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**REPORT FROM THE COMMISSION**

**Thirteenth annual report on the Structural Funds (2001)**

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## **GENERAL SUMMARY**

This report is compiled in accordance with Article 45(2) of Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds. It sets out the work of the Structural Funds and the activities undertaken to coordinate their work with that of the other financial instruments during 2001.

The report is centred on three main topics:

- the major events in the work of each Fund and the other financial instruments;
- coordination with the other Community instruments and policies;
- an evaluation of implementation during the year and in the past.

### **The major events of 2001**

The main feature of 2001 was the conclusion of negotiations with the Member States on Objective 1, which accounts for 70% of the budget of the Structural Funds for 2000-06. The Commission drew up an overview of the negotiations on the Objective 1 programmes in a communication which it adopted on 5 July. This was broadly positive even though some difficulties had been encountered, including the overrunning by five months of the period for negotiations originally planned for finalising the programming documents because of the desire to ensure high-quality programming. A period of five months proved to be too short because of the complexity of a process which, if it was to result in effective programming, required the involvement of a large number of partners, paying attention to the constraints imposed by both national and Community policies and the establishment of adequate systems for management and inspection.

As regards implementation, adoption of all the single programming documents and operational programmes meant that all the appropriations planned could be committed and 70% of payments made for both Objective 1 and Objective 2. There were, however, some delays as regards Objective 3.

Implementation of the Community Initiatives also proceeded steadily:

Interreg III: 54 of the 70 programmes were approved.

Urban II: the 70 programmes were approved; the corresponding appropriations were committed and the payments on account made.

Equal: the Member States issued the calls for projects as soon as their CIPs were adopted; the Commission set up a common data base accessible via the Europa server to facilitate the search for transnational partners.

Leader+: 56 of the 73 programmes were approved.

The overall rate of budgetary implementation for the Community Initiatives was 89% for both commitments and payments.

As regards innovative measures, the ERDF approved 81 of the 103 projects submitted to it and the ESF selected 37 of the 148 projects proposed on the subject 'adjustment to the new

economy' and granted part-financing averaging 72%. The call for projects on the second topic, 'a local employment strategy', was issued on 31 October 2001.

As regards the closure of programmes from before 1994, the bulk of balances were paid during 2001, so reducing the amounts still to be settled from €581 million to €315 million for Objective 1, from €144 million to €88 million for Objective 2 and from €146 million to €62 million for the Community Initiatives. Most of the amounts remaining open concern either cases where further checks are being undertaken because there is a serious suspicion of irregularities or those where legal proceedings are in progress.

### **Coordination with the other Community instruments and policies**

The Cohesion Fund finances transport infrastructure and environmental projects. Coherence with the measures financed by the Structural Funds is ensured through the Strategic Reference Frameworks.

Similarly, the cooperation agreement between the EIB and the Commission for 2000-06 has permitted the introduction of arrangements for contacts between the geographical units in the two institutions, so improving coordination between the assistance they grant. In addition, the EIB helped evaluate eight major projects proposed for Structural Fund financing.

As in the past, account was taken of other Community policies through the careful scrutiny of assistance from the Structural Funds to ensure that it was compatible with Community legislation on competition, and particularly aid from public sources.

The consistency of assistance from the Structural Funds with employment policy also received particular attention. However, it should be noted that evaluation of the impact of the ESF is sometimes difficult to establish because of the lack of standardisation in the presentation of the National Action Plans for employment.

Assistance from the Structural Funds is subject to an *ex-ante* evaluation to ensure that it is compatible with legislation on the environment. However, the lack of harmonised data and indicators in most programmes made this evaluation difficult. During negotiations on the programming of the Structural Funds, the Commission also paid particular attention to implementation of the Natura 2000 directive.

### **Evaluation of implementation and checking**

During 2001, the ERDF carried out 27 missions to audit the management systems of the Member States. These preventative audits demonstrated the care taken by the Member States as regards the quality of their systems, mainly by creating internal audit bodies. It is, however, regrettable that far too often the competent authorities in the Member States are still making payments without any real checks that the expenditure is genuine. The audits also revealed a lack of authority over the intermediate and implementing bodies, which, in any case, should have more precise and harmonised procedural rules.

