDF.

2.2.7. IRELAND

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Ireland

During the year the ESF continued to build on the measures aimed at women, with particular emphasis on new childcare schemes. Several reports had identified the lack of appropriate childcare provision in Ireland as a barrier to women's access to and participation in employment, education and training. (It was also the subject of the Council recommendations to Ireland under the 1999 Joint Employment Report process.) During 1999 additional funding was allocated to measures supporting local communities and employers, including grants for partnerships and community groups, training for childcare staff and the development of family-friendly policies. (In an integrated approach, capital grants were funded by the ERDF).

Funding through the technical assistance operational programme was also provided to the Department of Justice, Equality and Law Reform to assist in the development of gender mainstreaming processes (including seminars/training and the appointment of a specialist to assist departments in their preparations for the 2000-06 CSF).

An evaluation study on equal opportunities was presented to the Monitoring Committee for the Operational Programme for Agriculture, Rural Development and Forestry, 1994-99, at the end of 1998. The evaluation examined the role of women in rural areas, and in particular in the agriculture and forestry sectors, and looked at the access for women under the operational programme. Women make up 30% of the agricultural workforce, contributing 27% of the total work. Women own 9.6% of farms. Women are less involved in the physical work of farming but fully involved, often with their spouses, in farm administration. In 20% of farm households the owner's spouse works outside the farm, contributing to the household income. However, it is notable that participation by women in courses aimed at future farmers is low. The study looked at the entry of women to farming, mainly through marriage, and the level of women's training. The evaluator made 20 recommendations, including examination of selection criteria for schemes, eliminating unintended bias against joint ownership, a pilot investment scheme in information technology, and recommendations to encourage better and more appropriate training for women in farming. As for other evaluations, the Monitoring Committee has regularly reviewed action taken under the recommendations.

OBJECTIVE 1

The whole of Ireland was eligible under Objective 1 for the period 1994 to 1999.

The development of the operational programmes for Ireland has been satisfactory. The aims and targets set at the start of the programmes were met and in many cases exceeded. However, in the last year of the funding period, some adjustments had to be made to take account of changing circumstances and unforeseen events. Of the €5 823 million Community support allocated to the OPs, only €260 million was still to be spent at the end of 1999. The target set for gross job creation was some 15 000 jobs per annum. However, the final outcome is expected to be of the order of some 350 000 extra jobs. **Tourism:** in general all the targets and objectives for tourism investment were met and in many cases they were exceeded, although the plans to build a national conference centre in Dublin had to be shelved. The funds involved were transferred from the tourism OP to the transport OP. **Environmental services:** generally all targets were met for this programme. Some €5.8 million released from the industry OP was put to use in the submeasures "water supply" and "group water schemes". **Industry:** in 1999 the industry OP continued to make a significant contribution to industrial development, the focus of investments has shifted to the burgeoning services sector with a resultant significant impact on job creation. **Transport:** investment under the operational programme for transport continues to make a significant improvement to transport infrastructure. At the end of June 1999, 61% of the national primary road network had been upgraded to 'mid D' standard (which represents an inter-urban travel speed of 80 kph). This compares with 35% at the start of the operational programme in 1994 and the revised target for the end of 1999 of 58%. Time savings on the major road corridors as a result of major improvements amounted to 189 minutes at the end of June 1999, surpassing the revised target for the end of 1999. As regards mainline rail, passenger numbers in 1998 totalled 9.65 million, 45 000 more than the revised target for 1999. There have been substantial increases in passenger numbers and RO/RO, LO/LO and bulk traffic at seaports and the programme target of reducing combined port and shipping costs to port users by 15% has been achieved. In the case of non-national roads, it is estimated that 1 815 kilometres of roadway were improved in the period from the

start of the OP to the end of June 1999, corresponding to 91% of the target of 2000 kilometres for the period to the end of 1999. Under the DTI traffic management measure, a large number of projects have already been completed, including the provision of a number of quality bus corridors (QBCs), cycleways, street improvements and improved facilities for the mobility-impaired. The deferment of the LUAS light railway project to the new programming period has enabled further development of the QBC programme (and associated cycleways) to be expedited with the reallocated funds. **Economic infrastructure:** investments continued apace across the telecommunication and energy sectors. In the context of the mid-term review and in the light of the policy developments at European Community level, it was decided to fund the development of the information society. As a result, two new measures were created to strengthen the economy focused on the information society: e-commerce and business awareness.

In the **agriculture sector**, 1999 was a difficult year, with low prices prevailing for most products. However, good progress was made in implementing the operational programmes for the sector. During 1999 both the EAGGF allocation under the industry operational programme and the ESF allocation under the operational programme for agriculture, rural development and forestry were increased by their respective Monitoring Committees. At the end of the year all commitments had been made under these programmes as well as the EAGGF allocation under the operational programme for local, urban and rural development, and expenditure under all three programmes was well advanced. For certain agricultural measures Community allocations were exhausted and some of these were closed or in a few cases the measure was continued using national funding. On the other hand the subprogramme for forestry made up most of the slow progress in previous years. Evaluations were carried out on three aspects of the agriculture, rural development and forestry OP: services in rural areas, environmental impact of the programme and the farm tourism measure.

For **fisheries**, the decision granting Community aid to this programme was amended twice in 1999. The extra €1 832 000 from indexation was allocated to the FIFG, ERDF and ESF, and the financing plan was adapted to take account of the actual spending pattern of the programme. Expenditure is concentrated on measures concerning the fleet, aquaculture, port facilities and the processing of fish products.

Human Resources Development Operational Programme

The numbers completing training and education programmes under the Social Exclusion sub-programme continued to drop in 1999, reflecting the prevailing positive trends on the labour market. Although a substantial proportion of the Quality of Training completions related to short in-service training courses, more than 125 000 individuals from the general population completed longer courses in 1999 with support from the Operational Programme again this year. The Operational Programme has clearly played an important role in providing trained people in sufficient numbers to meet particularly buoyant employment growth in 1999

In June 1999 the CSF Monitoring Committee granted additional ESF resources, which were allocated to the Human Resources Development OP, including part-financing to strengthen Childcare, increase training opportunities for ex-offenders, support for young persons at risk of becoming involved in crime and develop a new strategy to promote adult literacy. Additional ESF funding was also made available

to develop preventive measures targeting increasing post-primary detention and to establish a fund designed to increase the participation of disadvantaged students in tertiary education

2. The Community Initiatives

Peace Community Initiative: in 1999, the special programme to support peace and reconciliation in Northern Ireland and the border counties of Ireland benefited from a reallocation of €100 million from other Community Initiatives. Of this amount, €20 million was allocated to the border counties of Ireland and was fully committed at the end of 1999. The European Council in Berlin (March 1999) decided that "in recognition of the special efforts for the peace process in Northern Ireland, the PEACE Programme will be continued for five years with an amount of €500 million, of which €100 million will be allocated to Ireland". While the Peace I programme was a Community Initiative (1995-99), the Council decided that Peace II (2000-2004) would be set up under Objective 1¹⁹.

Under the Employment Community Initiative 126 second-round projects continued to operate in 1999 while the 32 second-round projects under Adapt continued to be active. Mainstreaming of the results of the Employment programme continued through the work of the mainstreaming policy forum, established by the Department of Enterprise, Trade and Employment. Under Adapt mainstreaming activity was pursued through a small number of specific dissemination projects, whose sole task was to collect and circulate information on best practice. In addition, project sponsors and the national authorities participated in thematic focus groups at national and European level; this work at European level became increasingly productive, with publications and conferences serving to disseminate results.

Progress under Leader II accelerated in its final year. Ireland was an active participant in Leader II, as shown by the involvement in local priorities but also by the more difficult participation in trans-national joint projects.

For Pesca, with 93% of the programme already committed at 30 June 1999, a subsequent amendment to the financing plan allocated the extra €130 800 from indexation to the ERDF (€40 800) and ESF (€90 000) measures in the light of current spending patterns. This explains the almost complete (99%) commitment by the Commission of the EU contribution at the end of 1999. Expenditure is concentrated on diversification away from fishing activities and productive investment in the fisheries sector.

¹⁹ Article 7(4) of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds, OJ L 161, 26.6.1999, p. 1.

2.2.8. ITALY

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Italy

In the Objective 1 regions, the use of funds for measures to promote equality between women and men has not been very great. Apart from training activities geared to facilitating access to the labour market (financed by the ESF), few projects have been undertaken as part of regional programmes with ERDF financing. However, a few examples are to be found in the industry OP, which includes a grant scheme for women entrepreneurs; then there is the SME Initiative programme, which grants aid for starting up new businesses. There is also an innovative scheme under the Urban Initiative for a "network to combat violence against women". This pilot project, launched in the second half of 1999, covers the towns of Catania, Naples, Rome, Venice, Reggio di Calabria, Foggia and Lecce. The network was set up to identify and analyse the risk environment, define forms of assistance in cases where women are exposed to violence inside and outside the home and then lay down procedures to be followed in dealing with violence.

The 1997-99 SPDs for Objective 2 in Italy included measures to promote equal opportunities in the economic recovery of areas undergoing industrial conversion. The region of Tuscany for example introduced a measure to reassign buildings of historical and/or architectural interest for community uses, such as crèches and childminding centres, and to improve women's opportunities and working conditions. Other regions (Emilia-Romagna, Piedmont and Veneto) providing aid for undertakings gave priority to firms run by women. Liguria also allocated conditional aid to business start-ups. One of these conditions was positive discrimination in favour of women or women's groups.

OBJECTIVE 1

There were two adjustments made to the allocation of resources among operational programmes under the CSF for Objective 1 regions in 1999, aimed at optimising spending capacity at regional and central level. This financial monitoring has enabled the delays in commitments and payments to be made up to a great extent, thus enabling the Community budget commitments to be correctly wound up by 31 December 1999: for all the Objective 1 programmes, 100% of the appropriations for the period had been committed, a very great improvement compared with the backlog still persisting at the end of 1998 (only 73% of the total appropriations had been committed by that stage).

As regards accompanying measures, the main emphasis was on information and publicity, interim evaluation and physical monitoring. There were serious delays in monitoring procedures, particularly with regard to the ERDF.

The process of winding up assistance for the period 1989 to 1993 continued, but several files are still open.

The training measures part-financed by the ESF under the current programmes for Objective 1 regions coincided with a period of low levels of growth in both production and employment in the Mezzogiorno and an increasing gap between the

Mezzogiorno and the richer areas of Italy. The inequalities within the active population (particularly among young people and women) of the Mezzogiorno remain structurally high, clearly related - especially in the case of women - to lower educational standards.

Analysis of the impact of assistance on potential beneficiaries shows particularly low coverage of the adult long-term unemployed. The opposite applies to assistance targeted at the young, where a much higher percentage of the population is served; besides the expected low impact as a whole, the analysis of assistance for people with employment in the four regions able to offer full information (Abruzzi, Basilicata, Calabria and Sicily) confirms the variety of regional policies: the percentage of direct beneficiaries approved out of the potential population ranges from 0.2% in Sicily to 2.1% in Basilicata; here also there is a great delay in the implementation of assistance; the analysis in terms of equal opportunities shows that women accounted for only 45% of the total number of beneficiaries, although the number of beneficiaries as a percentage of the potential population is the same for men and women: 3.3% . If we focus on the measures aimed at the employability of the young and the long-term unemployed, 55% of the direct beneficiaries are women with a coverage rate of 4.2% against 3.2% of the male population. On the other hand, women are underrepresented in continuing training (20%) showing a wide gap with ESF performance in Objective 3 regions.

In agriculture and rural development, at multiregional level, apart from the programme of aid for fruit and vegetable producers, only the programme entitled "support for services in agriculture" got up to speed from the start, involving some more traditional activities such as support for agricultural advisory services. A new measure on innovation and research got off to a slower start on account of the complexity of the procedures for selecting beneficiaries; nonetheless encouraging results were seen and should be improved on over the next two years. The other two programmes approved more recently, territorial pacts for employment and services for enhancing the commercial value of typical agricultural products originating in southern Italy, have not yet achieved a good rate of progress. They are counting on the remaining two years to reach their fairly ambitious targets. The Italian Ministry of Agriculture has allocated all the available resources to the 14 large-scale commercial organisations. Their rate of implementation is now 22%. At regional level, with the payments deadline two years away, implementation appears to be satisfactory for the Abruzzi, Basilicata, Calabria and Sardinia regions, but below average in Campania, Molise, Apulia and Sicily.

In the fisheries sector the financing plan for the programme was amended twice during 1999 in order to try to put funds where they were most needed. The first time, €40 million were transferred from the "driftnet" measure back to fleet, aquaculture, and processing and marketing measures. However, as the likelihood of using all the funds allocated to the programme receded, the second revision of the financing plan saw the removal of €19.5 million - mainly from fleet and processing and marketing measures. At the end of the year, 55% of the programme had been spent. All of the EU contribution to the programme was committed.

OBJECTIVE 2

Three out of eleven Objective 2 SPDs which received Community assistance during the 1994-96 phase were granted a one-year extension of the deadline for payments, up to 31 December 1999 (Piedmont, Veneto and Lazio). Structural funding for this phase totalled €524 million. At the end of 1999, 100% of appropriations had been committed and 51% paid in full. The 1997-99 programming phase provided for a Community contribution of €918 million, taking into account both the amount carried over from the previous period and the transfer of €50 million to the regions of Marche and Umbria, which were hit by an earthquake in 1997. As in the past, implementation in the regions is uneven. However, the system set up by the central authorities obliging the regions to provide quarterly forecasts of commitments and payments, and the threat of transferring resources between programmes if these targets were not attained, proved to be quite effective. On this basis, two regions (Piedmont and Tuscany) were refunded the resources transferred to Marche and Umbria for the earthquake. Of course, 1999 was a crucial year for the Monitoring Committees, which had to monitor the progress of the programmes carefully in order to adopt promptly any amendments needed to ensure full commitments. Final reprogramming decisions for the financing plans were thus decided in almost all the Monitoring Committees.

As far as human resources are concerned, the 11 regional programmes adopted in 1997 present satisfactory expenditure rates and all resources have been committed. Various local development measures are one of the key features of Objective 2 programmes. The principal results concern: technical assistance, adding value to human resources and the acquisition of new skills. These measures aim at consolidating the crucial role of human resources in areas affected by industrial decline.

OBJECTIVES 3 and 4

Objective 3 measures targeted at young people present the most efficient expenditure rate in Italy. This is due to the tradition of the vocational training system in Italy, which is geared to this population segment. The number of people involved represents 13% of the potential beneficiaries on an annual basis. Measures targeted at young people showed good results from the point of view of labour market integration. Measures aimed at improving equal opportunities reached about 8000 people in 1999. Assistance was, however, used to maintain women's share in the labour market rather than improve their access to or their position in the labour market. Moreover, there has been a complete lack of care services and accompanying measures to improve the participation rate of women in ESF activities or the labour market. Training accounts for 84% of assistance, although a certain diversification has been introduced, through establishing integrated pathways to employment consisting of counselling and other actions.

Concerning Objective 4, continuing training has been used as a way of sustaining and developing expanding SMEs. It has not been used as a tool to equip a steady number of workers needing to upgrade their qualifications with new skills. Another finding is that continuing training has involved people with medium to high skill levels and has had a positive impact on small firms. The coverage rate (number of people involved as a percentage of the number of persons employed in the private

sector) varies from 1.3% to 3.6%, depending on the definition of continuing training (a measure repeated annually or a one-off opportunity). The major impact of Objective 4 assistance has been the development of a "system" of continuing training. This has involved the design of specific learning methodologies and raising awareness, from the firm's point of view, of the opportunities offered by continuing training. It has also meant the diffusion of good practice and the design of more specific training courses, tailor-made for a particular firm.

OBJECTIVE 5(a) - agriculture

All the financing plans relating to programmes on the processing and marketing of agricultural and forest products were amended in the light of actual progress. Some plans were topped up with additional funds from indexation and reallocated appropriations. This was the case for Trento (+ 54%), Bolzano (+ 33%) and Liguria (+ 11%).

At the end of the 1999 financial year (1999 being of course the last year in the 1994-99 programming period), the Commission approved the last reprogramming decisions for all the Objective 5(a) operational programmes, committing the final 1999 tranche and winding up all the commitment appropriations. Progress on payment appropriations, on the other hand, was relatively slow and varied greatly from one region to another, ranging from 19% for Trento to 80% for Veneto.

OBJECTIVE 5(a) - fisheries

The financing plan for this programme was amended twice during 1999 as it became clear that not all the funds would be used. Firstly, €25 million was transferred to the Objective 1 CSF programme, mainly from the fleet, processing and marketing, and driftnet measures. Then, €5.12 million from indexation was added to the programme, to be used mainly for the permanent withdrawal of boats and the protection of marine zones. At the end of the year, 40% of the programme had been spent. All of the EU contribution to the programme was committed.

OBJECTIVE 5(b)

During the year the Commission approved the final reprogramming decisions to reflect actual progress on the programmes, use the proceeds of indexation and redistribute resources between Funds. This reprogramming exercise involved strict monitoring, in partnership with the national and regional authorities concerned. Particular attention was paid to reconstruction measures in the Umbria and Marche programmes. All the programmes committed the last 1999 tranche and wound up the commitment appropriations. Rates of payment ranged from 26% for Lazio to 85% for Piedmont.

The main feature of human resources development in rural areas is the link between ESF-supported measures and assistance from the EAGGF. This allowed the design and the implementation of tailor-made schemes responding to the needs of such areas. The amendments to the programmes following the earthquake in the Umbria and Marche regions included funding for human resources, and this started to produce results. Some programmes that were in difficulties in 1998 improved their performance greatly during 1999.

2. The Community Initiatives

Implementation of the Interreg II programmes continued somewhat laboriously on account of the difficulties arising from the transnational nature of the measures and the need to achieve real cooperation between the local partners on both sides of the border.

In the area of human resources Italy wound up many of the Employment and Adapt projects from the first phase and continued to keep a close watch on progress of the projects selected for the period 1997 to 1999. The Ministry for Employment organised technical seminars on a regular basis for inspectors on specific points in the CIs to prepare more consistently for closing the accounts. The bodies responsible, the social partners, NGOs and promoters paid particular attention, in the light of the results achieved, to all dissemination and mainstreaming activities in relation to employment policy. A large number of promoters organised mainstreaming and information events. Italy is responsible for coordinating the group on new jobs and is participating in the group on new forms of work organisation. Participation in these thematic groups and the organisation at national level of events on the ground are part of the national process of optimising the results of the Community Initiatives.

As regards rural development, the Leader II programmes were amended in 1999 in the light of actual implementation. The programmes were wound up as regards commitment appropriations but the rate of payments was very slow, ranging from 4% in Tuscany to 45% in Emilia-Romagna. The remaining payments have to be made by the regions by 31 December 2001.

The Pesca financing plan was amended twice during 1999. €3.63 million were added through indexation and allocation of the reserve, and a technical assistance measure was added, then there were minor transfers between measures as the ESF contribution was halved in favour of the FIGG and the ERDF. All of the EU contribution to the programme was committed, and 45% was paid by the Commission.

2.2.9. LUXEMBOURG

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Luxembourg

The non-profit association "ZARABINA asbl - Initiativen fir Fraën" is responsible for a project covering five communes targeted at women who are unemployed and those seeking jobs. It is designed to analyse the particular characteristics of female employment, design training courses meeting women's needs, organise networking between the various partners involved and provide support for women starting up businesses. In 1998 the association coordinated information measures, training and consultations for 369 women. A total of 14 396 hours training have been provided.

The project, led by the Service de la Promotion féminine (equal opportunities service) of the municipality of Bettembourg, is targeted at women who have taken a break from paid employment or who are registered unemployed. A documentation centre and an employment desk have been opened as part of this project and monthly meetings were held on specific topics relating to the labour market, together with computer training and training in other information society technology.

OBJECTIVE 2

The efforts to stimulate productive investment and innovation in businesses were kept up. In addition, 17 ha of wasteland on the ARBED-BELVAL site was selected and will be reassigned to commercial uses. On the other hand, measures to promote the use of new, environment-friendly technologies had to be abandoned and were replaced by a new measure for the extension and modernisation of the Esch-Schiffflange sewage works.

The human resources measures gave rise to over twenty projects assisted by the ESF. The general objective of the measure was to improve competitiveness and develop the economic fabric of the region by encouraging innovation through training, with particular emphasis on local and regional employment initiatives and promoting equal opportunities between women and men. A full employment contract was added to the existing arrangements.

OBJECTIVES 3 and 4

The two programmes (public promoters OP and private promoters OP) under Objective 3 and the Objective 4 programme were executed according to plan. All the financial resources were used up for Objective 3, and in the end the rate of utilisation for Objective 4 was very encouraging, after a difficult start.

Employment (of both Luxembourgers and workers from across the borders) increased markedly in 1999. The working population is also increasing, doubtless encouraged by the labour market's good prospects. Unemployment fell from 3.3% in January 1999 to 2.3 % in January 2000 (Eurostat figures).

OBJECTIVE 5(a) - agriculture

The lion's share of appropriations allocated to improving the efficiency of agricultural structures is earmarked for aid to less-favoured areas, followed by investment aid and aid to young farmers. In 1999 all the appropriations were committed, while the rate of payment was 70%.

The EAGGF contribution for the period 1994 to 1999 towards improving the processing and marketing of agricultural products totalled €4 909 000. All the appropriations were committed in 1999, and the rate of payments reached 62%.

OBJECTIVE 5(a) - fisheries

Implementation of the Luxembourg programme for the development of aquaculture projects has been dogged by technical problems since its launch. The rate of commitment and implementation of the programme on the ground remained unchanged at around 8% (29% of the Community appropriations for the period have been paid).

OBJECTIVE 5(b)

The Objective 5(b) programme is based on the following priorities: reviving agriculture and forestry in a manner that respects the environment, creating and maintaining lasting employment and investing in tourism and quality of life. After a late start, all the appropriations were committed in 1999.

A specific policy to assist the development of the most vulnerable rural areas and promote existing potential was implemented by the various partners concerned. In this connection local development structures were involved in implementation of the programme.

2. The Community Initiatives

In 1999 appropriations were transferred from the Konver Community Initiative to Resider for vocational training and retraining and investment in infrastructure and training. Measures to assist tourism, R&D and transport infrastructure were also topped up.

The budget for the Urban Community Initiative was cut in favour of the Peace programme (Northern Ireland and the border counties of Ireland) as the Differdange project had not come about as planned.

The measures under the SME Initiative continued and were adjusted or stepped up according to the needs of the small businesses concerned.

Turning to human resources, the projects developed as part of the Employment Initiative, and in particular the Now, Horizon and Youthstart strands, plus the Integra programme were highly successful. The projects covered by the Adapt Initiative are still being finalised. The work of the thematic group on employers and the handicapped, of which Luxembourg is coordinator, proved worthwhile and a seminar was held in Copenhagen on the subject in December 1999.

As for Leader II, despite some institutional and administrative difficulties, all the appropriations were committed, with a rate of payment of 51%. The local actors came together in two LAGs (local action groups): Clervaux-Vianden and Redange-Wiltz. A full employment contract was added to the existing arrangements.

2.2.10. NETHERLANDS

1. The major achievements of the Funds by Objective

OBJECTIVE 1

In 1999, Flevoland set up a techno-starters fund (*Techno-fund*). This fund is addressed to high-tech start-up companies and the so-called 'door-starters' (i.e. high-potential companies that have just passed the starter stage). The fund is designed to finance investments involving a fairly high risk-profile and covers in particular the development of innovative products, services, processes, etc. The fund will be set up as a revolving fund; however, due to the high-risk financing, the starting capital is likely to diminish after a few years. The scheme will be operated under the '*de minimis*' rule.

Action for Employment (Afe): Flevoland is one of the three Dutch regions participating in the employment pacts. Although the pact was concluded earlier, it came fully into operation in 1999. The activities concentrated on: (i) the 'Leerwerk' projects, courses on drawing up business plans; (ii) the RTO (Regional Transfer Organisation - including public and regional partners), which has started and is now making the transition to market operations; (iii) Urk (a small town historically dominated by fishery activities): the diversification schemes which have been set up

appear to be successful; furthermore, it is the intention to set up a "regional platform for employment policy". In order to implement future Afe activities, the region has applied for a supplementary employment pact - technical assistance budget that should contribute to the organising expenses up to 2001.

This year the fourth evaluation of these programmes was carried out. The report draws attention to the socio-economic progress of the region, its financial progress as well as physical achievements. It focuses also on organisational matters and establishes a link with the next programming period by formulating recommendations on winding up the present programme, the future organisational structure and the set-up of the phasing-out programme. The key points are summarised below.

Result and output indicators are introduced at the project submission stage. These elements are closely monitored along with the ordinary financial monitoring. Although the effect of physical indicators can only be measured with a certain delay, most of the targets were already reached at the time of evaluation (advice provided to SMEs, environment-driven innovations, area of business locations created, etc.). On the other hand, some effects were far from being reached. This was the case for support to start-ups, improvement of water-management expressed in sq.ha., nature development, etc.

In 1999 the Commission decided to adjust the programme. Some €2.5 million arising from the index allocation and another €2.5 million transferred from the national 5(a) fishery programme increased the EU contribution. The latter amount is destined to finance the reduction of fishing effort at the port of Urk. The amendment also included transfers between priorities and measures. Much emphasis was placed on the adjustment and modernisation of the fishing fleet. Even more important was the emphasis on the measure "Urban Development".

Due to a low take-up of ESF funds during the previous years, around two thirds of the total funds had to be committed during 1999. After much extra effort, the Flevoland employment office, in charge of implementing the ESF, managed to commit the remainder of the budget. Consequently a large number of the underlying projects will be implemented during 2000 and 2001. Thanks to the positive developments on the Dutch labour market, the number of unemployed persons has decreased significantly, including in Flevoland. The persons reached with ESF support lived a long way away from the labour market and required special individual pathways to integration, including social care. The regional employment office and the municipalities worked closely together in setting up this type of project. Also companies and sectoral organisations were active in ESF-supported training activities. A considerable number of training sessions were related to ICT.

OBJECTIVE 2

At the request of the regions concerned the Commission adopted a decision amending all five Dutch Objective 2 areas in 1999. This amendment involved an increase in the EU contribution arising from index-allocation transfers between priorities and measures and in most cases the update of budgeted figures inducing a transfer between annual instalments.

The following events took place in the last programming year:

Zuid-Limburg: the programme is divided into four priorities. In June 1999 the Monitoring Committee decided to transfer ERDF assistance between measures, changing the proportion of infrastructure to business-oriented assistance from 52-45% to 70-27% of the total ERDF budget. In July 1999 the Commission had to suspend ERDF support for the *Heerlen-Aachen Cross-border industrial site* because of possible violations of the Habitats Directive. The Commission, i.e. the Environment DG, has commissioned an independent investigation into the situation of the wild hamster population. In the Twente region, the Commission approved two schemes: the 'Stimulus scheme' and the 'Inno-fund'. The 'Stimulus scheme' encourages the implementation of innovations in SMEs. The 'Inno-fund' was initially set up in the previous programming period. This fund is designed to provide risk capital to innovative projects in Twente and is targeting companies involved in new technologies or implementing new product/market combinations. The Groningen-Drenthe region concluded, in cooperation with the Commission and other EU regions, a study on sustainable development for the region. A number of workshops were organised for the local partners involved. The study can be considered as an important input for the coming programming period when the present Objective 2 region will form part of a larger entity. One of the SPD's major projects 'Railway Van Starckenborgh/Sauwer' was initiated in 1999. The transfers between measures resulting from the modification decision should permit the allocation of supplementary funds to the 'Business Park Atalanta-Emmen'. Finally it should be noted that an intensive press campaign on the results of the current programme will be launched, organised in coordination with the Groningen-Drenthe 5(b) programme. In the Arnhem-Nijmegen zone, within the tourism priority, a shift has occurred away from congress and health tourism towards tourism attractions. There are in particular many pipeline projects for the sub-measure 'Accessibility of inner cities'. In Zuidoost-Brabant, the Commission approved a venture capital fund aiming to cover the segment of credit and capital provision that exceeds the existing funds for start-ups, such as the regional 'techno-starter fund'.

In the human resources domain, activities in Objective 2 areas concentrated on the training of workers, providing them with new skills in a regional economy characterised by a change of economic activities. Another important activity of the ESF under Objective 2 is the integration into the labour market of the long-term unemployed.

The mid-term assessment of the programme was concluded in 1999. According to the evaluation, the programme turned out to be a success as far as the implementation of the major priority 'Strengthening of Industrial Networks' is concerned. However a point of concern is tourism, where absence of a regional approach hindered the development of projects.

OBJECTIVES 3 and 4

The major event of 1999 was the discovery during an inspection of irregularities in the final declarations of a number of ESF projects. The Commission reacted by postponing all ESF payments, except for Objective 4, until the Dutch authorities were able to demonstrate that appropriate measures had been taken to correct and prevent these irregularities. The Dutch authorities acted swiftly and as a result the payments were resumed.

Also during the course of 1999 the results of the final interim evaluation became available just in time before the programming for the new period started.

The main conclusions for Objective 3 are that the results achieved are quite favourable even in terms of impact: job placement rates (i.e. the number of people who find a job afterwards) are between 60 and 90% depending on the target group. The evaluation shows that Objective 3 has also managed to reach the most excluded from the labour market. Nevertheless the share of the disadvantaged in the ESF is only proportionate to their share in unemployment, which means that in spite of the booming labour market the ESF has not improved their relative position. Similarly, the main conclusions of the Objective 4 final interim evaluation are that the available budget was completely used up thanks to excellent worker training infrastructure in the form of the sector training and education (O&O) funds. These are financed by the social partners, who donate a percentage share of the sector wage bill (between 0.2 and 1.25%). The main aim of Objective 4 appears to have been achieved. It has made a very important contribution to the awareness among workers and employers of the need to continuously invest in training in order to maintain employability. The exact size of the contribution is difficult to quantify but it is fair to say that Objective 4 has functioned as a catalyst. At the end of the period Objective 4 will have reached about 170 000 workers with an ESF budget of €165 million.

Overall coverage was satisfactory: 58% of all participants worked for small firms and many low skilled were reached although mainly in the larger companies.

OBJECTIVE 5(a) - agriculture

The SPD for improving the processing and marketing of agricultural and forest products made satisfactory headway. Aid was concentrated on meat, milk and milk products, fruit and vegetables, eggs and poultry and potatoes. As the SPD had entered its final year of programming, the Dutch authorities decided to reprogramme it so as to be able to complete the programming and at the same time include the amount set aside for evaluation of the programme.

For Objective 5(a) in general 81% of the commitments had been committed at the end of 1999. As far as payments are concerned, execution is less satisfactory: only 32% of the appropriations had been paid. The Commission expressed concern about these delays to the Dutch authorities on several occasions, but there are still two years to finalise the programme.

OBJECTIVE 5(a) - fisheries

After rather slow progress in the early years of the 1994-99 programming period, 1999 was marked by a special effort to get the programme back on track before the closure deadline of 31 December 1999. The Netherlands indeed succeeded in 1999, particularly with respect to the field of assistance for "fishing port facilities" to catch up on an essential part of the programme. Nevertheless, the payments remained at a standstill, with a global payment rate of only 28% for the programme.

OBJECTIVE 5(b)

Implementation of the Objective 5(b) programmes in the Netherlands progressed satisfactorily in 1999. For the SPDs as a whole, 96% of the appropriations had been committed at the end of 1999 and 46% of the appropriations had been paid. The regional employment offices in charge of implementing ESF still had to commit half of the total ESF allocation because of a delayed start in implementation and low consumption figures during the first years of the programming period. Five amendments to the SPDs for Friesland, Groningen-Drenthe, Overijssel, Limburg and Zeeland were adopted in the course of 1999. These amendments concerned transfers between priorities or measures, carryovers of unused appropriations and the allocation of the proceeds of indexation.

Four of the five regions concerned (Friesland, Groningen-Drenthe, Overijssel and Limburg) are focusing on creating new businesses, tourism and enhancing the landscape, while the emphasis in Zeeland is on diversification in farming.

2. The Community Initiatives

Turning first to Urban, the indexation for all four Urban programmes in the Netherlands taken together amounted to €1 058 000. €155 000 each was added to the Amsterdam and The Hague programmes; Rotterdam absorbed €548 000 and €200 000 was diverted to the Northern Ireland Peace programme. In Amsterdam 'Zuidoost', more emphasis was put on improving physical infrastructure and stimulating employment, e.g. accommodation for new small businesses. Under The Hague 'Schilderswijk', a modification in 1999 of the rate of assistance was necessary after it became clear that a large part of the Urban spending appeared not to be eligible. As a consequence some projects could no longer be implemented under the new financing plan. Under Rotterdam 'Delfshaven', the Monitoring Committee decided to re-arrange the allocation of ERDF support over the different measures given the pipeline projects. The ongoing evaluation supported more emphasis on infrastructure projects at the expense of more socially and business-oriented measures. Under Utrecht 'Kanaalstraat', the Monitoring Committee approved a second modification of the financial tables on 1 July 1999 because it became clear that a number of basic infrastructure projects would not be committed before the deadline due to legal and planning procedures. The funds liberated were used to part-finance extra projects under the measure 'Economic Activities', such as a business accommodation centre.

Moving on to the Interreg II C IRMA programme (measures to prevent flooding in the Rhine and Meuse basins), the largest subsidies have gone to infrastructure projects such as relocating dikes and making land more permeable. The IRMA programme gives priority to crossborder initiatives. The Netherlands thus contributed €10 million towards relocating dikes and creating retention basins in North Rhine Westphalia, Germany. The projects concerned are helping to limit the risk of surges in both Germany and the Netherlands. The Netherlands is also cooperating with Belgium on a project known as the "Maasdijkenplan" to build dikes all along the Meuse. This Flemish initiative was undertaken following the floods in 1993 and 1995. The plans for this project, the ideas behind it and the results will be discussed with the Dutch water management services for the Meuse (Rijkswaterstaat).

Under the Employment programme, the 112 projects that had been selected in the second call for proposals in 1997 continued to operate. In addition, various thematic events took place at national level, including conferences dealing with aspects of Now, Youthstart and Integra. The results of these events will feed into the mainstreaming effort. Under the Adapt programme, 142 second-round projects, most of which included the use of information and communication technologies (ICTs) as an important element, worked throughout 1999. During the year several national thematic seminars took place, and a major project directory was published, all of which acted to improve the dissemination of results. In 1999 the thematic focus groups continued to operate in Employment and Adapt. The Netherlands is participating in four of the groups: 'New Jobs' and 'Crossing the Job Threshold', which are horizontal themes, and 'Empowering the Excluded' (Employment-Integra) and 'The Active Participation of Young People' (Youthstart). In addition, the Netherlands is associated with other themes, including 'Desegregation of the Labour Market' (Employment-Now).

The Leader II programme is progressing according to plan. By the end of 1999 about €2.2 million had been paid to the Member State for the four programmes, i.e. about 48% of the EAGGF Guidance Section contribution.

As for Pesca, with respect to the part outside the Objective 1 area the special efforts made in 1999 resulted in an almost complete implementation of the programme, whereas implementation of the Pesca programme in the Objective 1 area (the minor part) was not all that satisfactory.

2.2.11. AUSTRIA

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Austria

A project to offer Internet training to women has been carried out under the Urban programme for Graz, owing to the fact that only one fourth of Internet users are female. The "Internet Café" organises training courses for women in the Urban area with a view to overcoming the obstacles that women with small children, poorly educated women and foreigners all face. The "Internet Café" also has a mobile unit providing decentralised training courses alongside the standard one, so reaching the target groups better.

A project under the Interreg II A programme for Alpenrhein-Bodensee-Hochrhein is building up a network of service and information centres for women and young girls in the Vorarlberg region of Austria, in Liechtenstein and Switzerland, the aim being to promote information collection, to share resources and to increase the general public's awareness of the status of women.

OBJECTIVE 1

Burgenland, the only Objective 1 region in Austria, continued to progress economically in 1999. While the number of new jobs increased slightly, unemployment stayed at the same relatively low level due to a growing labour force. The number of jobs in Burgenland increased to over 80 000, the highest figure ever. The increase in the number of jobs for women has been especially remarkable. Burgenland is even outperforming Austria as a whole in terms of unemployment and long-term unemployment alike, although the employment rates conceal high levels of commuting to work outside the region.

The 1994-99 programme had striven to commit all available EU and national funding by the end of December. Since the start of the programme, 1 070 projects have been appraised, 799 of which have been proposed for approval. The Monitoring Committee recommended several adjustments in order to ensure that the budgets were drawn down fully. The main shift was away from the business and industry priority to research and development, in line with EU priorities. The programme is expected to create or save 6 600 jobs, offer support to 225 new or existing firms saved from going out of business, increase bed capacity in the tourism sector by 1 060 and train 11 000 people under ESF schemes. Female participation in projects part-financed by the ESF reached 45%, due partly to the fact that female participation in skills-development courses has risen. The participation of women in research and development projects and management courses was low, however. 36% of those benefiting from the ESF programme were young people under 25.

The Austrian government officially submitted the draft Objective 1 programme for 2000-06 to the Commission on 27 October. The Commission agreed to negotiate on the programme on 9 November. Initial negotiations took place on 17 December in Eisenstadt. In contrast to the 1995-99 programme, the new one should focus more on the region's own internal potential, instead of attracting large-scale investment from outside it. The programme should therefore pay more attention to the SME sector and business start-ups. More attention will also be paid to globalisation, innovation and technology transfer, and the development of co-operation networks between firms. A shift away from more classical investment schemes towards more innovative instruments is also an important change.

OBJECTIVE 2

In Styria, the largest programme, 2 488 projects were receiving assistance; 2 895 new jobs were planned, with 23 354 jobs safeguarded. Aid was given to 166 R&D projects and 10 technology and incubation centres are being built and/or extended. In Lower Austria aid was given to 274 investment projects (29 environment, 52 R&D), 574 consultancy projects and 38 technical assistance projects. 1 094 new jobs were planned, with 7 120 jobs safeguarded, in industry and commerce; 62 new jobs are expected to be created in tourism and a further 155 maintained. In the small programme for Upper Austria 212 projects were being assisted; 345 new jobs were planned, with 2 195 jobs safeguarded. The smallest programme, for Vorarlberg, is assisting 303 projects; 458 new jobs were planned and 3 069 jobs are to be safeguarded.

Several meetings took place in 1999 between the Commission and the Austrian regions to explain the Commission's guidelines for the new programming period and

to discuss the draft plans. A focus on SMEs, the development of clusters and cooperation networks and a shift towards more innovative schemes - in some cases even venture capital funds - form the core of the development strategies for all the new programmes.

OBJECTIVES 3 and 4

In October 1999 the Monitoring Committee for Objective 3 discussed the programme's implementation up to the end of 1998. 46 000 individuals benefited under the programme, 28 000 of them through training courses and 18 000 through employment aid. Women made up half of the beneficiaries. For the first time a majority (54%) of the beneficiaries were under 25 years of age. The over 45s represented 11% of the target groups, and were heavily represented among the long-term unemployed. An evaluation of the programme suggests that successful integration into the jobs market depends on the type of skills module that a person receives training in, and the mix of such modules. Most beneficiaries followed the vocational training module. Those undertaking specialist training courses have a better chance of finding a job within six months.

The discussions on Objective 4 both at national level and within the Monitoring Committee focused on the lessons to be applied to the new programming period. It was agreed that skilling employees in SMEs had been successful and that business modernisation and training in communications technology were the most important aims of the programme. It was hard to measure the impact of the programme, however, because of the wide spread of activities (34 000 up to the end of 1997) and the fact that predefined objectives had not been set.

OBJECTIVE 5(a) - agriculture

As regards the measures to improve the efficiency of agricultural structures, € 185 million was spent on compensating 99 000 farmers for natural handicaps in Austria's less-favoured areas, which currently cover 69% of the utilised agricultural land.

651 projects on the processing and marketing of agriculture and forestry products had been approved by the end of 1999. EAGGF Guidance Section assistance is concentrated mainly in the meat, milk and milk-product sectors. Forest products were included in the programme in 1997.

OBJECTIVE 5(a) - fisheries

The Objective 5(a) fisheries programme for Austria is small-scale (€ 2.1 million), for obvious reasons. All appropriations had been committed by 31 December 1999.

OBJECTIVE 5(b)

The Monitoring Committees noted in 1999 that the various strands in the SPD for Objective 5(b) had made great progress. The financial programming was adjusted to ensure that all Community appropriations would be committed and to fine-tune the forecasts for remaining expenditure in the light of the expenditure already carried out (appropriations used) and the aid applications already submitted but still waiting to be processed. As in previous years, the seven Monitoring Committees reviewed what was being done under the various technical assistance headings and heard reports from the various Austrian Ministries and departments picked for national or Community controls. The Federal Chancellery also notified a national audit of the ERDF in Styria that revised downwards the expenditure eligible for this Fund.

2. The Community Initiatives

To ensure that EU funds were fully utilised at local level under all Community Initiative programmes, the Monitoring Committees proposed adjustments that were approved by the Commission.

In 1999, as in the previous year, meetings of the Monitoring Committees for all the Interreg II A programmes involving Austria's external borders with Hungary, the Czech Republic, Slovakia and Slovenia were held together or in close co-ordination with the Phare CBC (*Cross-border cooperation*) programming committees, so that coordination between the two instruments might improve. A wide range of projects involving Austria's internal borders with the Community also made progress. Preparations for the new Interreg programming period are under way in Austria and its neighbours. The third call for projects for the Interreg II C programme known as CADSES (Central, Adriatic, Danube, and South-Eastern European Space) closed in February 1999 and the Monitoring Committee approved the mid-term evaluation report of the programme. Additional funds have also been made available from the Italian SME-programme (Italy is one of the four Member States participating in CADSES) and from indexation.