The ESF carried out 41 audits and inspections and the FIG 12.

The 18 inspections by the EAGGF basically revealed an unsatisfactory application of Regulation (EC) No 2064/97, some cases where ineligible expenditure had been financed and still too many problems in reconciling the declarations of expenditure sent to the Commission with the corresponding transactions.

## **CHAPTER 1: THE MAIN EVENTS OF 2001**

### **1.1 The Second report on Economic and Social Cohesion and the Cohesion Forum**

Under the title 'Unity, solidarity, diversity for Europe, its people and its territory', the Commission adopted **the Second report on Economic and Social Cohesion** in January 2001. It looked at the results of the cohesion policy implemented since 1989 and laid the basis for the debate on the future of this policy in preparation for an enlarged Union. Mr Barnier, the Member with special responsibility for regional policy, presented the report to the European Parliament on 31 January.

This Report shows that national and regional cohesion has made significant progress since the end of the 80s. Disparities between the Member States have been reduced by one third and those between the regions by almost one fifth. In the three least prosperous Member States (Greece, Spain, Portugal), per capita income has risen from 68% of the Union average in 1988 to 79% in 1999. Ireland's convergence with the Community average has enabled it to leave the group of 'cohesion countries'. The least prosperous countries have also improved their communications and telecommunications infrastructure.

Within several Member States, however, the trend has not been towards a reduction in development gaps. Sometimes indeed inequalities have increased, even if, in the Cohesion countries, increased disparities between regions may have gone along with the convergence of all the regions towards the Community average in terms of per capita GDP. Other indicators reflect the persistence of regional disparities, e.g. substantial pockets of unemployment in certain regions (in Spain, Italy and the French overseas departments) and the persistence of growing regional disparities in research, innovation or education and training.

The Report extends its analysis to the candidate countries. The situation may be summed up in one statement: while the area and population of the Union will increase by one third, the GDP of the enlarged Community will grow by only 5%.

The Report sees the enlarged Union falling into three groups, each with a similar level of development. The first would include the twelve most prosperous States (with a GDP equal to or exceeding the current Community average). The second would include the three so-called cohesion countries (Greece, Spain, Portugal) plus some of the candidate countries (Cyprus, Malta, Slovenia, the Czech Republic) with a GDP approaching 80% of the Community average. The third would include the other candidate countries, eight countries accounting for about 16% of the population of the enlarged Union and with an income of about 40% of the Community average.

The challenges of enlargement require new ways of thinking and of acting. A vital question is the key criterion on which regional policy is to be based. If the criterion of per capita GDP is retained, the fall in the Union's average GDP will automatically mean that regions eligible under Objective 1 at present will cease to receive Community assistance.

**The second Cohesion Forum**, held in Brussels on 21 and 22 May, provided an opportunity for the 1 800 people present to make an active contribution to the discussion on the future of regional policy. Several ministers from the Member States and candidate countries, Members of the European Parliament and representatives of

the regional authorities in the Union could compare their opinions and set out their expectations or fears about the implementation of regional aids in an enlarged Union.

While the aim of the Forum was to discuss the philosophy underlying Europe's future regional policy rather than how to finance it, frequent reference was made to the question of financial resources. Several speakers wanted the two ceilings for regional aid to be raised:

- in terms of the Union budget: the equivalent of 0.45% of total GDP;
- in terms of the volumes of finance transferred: 4% of national GDP for each beneficiary country.

The spatial topics covered in the second report on cohesion such as urban matters and rural diversification, areas with natural and geographical handicaps and those facing problems of conversion were also the subject of many speeches with the result that Mr Barnier proposed that they should be considered further in the next two years.

## **1.2. Launching the innovative actions**

The Commission adopted its new guidelines for ERDF innovative actions 2000-06 in January 2001. Under the new system, eligible regions are invited to apply for an ERDF contribution of up to €3 million towards a Regional Programme of Innovative Actions based on a regional strategy to boost innovation which takes account of the relative circumstances of the region and includes a number of actions and accompanying pilot projects to be selected by the regional partnership responsible.