Because the Urban programmes are well advanced, both the Graz and Vienna programmes have received additional funding from the other Austrian Community Initiative programmes.

Where human resources are concerned, Adapt has concentrated on mainstreaming through an exchange of experiences. One group of projects has involved networking SMEs while a second, focused on regional networking, hosted a major conference in Graz on "Learning Regions". The other thematic priorities for Austria have been life-long learning and tele-learning. The second wave of the Adapt and Employment Community Initiatives (1997-99) involved 98 projects. Most of them had ceased activity by the end of 1999. Under the Employment Initiative Austria has clearly prioritised certain target groups such as the long-term unemployed and those with few or no formal qualifications, in particular older workers, women and the young. Building the information society, anti-racism and equal opportunities were key themes at both project and programme level. Only a few projects (11 Employment and 7 Adapt) received extra funding to continue running in 2000. The extensions are intended to finalise and disseminate products and to embark on mainstreaming activities. Two major national events highlighted the achievements of the Initiatives: a Horizon conference (November 1999) focusing on employer networks as an opportunity to strengthen employment for people with disabilities and a final seminar (May 2000) taking stock of project results and assessing the policy impact of the two Initiatives. Austria will also publish a compendium on 'New Jobs' as part of its participation in the relevant Thematic Focus Group and this will contain the country's most significant examples of best practice from both Adapt & Employment.

The Leader II programme has worked well. It has primarily encouraged measures geared towards sustainable rural development. 31 local action groups were created, as well as 9 other collectives. The cultural projects undertaken by these groups in Central Austria and southern Burgenland have been especially effective in strengthening the internal cohesion and identity of the ethnic groups there. Voralberg has taken a coordinated initiative to promote very strict specifications for the manufacture of traditional cheeses using the milk of animals fed on grass and hay.

2.2.12. PORTUGAL

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Portugal

Except for the RIME programme (support for micro-enterprises), which offers bonuses if jobs for women are created, the Portuguese CSF does not contain specific measures targeted at women. RIME has helped to create 18 479 jobs, 9 919 of them for women.

As regards the role played by the Structural Funds, ESF-assisted training measures have been undertaken, but most projects developed by or for women were carried out under the Employment-Now (ESF+ERDF) and Leader (EAGGF+ERDF) Community Initiatives. By way of example, Now established care centres for children and dependent adults, created business nurseries and introduced information, advice and technical assistance services, while Leader helped to diversify economic activity away from agriculture.

The ESF-funded ORIANA project, for example, has countered social exclusion by offering unemployed women training in vocational and personal skills needed for them to (re)join the workforce. The training measure has concentrated on interpersonal skills and on developing the technical skills needed to look after the elderly. The content and organisation of the training, which partly took place on-the-job, was adjusted in line with the needs of the women involved; because they all had dependent children, the project set up a crèche facility (which was also open to the children of people not participating in the project), so enabling them to complete their training successfully.

Another example worth citing for its overall approach is the Virar project, in Almada (a town on the outskirts of Lisbon). The project set up a resource centre (offering employment information, legal advice, psycho-social support), provided vocational training in local services, gardening etc. in order to diversify access to the labour market and created a business incubator for local services, the aim being to offer help and advice to women setting up in business for themselves or establishing micro-enterprises.

As regards other programmes and the Health subprogramme in particular, a study of the role of women in the health service was published in 1999 which stressed the importance placed on the principle of equal opportunities. In addition, an ESF-funded training course on violence against women was organised for people working in the health sector, to better their understanding of the role they play in such situations.

OBJECTIVE 1

All of Portugal was eligible for Objective in the 1994-99 period.

The delays in some measures (parts of the "encouraging regional development potential" and "social integration" programmes and in particular the Procom support for commerce scheme) were made up in 1999. By the end of that year 99% of all appropriations for the period had been committed, so ensuring the CSF's success.

Payments reached 89% by the end of the year, which is an excellent achievement given that payments can continue to be made until the end of 2001. As regards the approval of major projects, 12 electric engines were bought for the Norte railway line and four were bought for the Sintra suburban line, so continuing the efforts made by Portuguese Railways to modernise and improve passenger safety and comfort in particular.

As regards human resources, the Vocational training and employment OP was reprogrammed; funding not used in 1998 for basic training and to train instructors was released instead to support continuing training of the unemployed, job-seeking, the apprenticeship system and training in public administration. The Education subprogramme also received a funding top-up (about €20 million for vocational schools), as did the Science and Technology subprogramme (€9.5 million for advanced training in human resources). The Health subprogramme was given a further €3.7 million and the Integrar subprogramme received further funding for the measures relating to the long-term unemployed (about €6 million) and the socio-economic integration of the handicapped (€15 million). The final evaluation of the ESF in Portugal under the 1994-99 CSF was begun. The results of the evaluations already carried out on the Prodep, Pamaf, Pessoa and Pedip programmes were included in this study and new evaluations were made of the "Tourism" subprogramme and of the ongoing vocational training measures and the vocational placement schemes in the Pessoa programme, the socio-economic integration of disadvantaged groups and the unemployed and assistance for social development under the Integrar programme.

As regards agriculture and rural development, the EAGGF section of the CSF (1994-99) underwent a thorough revision with a view to drawing down all the appropriations still available. This reprogramming, which also involved allocating the funds released from the indexation for 1999 (€10 million), increased the funding going to the Agriculture subprogramme and to the agricultural element of the multifund OP for the Azores and Madeira but reduced the appropriations for the Pediza and PPDR programmes.

The financing plans for the three fisheries subprogrammes (Mainland Portugal, the Azores and Madeira) were amended twice in 1999. In the case of mainland Portugal, the FIG contribution was reduced by €10 million which was distributed equally to the fisheries programmes for the Azores and Madeira. The programme was subsequently reduced by a further €7 873 000. Expenditure is concentrated on fleet measures and the processing and marketing of fish products. In the case of the Azores and Madeira, the FIG contribution to each sub-programme was increased by the € 5 million they received from the fisheries sub-programme for the mainland and their financing plans were then adjusted to take account of actual spending on the sub-programme. Expenditure is concentrated on fleet measures and the processing and marketing of fish products.

The national authorities submitted the 2000-06 regional development plan for Objective I in October and the operational programmes then followed. This schedule should ensure that the new CSF is adopted in March 2000, followed by the decisions approving the programmes. The transition from the second to the third CSF should go smoothly as a result.

2. The Community Initiatives

The Interreg II C programme for South-west Europe and the Regis programme both received extra funding, while the Interreg II A "Cross-border Cooperation", Interreg II C "Drought" and SMEs programmes saw their funding reduced. A new programme benefiting Portugal under the Interreg II C Community Initiative was approved in May 1999; it supports cross-border cooperation between certain regions of Spain, France, Ireland and the United Kingdom. This "Atlantic Arc" programme, as it is called, has a Community budget of €13 381 000 (€1 083 000 of which is earmarked for Portugal). It will mostly fund studies and cooperation initiatives, establish networks etc. with a view to assisting in particular tourism, the environment, research, the development and transfer of technology, and transport.

Turning to human resources, most of the 316 Adapt and Employment projects selected for the 1994-99 programming period ended in December 1999. A third phase was launched in the first half of 1999 for a limited number of projects, using the Adapt programme's remaining funding. The aim was to fund strategic projects addressing, at a national level, specific needs where the innovative training of trainers and SME training were concerned. The management authority concentrated its efforts in 1999 on drawing lessons from its experience of running the projects, especially through a series of theme-based events that closely involved the project promoters. It organised two major European theme-events, one focusing on 'The reconciliation of work and family life' and the other on 'Empowerment', both of which enjoyed government support. The Reconciliation event was timed to coincide with a national campaign on reconciliation that ran in March. ESF mainstream and NOW promoters were closely involved in the information measures and took part in the public debate on this subject both in the media and in other forums throughout the country.

As regards rural development, the last reprogramming of the Leader II initiative was approved by a Commission Decision of 6 December 1999. The Decision allocated the proceeds of the indexation for 1998 and 1999 and also made adjustment to the measures and funds, in particular by transferring funding not used by the ESF to the ERDF and the EAGGF Guidance Section. The programme has been advancing at a fair pace.

The Pesca programme was revised twice in 1999. The first revision extended the zones eligible for assistance while the second allocated the extra € 608 000 released through indexation, transferred €1.7 million to the FIFG from the ERDF and €1 993 000 from the ESF and amended the financing plan to take account of the programme's actual spending pattern. Expenditure is concentrated on measures to restructure the fisheries sector.

2.2.13. FINLAND

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Finland

The MoniNainen project teaches women to take independent initiatives. It is a flexible project implemented by the University of Lapland and based on women's actual training needs. The requirement for admittance was that the applicant had a business idea. The project started in January 1997 and expanded in 1998 to cover the entire province of Lapland. Altogether 90 women were trained for entrepreneurship or new careers during the project. All participants received orientation training before setting out, each along her own path. The joint training for all participants continued alongside the separate training periods. Various types of training were procured from all over Finland as the need arose, and the participants paid their own travel and accommodation expenses. Their own initiative was evident, for instance, in the fact that each one had to find her own placement for practical training. This initiative generated positive feedback, as businesses in the area proved more than willing to get involved in the training.

Since MoniNainen is a project for women, training also included "women's things", i.e. interaction skills, discussion on positive definitions on womanhood, participation in women's entrepreneurship projects and discussion on the subjects which interest women. These things and the team spirit within the project have boosted their confidence and given them confidence in their own strength, something that is further reinforced by training. Finally, MoniNainen will leave the participants with their very own support network of women who participated and the co-operation partners in the project.

MoniNainen has generated seven new companies, with another four being founded. 55% of those who completed their courses have since found jobs. This is a high percentage when one remembers that all participants were originally unemployed persons and the project was implemented in a region of high unemployment.

OBJECTIVE 2

Overall, it is considered that the two Objective 2 programmes, 1995-96 and 1997-99, have contributed significantly to the growth of business activities and number of jobs in the eight regions of western and southern Finland. However, evaluators regard the impact of the programmes on business creation as limited because the bulk of support has gone to established manufacturing businesses, whereas most business starts are in services. This is an important lesson for the new 2000-06 programme.

To allow maximum absorption of EU appropriations for the 1997-99 Objective 2 programme, indexation funds, "extra" funds in Finnish marks (converted from euro) and unused ESF funds were pooled and reallocated to projects on the basis of the latest available monitoring data in autumn. For the same reason minor adjustments were also made to the financing plan at the end of the year. The projects in question are expected to absorb almost 100% of EU funding. At the end of 1999 about 44% of public funding had been paid out to final beneficiaries and the programme had supported some 2 400 projects. The final report of Objective 2 programme 1995-96 was submitted in June 1999 and followed by the final payment claim.

OBJECTIVES 3 and 4

By the end of 1999 a total of 914 projects had been started during the programming period and 125 000 people had participated in activities under the Objective 3 programme. The Commission has committed all the finance for the programme, of which 76% was paid to Finland by the end of 1999. Under the Objective 4 programme 150 000 people have been involved in 845 projects since the programme began in 1995. The Commission has paid Finland 74% of the total finance and full commitment of finance was achieved during 1999.

In May 1999 an evaluation forum was held in Finland at which the programme evaluators presented their analysis concerning programme implementation and results achieved by ESF operations. Their recommendations were taken into account in planning programmes for the period 2000-06.

OBJECTIVE 5(a) - agriculture

In the measures to improve the efficiency of agricultural structures, priority has been given to compensatory allowances for natural disadvantages, covering about 1.3 million hectares. Remaining funds were used for start-up assistance to 2 065 recipients over the whole period and to investment aid for 1 015 recipients, of whom 273 were young farmers.

Regarding the processing and marketing of agricultural products, 96% of the allocated funds had been committed by the end of 1999. The authorities had approved 219 projects, of which 118 were in the meat products sector, 49 in the milk and milk products sector, 27 in fruit and vegetables, 15 in potatoes and 10 in the eggs and poultry sector.

At the end of 1999 there were a total of 10 producer organisations recognised in agriculture, of which eight were in potatoes and two in organic grain production, with five recognised producer organisations for fruits and vegetables.

OBJECTIVE 5(a) - fisheries

The commitments under the programme equalled 100% of total planned expenditure, while actual expenditure incurred by the final beneficiaries amounted to 61%. 1308 projects were approved. Some 40% of the committed expenditure has been invested in processing and marketing. Aquaculture and modernisation of the fleet absorbed approximately 15% each and adjustment of fishing effort some 10%. In 1999, the amount of Community funds was increased through the allocation of indexation funds for the whole period 1995-99.

OBJECTIVE 5(b)

The total allocation was fully committed. The average rate of EU part-financing was 36%, and the private share of the total was 42.6%. For the programme as a whole, 6 251 projects have been approved, comprising 1 600 development projects (72% of total public financing) and 4 651 business projects (28% of total public financing) linked to the development projects. As experience was gained towards the end of the period, performance became more efficient, for example the number of business development projects increased rapidly.

The Objective 5(b) programme for Continental Finland aims at the development and diversification of small businesses and services, more competitive farming, and adjustment to the requirements of the common agricultural policy (CAP). A smaller separate programme covering the Åland Islands is concentrating on tourism, small businesses and sustainable development.

In the Continental Finland programme funding was slightly adjusted during the year between regions and between ERDF and ESF measures to ensure efficient use of funds towards the end of the programming period. The Monitoring Committee followed the implementation of a few larger co-operation projects and ESF activation projects, to which it had allocated indexation funding. For the future, the evaluators recommend a simplified decision-making model and setting-up of maximum application handling times for larger co-operation projects. At its last meeting of the year, the Committee approved the final report in the series of mid-term evaluations.

OBJECTIVE 6

In 1999 the priority for the Objective 6 programme was to ensure that the budget still left was committed to projects before the end-of-year deadline. Throughout the area, therefore, the authorities went through all the projects still pending to identify spare resources. In May-June the Monitoring Committee approved the final adjustments to the financing plan, switched funds between measures and priorities, allocated indexation resources for 1998 and 1999 and also transferred €35.827 million from Objective 5(a) in Finland outside Objective 6 areas. This final substantial reprogramming was approved by the Commission on 29 November. In December, further minor adjustments were made to the financing plan to bring it even more closely into line with commitments on the ground. These adjustments were confirmed by the Commission in April 2000. The programme achieved close on 100% take-up of the EU funds originally committed.

2. The Community Initiatives

The same work of adjusting the financing plans to realities on the ground in terms of projects funded and in the pipeline was the priority in the Interreg programmes. The three Russian border programmes (Barents, Karelia and South-East Finland) and the South Finland-Estonia programme were all substantially reprogrammed before the summer, with further minor adjustments made at the end of the year. As a result the funding for all the programmes were fully committed.

The SMEs programme implemented in the Objective 2, 5(b) and 6 areas managed to accelerate in comparison to previous years although the funding was not entirely committed by the end of 1999. The programme evaluators consider the programme has succeeded, especially in the promotion of networking, co-operation and development of services to SMEs. A project implementers' meeting for the project owners was organised in the autumn and proved successful.

The Urban programmes implemented in the cities of Joensuu and Helsinki-Vantaa are aiming at developing local economies and employment. The emphasis of the projects has been on stimulation in general, and activities targeted at the long-term unemployed and young people in the selected suburbs. In 1999 78% of EU funding had been paid out in both areas.

Concerning human resources, the main focus within Employment and Adapt has been on dissemination and mainstreaming activities. Work within the Nordic dissemination project (PTS) between Finland and Sweden continued, enabling a wider dissemination mainly of Employment. Finland hosted a conference within the thematic focus group "Crossing the Job Threshold", and, in addition, the national thematic work has been very active. Both Initiatives gave direct input to the Finnish NAP (national action employment plan) in 1999.

A total of 2 775 Leader projects for rural development had been financed by the end of 1999. Additionally there were 13 transnational co-operation projects. One measure had already been finalised in 1998 and all the finance allocated was committed.

All the Pesca programme was fully committed and actual expenditure incurred by the final beneficiaries amounted to 20%. 68 projects were approved. Funds were used mainly on specific projects, diversification of activities, and training.

2.2.14. SWEDEN

1. The major achievements of the Funds by Objective

Measures to promote equality between women and men in Sweden

Objective 5(b): One of the projects in the Southeast Sweden programme aims to attract more women to start their own businesses, to improve skills within the service and commercial sectors and to raise the status of branches which are traditionally dominated by women. The project seeks to highlight the development potential among small enterprises, make women and small businesses more visible and attract people to move to the area by creating favourable conditions for female entrepreneurs. A business advisor will work out in the field and provide counselling, information, etc. in order to support female entrepreneurs. The aim is to create 30 new businesses and 35 new jobs.

Another project, the Elektra project, aims at educating women as sound technicians in order to get them into the labour market for sound technicians, which is very dominated by men. The aim is for women to create role models for young women who, in the long term, will influence more women to make untraditional choices of profession, and in that way get into the labour market. 20 young women who have taken the introductory course should get a thorough knowledge of the technical areas within the cultural sector and 80% of these are expected to advance in the technical professions. Two introductory courses are offered, oriented towards the cultural sector (music and others) in sound, light, and production techniques. The course lasts for three months and includes theory, guided visits, guest speakers and apprenticeship. During the progress of the project, other possible training is planned within the areas mentioned above. A group of young women, "Tjejernas", should create a dialogue and visualise discriminating structures in connection with the courses, through evaluation practices and forum games. The project is carried out in co-operation with local participants in technical professions within the cultural sector as production companies, music studios, Radio Gotland and Länsteatern.

OBJECTIVE 2

In 1999 the Swedish Objective 2 programmes made highly satisfactory progress. In all five programmes, all the appropriations had been committed by the end of the year, with an average payment rate of approximately 69%. In order to better absorb the appropriations, some minor changes were made to all programmes during 1999.

The goal of the five programmes is to create 19 350 new jobs and 1 750 new businesses. These targets are likely to be exceeded by far. By the end of 1999 the result was some 7 700 new jobs and 2 100 new businesses, while decisions taken so far are expected to create 22 500 jobs and 6 000 businesses.

OBJECTIVES 3 and 4

The implementation rate for Objective 3 has continued to progress satisfactorily during 1999. All the funds for 1995-99 have been committed. By the end of 1999 a total of 1 929 projects had started and 1 591 finished. The number of participants was 165 000, which meant that the quantitative goal of 151 000 participants in the programme had been reached. It is estimated that the total number of participants will reach 180 000 by the end of the period. Of the participants, 49% were long-term unemployed, 40% young people and 11% immigrants and the disabled. Altogether 53% of the participants were women. Of the projects, 52% aimed to develop skills, 16% concerned computer centres, 18% counselling and 14% business start-ups. After a slow start, the last measure proved the most successful and developed most rapidly. The municipalities have been the biggest project promoters, but firms and non-profit making organisations have also grown remarkably. The municipalities are the biggest project organisers, followed by firms and public utility organisations.

The final evaluation report shows that the value added by the Objective 3 programme has lain in their innovative character to create fresh co-operation, especially between local partners, to involve new actors, to enhance new recruitment and to establish new methods and approach. Further innovative and positive experience has been the creation of networks, including networks in the framework of the regional committees and through contacts arising in connection with projects.

The implementation of Objective 4 also continued at a fast pace in 1999. All the funds were committed. About 16 000 projects were terminated in Step 1 and about 6 000 projects in Step 2. Over 90% of completed Step 1 projects have continued to Step 2. In 1999 a big increase in participants continued: by the end of 1999 almost 300 000 participants in Step 1 and 100 000 participants in Step 2, the latter being five times more than the year before.

The evaluation report of Objective 4 indicated a considerable success. The well-balanced solution with the two-step model is the single most important factor underlying the programme's success. The model has also worked in public sector workplaces. The Step 1 as the analysis of the modernisation of work organisation and of the need of skills development of all the employees in the enterprises has been a precondition for Step 2. The two-step approach has been a success. Even though most attention has been paid to Step 1, the two steps together have formed the most important success factor of the programme. The programme has led to a considerable involvement both by employers and employees as well as companies and public authorities. Simple, flexible administrative handling and the trust and co-operation

existing between the central level and the regional level in the programme are usually credited as factors in this success.

OBJECTIVE 5(a) - agriculture

When entering the Community in 1995 Sweden chose to use only the assistance for less favoured areas and start up aid for young farmers within the framework of the improvement of agricultural structures. In 1997 investment assistance for agricultural holdings was added. The vast majority of the €15.6 million allocated in 1999 for improving the efficiency of agricultural structures was earmarked as assistance for less-favoured areas (€11.6 million). The next largest tranche was investment assistance for agricultural holdings, followed by start-up assistance for young farmers.

Regarding the processing and marketing of agricultural products, a new decision was approved by the Commission in December 1999 by which the financial envelope increased through indexation, the allocation of supplementary funding already allocated to Sweden but not yet used and by an extra allocation to cover evaluation costs. In addition, a redistribution of the financial allocation between sectors was made. The allocation for meat, vegetables, fruit and berries and poultry in all areas outside Objective 6 and for milk in areas outside Objective 6 and 5(b) was increased. The allocation for milk in Objective 5(b) areas, potatoes and forestry in all areas outside Objective 6 and for the plant sector in areas outside Objective 6 and 5(b) was reduced. During 1999, 126 projects received funding from the EAGGF. Of the projects 46 were in the meat products sector, 36 in the milk sector, 6 in the poultry sector, 18 in the fruit, berries and vegetables sector, ten in the potatoes sector, seven in the plant sector, two in the forestry sector and one in the reindeer sector. By the end of 1999 the Swedish authorities had approved a total number of 627 projects within the aid scheme.

OBJECTIVE 5(a) - fisheries

The Objective 5(a) - fisheries programme has had considerable success in Sweden and 95% of available Community funds were committed by the end of 1999. For some areas, such as processing, the number of applications greatly exceeded the available funds. At the same time, Community payments amounted to about 60%, whereas 80% of total funds had been spent. "Modernisation of the fleet" and "Processing" had the highest rate of investments, at more than one third of total investments each, followed by "Aquaculture" (10%). During 1999, two amendments were made to the financing tables in order to allocate the remaining indexation funds and to re-allocate funds between areas of assistance. More than 1 000 projects have been part-financed by the FIG.

OBJECTIVE 5(b)

After a slow start commitments picked up during 1998 and in particular during 1999. The total EC contribution to the Swedish Objective 5(b) programmes amounts to €153 million. The Swedish 5(b) programmes were amended during 1999 and transfers were made between measures. The last amendments were decided during the autumn. By the end of 1999 94% of the total appropriation had been committed and 55% paid out.

The Southeast programme is lagging somewhat behind the other four programmes with a commitment rate of 84 %. The goal of the programmes is to create 10 300 new jobs and 610 new businesses.

The goal of the five programmes is to create 10 300 new jobs and 610 new businesses. By the end of 1999 the result was some 6 400 new jobs and 900 new businesses, while decisions taken so far are expected to create 16 900 jobs and 2 700 businesses, i.e. well above targets.

OBJECTIVE 6

After a slow start this programme has picked up. By the end of 1999 all the appropriations had been committed. The rate of payments during the year showed a considerable increase and by the end of the year stood at approximately 70%. The goal of the Objective 6 programme is to create 9 500 new jobs and 900 new businesses and the latest indications are that these targets will be exceeded. By the end of 1999 the result was approximately 5 800 jobs and 1 370 new businesses, while decisions had been taken on some 16 600 new jobs and 3 500 new businesses.

2. The Community Initiatives

The eight Interreg II A programmes all made considerable progress in 1999. The rate of commitments for the six programmes Öresund, A Borderless Co-operation, Inner Scandinavia, The Nordic Green Belt, Kvarken-Mittskandia and North Cape was 100%, with payment rates of between 28% and 77%.

Dissemination and mainstreaming activities predominated within Employment and Adapt. Within Employment, there were a lot of national activities to disseminate and to influence the mainstreaming possibilities. Within Adapt, a project called "Import and Dissemination" has been launched in order to identify valuable Adapt products developed in other Member States and to encourage professional organisations in Sweden to import, adapt and transfer these products to Swedish target groups. Both Initiatives have provided direct input for the Swedish NAP (national employment action plan) in 1999.

The Swedish Leader II programmes picked up during 1998 and 1999 after a slow start. Transfers between measures were made during the year, most recently in the autumn. By the end of 1999, nearly all the money had been committed (98 %).

The progress of Pesca improved significantly after a very slow start: all the funds had been committed by 31 December 1999. 60% of all investments are in measures to increase the diversification of companies within the fisheries sector and training initiatives received 25% of the total. In 1999, the financing tables for the programme were amended twice: once in order to reduce the Community allocation in favour of the Peace programme and once to merge a number of FIG areas of assistance in order to make the programme more flexible.

2.2.15. UNITED KINGDOM

1. The major features of the Funds by Objective

Measures to promote equality between women and men in the United Kingdom

Access to investment funding for women (Western Scotland Objective 2): This project was developed by Wellpark Enterprise Centre, a facility unique in the UK as a centre for women's enterprise which delivers a range of services to women entrepreneurs. The project is designed to introduce informal investment ("business angel" or mentor funding) as a first-resort source of finance for business growth for female-run businesses in the Objective 2 areas of the West of Scotland. It should also raise awareness among business women of the benefits of private finance and investment for business growth, provide additional investment opportunities, identify new sources of informal investment, identify reasons currently preventing women developing high-growth companies and complement existing business development programmes. Participants will receive customised training and coaching in financial investment, case preparation, including the presentation of business plans, and development of networking and marketing skills.

The project is expected to support eight women-owned businesses with high growth potential, and assist two new high-growth start-ups. The aim is to increase the turnover of participating businesses. Twenty-five investors will be introduced to businesses, and a guide to external capital will be produced, aimed at female-owned businesses, supported by the Bank of Scotland, and distributed through the enterprise centre. The total cost of the project will be around €132 000, to which the ERDF will contribute around €65 000. Other funding comes principally from local development agencies but also from the Bank of Scotland.

This project is one of several to have been supported at the Wellpark Centre since 1997, all of which have aimed to provide opportunities specifically for women. These include the establishment of micro-credit schemes targeted at areas of particular social need in the City of Glasgow and elsewhere in the West of Scotland, and the provision of innovative business support, facilities and workspaces tailored to the particular needs of women entrepreneurs.

OBJECTIVE 1

The Highlands and Islands SPD was the subject of one major modification, allocating indexation resources, making a number of transfers between measures financed by the ERDF and the ESF, and adjusting the private sector contribution to the programme. The modification also allowed completion of the assessment of quantified impact indicators at measure level. The revised impact estimates for the programme were derived from the activity and outputs targets modified in 1998 as a result of the interim evaluation.

The Merseyside SPD remained unchanged during the year, having been the subject of a major modification in 1998 following the interim evaluation. Both programmes were fully committed by the end of the year and the situation as regards payments improved. No large projects were approved under the Objective 1 programmes but the Merseyside Special Investment Fund, a major project approved in 1996, was

extended. In the human resources domain, it seems that the targets both in terms of number of beneficiaries and job outputs have been overachieved.

In Northern Ireland, 94% of the appropriations had been committed by the end of 1999. Total employment in Northern Ireland has risen from 628 000 in 1993 to 700 000 in 1999, well exceeding expectations and forecasts. Seasonally adjusted unemployment fell from 13.3% of the workforce in December 1993 to 6.1% of the workforce by September 1999 (the equivalent UK rate is 4.2%). Labour Force Survey data show that in Northern Ireland the percentage of females who are employed in the top three standard occupational classification groups has increased from 28% to 31%. GDP per capita, relative to the UK figure, has remained roughly stable in recent years, despite the greater population growth in Northern Ireland. GDP rose above the threshold for Objective 1 support and in 2000-06 Northern Ireland will be a region in transition from Objective 1 status.

Four regions were declared eligible under Objective 1 in 2000-06: Cornwall, Merseyside, South Yorkshire, and West Wales and the Valleys. The Commission received the plans for these regions, as well as the transitional programme for the Highlands and Islands which would no longer be eligible for Objective 1, in November 1999.

A first meeting between the Commission and the regional partnerships was held in each of the regions concerned in late November and early December while the Commission was preparing its formal response to the programmes. A comparison of these plans with those Objective 1 plans submitted in 1994 shows a major improvement in the quality of the documents, with the regions for the most part having conducted extensive socio-economic analyses to develop their respective strategies.

OBJECTIVE 2

A combined interim evaluation of the 1997-99 programmes and *ex-post* evaluation of the 1994-96 programmes was carried out in each Objective 2 region. The main findings are described below:

Community economic development is one of the key priorities of the Objective 2 programmes and tackles the problems of excluded communities. The purpose of the priority is to target investment on areas of greatest need and to empower local communities to enable them to take full advantage of investment opportunities. This has been a major success of the regional programmes. Local authority constraints on budgets did have some impact on slowing the commitment of resources under this type of priority, but it is also one where human resource development activity performed particularly well, and in a manner integrated with ERDF supported actions. More general support to SMEs has witnessed a combination of low public sector financing for ERDF projects and some difficulties in linking these actions with human resource development.

As for human resources, it is estimated that over 1.6 million individuals had benefited from ESF support by the end of 1999. Around 74% of the ESF beneficiaries achieved positive outcomes (i.e. went into jobs, self employment or further education following their training) and almost 40% of them improved their employability. The promotion of equal opportunities is a key horizontal issue in all

Objective 2 programmes. However, the treatment of the issue was seen to vary from programme to programme, in response to the particular population profile of each region, with some industrial areas having particularly high levels of male long-term unemployment. In other areas, for example Eastern Scotland, over 60% of the beneficiaries of ESF-assisted training were women. There was a tendency for women to be over-represented in courses linked to industries such as tourism, where low wage structures currently predominate, but under-represented in technological areas.

As far as sustainable development is concerned, monitoring the impact of the programmes has proved problematical in all areas for a number of reasons, including the difficulty of establishing a baseline against which to measure future developments and the high cost of monitoring environmental impact. All programmes are building up experience and data in this area which will lead to further improvements in 2000-06. The most advanced region in this area has been Eastern Scotland, where a sustainable development pilot project with direct support from the Commission led to the production of a guide for mainstreaming sustainable development in the new Structural Fund programmes.

The evaluation exercise also examined in more detail the barriers that exist to greater synergy between ERDF and ESF actions in the same programme. One of the major problems is that at national level different rules have been introduced for the two Funds as they are the responsibility of different government departments

The findings of the evaluations were well-received in most regions. Each Monitoring Committee agreed a plan of action to make improvements to the operation and delivery of the current programmes. The exercise was also extremely important in spreading a culture of evaluation across all members of the regional partnerships.

As far as financial progress was concerned, by the end of the year most of programmes were fully committed. This was achieved partly through modifications of the annual financial allocations to programmes. Programmes were also modified to add indexation resources. Some difficulties were experienced concerning payments.

A number of large projects were submitted to the Commission for its consideration during the year and approved: an extension to Sunderland Metro in the North East of England; Newburn Riverside, an industrial site in the same region; two new tourist attractions in Yorkshire and the Humber - Magna and The Deep; the Imperial War Museum of the North in Manchester; the Wales Millennium Centre and the second phase of the National Botanic Gardens in Wales, both in the Industrial South Wales programme; and the Nottingham Express Transit tramway in the east Midlands Objective 2 programme. A large number of loan and venture capital schemes were approved towards the end of the year, representing a significant increase in capital available for entrepreneurs in the eligible regions. One of these, the West Midlands Creative Industries Fund, was the first to be targeted specifically at SMEs in the "cultural economy".

OBJECTIVES 3 and 4

Towards the end of 1999, the final evaluation of the ESF Objective 3 programme in Britain (1994-99) was published. The main conclusions of the evaluation report were that 30% of participants find employment after leaving ESF-funded projects and 70%

achieve some form of positive outcome (job, self employment, further education and training). Women have a higher probability than men of being in work six months after leaving ESF projects. Generally job search techniques and some form of wage subsidy appear to have a strong and positive effect on the chances of an ESF participant finding work. Integrated packages of support appear to deliver better results than a project providing training alone. However integrated packages are more expensive and work better for particular groups. At the end of 1999, all the appropriations allocated to ESF Objective 3 had been committed and 83.9% paid.

1999 was the second year of the Objective 4 programme in Great Britain. Due to the late start in 1998, the first projects were not approved until September and there were only four months left for successful applicants to deliver projects in the first period of the programme. There are three policy priorities in the Objective 4 SPD: planning for change involving the anticipation of changes in the labour market at national, regional and local level; tackling change through the development of the workforce, involving the training and development of key workers and target groups within the workforce, and reinforcing solutions to change comprising the development of new training systems and improved networking. There were just over 1 000 Objective 4 projects in 1998: employees in 90 000 companies received assistance and over 167 000 individuals benefited from the programme, 60% of these being at high risk of being made unemployed. Despite this high number of projects, nearly €50 million had to be rolled forward into 1999. However, all remaining funds were allocated to projects during the 1999 application rounds and the projects will be implemented until mid-2000.

OBJECTIVE 5(a) - agriculture

Of the €154 million earmarked for the improvement of agricultural structures, some 95% is paid out as compensatory allowances, with the remainder being used to finance investment projects. In total, since the beginning of the programming period, some 7 000 farmers have received these allowances. The United Kingdom has been authorised to confine assistance for the production and marketing of agricultural products to applications for English projects received up to the end of March 1996. In Scotland and Wales, projects continued to be eligible for this type of assistance up to the end of 1999. As a result, the EAGGF contribution has shrunk from €227 million to €51 million. In the programming period 1994-99 only two of the possible part-financed measures, aid for on-farm investments and compensatory allowances, were implemented in the UK. The former had already closed to new applicants at the end of 1994. In 1998 approximately €5.3 million of grant was paid and reimbursement claimed for improvements carried out under part-financed grant schemes. The areas of eligible investments include grants to help the environment, grants for conservation and enhancement of the amenity value of the rural environment through the promotion of environmentally beneficial farming activities and land improvement grants to help maintain the productive capacity of improved grassland and hence livestock farming, particularly in hill areas. The compensatory allowances are paid as Hill Livestock Compensatory Allowances (HLCAs) to farmers who keep breeding cattle and breeding ewes in less-favoured Areas (LFAs). LFAs comprise all the major upland areas and the Scilly Isles, a total of just under 10 million hectares.

As for production and marketing of products, some 200 projects (of which 120 are in England) had been approved by the end of 1999, primarily in the fruit and vegetable, meat, potato and milk sectors.

OBJECTIVE 5(a) - fisheries

The programme for the United Kingdom could not be implemented in full. About one third of the €89 million in FIGG appropriations for this programme were returned to the Commission by the United Kingdom during the second half of 1999. The main reason was that national budgetary restrictions reduced opportunities for part-financing investments. Accordingly, measures for aquaculture in England had to be abandoned. In addition, needs for laying up vessels to reach the targets of the multi-annual guidance programmes for fleets proved less expensive than expected.

OBJECTIVE 5(b)

During the latter part of the year all the UK Programme Monitoring Committees proposed modifications to the profile of expenditure and to a lesser extent the balance of resources between the priorities and measures. Despite this, there were no significant changes to programming priorities. The programme changes did nothing to contradict the validity of their initial strategies which was confirmed by the mid-term evaluations of the eleven programmes or, in the majority of cases, the funding allocations. More importantly, given the comments concerning the speed of progress in the 1998 report, the UK made a significant improvement in the general rate of progress during 1999. At the end of the year, 94% of the appropriations for the eleven regional programmes had been committed at Community level.

2. The Community Initiatives

Implementation of the Community Initiatives generally proceeded without major problems. Almost all programmes were modified during the year to allocate indexation resources, move funds between priorities, and also to de-commit unused resources from programmes to provide an additional €100 million for the Peace Initiative. Most programmes were fully committed, although difficulties were experienced where target groups had been quite narrowly defined, such as Pesca, or where implementation structures had been developed rather late, such as with the SMEs Initiative in England. In these cases resources were moved between regions to secure maximum commitment at the national level. There were also difficulties in committing resources in the Urban Initiative, partly as a result of the innovative nature of the programmes and the high degree of involvement of local people and community activists who had not been involved with European programmes in the past. Nevertheless, the level of commitment by the end of the year was very high, if not quite 100%.

One of the major tasks during the year was to undertake an interim evaluation of the Urban Initiative. The essential features of Urban have been: active participation of the community in the development of an Action Plan, early capacity building to allow community groups to participate in a meaningful way, the delegation of decision making to a local partnership (Urban Partnership Group), with significant community representation, the delegation of financial and other monitoring arrangements to an intermediary and on-going capacity building to allow community groups to participate in the implementation of the Action Plan and decision making

structures and to deliver individual projects. The overwhelming majority of local partnerships regarded matching funding as the major barrier to the successful involvement of local community groups in Urban. In some cases local authorities provided a specific budget for the programmes in advance. This proved most helpful - the more general practice in the UK of asking individual project applicants to provide their matching funding hampered the delivery of Urban programmes in those areas where it was applied.

On the human resources side, 283 projects were working under the Employment Initiative in the programme for Great Britain. The separate programme for Northern Ireland counted 27 projects. Under the Adapt Initiative, a total of 293 projects were approved in Britain; in Northern Ireland the 9 projects approved in 1998 continued their work. For Adapt a third call for proposals (covering Great Britain only) was launched in Spring 1998 in connection with the UK Government's proposal to set up a "University for Industry". It aims to enhance the competitiveness of businesses and enable individuals to gain the knowledge and skills necessary to enhance their employability. A transfer of €34 million from Employment to Adapt allowed an additional 55 Adapt Round III projects to be funded. Great Britain led the European-level thematic work group on the "Empowerment of excluded people", drawing primarily on the work of Integra projects across Member States with a view to building a profile of practical approaches. It organised a conference and exhibition in Birmingham in June 1999 on that theme. Great Britain is also participating in work on the Adapt theme of "New forms of Work Organisation" and best practice case study projects were identified for participation in a thematic meeting in May 1999. Northern Ireland, for its part, led the focus group on "Territorial approaches", which held a successful multi-site conference in January 1999 in Northern Ireland, entitled "Building Territories for the Millennium".

As for Leader II, towards the end of 1999 each of the programmes funded was adjusted by transferring a proportion of the resources into the measure for local development from the other measures. The result of this modification allowed all the programmes to be fully committed. Although the rate of payments improved during 1999, it is still significantly below the rate of commitments and varies between regions, for example in Northern Ireland it stands at 55% and in Scotland at 80%.

Implementation of the Pesca Community Initiative had been very slow and efforts were made to accelerate the programme. The main reason for the slow progress resulted from the fact that the UK had adopted the "bottom up" approach which has meant that 20 Pesca working groups and committees were administering the programme covering 66 designated areas dependent on fisheries. Also the fishing industry had been reluctant to accept the Pesca Initiative. Progress accelerated dramatically in 1999 and the programme has been a success at the end of the day. All Pesca funds including the Commission reserve were fully absorbed.

CHAPTER 3: EVALUATION AND ANALYSIS OF THE IMPACT OF THE STRUCTURAL FUNDS

3.1. EX-ANTE EVALUATION AND NEW PROGRAMMING FOR OBJECTIVES 1 AND 3, THE RURAL DEVELOPMENT PROGRAMMES AND THE FIGG

OBJECTIVE 1

Ex-ante evaluation is an innovation introduced by the new general Regulation on the Structural Funds (2000-06), Article 41 of which places responsibility for an *ex-ante* evaluation on the authorities responsible for preparing the plans, assistance and the programming complement, of all of which it forms part.

a) Evaluation takes the form of key questions which guarantee the quality of the programming documents and the effectiveness of the measures planned, while ensuring that the targets set can be achieved through an efficient allocation of resources among the various priorities for assistance. These questions simply reflect the main themes of the programming: analysis of the region or area of assistance concerned; coherence of the strategy and the targets selected in terms of the resources allocated; overall quantification of the expected impacts in terms of the original situation; choice of appropriate indicators and quantification of specific targets; targeted evaluations in priority areas such as competitiveness and innovation, the labour market, the environment and equal opportunities for men and women.

Ex-ante evaluation: main stages

KEY ISSUES OF EVALUATION	PLAN for the CSF	PLAN for the SP	PROGRAMME	PROGRAMME COMPLEMEN
1. ANALYSIS OF PREVIOUS EVALUATION RESULTS	→	→	→	
2. ANALYSIS OF STRENGTHES. WEAKNESS AND POTENTIAL	→	→	→	
3. ASSESSMENT OF THE RATIONAL AND CONSISTENCY FO THE STRATEGY	→	→	→	→
4. QUANTIFICATION OF OBJECTIV AND INDICATORS	→	→	→	→
5. ANALYSIS OF EXPECT6ED IMPAC AND JUSTIFICATION OF FINANC RESOURCES ALLOCATION	→	→	→	→
6. QUALITY OF THE MPLEMENTATION ARRANGEMENTS	→	→	→	→

The common point of departure for this approach to both programming and evaluation is the assessment of the previous programming period and the lessons drawn from that experience. Accordingly, each plan or item of assistance sent to the Commission includes the results of previous evaluations, either in the form of a specific chapter in the programming documents or as an annex.

b) The organisation of the work of *ex-ante* evaluation has taken various forms in the Member States, most of which, however, have chosen to employ external evaluators selected through public calls for tenders. Italy, Ireland, Northern Ireland and the Nord/Pas-de-Calais region (F) have relied on internal evaluation structures, independent of the authorities responsible for programming. Of the programmes submitted through official channels, some have an evaluation report annexed but most contain a specific chapter or include a summary of the evaluation work. In the other cases, the details of evaluation are included in the various chapters of the programming documents.

c) The actual role played by this evaluation approach can be assessed by means of a certain number of objective indicators: better drafting of the plans; more detailed justification of the strategy and greater transparency in the process of drawing up the plans.