The aim is to increase and improve the quality of spending on innovation in the mainstream Objective 1 and Objective 2 programmes as well as influence the content of other regional development programmes. In addition to the regional programmes, a limited number of specific network programmes involving at least five regions from five Member States may also be approved.

The budget for innovative actions in each year in 2000-06 is 0.4% of the annual ERDF budget, which means approximately €400 million over the entire period.

## **1.3. The communication on the negotiations on the Objective 1 programmes**

On 5 July the Commission adopted a communication<sup>1</sup> which set out the main points of the Community assistance planned for the regions eligible under Objective 1 during the new programming period (2000-06), with particular attention to the negotiations with the Member States and the value added by the Community. After 18 months of negotiations, a review was needed, although it was not required by the basic Regulation.

The Berlin European Council had decided on an amount of €195 billion for the Structural Funds for the period 2000-06, of which almost 70% (€127.5 billion) was to go to the Objective 1 regional development programmes. These resources should permit a substantial increase in GDP in real terms by 2006 in the Member States

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<sup>1</sup> COM(2001) 378 final of 5 July 2001 and SEC(2001) 1140/2 of 18 July 2001.

concerned (6% in Greece and Portugal, 2.4% in Spain and 4% in the eastern Länder of Germany). The new programmes will also have a marked impact on the level of investment towards 2006 (by 20% in Greece, 14% in Portugal and 6% in the eastern Länder).

While the negotiations with the national and regional authorities were broadly positive, there remain some difficulties, which the Commission noted in its communication:

- The period of five months allowed for negotiation of the programming documents proved too short (the average time for adoption varied from eight months to a year) because of the detailed discussions between the Commission and the Member States to improve the quality of programming. A balance had to be struck between the length of the negotiations and the quality of the results, particularly as regards the provision of adequate management and inspection systems, the integration of evaluation prior to programming and broad consultations through the partnership, and in the verification of compliance with Community policies, particularly those on the environment and competition. *The Commission will ensure that the Member States comply with their commitments in this regard.*
- The programme complement was sometimes seen as a separate phase of programming although its role is to provide details of the content of the programme priorities through a detailed description of the measures and the quantification of the targets and indicators relating to them, including for the performance reserve. This sometimes resulted in management problems because the authorities responsible for preparing the programme complements were not the same as those which had negotiated the plans and programmes.
- In several Member States, the new systems for management, inspection and monitoring were defined as regards their general outline but the arrangements for implementing them and making them fully operational remain to be settled.

The Commission would ask the Member States to make greater efforts in these essential areas to achieve increased efficiency in the use of the Structural Funds, in accordance with the new implementing Regulations, and particularly as regards the computerised management systems (to avoid delays in interim payments). The Commission intends to carry out a comparative analysis of financial management and inspection systems to identify best practice and promote new solutions to the problems arising in this area.

- Despite the progress made as regards the partnership during the preparation of the plans and programmes, the way this principle will be implemented during the implementation of assistance is not always clear.

The Commission will ensure the sound operation of the partnership, which should be as broad as possible, but also more proactive and more responsible in terms of the concrete management of assistance.

These less positive aspects do not call into question the principles decided on in the regulations governing the Structural Funds. The results-oriented management model, which is one of the pillars of this reform, has proved demanding and difficult to



implement but it has already helped increase transparency and the quality of programming for 2000-06. The mid-term evaluation of these programmes will show the extent to which this will affect their implementation. The Commission will draw the necessary conclusions, particularly as regards simplicity, quality, efficiency and transparency.

The communication was discussed by the Ministers responsible for regional policy at an informal meeting in Namur on 13 July 2001. The debate covered the initial results of the establishment of the programming documents for Objective 1 and revealed substantial progress on the strategic content of the regional programmes thanks to the systematic use of evaluation, the strengthening of the partnership and giving consideration to Community priorities such as the information society and the environment. The representatives of certain Member States expressed concern about the risk of not achieving the goal of greater simplification linked to decentralisation because of the Commission's implementation of the rules on financial management and inspection. Following this discussion, Commissioner Barnier decided to launch an initiative, in close consultation with the Member States, on ways to simplify the implementation of the Structural Funds while fully respecting the principles of sound and efficient management.