The content of the plans usually complies with the methodological guidelines in the Commission's framework documents, in particular as regards *ex-ante* evaluation and the monitoring indicators. However, the best quality plans are those which rely on a structured approach to evaluation, or indeed on dialogue with the evaluators. Hence, the *ex-ante* evaluations for the Objective 1 CSFs and SPDs have had a triple function: as a critical view of the experience of the previous programming period, as a strategic contribution in terms of preparation of the plan as a response to its socio-economic context and as a justification of the priorities and targets selected, using quantified indicators.

Ex-ante evaluation has also been applied to the operational programmes to check that the guidelines laid down for the plans and CSFs are consistent with those laid down at a more detailed level. A specific check on the relevance of the quantified targets cannot be made until the programme complements are submitted.

As regards the horizontal priorities such as the environment and equal opportunities, most of the plans contain a detailed analysis of the original situation. However, the reliability of descriptions of the situation regarding the environment is sometimes diminished by the lack of complete and reliable basic data. In some cases work these descriptions might need to be updated before the mid-term review can begin. The quality of the assessments of environmental impact of the strategy and assistance has varied greatly, and steps have been taken to improve their content throughout the negotiations. In the case of both the environment and equal opportunities, the impact analysis process will be continued in the final stages of programming and the level of detail will be refined with the help of precise information on the types of measures planned and their geographical location.

OBJECTIVE 3:

At present only a few preliminary conclusions can be drawn from the *ex-ante* evaluations submitted with the development plans for the Objective 3 areas. Virtually all the evaluations received with the plans were considered acceptable. Many Member States made use of outside evaluators, although this is not a statutory requirement. A link between the programming process and what should be an independent view to guarantee that it is transparent was made only rarely. The contribution of evaluation to programming was not always clearly identified and often appears to have been only partial. In many cases, the strategic priorities and the

structuring of the plans in terms of targets were not adequately justified by the *ex-ante* evaluations. Furthermore, a more precise specification of the statutory requirements of Article 41 appears to be required since it has been interpreted in widely different ways by the various Member States, for example as requiring a SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis, or horizontal analyses of the environment, the labour market and equal opportunities for men and women. In the latter case, it should be noted that measuring the expected impact of assistance on equal opportunities has presented some methodological difficulties.

RURAL DEVELOPMENT PROGRAMMES:

Once it had received the interim evaluation reports for 1994-99 in 1998, the Commission decided to review the strategy for evaluating rural development programmes so that it had useful and comparable information for the whole Union. The articles of the rural development regulation concerning evaluation were expanded through guidelines for 2000-06 which were submitted to the Member States in July 1999. Guidelines for the *ex-ante* evaluation of SAPARD programmes were also drawn up.

FIFG:

Most of the Objective 1 plans with an FIFG component were received before the end of 1999 but no FIFG non-Objective 1 programme had been officially received by that date. The place given to fisheries in the *ex-ante* evaluations varies enormously; in some rare cases (Spain) the most significant indicators are quantified but in many instances (Italy, UK, etc.) little attention is paid to fisheries; sometimes (Sweden) it is not even mentioned.

Improvements to the content of the *ex-ante* evaluations for the FIFG have been requested, with particular reference to the need to set out the impact expected from the programmes and quantify their targets.

The role of joint enterprises in FIFG structural assistance has been evaluated on a project by project basis and with particular attention to their impact on employment, the economy of the fisheries sector and Community supply of products from the sea. The results of this evaluation were used to refine the content (and the level of premiums) of the Article of the new FIFG Regulation concerned with joint enterprises.

3.2. THE EXPERIENCE OF PREVIOUS PERIODS

The Objective 2 programmes (1989-99):

The Commission has undertaken an independent evaluation of the achievements, experiences and lessons of Objective 2 assistance, in order to provide new insights for the forthcoming programming period. In examining experience of Objective 2 over the last decade, the study reviewed the main conversion strategies and the strategic options to support specific priorities (job creation, research and development, environment, equal opportunities), the issues relating to programme management and the socio-economic impact of the programmes. It also provided detailed recommendations on the various issues addressed.

The main conclusions of the study may be summarised as follows:

In terms of the preparation of plans and strategies, there has been a significant progression over the past decade, particularly with regard to strategic planning and thinking, a wider range of organisations involved and better focus on strategic priorities (e.g. a shift away from promoting traditional economic activities). There is, however, scope for improving further the strategy development as part of a continuum as well as using the next programming period for experimentation and innovation.

Programme management and delivery has benefited from progressive improvements over successive programming periods: embedding of the programming concept and strategic management, a pro-active approach to the generation and selection of projects, formal and systematic appraisal and selection procedures and effective computerised management information systems. The main limitations included the fragmentation of programme management responsibilities, the lack of training and information and the infrequent dissemination of 'best practice examples'.

EU strategic priorities have been increasingly integrated into Objective 2 programmes. The *environmental* dimension is embraced more comprehensively as a horizontal theme, together with improved environmental profiles and baselines, the use of environmental selection criteria, measure-level impact assessment and stronger policy orientations; the main limitation is that the strategies are not yet "sustainable development" friendly, in the sense of achieving environmentally compatible growth. *Equal opportunities* has been developed to a lesser extent, with some "positive action" measures and gender-related selection criteria and targets but the programmes do not include fully integrated responses or positive measure as part of a wider strategy based on a sound diagnosis. *Research and development* is widely recognised as a key factor for promoting self-sustaining growth and competitiveness. There is growing experience in this area, with more emphasis placed on softer measures and complementary human resources measures. Although there has been strategic progress in terms of policy design, particularly in the regions where RIS (Regional Innovation Strategies) type initiatives have been implemented, there is still need for improved programme delivery, greater involvement of broad partnerships and better measurement of the impact on innovation capacity. *Job creation* has been widely acknowledged as an overriding priority, reflecting economic change as well as EU priorities. As a consequence, there has been a growing focus on this priority area in terms of policy content, emphasis on job creation in selection systems, as well as improved prediction and assessment of employment impacts. However, further progress needs to be made, with regard to coverage and reliability of targets, co-ordination between ERDF and ESF measures and the measurement of net effects.

Monitoring and evaluation have been further strengthened, with the use of *ex-ante* evaluations to improve SPDs, the development of evaluation frameworks by national authorities (e.g. Austria, France, UK) as well as important work on indicators and quantification of targets. Despite these significant improvements, there is still a need to embed monitoring systems in programme management by ensuring more consistent and regular data collection systems, especially on physical outputs and results as well as setting robust methodological approaches for impact measurement.

The ESF in Objectives 1, 3 and 4 and the Adapt and Employment Community Initiatives:

The final evaluation was launched as a follow-up to the mid-term evaluation and to provide information for the next programming period. The evaluation set up was similar to the mid-term evaluation with external evaluators being appointed at programme level by the Member States. The work is now reaching completion and the intention is to consolidate the results at the national and EU levels. Most of the work so far has concentrated on the feedback of these results into the next programming period.

Evaluation results are available for the final evaluation of the ESF Community Initiatives, which includes a specific EU-level component intended to provide methodological guidance and review transnationality from an EU perspective. A number of recommendations have come out of the evaluators' work:

- the transnational ambitions and content of projects need to be boosted by building up a project development phase which offers support to potential applicants, providing generous time horizons for partner-seeking activities, appointing a transnational programme coordinator, etc.;
- administrative procedures should be simplified;
- closer cooperation is needed between those involved in the national labour-market system and those responsible for the Community Initiatives at different levels to improve mainstreaming and dissemination of information;
- the mainstreaming strategy should start at the project level to develop a strong awareness and results and dissemination strategies for products;
- monitoring procedures and a system of monitoring indicators should be developed to support both projects and evaluation processes, namely through more guidance on how to measure the impact of the Initiative, how to develop adequate performance indicators, and how to link transnationality and innovation with labour-market effectiveness.

Many of these suggestions have been included in the design of the new Equal Initiative.

The rural development programmes and Leader II :

In 1999 the Commission received the interim evaluation reports from the Member States, two of which concerned Objective 5(b) in the new Member States (Sweden and Finland). It received 23 interim evaluation reports for Leader II. It should be noted that the late start on this Community Initiative prevented the evaluations from being ready earlier.

In order to provide useful and comparable information at Union level, guidelines were drawn up for the *ex-post* evaluations of Objective 5(b), Leader II and the two Regulations concerning Objective 5(a) in the programming period 1994-99.

3.3. THEMATIC EVALUATIONS

Transport:

The aim of evaluation was to investigate and analyse the impact of investment in transport infrastructure in the Objective 1 regions of Spain, Portugal, Ireland, Greece, Italy and Germany and to determine the effectiveness of expenditure by the Structural Funds and the Cohesion Fund in this sector. It was also intended to find examples of good practice.

The evaluation found that the vast bulk of investment expenditure was concentrated on roads (about 57%) and, to a lesser degree, rail infrastructure projects (about 23%). Although investments in roads constituted the largest type of expenditure (except in Germany and Italy), Spain and Ireland are the countries which placed most emphasis on this type of investment (73% and 68% of the total respectively). These strategic choices were analysed in the report which also noted the initial inequality of these road systems as compared with the European average. However, it revealed no significant correlation between increased funding for infrastructure (per km) and enhanced economic development. This tends to confirm that investment in transport infrastructure is an important but not sufficient factor in the economic development effort in the outlying regions.

The studies also demonstrated the positive impact of investment in transport infrastructure, such as the saving of over an hour in the journey from Athens to Thessaloniki. Substantial savings in journey times were also achieved by road improvements in Ireland (some €50 million). In Portugal, infrastructure investment cut up to 70% off rail freight times and in Spain expenditure on upgrading the motorway network cut about 20% off journey times.

The evaluation considered that the investments had helped improve safety, particularly on the roads, made regions more attractive by improving access to them and established the basic conditions for the development of certain sectors such as, for example, the tourist industry (particularly in Greece).

Most of the countries concerned had successfully used schemes of the "public-private partnership" (PPP) type. Portugal had involved the private sector in the construction and management of certain (toll) roads and in Italy projects in the port de Gioia Tauro had profited from private/public investment. The largest project in Greece is Spata airport but other forms of infrastructure are also concerned such as, for example, the Rio-Antirion bridge. However, the evaluation also found that the PPP could not be used for all projects, in particular investments in the (unprivatised) rail sector.

Estimates of jobs created are as follows: in the field of transport infrastructure the average cost per job varies from €20 000 to €70 000 with an average of €25 000. It also appears that public transport infrastructure projects offer better value in terms of jobs created than investments in roads.

The evaluation also concluded that project implementation was very rapid when the Structural Funds and the Cohesion Fund accounted for a large part of the investment. Implementation was much slower otherwise, hence the recommendation that resources should be concentrated where they amounted to a critical mass (defined as over 30%).

CHAPTER 4: BUDGET IMPLEMENTATION, FINANCIAL CHECKS AND VERIFICATION OF ADDITIONALITY

4.1. IMPLEMENTATION OF THE FUNDS IN 1999 - ALL PROGRAMMING PERIODS

The aim of this section is to look at overall budget implementation in 1999 as a whole and in terms of both the current programming period (1994-99) and previous periods.

Source and implementation of commitment appropriations in 1999 (€ million)

	CSF ERDF	CSF ESF	CSF EAGGF	CSF FIFG	Comm. Initiatives	Transitional measures	Anti- fraud	Implem- entation	TOTAL
Initial budget	15.646,00	9.611,00	5.164,00	808,00	4.256,00	413,25	0,75	3,00	35.902,00
Transfer of appropriations	134,60	-90,80	69,30	-113,10	175,70	-174,30	0,00	-1,40	0,00
Amending and supplementary budget	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total appropriations 1999	15.780,60	9.520,20	5.233,30	694,90	4.431,70	238,95	0,75	1,60	35.902,00
Appropriations reconstituted	76,18	0,00	0,00	0,00	28,30	0,00	0,00	0,00	104,48
Appropriations reused	2,82	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,82
Appropriations available for reuse	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Appropriations available for reuse carried over	0,74	0,00	0,00	0,00	0,00	0,03	0,00	0,00	0,77
Appropriations carried over	8,54	0,00	0,00	0,00	20,38	0,00	0,00	0,00	28,93
Appropriations blocked	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Appropriations disponibles	15.868,88	9.520,20	5.233,30	694,90	4.480,38	238,98	0,75	1,60	36.038,99
Implementation	15.429,03	8.546,43	5.110,26	693,83	3.692,88	217,65	0,75	1,13	33.691,97
Implementation rate	97%	90%	98%	100%	82%	91%	100%	71%	93%
Appropriations not implemented	439,86	973,77	123,04	1,07	737,50	21,32	0,00	0,47	2.347,02
Appropriations carried over to 2000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decommitments excluding appropriations reconstituted	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Appropriations entered in budgets for future years	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decommitments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

* This heading covers transitional and innovative measures and technical assistance (section 2.1.9)

As in 1997 and 1998, only a small quantity of appropriations (€28.93 million) was carried over to 1999, principally for the Community Initiatives. Although some commitment appropriations were reconstituted or reused, the amounts were limited when compared to the initial allocations: €104.48 million in reconstituted appropriations and €2.82 million in reused appropriations.

The Commission may - by way of exception - reconstitute commitment appropriations corresponding to previous decommitments where it proves essential to implement the programme initially envisaged, unless the current financial year's budget contains available funds for that purpose. For 1999, the reconstituted appropriations derive principally from the ERDF (€76.18 million). These extra appropriations did not prevent implementation of virtually all the commitment appropriations: 97% of the appropriations available for the year were committed by the ERDF.

The appropriations reused represent revenue from the repayment of advances by recipients of Community aids (in the case of payments not due or non-implementation of the measures planned). In 1999 reused appropriations amounted to only €2.82 million and concerned only the ERDF.

A number of internal transfers concerning "new" appropriations for 1999 were made but did not affect the overall balance of appropriations available under the Funds as a whole. The transfers were mainly from funding for the FIGG, the ESF and innovative measures to the Community Initiatives and the ERDF and EAGGF programmes. This flow of extra appropriations to the Community Initiatives "automatically" resulted in a rate of implementation of commitments that was lower than in the previous year (82 % of available appropriations were committed as compared with 93% in 1998).

In all, it was not possible to commit €2 347 million of the appropriations available for the year, 6.5% of the total. This amount may appear large but the overall rate of implementation was 93%, which can be considered satisfactory in the last year of programming, when the accumulated impact of all the carryovers of appropriations since 1994 makes itself felt

Commitments in 1999 (excluding decommitments and carryovers - €million)

	TOTAL	%	CSF						Total CSF	Comm Initiatives	Transitional measures*	
			Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	Obj. 5(b)				Obj. 6
Total available	35.899,65		18.956,49	4.447,32	2.319,20	863,30	1.643,34	2.707,17	292,18	31.229,00	4.431,70	238,95
Total implemented	33.554,96	100%	18.095,53	4.035,04	2.172,37	862,73	1.588,92	2.646,59	290,83	29.692,01	3.645,30	217,65
%	93,47%		95%	91%	94%	100%	97%	98%	100%	95%	82%	91%
ERDF	17.428,25	52%	10.655,43	3.427,62					1.145,16	113,28	1.960,60	126,17
ESF	9.812,38	29%	4.494,17	607,42	2.172,37	862,73			330,49	79,26	1.202,79	63,15
EAGGF	5.580,45	17%	2.534,52				1.310,92	1.170,95	93,88	5.110,26	463,91	6,27
FIGG	733,89	2%	411,41				278,00		4,42	693,83	18,00	22,06
%	100%		54%	12%	6%	3%	5%	8%	1%	88%	11%	1%

* This heading covers transitional and innovative measures and technical assistance (section 2.1.9)

Implementation levels for commitments under the CSFs came to 95%, with some variations between Objectives: Objectives 4 and 6 were fully implemented, Objectives 1, 5(a) and 5(b) were at or just above the average while the rates for Objectives 2 and 3 were lower.

Payments in 1999 (excluding carryovers - €million)

	TOTAL	%	CSF						Total CSF	Comm. Initiatives	Transitional Measures*	
			Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	Obj. 5(b)				Obj. 6
Total available	28.570,58		18.156,43	2.075,16	2.181,68	611,49	986,74	1.416,85	152,98	25.581,33	2.782,00	207,25
Total implemented	24.881,69	100%	15.803,02	1.684,17	2.181,17	611,49	986,64	1.311,54	141,05	22.719,09	1.995,10	167,50
%	87,09%		87%	81%	100%	100%	100%	93%	92%	89%	72%	81%
ERDF	12.241,88	49%	9.222,21	1.255,54					589,98	59,57	1.032,76	81,82
ESF	8.007,38	32%	3.822,56	428,63	2.181,17	611,49			176,82	25,15	712,49	49,08
EAGGF	4.009,76	16%	2.343,59				830,84	544,75	54,87	3.774,04	220,01	15,71
FIGG	622,67	3%	414,66				155,81		1,46	571,93	29,85	20,89
%	100%		64%	7%	9%	2%	4%	5%	1%	91%	8%	1%

* This heading covers transitional and innovative measures and technical assistance (section 2.1.9)

The overall rate for payments was 89%, lower than in previous years. However, it should be noted that Objectives 3, 4 and 5(a) implemented all the payment appropriations available.

Payments in 1999 for assistance preceding the current programming period (including carryovers - €million)

	Objective 1					Objective 2			Obj. 3	Objective 5(a)		
	ERDF	ESF	EAGGF	Fisheries	Total	ERDF	ESF	Total	ESF	EAGGF	Fisheries	Total
< 1994	108.38	15.97	11.20	7.18	142.73	16.69	-	16.69	-	0.38	-	0.38
1989-93	83.10	15.67	11.20	7.18	117.15	16.69	-	16.69	-	0.38	-	0.38
B	-	-	-	-	-	2.16	-	2.16	-	-	-	-
DK	-	-	-	-	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-	-	-	-	-
EL	15.64	-	-	1.11	16.76	-	-	-	-	-	-	-
E	0.78	-	-	0.64	1.41	-	-	-	-	-	-	-
F	12.15	-	1.22	0.28	13.65	11.76	-	11.76	-	0.38	-	0.38
IRL	-	-	-	0.02	0.02	-	-	-	-	-	-	-
I	54.54	15.67	5.08	2.68	77.97	0.03	-	0.03	-	-	-	-
L	-	-	-	-	-	-	-	-	-	-	-	-
NL	-	-	-	-	-	-	-	-	-	-	-	-
P	-	-	4.89	2.45	7.34	-	-	-	-	-	-	-
UK	-	-	-	-	-	2.74	-	2.74	-	-	-	-
Comm.	-	-	-	-	-	-	-	-	-	-	-	-

	Objective 5(b)				Community Initiatives				TOTAL (1)				
	ERDF	ESF	EAGGF	Total	ERDF	ESF	EAGGF	Total	ERDF	ESF	EAGGF	Fisheries	Total
< 1994	3.82	1.84	2.17	7.83	44.99	0.02	3.41	48.41	173.88	17.82	17.15	7.18	216.04
1989-93	3.82	1.84	2.17	7.83	44.99	0.02	3.41	48.41	148.60	17.53	17.15	7.18	190.47
B	-	-	-	-	-	-	-	-	2.16	-	-	-	2.16
DK	-	-	0.21	0.21	-	-	-	-	-	-	0.21	-	0.21
D	0.54	-	-	0.54	-	-	1.63	1.63	0.54	-	1.63	-	2.17
EL	-	-	-	-	17.60	-	-	17.60	33.25	-	-	1.11	34.36
E	-	-	-	-	15.66	-	-	15.66	16.44	-	-	0.64	17.07
F	1.61	1.84	1.95	5.41	0.85	-	0.01	0.86	26.37	1.84	3.57	0.28	32.06
IRL	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02
I	-	-	-	-	10.36	0.02	1.39	11.77	64.93	15.69	6.48	2.68	89.78
L	-	-	-	-	0.51	-	-	0.51	0.51	-	-	-	0.51
NL	-	-	-	-	-	-	-	-	-	-	-	-	-
P	-	-	-	-	-	-	-	-	-	-	4.89	2.45	7.34
UK	1.67	-	-	1.67	-	-	0.37	0.37	4.41	-	0.37	-	4.78
Comm.	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) No payment was made under Objective 4.

The fall off in payments for previous periods noted since 1997 continued. In 1999 only €216 million in payments related to assistance prior to 1994 (as against €555 million in 1998). These amounts accounted for less than 0.9% of total payments made during the year. Furthermore, the vast majority (88%) related to the immediately preceding programming period (1989-93). Payments for "old" commitments (before 1989) were therefore minimal (€25.5 million). It should be noted that virtually half the payments for earlier assistance concerned Italy and mainly corresponded to the closure of Objective 1 programmes from 1989-93.

Outstanding appropriations at 31 December 1999 (€million)															
		Obj 1	Obj 2	Obj 3	Obj 4	Obj 5(a)	Obj 5(b)	Obj 6	Total CSF	CI	Trans. measures	Anti-fraud measures	Implementation		
													TOTAL end 1999	%	
Total outstanding end 1999 (A+B+C)		21.400,70	6.039,62	2.599,31	791,45	1.722,39	2.456,47	321,02	35.330,96	5.728,45	593,43	0,81	2,71	41.656,37	100%
	ERDF	13.703,36	5.263,14				1.044,77	130,29	20.141,56						
	ESF	4.546,16	776,48	2.599,31	791,45		316,41	86,87	9.116,68						
	EAGGF	2.856,37				1.486,09	1.095,29	100,28	5.538,04						
	FIFG	294,81				236,30		3,57	534,68						
1999 appropriations outstanding (A)		13.072,17	3.585,08	1.337,26	525,84	1.266,85	1.990,74	286,62	22.064,57	3.088,98	180,61	0,50	1,09	25.335,74	61%
	ERDF	7.933,29	3.150,22				839,00	113,28	12.035,78						
	ESF	3.009,63	434,87	1.337,26	525,84		248,82	76,04	5.632,46						
	EAGGF	1.950,62				1.065,63	902,92	93,88	4.013,05						
	FIFG	178,63				201,22		3,42	383,28						
1994-98 appropriations outstanding (B)		7.161,20	2.234,32	1.230,34	265,60	447,24	379,78	34,40	11.752,87	2.437,85	269,99	0,31	1,63	14.462,66	35%
	ERDF	4.856,25	1.904,76				152,06	17,02	6.930,09						
	ESF	1.319,41	329,56	1.230,34	265,60		63,76	10,82	3.219,49						
	EAGGF	886,66				412,16	165,95	6,40	1.469,17						
	FIFG	98,88				35,08		0,15	134,11						
Pre-1994 appropriations outstanding (C)		1.167,34	220,22	31,71	-	8,30	85,95	-	1.513,52	201,62	142,83	0,00	0,00	1.857,96	4%
	ERDF	913,82	208,16				53,70		1.175,68						
	ESF	217,13	12,06	31,71			3,83		264,73						
	EAGGF	19,09				8,30	28,41		55,81						
	FIFG	17,29							17,29						

Outstanding appropriations represent the difference between commitments entered into and the corresponding payments settled. In 1999 outstanding appropriations relating to years preceding 1999 represented only 4% of all outstanding appropriations (as compared with 7% in 1998 and 12% in 1997). This ongoing reduction is due to hard work on closing earlier programmes.

Changes in outstanding appropriations (€million)

(Current prices)	TOTAL end 1999	%	TOTAL end 1998	%	TOTAL end 1997	%	TOTAL end 1996	%	TOTAL end 1995	%	TOTAL end 1994	%
1 Total amount outstanding (A+B+C)	41.656,37	100%	33.360,83	100%	29.418,09	100%	26.640,43	100%	23.529,46	100%	19.324,88	100%
Annual change		+25%		+13%		+10%		+13%		+22%		-
2 Appropriations outstanding for the 'year (A)	25.335,74	61%	20.275,68	61%	17.326,93	59%	14.997,37	56%	12.030,77	51%	9.009,96	47%
Annual change		+25%		+17%		+16%		+25%		+34%		-
3 Appropriations outstanding for 1994 - year (B)*	14.462,66	35%	10.650,19	32%	8.631,81	29%	6.503,17	24%	3.880,02	16%	-	0%
Annual change		+36%		+23%		+33%		+68%		-		-
4 Pre-1994 appropriations Outstanding (C)	1.857,96	4%	2.434,95	7%	3.459,36	12%	5.139,90	19%	7.618,68	32%	10.315,10	53%
Annual change		-24%		-30%		-33%		-33%		-26%		-

* Appropriations from 1994 to year preceding that of the report

4.2. ON-THE-SPOT CHECKS CARRIED OUT BY THE FUNDS, FINANCIAL CONTROL AND THE ANTI-FRAUD UNIT/OFFICE

- **The ERDF**

The Directorate-General for Regional Policy, which manages the ERDF, carried out 36 inspection visits in all the Member States except Luxembourg²⁰ in 1999, 60% more than in 1998. The aim of the inspections was to ensure that the management and checking systems in the Member States were in line with the principles of sound and efficient financial management and correctly applied the Community rules concerning the ERDF.

The checks also had a pedagogic and preventative function, providing the Member States with advice and recommendations to help them improve their inspection and management systems. Most of the inspections concerned assistance provided in the period 1994-99.

A special effort was also made to inspect innovative projects and technical assistance (Articles 10 and 7 of the ERDF Regulation, see section 2.1.9), to check compliance with the contractual provisions on finance directly linking the Commission and the final beneficiaries (without passing via the Member State) and directly engaging the Commission's financial responsibility. Checks on projects under Article 10 normally formed part of the inspections of the OPs in the Member States but, for the projects under Article 7, 10 specific visits of one or two days were organised.

The checks revealed both isolated and systematic errors affecting the reliability of the expenditure certificates submitted to the Commission.

The most common problem is the ineligibility of certain expenditure declared, followed by the incorrect operation of management and control systems. Failures to comply with Community provisions on publicity and calls for tenders were also noted. In some Member States, it proved difficult to reconstruct an adequate audit trail as required by Regulation (EC) No 2064/97.

The financial and operational corrections stemming from these checks were requested. Payments for six items of assistance where serious shortcomings were detected were suspended.

- **The ESF**

During 1999 the Commission undertook 60 inspections, based on the annual programme sent to the Member States at the end of the previous year, to check on the use made of ESF funding. These programmes are discussed beforehand with the national inspection authorities in co-ordination meetings. This co-ordination (Member State, Commission departments responsible for the ESF and for inspection) seeks to increase the efficiency of inspections, which include system checks and compliance tests. System checks concentrate on the management systems put into

²⁰

Austria (2 visits), Belgium (1 visit), Denmark (1 visit), Finland (2 visits), France (4 visits), Germany (4 visits), Greece (3 visits), Ireland (2 visits), Italy (3 visits), Netherlands (1 visit), Portugal (4 visits), Spain (3 visits), Sweden (2 visits), United Kingdom (3 visits), innovative measures under Article 10 (1 visit).

place by the national authorities to manage the operational programmes while the tests are performed at the level of the promoter. The checks also cover the direct grants awarded by the Commission.

During 1999, the system audits gave special attention to checks on operational programmes whose implementation rate was low in comparison with what was expected at the programming level and in comparison with the most recent financing tables in order to identify the major difficulties in programme implementation and the main reasons for slow implementation.

The main findings of the work carried out were that there are significant delays in the approval of the legal framework for the programmes, within the decision-making process and in establishing management structures. Procedures were not always uniform within the same Member State and the administrative structures were not adequate for the tasks to be performed within the ESF. Moreover, there were insufficient checks and a lack of proper information on ESF part-financing. At the financial level, artificial inflation of matching funds, non-declaration of revenue, lack of knowledge about the national contribution and excessive claims of expenditure by Member States were detected. At the level of the promoters it was found that declarations of expenditure as a lump sum instead of expenditure incurred had been accepted, contracts with consultants were missing and there was no guidance to promoters about how to charge costs, especially overheads.

- **The EAGGF Guidance Section**

In 1999, 16 inspections were carried out to check on the use made of EAGGF Guidance Section appropriations managed by the Member States. The main aims were to assess the management and checking systems used and to check the conformity with Community rules of the financial and accounting reports and actual implementation, decisions to grant assistance and expenditure declared to the EAGGF Guidance Section. The aim was to secure the most representative possible selection of regions and administrations. At the end of the programming period in particular, attention centred on the programmes whose management systems established at regional level had not yet been inspected or which had been altered.

Some types of irregularity were detected in many Member States and in respect of many measures. They included non-compliance with Community public procurement rules, granting aid for expenditure which, by virtue of its nature or date of payment, was not eligible, substantial delays in making payments to those receiving assistance, lack of publicity and information on Community part-financing, inadequate checks and incorrect use of conversion rates. The deficiencies or in some cases gaps in the systems for managing payments were drawn to the attention of the authorities concerned. After these problems had been detected, expenditure declarations were revised downwards and Community part-financing reduced where necessary.

Particular attention was paid to measures managed directly by the Commission (pilot projects under Article 8) and a comparatively large number of inspections (24) was carried out, which enabled the Commission to take a number of decisions to recover assistance granted to those projects.

- **The FIG**

In 1999, the Directorate-General for Fisheries, which is responsible for managing the FIG, carried out eight on-the-spot inspections. Most of the projects checked had been financed by the FIG but some older projects, mainly joint enterprises, were also inspected. The checks concentrated on aquaculture projects, processing, demolition and construction. In Italy, they concerned service centres.

Compliance with the 5/10 years clause for vessels which had received construction or modernisation aid between 1984 and 1993 was also checked. Two inspections were carried out in Spain (Catalonia and Galicia), two in Portugal (Lisbon and Norte) and one each in Finland, Denmark, Italy and France.

The Directorate-General for Fisheries also took part in the inspection in Ireland organised by the Commission's Financial Control.

Inspections by the Commission's Financial Control

In 1999 DG AUDIT undertook some 54 audit missions concerning the Structural Funds. The breakdown by Fund was as follows:

ESF: 24 missions

ERDF: 18 missions

EAGGF Guidance Section: 7 missions

FIG : 5 missions

The main audit recommendations concerned:

- improved national systems for management and inspection;
- greater reliability of the declarations of expenditure, mainly by guaranteeing the eligibility of expenditure and the correct charging of general expenditure, more appropriate charging of salaries (avoiding wrongly charging them to technical assistance), greater compliance with the rules on calls for tenders and the selection of projects, enhanced checks on the risks of overlapping finance when operations fall under different programmes, improved compliance with the rules on publicity and information, correct use of the flat-rate advances provided by the Commission and the declaration of all revenue generated by the projects.

As regards the ESF, the main recommendations concerned the need for improved management and checking systems in order to prevent, detect and correct shortcomings and systematic irregularities and the fact that the Member States must ensure that the provisions governing the implementation of operational programmes include a specific structure for the 2000-06 programming period. A joint approach was also agreed with DG EMPL to permit application of a coherent, transparent and correct method for charging expenditure on a flat-rate basis.

In the cases of the EAGGF Guidance Section and the FIG, the audits on Leader and Pesca projects resulted in recommendations concerning the preparation of guidelines on ineligible costs to ensure that applications made under these multifund Initiatives

were correct. In the case of projects for the construction or renewal of vessels financed by the FIG, they stressed the need to ensure that the information on the registration of the vessels and the notification, in good and due form, to the Commission of work under these arrangements were correct and that the beneficiaries had correctly entered in separate accounts the grants received and the revenue arising from their own activities. In one specific instance, the Commission's Financial Control requested clarification of certain rules and provisions concerning the eligibility of expenditure (and their possible notification to the private sector auditors delegated by the designated authority) to ensure the validity and consistency of the certification of payments for the Commission.

In the case of the ERDF audit, the recommendations concentrated on the need for measures to deal with the systematic errors detected which had created a risk of duplication of the grants appearing in the declarations of expenditure, to ensure compliance with the guidelines agreed with the Commission on the treatment of social security charges and general expenditure which could be charged to projects and to ensure that expenditure declared to the Commission included nothing which had not actually been committed at the date of the declaration, contrary to the rules on financial implementation.

Audits were also carried out in 1999 on the 46 remaining pilot projects approved in 1987-96 for the EAGGF Guidance Section. Similarly, audits were carried out on several pilot projects which had been the subject of direct contracts with the ESF and ERDF approved in 1995-99. Some of these audits resulted in funds being recovered.

Investigations by the anti-fraud unit/office

On 1 June 1999, the anti-fraud unit (UCLAF) was replaced by the European Anti-Fraud Office (OLAF), a Commission department with operational independence²¹. Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 concerning investigations conducted by OLAF set out the conditions under which the Office will carry out its operational duties, particularly as regards internal investigations, in view of its interinstitutional nature in this regard. The legislation also requires the Director to report regularly to the European Parliament, the Council, the Commission and the Court of Auditors on the findings of investigations carried out by the Office, while respecting their confidentiality. To that end he is required to publish a report on the work of the Office.

The new legislation also gives the Office responsibilities going beyond the protection of financial interests, relating to the safeguarding of the Community's interests. It provides Commission support for the Member States in organising close and regular cooperation and coordinating their work to protect the Community's interests against fraud.

Basing itself on the work of the Office and the Member States, the Commission, as required by Article 280(5) EC, prepares an annual report on the measures taken to protect the interests of the Community and combat fraud and other illegal activities.

²¹ The new legal framework to protect the Communities' financial interests and combat fraud is published in OJ L 136 of 31 May 1999.

The data sent by the Member States to the Commission to illustrate some of these measures will be included in the Commission's general report on the protection of the Community's interests.

4.3. VERIFICATION OF ADDITIONALITY

The principle of additionality

Additionality is a general principle governing the Structural Funds' operations. Its purpose is to prevent the resources of the Funds from serving to replace national structural aid. In practical terms, this means that each Member State must - for each Objective - maintain its public or equivalent structural expenditure at least at the same level as during the previous programming period.

Programming period 1994-99

During 1999, on-going verification of additionality on the basis of updated information continued. For Objective 1, which represents almost 70% of Structural Fund aid, updated information was received from 9 of the 11 eligible Member States (Belgium and France did not provide updated tables). For Objective 2, data were received from all eligible Member States except Belgium and Denmark. In the case of Objective 5(b), updated figures were supplied by Germany, Italy, Netherlands, Austria, Sweden and the UK. New data for Objective 6 were received from Sweden and Finland.

For the general purposes of on-going verification, which is to monitor the development of Member States' public structural expenditure during the programming period in order to ensure *ex-post* compliance, the on-going verification of additionality for the period 1994-99 can now be regarded as concluded.

Programming period 2000-06

Article 11 of the new Regulation laying down general provisions on the Structural Funds implies a number of changes in the principle of additionality compared to Article 9 of the old coordination regulation. While the main philosophy of this principle - Structural Funds may not replace public or other equivalent expenditure by a Member State - is maintained, there will be some important changes in the verification procedure:

- While the verification of additionality for Objective 1 continues to be based on the level of public or equivalent structural expenditure in the sum of the eligible regions, for Objectives 2 and 3 taken together additionality will be determined by reference to the level of expenditure on active labour-market policy at national level.
- The frequency of verification is reduced to a total of three occasions: *ex-ante* verification for programming documents, a mid-term verification before 31 December 2003 and an "end of period" verification before 31 December 2005.
- An element of negotiation between the Member State and the Commission is introduced into the *ex-ante* verification when establishing the level of expenditure

to be achieved which should "as a general rule" be at least equal to expenditure in the previous programming period.

- Once the level of expenditure which a Member State is to maintain has been decided in the *ex-ante* verification, flexibility in the subsequent verifications is no longer provided through general exemptions depending on economic circumstances but through the possibility of a revision of the targeted level of expenditure after the mid-term verification if the economic situation has resulted in developments in public revenue which differ significantly from those expected at the time of the *ex-ante* verification.

In late 1999, the Member States submitted their development plans for 2000-06 for the regions eligible under Objective 1, including data to allow the negotiation of the situation regarding additionality. By early 2000, the verification had been completed for some Member States and negotiations were continuing in respect of the remainder. For Objectives 2 and 3, in view of the generally later submission of plans, negotiations on additionality did not commence until early 2000.

Court of Auditors' Special Report on Additionality

During the course of 1999, the Court of Auditors examined the implementation of the principle of additionality. This examination was based on visits by the Court to Commission departments, visits to five Member States and questionnaires sent to all Member States. A special report on additionality was adopted by the Court and published in early 2000.

The report includes several criticisms which the Court of Auditors considers need to be addressed, such as the absence of penalties for non-compliance, methodological weaknesses and organisational difficulties within the Commission. The Commission points out in its replies to the report that it too considers the lack of penalties a fundamental weakness of the principle of additionality. However, in the discussions on the Structural Funds Regulation for the new programming period the Commission's proposal to make compliance with additionality one of the criteria for the allocation of the performance reserve was rejected by most Member States. Regarding methodological problems, there have been considerable improvements in the management and transparency of the system in the past programming period. Many of the problems highlighted in the report related to non-Objective 1 areas where there are problems of data availability due to the small size of the eligible areas. Therefore, the Commission had to be much more pragmatic in the methodological requirements than for Objective 1, taking into account the specific situation in each Member State. Finally, the considerable simplification of procedures for the verification of additionality in the new programming period, in particular the changes for the new Objectives 2 and 3, should greatly improve the situation.

CHAPTER 5: COORDINATION WITH OTHER FINANCIAL INSTRUMENTS

The Council Regulation coordinating the Structural Funds ((EEC) No 2083/93) requires the Commission to ensure coordination and consistency between the Funds and assistance from the other financial instruments. Coordination is to be achieved without compromising the aims of the other instruments.

5.1. COHESION FUND

The aim of the Cohesion Fund is to promote economic and social cohesion by providing assistance in tandem with the Structural Funds. The Cohesion Fund Regulation stipulates that it may contribute to financing project stages which are financially and technically independent and that no expenditure can simultaneously qualify for aid from the Cohesion and Structural Funds. To avoid any overlap between Community assistance from different sources, stages that can be identified separately are defined using physical indicators: the Cohesion Fund may be asked to finance a clearly identified phase of a project where the ERDF has contributed to other phases. This is particularly the case with major transport projects. Those responsible for managing the Cohesion Fund regularly organise interdepartmental meetings with the other financial instruments, the ERDF in particular, to ensure the best coordination possible. As a result of the coordination procedures, no cases of double financing were detected during the inspection visits.

To harmonise the approach used as much as possible, the information requested from the Member States on major projects financed by the ERDF (those whose total cost exceeds €50 million) is the same as that requested for projects financed by the Cohesion Fund.

As regards information, every year the Commission draws up an environmental report for the European Parliament on the major projects financed by the ERDF and the Cohesion Fund (those whose total cost exceeds €50 million) (see list of ERDF major projects in Annex 5).

5.2. THE EUROPEAN INVESTMENT BANK (EIB)

In 1999, EIB lending increased by 8% over 1998. The volume of loans contracted within the Union reached €27.8 billion, as against €25.1 billion in 1998 (up 10.8%). The main beneficiaries of EIB loans in 1999 were Germany (17.3% of loans), Italy (16.9%), Spain (13.2%), the United Kingdom (12.8%) and France (12.6 %), a breakdown similar to that in 1998.

Investments in the disadvantaged regions of the Union accounted for 61% of loans within the Union. Loans for Objective 1 regions increased substantially (45% of the total in 1999, as against 36% in 1998). Loans in the Cohesion countries (Spain, Portugal, Ireland, Greece) amounted to €7 billion, 25% of the total (17.5% in 1998).

This means that in 1999 the EIB made a particular effort to direct more of its loans to the disadvantaged regions of the Union, so directly contributing to the goal of economic and social cohesion laid down in the Treaty.

EIB - funding for regional development (€ million)

	1999	1998	1997	1996
Total activity in the Union	27.765	25.116	22.887	21.018
Regional development	61%	71%	67%	70%
(of which Objective 1)	45%	38%	36%	49%

5.3. THE EUROPEAN INVESTMENT FUND (EIF)

The European Investment Fund specialises in granting guarantees and in capital transactions (equity financing) to support medium and long-term investment in two essential sectors for the Union: trans-European networks, where it strives to facilitate partnership between the public and private sectors, and small firms, where its role is to facilitate their access to funding at a reasonable cost. It is thus an instrument serving the Union's general economic development, with no particular focus on cohesion. Nevertheless, because its effects are felt throughout the Community, it also benefits regions undergoing restructuring or whose development is lagging behind.

En 1999, the loan volume guaranteed amounted to €406.6 million. Of this, €388.8 million went on trans-European networks and €17.8 million on small firms. In addition, cross-guarantees were signed under the "SMEs guarantee facility", which do not require a commitment of the EIF's own funds.

"Growth and environment" pilot project

Under this project, launched by the European Parliament, the EIF provides guarantees free of charge to financial intermediaries for loans to finance environmental investments by small firms. By the end of 1999, the EIF had signed 28 agreements of this type in all the Member States. The guarantees provided in 1999 amounted to €17.75 million.

European mechanism for technologies (MET)

The Amsterdam European Council in June 1997 asked the EIB, in cooperation with the EIF, to establish a facility to finance high-technology projects in small firms. The EIB therefore instructed the EIF to invest up to €125 million over three years in venture-capital funds for small firms developing or using advanced technologies. By the end of 1999, a further €13.8 million had been contracted in this area, bringing the EIF's total commitment to 68.7% of the €125 million provided.