The experience of these negotiations on Objective 1 will be particularly useful in the preparation of the programming documents for the candidate countries at the mid point of the period 2000-06.

The third Report on economic and social cohesion, which the Commission should normally present at the end of 2003, will provide an opportunity to review the statutory improvements to be made to the operation of the Structural Funds after 2006.

## **CHAPTER 2: IMPLEMENTATION OF THE PROGRAMMES**

### **2.1. General overview**

#### *2.1.1. Adoption of new programmes*

The SPDs and OPs **for Objective 1** which had not been adopted in 2000 were adopted in 2001. They totalled 55 forms of assistance, mainly in Greece (25 OPs) and Spain (17 OPs). For the other Member States eligible under **Objective 1**, only a few isolated forms of assistance remained to be adopted.

**For Objective 2** likewise all the assistance planned, a total of 86 SPDs, was adopted in 2001. In 2000, only the SPDs for Denmark, Finland and Sweden had been approved. However, most of the programmes for the other countries were ready for adoption at the end of 2000, so justifying the carryover of the appropriations concerned. Some programmes for Italy, Belgium, the Netherlands, Luxembourg and, to some extent, Germany were not ready for adoption at the end of 2000 and had to be adjusted following the decision to reenter in the budget the appropriations cancelled at the end of 2000.

**For Objective 3**, only the four OPs for Spain which still remained to be adopted were approved during the year.

## **Non-Objective 1 FIG**

The Commission committed the appropriations for the second instalment for ten of the eleven programmes in the non-**Objective 1** regions, a total of €159.4 million. The first instalment of €14 million for the Italian programme was also committed from the appropriations carried over from 2000. The conclusion of the programme for the Netherlands was virtually complete by the end of the year but the Commission was unable to take a decision before 31 December. It decided to carryover the corresponding appropriations and these were committed before 31 March 2002.

**As regards the Community Initiatives**, all the programmes not yet adopted in 2000 were adopted in 2001, including 53 Interreg III programmes (strands A and B).

In addition, all the 70 programmes for urban regeneration (Urban II Community Initiative) were adopted in 2001, as were 56 national and regional programmes for Leader+.

The Member States also submitted their proposals for the Equal Community Initiative programme in September 2000. The total Community contribution was €3 026 million. Following negotiations with the Member States, the Commission adopted 17 Equal CIPs between 8 March and 22 May 2001, one for each Member State except Belgium and the United Kingdom, which had two each<sup>2</sup>.

During 2001, [341] items of assistance were adopted under the various Objectives and Community Initiatives.

**Programming for 2000-06**, which could be regarded as virtually complete by the end of 2001 (apart from the programmes under Interreg III C) was therefore implemented through [452] items of assistance (SPDs and OPs). Programming for the previous period (1994-99) had entailed over 1 130 such items.

### *2.1.2. Implementation of Objectives 1, 2 and 3*

#### Objective 1:

In terms of commitments, Objective 1 was bolstered by the carryover of appropriations from 2000 totalling €5 375 million, increasing the appropriations available by 25.8%. This carryover was justified by the need to commit in 2001 the annual instalments for 2000 in respect of a certain number of programmes for which decisions had been adopted or were ready for adoption at the end of 2000.

The payment appropriations for Objective 1 were increased by €1 020 million carried over from 2000. However, during the annual transfer procedure approved by the budgetary authority, €209.7 million was transferred, €160 million to other Structural Funds chapters and the remaining €49.7 million to other budget headings. These transfers account for 1.1% of the payment appropriations for Objective 1.

During the year, all the available commitment appropriations were implemented, as were 70% of the payment appropriations. The unimplemented payment

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<sup>2</sup> For French and German and for Dutch-speaking Belgium and for Great Britain and Northern Ireland.

appropriations were cancelled in accordance with the general rule in the Financial Regulation.