"Growth and employment" initiative

This initiative is a programme of financial assistance to small firms which are innovative and create jobs. The EIF manages two of its components:

- financing technological start-ups: The planned budget is €150 to €190 million, to be committed by 31 December 2002. During 1999, some €30.6 million was committed for this purpose in four Member States (France, United Kingdom, Finland and Sweden);

- guarantees for small firms: the EIF provides cross-guarantees and co-guarantees for public or private projects to improve access to loans for the projects by sharing the risk with national guarantee bodies. During 1999, the EIF signed agreements covering a total of over €1 155 million with venture-capital companies in eight Member States.

5.4. THE FINANCIAL MECHANISM OF THE EUROPEAN ECONOMIC AREA (EEA)

Under the Agreement on the European Economic Area, a financial mechanism to promote economic and social cohesion in the Community through grants and interest-rate subsidies from the members of the EEA (Norway, Iceland, Liechtenstein) was established on 1 January 1994.

Under Protocol 38 to the Agreement, for the period 1994-98 the Mechanism will have funds permitting grants totalling €500 million to be made and interest-rate subsidies of 2% per year on EIB loans totalling €1.5 billion to be provided.

The beneficiaries of financial assistance from the Mechanism are Greece, Ireland, Northern Ireland, Portugal and the Spanish regions eligible under Objective 1 for 1989-93. The projects part-financed concern mainly the environment, transport, education and training.

A series of reports on implementation of the Mechanism has been drawn up, the most recent covering the period 1 July 1998 to 30 June 1999.

1998 was the last year for commitment of the planned funding and so no new grants were made.

At its meeting on 18 May 1999 the EEA Council agreed the outline of a new financial arrangement, the details of which should be adopted by the EEA Joint Committee during the second quarter of 2000.

5.5. EDUCATION AND TRAINING PROGRAMMES

Coordination of the Structural Funds with the education and training programmes, particularly Leonardo, continued during 1999. The Commission stepped up coherence and complementarity between these two policies, in accordance with Articles 149 (formerly 126) and 150 (formerly 127) of the Treaty. The following new policy initiatives to that end were presented in 1999:

- A Council Decision establishing the second phase of the Community action programme 'Leonardo da Vinci' for the period 2000-06. This decision provides for greater complementarity with structural assistance, particularly the ESF²². Furthermore, in future Community measures in the fields of education and training will have to be implemented in such a way as to encourage life-long education and training.
- A Council Decision on the promotion of European pathways to work-linked training, including apprenticeship" came into force on 1 January 2000. This

²²

1999/382/EC of 26 April 1999, in particular Recital 10 and Articles 6 and 9.

Decision²³ creates Europass-Training, a Community information document which certifies that the European pathway has been completed. This approach concerns work-linked training, including apprenticeship, irrespective of the circumstances regarding mobility and particularly in the context of Community programmes and Initiatives in the field of education and training, including the Leonardo programme.

5.6. COMMUNITY FUNDING FOR TRANS-EUROPEAN NETWORKS

Although the TENs Regulation does not in principle permit the same phase of a single project to be financed both by the TENs budget and from other Community sources, coordination between the TENs budget and the Structural Funds is important if assistance is to be implemented smoothly: for example, feasibility studies financed through the TENs budget may be followed by support from the Structural Funds and the EIB for the (part-)financing of the actual investment.

Frequently, in the area of transport, the ERDF finances works designed to give access to a link which is itself financed from the TEN budget line. In 1999 the TENs budget line had €29 million in commitment and €16 million in payment appropriations for energy and €499 million in commitment and €84 million in payment appropriations for transport. At about the same time in mid-1999 as the reform of the Structural Funds under the Community's "Agenda 2000" programme, the TEN Financial Regulation ((EC) No 2236/95) was amended by Regulation (EC) No 1655/1999 to provide for medium term planning via multi-annual investment programmes and for the encouragement of public-private partnerships, together with the use of a small amount of the budget line (1-2%) for projects involving risk capital. It provided a total of €4.6 billion for the three TEN programmes for the years to 2005, and for an assistance rate of 20% in support of Global Navigation Satellite Systems from 2003 onwards. The TEN Transport Guidelines (Decision 1692/96/EC) were the subject of a Commission proposal regarding support for seaports, inland ports and intermodal terminals, put forward in 1997, on which the Council reached political agreement on a common position in June 1999.

²³

1999/51/EC of 21 December 1998.

CHAPTER 6: COMPATIBILITY AND COMPLEMENTARITY WITH THE OTHER COMMUNITY POLICIES

Article 7 of the Framework Regulation governing the Structural Funds (Council Regulation (EEC) No 2052/88, as amended by Regulation (EC) No 2081/93) requires the measures financed by the Structural Funds, the EIB or another financial instrument to comply with the provisions of the Treaties, with particular regard to the competition rules and the award of public contracts. Such measures must also be compatible with the Union's other major policies.

Chapter 1.2 ('Development of thematic priorities for cohesion') has already covered the compatibility of the Structural Funds with **employment policy** (section 1.2.1) and so this subject will not be examined here.

6.1. THE STRUCTURAL FUNDS, THE COMMON AGRICULTURAL POLICY (CAP) AND THE COMMON FISHERIES POLICY

The reform of the CAP

The reform of the common agricultural policy decided on by the Berlin European Council on 24 and 25 March 1999 is intended to prepare European agriculture to meet the challenges it will have to face both at home and abroad after 2000.

The reform will promote a style of agriculture which is more competitive but also more environmentally-friendly. It also marks a further stage towards a policy of supporting farmers rather than products, and paying farmers not simply for what they produce but also for the work they do on behalf of society as a whole.

The reform will also constitute the basis for the Union's position during the next round of multilateral trade negotiations, which began in November 1999 under the auspices of the World Trade Organisation (WTO).

In the longer term, the reforms begun now will result in propitious conditions for the adjustment of the agricultural aspects of the economies of the applicant countries, which will be facilitated by the finance provided for the so-called 'pre-accession' structural measures.

The CAP and rural development

Furthermore, the future of agriculture is closely linked to the balanced development of the countryside, which accounts for 80% of the area of Europe. The Community's interest in this problem is clear: policy on agriculture and the countryside has an important role to play in the territorial, economic and social cohesion of the Union.

The new rural development policy, which has become the "second pillar" of the CAP, meets these concerns. As a vital element in the European model of agriculture, it seeks to establish a coherent and sustainable structure which will guarantee the future of rural areas and promote the maintenance and creation of jobs.

The common fisheries policy

The priority of the structural policy on fisheries, an aspect of the common fisheries policy, is to find a lasting balance between fisheries resources and their exploitation; it must also contribute to the maintenance and sustainable development of firms in the sector and improve the supply and development of fisheries and aquaculture products. It must also help give a fresh boost to areas dependent on fisheries.

Under no circumstances may aid to the fishing fleet, whether Community or national, increase the fishing effort. Apart from aid for the definitive withdrawal of capacity, which is still available, public aid for the construction of new vessels is authorised only if there is a definitive withdrawal, without public aid, of at least an equivalent, and in some cases considerably greater, amount of fisheries capacity.

In addition, assistance part-financed by the FIG must assist all parts of the sector (fleet, processing and marketing of products, aquaculture, port facilities) to cope with a number of challenges: the globalisation of economies, increased consumer requirements in terms of product quality, stricter health rules and improved working conditions on board ship.

6.2. THE STRUCTURAL FUNDS AND THE ENVIRONMENT

The Structural Fund Regulations and the environment

Under the Structural Fund Regulations covering 2000-06, environmental considerations must be taken into account more systematically. Thus, sustainable development and protecting and improving the environment now feature in all the Funds' Objectives and must be included in the preparation, monitoring and evaluation of programmes.

The environment principle is to be found in the rules on composition of partnership, the compatibility of operations receiving financing from the Funds and the level of contribution rates, and is chiefly applied through the principles of precaution, preventive action and polluter-pays.

Plans and measures must also include *ex-ante* evaluation of the environment situation in the region concerned, which must provide figures, an estimate of the expected impact of the strategy and proposed measures on the existing situation, and the steps taken to include the environmental aspect in the measure and to ensure that the Community environment rules are complied with.

In addition to the Regulations, the Guidelines for Programmes in the period 2000-06 lay particular emphasis on the integration of the environmental dimension in all policy sectors. This is consistent with the two horizontal principles contained in the guidelines: sustainable development and equal opportunities.

Furthermore, these guidelines stress the need for investment in infrastructure for a high-quality environment, in particular in the sectors of water and waste management. Lastly, it is recognised that environmental quality and improvement contribute to the competitiveness of small businesses.

Environmental legislation and the Structural Funds

Two major fields of environmental legislation to be complied with when implementing operations under the Structural Funds are nature protection and the environmental impact assessment.

Nature protection is covered by two Directives: Council Directive 92/43/EEC of 2 May 1992 on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive²⁴) and Council Directive 79/409/EEC on the conservation of wild birds²⁵.

Directive 92/43/EEC provides for the establishment of a European network of protected sites (Natura 2000) which includes protection areas designated under both Directives. A number of problems and delays arose in the implementation of 1994-99 programmes. These problems were due to the failure by several Member States to designate the sites to be protected, thereby creating uncertainty as to the status of certain sites affected by operations supported by the Funds.

To avoid similar problems during the period 2000-06 and to ensure that all measures comply with Community environmental legislation, Mrs Wulf-Mathies, the Member of the Commission responsible for regional development and Mrs Bjerregaard, the Member responsible for the environment, addressed a letter to the Member States reminding them of their obligations under the above-mentioned directives and urging them to complete the list of sites to be protected as soon as possible.

This was an important initiative which highlighted the Commission's commitment to compliance with all Community policies, in particular environmental policy and the nature protection Directives.

The Environmental Impact Assessment (EIA) Directive 85/337/EEC²⁶ was amended by Directive 97/11/EC, which entered into force in March 1999. The amendment strengthened certain aspects, such as the types of infrastructure projects included in Annex I which are subject to an EIA in all cases. It also defined more precisely how Member States should determine whether other types of projects included in Annex II should be made subject to an EIA in accordance with the procedure laid down in the Directive.

In addition, the rules governing the involvement of authorities with specific environmental responsibilities and consultation of the public in general were reinforced and clarified, thereby promoting and facilitating the active participation of the authorities and the public concerned.

²⁴ OJ L 206, 22.7.1992.

²⁵ OJ L 103, 25.4.1979.

²⁶ OJ L 175, 5.7.1985.

6.3. STRUCTURAL FUNDS AND BUSINESS POLICY

The Commission Guidelines for the Structural Funds (2000-06) adopted in July 1999 stress the importance of promoting an environment conducive to business activity for achieving improved regional competitiveness and expanding employment: business policy contributes to a large extent to the regional policy objective of regional economic development.

A key development in business policy in 1999 was the launch of the process to implement the BEST action plan "Promoting Entrepreneurship and Competitiveness". This action plan brings together for the first time all measures affecting business and the business spirit. Concerted actions play an important part in the follow-up the BEST action plan. Concerted actions have been recognised as a practical, flexible and effective way for the Commission and the Member States to work together to improve competitiveness by identifying best practice. On 9 November 1999 the Commission adopted a Report²⁷ on the results of concerted action, including good practices relating to training and information for start-ups, finance and the direct services provided for incubators.

As regards the craft sector, action focused on monitoring and disseminating the outcome of pilot actions on transnational cooperation and training for micro and small businesses. A brochure was published and is available on the Internet.

In its White Paper on Commerce²⁸, the Commission identified good practices applied to commerce in disadvantaged rural areas. These were widely distributed so that they could be applied to local situations, with particular regard to the implementation of the Structural Funds. It also began to identify good practices in commerce in disadvantaged urban areas.

Business networking activities such as Europartenariat also continued in 1999 (see section 2.1.9).

As regards innovation, the Commission acknowledged its regional character and participated in efforts contributing to the development of regional innovation strategies (RITTS/RIS - see section 2.1.9.). During 1999 the Regional Innovation Policy Measures Resource Base (RINNO), a new tool to exchange good practice between European regions, was launched. This project will provide the regional actors with a resource base of good practice measures, containing case studies and a directory of regional support measures for the promotion of innovation in the EU.

²⁷ Report on concerted action with the Member States in the field of enterprise policy (COM(1999) 569 final).

²⁸ COM(1999) 6 final.

6.4. THE STRUCTURAL FUNDS AND RESEARCH AND TECHNOLOGICAL DEVELOPMENT (RTD)

There were two sets of important events in the area of coordination between RTD policy and structural policy in 1999: approval of the specific programmes in the 5th framework programme and approval of the Regulations on the Structural Funds in 2000-06.

RTD and innovation in the reform of the Structural Funds

The reform of the Structural Funds has had a positive impact on the possibilities for the future financing of measures linked to RTD and innovation from structural assistance in 2000-06:

In addition to financing infrastructure, the ERDF contributes to the development of endogenous potential by *"financing the transfer of technology, including in particular the collection and dissemination of information, common organisation between enterprises and research establishments and financing the implementation of innovation in enterprises."* The ERDF supports *"research and technological development with a view to promoting the introduction of new technologies and innovation and the strengthening of research and technological development capacities contributing to regional development."*

The scope of the ESF includes *"promoting innovation and adaptability in work organisation, developing entrepreneurship and conditions facilitating job creation, and enhancing skills and boosting human potential in research, science and technology"*.

Under the rural development regulation²⁹, the EAGGF may support *"the introduction of new technologies and the improvement of product quality."* However, the EAGGF may not provide support for measures to promote research projects.

Ex-ante evaluations under the 2000-06 programmes must take particular account of the situation regarding competitiveness and innovation. Initial data for analysis suggest that RTD and innovation will continue to play an important role in Structural Funds assistance. The Commission intends to defend the position it adopted on 27 May 1998 in its communication "Reinforcing cohesion and competitiveness through research, technological development and innovation", which favoured using operations linked to RTD and innovation in the modernisation and diversification of regional economic structures. The final reports of the two thematic evaluations concerning structural assistance in 1994-99 in the areas eligible under Objectives 1 and 2, which were submitted in 1999, confirm the guidelines set out in the communication.

Cohesion and the framework Programme for RTD and Demonstration

At 31 October 1999, the proposals selected under the first calls for proposals for the 5th framework programme for the cohesion countries totalled 642 in Greece, 1 161 in Spain, 274 in Ireland and 304 in Portugal. This participation accounts respectively for 3.6%, 6.5%, 1.5% and 1.7% of all the countries participating. These rates are

²⁹

OJ L 160, 26.6.99: Council Regulation (EC) No 1257/1999 of 17 May 1999 on the EAGGF.

lower than the rates of proposals submitted, which stand at 4.3%, 7.1%, 1.6% and 2.1% respectively, suggesting that efforts to raise the quality of proposals in those countries must be continued.

During 1999 the Commission prepared its communication "Towards a European research area" (COM(2000) 6 of 18 January 2000), which marks an opening towards the regional level. The Commission proposes giving the regions a greater role in the European research effort and, in particular, in the construction of the European research area.

6.5. THE STRUCTURAL FUNDS AND THE TRANS-EUROPEAN NETWORKS

While both transport and energy TEN projects of common interest are financed from the TEN budget line, the Cohesion Fund provides specifically for transport infrastructure and the ERDF for both transport and energy. Article 2 of the ERDF Regulation ((EC) No 1783/1999) provides that, in regions covered by Objective 1, the Fund shall contribute to the financing of investment in infrastructure contributing to the establishment and development of trans-European networks. It is charged with the improvement of access for enterprises to finance and loans by creating appropriate financing instruments. In this connection, the Community also encourages public/private partnerships by, *inter alia*, providing a higher rate of assistance where its aid takes a form other than a cash grant.

6.6. THE STRUCTURAL FUNDS, CULTURE AND TOURISM

1999 was a particularly fruitful year in the **cultural field** as far as regional development was concerned. Most of the 32 pilot projects for interregional cultural cooperation under Article 10 of the ERDF were completed (see section 2.1.9). The final report and evaluation of its results will enable experiences and lessons to be drawn which will promote culture as a factor of cohesion and affirmation of the identity of an area.

The new general Regulation on the Structural Funds recognises the importance of the cultural aspect of life in promoting regional development. Similarly, the new ERDF Regulation includes in its scope, for the first time, "*cultural investment, including the protection of cultural ... heritage, provided that they are creating sustainable jobs*" (Art. 2). This legal framework offers high hopes that culture can take a bigger role as the driving force for regional development in 2000-06.

The importance of tourism for regional economies was confirmed in 1999 following the conclusions of the high-level Group on tourism and employment³⁰. In its communication of 28 April 1999 "Enhancing tourism's potential for employment"³¹, the Commission acknowledged tourism's "essential place in the integration of the economies of Europe's regions and in the enhancement of their cultural and natural resources" and its role as a "driving force in economic activity in many areas across the Community, including rural areas and those affected by industrial decline". It concludes that "In order to ensure optimum results from the substantial funding

³⁰ European tourism - new partnerships for employment' European Commission - DG XXIII, Brussels, October 1998.

³¹ See also the 10th Annual Report on the Structural Funds (1998), Section 6.7.

³¹ OJ C 178, 23.6.1999, p. 3.

provided, it is essential to ensure the integration of sustainable tourism strategies into a wider economic development perspective."

The conclusions of the Council (internal market) of 21 June 1999 on tourism and employment picked out four aspects for further work: facilitating the exchange and dissemination of information, notably through new technologies, improving training in order to upgrade skills in the tourism industry, improving the quality of tourist products and promoting environmental protection and sustainable development in tourism.

The Commission also issued three publications on the integrated management of the quality of coastal, rural and urban tourist destinations³².

6.7. THE STRUCTURAL FUNDS AND COMPETITION POLICY

One of the main aims of the policy on economic and social cohesion is to reduce the gap between the levels of development of the different regions. Since structural policy is a supporting policy, the work of solidarity as regards the development of the regional economies takes place primarily at national and regional levels. This means that the areas eligible for State aids for regional purposes should coincide as far as possible with the areas eligible under the Structural Funds.

In its communication on the links between regional and competition policy³³, the Commission therefore proposed that the criteria for eligibility under Article 87(3)(a) of the Treaty and for identifying regions whose development is lagging behind under Objective 1 should be exactly the same. In addition, the greatest possible consistency should be sought between the areas eligible under Article 87(3)(c) of the Treaty and those eligible under Objective 2 and the former Objective 6. These principles were accepted by the Council, and form the 16th recital to the general Regulation on the Structural Funds, which includes the aim of increasing consistency by the end of the period 2000 to 2006 with regard to the current situation, by an appropriate effort by Member States.

The complementarity and synergy of the two policies are also clear when we look at the compatibility of regional aids with the single market. Here the Commission pays particular attention to the potentially beneficial effects of aid to facilitate the economic development of the most disadvantaged regions, provided that the conditions for competition and trade between Member States are not affected in a way contrary to the common interest. These principles are applied not only to consideration of specific schemes but also with regard to horizontal provisions. That is why the new Community guidelines on State aid for rescuing and restructuring firms in difficulty³⁴ amend the Guidelines on national regional aid³⁵ by permitting the taking over of a firm in difficulty to be regarded as an initial investment, and so eligible for regional aids.

³² Towards quality coastal tourism, Towards quality rural tourism, Towards quality urban tourism. European Commission - DG Enterprise, Tourism unit, Brussels, Luxembourg (OOPEC) 1999.

³³ OJ C 90, 26.3.98.

³⁴ OJ C 288, 9.10.99.

³⁵ OJ C 74, 10.3.98.

In accordance with Council Regulation (EC) No 994/98 on the application of Articles 87 and 88 of the Treaty to certain categories of horizontal State aid³⁶, the Commission continued its work on the reform of the rules of procedure applicable to aids less likely to create distortions of competition. Draft regulations exempting *de minimis* aids, aids for training and aids for small firms were published. These draft regulations should result in a simplification of the procedures governing Community part-finance for certain aid schemes during the programming period 2000-06.

6.8. THE STRUCTURAL FUNDS AND THE TRANSPARENCY OF PUBLIC PROCUREMENT

Article 12 of the general Regulation on the Structural Funds requires operations receiving Community finance to be "in conformity with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions, including the rules ... on the award of public contracts." The management of the Structural Funds has been further decentralised, thereby increasing the responsibility of the Member States, and in particular the managing authorities, when awarding contracts financed from Community funds. To ensure that these procedures meet Community standards, the Commission, without prejudice to powers to intervene where there has been an infringement of Community law, is encouraging the adoption of preventive measures by the national authorities, such as appropriate training for staff involved in the award of contracts and the production of guides and handbooks on this topic.

The Commission ensures that the procedures for awarding contracts respect Community law by checking on the transposition of the relevant Community directives and by using its powers to intervene where Community law is contravened.

³⁶

OJ L 142, 14.5.98.

CHAPTER 7: INTERINSTITUTIONAL DIALOGUE, DIALOGUE WITH THE ECONOMIC AND SOCIAL PARTNERS, INFORMATION AND COMMUNICATION

7.1. INTERINSTITUTIONAL DIALOGUE

A constant dialogue between the various institutions of the Union is an essential component of the implementation of Community policies and the structural policies are naturally no exception to this principle. Exchanges may be of many types, formal (e.g. meetings of Parliament or its specialist committees, ministerial meetings) or informal (seminars or joint working parties). In 1999, as in 1998, the main subject considered was the reform of the Funds, and in particular the implementation of the new programming period.

7.1.1. *Dialogue with the European Parliament*

Dialogue with the European Parliament occurred mainly within Parliament's subject-based Committees.

Following the elections of 13 June 1999, the Committee on Regional Policy merged with the Committee on Transport to form the Committee on Regional Policy, Transport and Tourism. This merger meant that questions relating to transport tended to dominate.

The main feature of the first half of 1999 was the preparation of the new regulations for the Funds, which resulted in four ordinary meetings and one extraordinary one. The Commission was represented at the highest level with the result that Ms Wulf-Mathies, the Member responsible for regional policy at the time, attended several meetings of the Committee, notably in January to give a progress report and in March to explain the results of the Berlin Council. The reform of the Structural Funds gave rise to a large number of reports. Ms Wulf-Mathies also presented the Commission Guidelines for the new programming period. Parliament's Committee also took note of the Sixth periodic Report on the social and economic situation and development in the regions, on which the Director-General for regional policy spoke. After their nomination, the new members of the Commission attended hearings by Parliament.

Once he had been nominated, at the October meeting, Mr Barnier presented in person the draft guidelines for the Interreg III and Urban Community Initiatives, which the Commission had just adopted. At the request of Parliament's Committee, a technical seminar on regional policy was organised for new members at the same time as the October meeting.

In future, relations with Parliament, including its Committee on Regional Policy, Transport and Tourism, will be governed mainly by the new code of conduct on the implementation of the structural policies, signed on 6 May 1999 by the President of the Commission, Mr Santer, and the President of Parliament, Mr Gil Robles. This places on the Commission a substantial number of obligations towards Parliament, particularly as regards programming, the Community Initiatives, innovative measures, the partnership, evaluation, financial implementation, the implementing regulations and the annual reports.

In 1999 the European Social Fund enjoyed very close relations with Parliament's Committee on Social Affairs and Employment. Under the new Code of Conduct, the Commission met the Secretariat of Parliament's Committee on Social Affairs and Employment on a number of occasions to lay down the arrangements and practical details of this Agreement, which allows Parliament to become more involved in various areas of concern to the European Social Fund. At the same time, the ESF also met the newly elected Members in the ad hoc working party to look at a number of matters concerning the new programming period 2000-06. Those meetings covered general matters relating to various aspects of the reform of the ESF, the use to be made of the finance available, innovative measures and the guidelines for Equal.

The main feature of the discussions with Parliament on rural development was the adoption of the new Regulation (EC) No 1257/1999 on which Parliament gave its opinion on 6 May. The Commission also took part in the discussion on Leader + organised by Parliament's Committee on Agriculture and Rural Development on 29 and 30 November and the discussion of the document "Coordination of the Structural Funds and the Cohesion Fund", organised by the same Committee, on 6 and 7 December.

As regards fisheries, at its plenary session on 6 May 1999 Parliament adopted a resolution on the two proposals for Council regulations.

Response to the comments of the European Parliament on the previous annual report on the Structural Funds (1998):

The report by Mr Turco (Committee for Regional Policy, Transport and Tourism) on the 10th annual report on the Structural Funds (1998) contained comments and asked the Commission to clarify certain points or undertake new measures. This section sets out Parliament's main requests and seeks to reply to them.

- Parliament "*called on the Commission and the Member States ... to accelerate the current programming [2000-2006]*". The Commission began the programming process for the period 2000-06 as soon as the new regulations on the Structural Funds had been adopted. *Guidelines* were sent to the Member States to help them take better account of the Community's priorities for the whole programming period. The Commission received the first plans (draft programmes) for Objectives 1 and 3 by the end of 1999 while those for Objective 2 arrived between January and June 2000. Once the Commission had checked that these plans were acceptable (within ten working days), negotiations with the responsible authorities in each Member State began. The first programming documents were adopted in April 2000. In any case, irrespective of the date of adoption of a programme, expenditure relating to that programme is eligible once the Commission has received a plan which it considers acceptable.
- *Parliament requested the Commission to improve coordination and strategic convergence between Objectives.* The simplification introduced in the new programming period will meet this concern: the existence of three Objectives instead of the seven which existed in 1994-99 will automatically improve coordination between them. The texts of the programmes are also required to demonstrate a link between ESF measures under Objective 3 (horizontal) in the national employment plans and those in the programmes for the regionalised Objective 2.

- *Parliament asked to be kept informed of the state and assessment of the Territorial Pacts for Employment.* The second progress report on the territorial pacts, drawn up in November 1999, has been sent to Parliament, which was also invited to the Conference on the results (several Members attended).
- Parliament called on the Commission "to ensure that ... regional development initiatives provide for the protection of sites which are ... considered to be of Community importance." The Commission can adopt the programmes only if the Member States provide in advance the list of protected sites under the Natura 2000 directive and undertake to provide a further list of sites within not more than six months of adoption of the programme concerned.
- *Parliament called on the Commission to find instruments for improving the verification of the principle of additionality.* In the period 2000-06, additionality will be verified at three key points in programming: verification ex-ante, submitted by the Member States in the plan, halfway through the period and immediately before the end of the period. In addition, the arrangements for verification have been simplified: it will operate as before for Objective 1 programmes, which posed no methodological problem, but will cover Objectives 2 and 3 together, using a sample of active labour market measures.
- *Parliament called on the Commission "to strengthen controls over the implementation of programmes."* Checks form an integral part of the implementation of the Structural Funds and so are one of the priorities selected by the Commission for the new period 2000-06. Unfortunately, in 1998 some on-the-spot inspections by the departments managing the Structural Funds had to be cancelled through lack of staff. However, the number of inspections by the ERDF increased substantially in 1999 (36, as compared with 22 in 1998). The fresh responsibility for checks given to the Commission by the new regulations should meet this concern: the Member State has primary responsibility for checks while the Commission is responsible for checking the systems established in each Member State. In addition, the establishment of OLAF (Anti-Fraud Office) will expand inspection work.
- Parliament called on the Commission "to forward more detailed and transparent reports on the results of its checks." The framework agreement between the Commission and Parliament on the transmission of documents signed in June 2000 will now provide a clearer framework for the exchange of this type of document between the two institutions.

7.1.2. Opinions of the Structural Funds Committees

In 1999 the Committee on the Development and Conversion of Regions (CDCR), which is responsible for Objectives 1, 2 and 6, met five times, initially on 12 March in its earlier format as an Advisory Committee and on four further occasions following the reform of the Structural Funds. Under the new general Regulation on the Funds, the CDCR may, depending on circumstances, act as a Management Committee or as a Consultative Committee. Acting as a Management Committee, the CDCR considered the Interreg and Urban Community Initiatives, although it did not adopt a formal opinion before the end of the year; as a Consultative Committee, it discussed the boundaries of the areas eligible under Objective 2 in Belgium, the Netherlands, Denmark, Finland and Germany. It also began work on three

implementing regulations under Article 53 of the general Regulation, the use of the euro in implementing the budget of the Structural Funds, information and publicity measures for Structural Fund assistance to be carried out by the Member States and the eligibility of expenditure in the context of operations part-financed by the Structural Funds. The Management Committee for the Community Initiatives met for the last time on 23 April 1999.

The ESF Committee had been scheduled to meet four times in 1999. Unfortunately, following a dispute between Parliament and the Council over comitology and finance, the June meeting had to be cancelled. At each meeting, the members of the Committee received updates on the European Employment Strategy and received full documentation on this subject. The members were informed of progress in discussions on the new ESF Regulation and its scope, which was being considered. At the September meeting several Member States submitted the priority areas and policy aspects taken into account for the new programming period. These concentrated on the reference framework, the content of the new Objective 3 programme and the link between the ESF and the European Employment Strategy. The new Equal Community Initiative was also considered at several meetings and at the December meeting, following long discussions on the various aspects and implications of the text submitted, the Committee adopted its opinion on that Initiative. It also spent considerable time discussing the indicators to be used for the ex-ante evaluation of the new programmes and checks. The Committee issued its opinion on the Commission's draft implementing regulation on the use of the euro and on the implementing regulation on information and publicity. At the December meeting it began discussion on the implementing regulation on the eligibility of expenditure and this will continue in 2000.

The Management Committee on Agricultural Structures and Rural Development (STAR Committee) met on 19 occasions in 1999 and issued 102 favourable opinions; one consultation resulted in no opinion. These opinions concerned mainly the arrangements for financial checks by the Member States, the measures under Regulation (EC) No 950/97 on improving the efficiency of agricultural structures, under Regulation (EC) No 2078/92 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside and under Regulation (EC) No 951/97 on the processing and marketing of agricultural products. The Committee also discussed a number of subjects, including the implementing regulation on the use of the euro, the Guidelines on the ex-post evaluation of Objective 5(b) programmes, the Leader II Initiative and measures concerning Regulations (EC) Nos 950/97 and 2078/92, the transitional rules for the application of Article 53 of the rural development regulation in 2000-06, the financial breakdown among the applicant countries under SAPARD, the draft regulation on the implementation of Regulation (EC) No 1268/1999 concerning SAPARD and the Guidelines for the new Leader + Initiative.

7.1.3. *Dialogue with the Economic and Social Committee*

The Commission continued to follow closely the work of the Economic and Social Committee (ESC). In addition to its opinions on the annual reports on the Structural Funds and the Cohesion Fund, which were occasions for taking a general view of the area, the ESC's concerns as regards regional policy centred primarily on the Sixth periodic report on the economic and social situation and development of the regions of the European Union and the Interreg III and Urban Community Initiatives. With

regard to Urban, the ESC issued an own-initiative opinion on sustainable urban development.

At its May meeting, the ESC also issued an opinion on the proposal for a Council Regulation laying down the details of structural measures for fisheries.

7.1.4. Dialogue with the Committee of the Regions

Overall, the work of the Committee of the Regions on regional policy in 1999 resulted in the issue of 22 opinions. The dialogue with the Commission concentrated on three main topics:

- guidelines for the new programming period 2000-06, on which the Committee adopted a resolution on the principle of partnership and its implementation in the reform of the Funds in which it reiterated its attachment to that principle. The Committee also gave a positive opinion on the Guidelines on the Community Initiatives for 2000-06, after hearing the European organisations representing regional and local authorities. On that occasion, the Director-General for regional policy addressed the Committee, stressing the need to involve those on the spot, to simplify programme management and to disseminate experience widely;
- matters relating to cohesion and regional planning, with opinions on measures to encourage investment, the Commission's communication on "Cohesion and transport" and the European strategy for the improvement of coastal areas;
- the statutory reports on the Structural Funds, the Committee gave its opinions on the annual report on the Cohesion Fund (1997) and the Sixth periodic report on the situation of the regions.

In addition, 12 opinions by the Committee were accepted by the Directorate-General for Regional Policy, including those on "the territorial pacts for employment and their link with the Union's structural policies" and the "action framework for sustainable urban development".

The Committee also adopted an opinion on the proposal for a regulation on structural actions in the fisheries sector and on the proposal for a Council Regulation on the arrangements and conditions for structural measures in fisheries.

7.2. DIALOGUE WITH THE ECONOMIC AND SOCIAL PARTNERS

In 1999 the dialogue with the economic and social partners concentrated on preparations for the new period 2000-06. The annual consultation of the social partners at European level, which was held in January 1999, gave them an opportunity to express their comments and concerns about the progress of the reform: they feared a renationalisation of assistance from the Funds because of the greater margin for manoeuvre available to the Member States, particularly in the case of Objective 2, they wanted to see the decentralisation of implementation continue at sub-national levels (regions and local authorities), they regretted that the new regulations on the Funds made no reference to services of general interest and they wanted to see the development of new forms of part-financing (financial engineering).

While supporting the work on regional planning carried out by the Commission, they had some criticisms. While supporting the work on regional planning carried out by the Commission, they had some criticisms. They regretted in particular that some Member States had not involved them in the process of drawing up the ESDP despite the important role they played at local level. They also regretted the absence of the social dimension from the draft. Some wondered whether or not the ESDP was binding on national, regional and local authorities.

At a meeting in February, the Directorate-General for Fisheries informed the Advisory Committee on Fisheries, which comprises representatives of the profession, of the proposal for a Council regulation laying down the arrangements and conditions for structural actions in the fisheries sector. That text was presented to the contact group between the Commission and the non-governmental organisations (NGOs) in the environment and development sectors at a meeting on 3 March 1999.

7.3. INFORMATION AND COMMUNICATION, EXCHANGE OF EXPERIENCES

In the information field the highlight was the preparation of the Commission Regulation on the information and publicity measures to be taken by the Member States concerning assistance from the Structural Funds in 2000-06. The Commission took a decision of principle on that Regulation on 24 November 1999. It specifies in particular the arrangements for the measures to be taken by the managing authorities in the form of a communications action plan, the designation of those responsible and finance.

In the field of regional policy, on 25 October the Commission organised a seminar on the implementation of the rules on information and publicity for the forthcoming programming period for the Structural Funds (2000-06) attended by representatives of national administrations and a large number of regions and intended to draw up an overview of the work of the Member States on information and publicity during the 1994-99 programming period. The final report of this event was circulated widely. The 1999 work programme includes the organisation of or support for 48 events and conferences.

The other main events were:

- four information meetings for representatives of regional offices located in Brussels,
- the Forum on the conclusions of the ESDP held in Brussels on 2 and 3 February,
- the publicity conference on the Territorial Pacts for Employment from 8 to 10 November 1999,
- the information day on Interreg III on 29 November.

During the German Presidency, a seminar on the impact and future of European regional policy in Germany was organised in Leipzig for the German regional press on 28 April. Likewise, during the Finnish Presidency, a seminar on the impact and challenges of European regional policy in Northern Europe was organised in Oulu for the Finnish, Swedish, Norwegian regional press and some selected journalists from the Baltic States and Russia on 28 and 29 October.

During the Finnish Presidency, the Commission took part in a number of events in Finland:

- the congress of European trades union, from 28 June to 2 July in Helsinki,
- the meeting of the association of municipal authorities on 16 and 17 September in Helsinki,
- the conference of Peripheral Maritime regions, from 22 to 24 September in Vaasa,
- the "Helsinki Millennium" meeting, on 21 and 22 October in Helsinki.

Over the last three years, the Directorate-General for regional policy has rewarded regional television programmes at the CIRCOM Annual Conference. On 2 June at Cavtat in Croatia, the prizes were awarded before 600 representatives of public regional television stations.

The Structural Funds Regulations for 2000-06 and the overview of the work of the ERDF in 1994-99 were published both on paper and electronically. Documents on specific aspects of regional policy, regional planning, the territorial pacts, urban policy, culture, evaluation and the Community Initiatives were also printed.

The main publications during the year include the two brochures containing selections of significant projects implemented in France and the United Kingdom with support from the ERDF (*Tour de France des régions* and *Driving regional development*), the collection of volumes of the MEANS evaluation programme, the *European Spatial Development Perspective* (production of which is continuing in 2000), several volumes on the Cohesion Fund, collections of datasheets on the territorial pacts for employment, the Inforegio sheet *Urban: fresh hope for disadvantaged areas*, the brochure *Culture, a resource for the regions*. The Inforegio News information sheet continued to be published in the eleven languages of the Union.

The Inforegio Internet site and the Europa website pages on regional policy were regularly updated.

The main information and communications work concerning the ESF in 1999 entailed:

- making the operation of the Fund more transparent by explaining its goals and method of assistance and presenting its results through concrete examples;
- making the Fund more visible to different target publics through communication measures stressing the "European Employment Strategy" dimension.

In addition, particular attention was paid to supporting measures carried out by national authorities in pursuit of the same goals. Accordingly, the informal network of national heads of information for the ESF, set up by the Commission in 1995, continued its work. The sixth seminar for the network was held in Uppsala, Sweden in June. A significant study on implementation of national publicity measures concerning the ESF in all the Member States was also carried out. The ESF publications programme for 1994-99 was completed with the publication of an

annual progress report on employment and the ESF for 1998 aimed at the general public and the periodical "InfoReview ESF".

Within the European rural development network, the European Association for Information on Local Development (AEIDL) also plays an important role in distributing information. It publishes "Info Leader" (a network bulletin coming out ten times a year in seven languages) and "Leader Magazine" (three issues in 1999 one on transnational cooperation between areas, one on creating jobs in rural areas and one on rural development in the information society. It also published in 1999 two methodological guides, developing services for the population in rural areas and renewable sources of energy as sources of sustainable development and a package on using information from Leader in rural policy in the futures. The AEIDL also organised a number of seminars in various Union countries, each on a specific theme such as family tourism, research and rural development and private finance as a capital resource. Most of the information is available in six languages on the Commission's Europa Internet site under "rural Europe", where those concerned can exchange views and participate in discussions.

In 1999 the FIG concentrated its efforts to distribute information on the specialist media and the updating of communications instruments and material on the common fisheries policy:

- preparation of a brochure for potential beneficiaries of structural measures for fisheries;
- production of a video series on the common fisheries policy;
- adaptation of the Internet site on the common fisheries policy.

A seminar on information and trade in fisheries products in the European Union was organised for those working in the sector as part of the "European seafood" international fair held in Brussels from 20 to 22 April which was concerned with the processing of and trade in fisheries and aquaculture products.

Preparation began of a new periodical to replace the "Pesca info" information bulletin devoted to the Pesca Community Initiative. This new magazine for those working in the sector is published in the 11 Community languages.

ANNEXES

Annex 1: Financial implementation 1994-99 by Objective

Annex 2: Financial implementation 1994-99 of the Community Initiatives

Annex 3: Financial implementation 1994-99 of transitional and innovative measures

Annex 4: Pilot projects and innovative measures under the ERDF, ESF and EAGGF

Annex 5: Major projects 1994-99

Annex 6: Implementation of appropriations in 1999 by budget heading (not including decommitments and carryovers)

Annex 7: Programme implementation by Member State (Objectives and Community Initiatives) - for 1999 under the 1994-99 programme

ACRONYMS AND ABBREVIATIONS

Adapt	Community Initiative for the adaptation of workers to industrial change
CAP	Common agricultural policy
CEEC	Central and eastern European countries
CEEP	Centre européen de l'entreprise publique (European Centre for Public Enterprise)
CES	Confédération européenne des syndicats - European Confederation of Trade Unions
CI	Community Initiative
CIP	Community Initiative programme
CSF	Community support framework
EAGGF	European Agricultural Guidance and Guarantee Fund
Ecos-Ouverture	Cooperation network with central and eastern European cities
EC-BIC	European Community Business and Innovation Centre
ECSC	European Coal and Steel Community
EFTA	European Free Trade Association
EIB	European Investment Bank
EIF	European Investment Fund
Employment	Community Initiative for the development of human resources
ERDF	European Regional Development Fund
ESDP	European Spatial Development Perspective
ESF	European Social Fund
Europartenariat	Events to promote contacts between businesses in regions eligible under the Structural Funds and businesses elsewhere in the Community and/or non-member countries
FIFG	Financial Instrument for Fisheries Guidance
Forcem	Foundation for continuing training (Spain)
Horizon	Community Initiative for the occupational integration of handicapped and disadvantaged people
Interreg	Community Initiative for the promotion of crossborder and interregional cooperation
ISDN	Integrated Services Digital Network
Konver	Community Initiative for the conversion of regions dependent on the defence sector
LAG	Local action group
Leader	Community Initiative for rural development projects

MGP	Multiannual (fisheries) guidance programme
Now	Community Initiative for the occupational integration of women
OP	Operational Programme
Pacte	Programme for sharing experience among local and regional authorities of Europe
Peace	Community Initiative for reconciliation and peace in Northern Ireland and in the border counties of Ireland
Pesca	Community Initiative for the fishing industry
Phare	Programme of aid for the economic conversion of central and eastern European countries
SME	Small and medium-sized enterprise(s)
SMEs	Community Initiative for the adjustment of SMEs to the Single Market
R&D	Research and development
R&TD	Research and technological development
Rechar	Community Initiative for the conversion of coal-mining areas
Recite	Programme to create networks among the regions and cities of Europe
Regen	Community Initiative for energy networks
Regis	Community Initiative for the most remote regions
Resider	Community Initiative for the conversion of steel-making areas
Retex	Community Initiative for the diversification of economic activities in regions heavily dependent on the textiles and clothing industry
RIS	Regional Innovation Strategy
RISI	Regional Information Society Initiative
SPD	Single programming document
Stride	Community Initiative on science and technology for regional innovation and development
TEN(s)	Trans-European network(s)
UNICE	Union of Industrial and Employers' Confederations of Europe
Urban	Community Initiative to assist declining urban areas
Youthstart	Community Initiative for the occupational integration of young people