Considerable progress was made in 2001 as regards the closure of Objective 1 programmes from earlier programming periods and the settlement of outstanding amounts:

Amounts to be settled for Objective 1 programmes from before 1994:

	1999	2000	2001
Amount to be settled in € million	1 149.6	581.1	314.5
Number of commitments open	529	389	288

In accordance with Article 52(5) of Regulation (EC) No 1260/1999, amounts for programmes decided on by the Commission before 1 January 1994 for which no application for the balance has been received by 31 March 2001 must be automatically decommitted by 30 September 2001.

The persistence of amounts to be settled for the programmes covered by these provisions is due to the fact that the applications for the final balance required by that provision were made for the programmes concerned but, because of unresolved legal proceedings, checks on suspected irregularities, or both reasons, the remaining amount cannot be finally settled.

#### Objective 2:

Since the vast bulk of Objective 2 programmes were adopted in 2001, commitment appropriations totalling €2 652 million were carried over from 2000 to 2001, increasing appropriations by 73.4%. Despite this increase in available appropriations, all the commitment appropriations, including those carried over, were implemented in 2001.

Payment appropriations carried over from 2000 amounted to €150 million. About 70% of payment appropriations were implemented in 2001 and the unimplemented balance of these appropriations was cancelled in accordance with the general rule in Article 7(2) of the Financial Regulation. The information available led the Commission to consider that the payment appropriations entered were adequate for the implementation forecast.

As in the case of Objective 1, considerable progress was made as regards the closure of programmes from earlier programming periods and the settlement of outstanding amounts:

Amounts to be settled for Objective 2 programmes from before 1994:

	1999	2000	2001
Amount to be settled in € million	306.2	144.3	88.3
Number of commitments open	112	64	45

In accordance with Article 52(5) of Regulation (EC) No 1260/1999, amounts for programmes decided on by the Commission before 1 January 1994 for which no

application for the balance has been received by 31 March 2001 must be automatically decommitted by 30 September 2001.

The persistence of amounts to be settled for the programmes covered by these provisions is due to the fact that the applications for the final balance required by that provision were made for the programmes concerned but, because of unresolved legal proceedings, checks on suspected irregularities, or both reasons, the remaining amount cannot be finally settled.

### Objective 3:

By the end of 2001 total payments under Objective 3 amounted to € 2 800 million, or some 40% of the total commitments for the two years 2000-01. This was partly due to the late start for many programmes during 2000, a delay which was gradually reduced in many Member States during 2001. The relative level of payments was above average in Austria, Germany, France and Spain. Compared to the whole programming period 2000-06 total payments by end-2001 amounted to 11%. This figure reflects the fact that only in some Member States was the payment on account of 7% followed by further payment applications before the end of 2001.

These delays have raised worries in some Member States regarding a possible risk of decommitments or repayments, although the annual review meetings that took place during autumn 2001 suggest that these concerns are receding. Another related concern that appeared is the impact on programme implementation of the economic slowdown throughout 2001. The possibility of a pre-emptive re-examination of the programmes was raised by some managing authorities during the autumn meetings, particularly because of difficulties with the implementation of certain activating or preventive measures in a negative socio-economic context.

#### *2.1.3. Implementation of the Community Initiatives*

Following the adoption on 28 April 2000 of the guidelines for Interreg III for 2000-06<sup>3</sup> (€4 875 million at 1999 prices), the Member States were invited to submit detailed proposals within six months of the date of publication of the final communication in the *Official Journal*<sup>4</sup>.

Although many of the programmes (particularly the cross-border ones) had already been submitted during 2000, the Commission received 12 further cross-border programmes (strand A), nine transnational programmes (strand B), the four interregional programmes (strand C) and one networking programme under point 53 of the ESPON Guidelines (European Spatial Planning Observatory Network).

The Commission examined these programmes and those already submitted during 2000 and began negotiations with the national and regional authorities concerned so that the various programmes could be approved as soon as possible.

During 2001, the Commission adopted 44 cross-border programmes (out of 53), 8 transnational programmes (out of 13) and two interregional programmes (out of four).

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<sup>3</sup> OJ C 143, 23.5.2000, p. 6.

<sup>4</sup> OJ C 143, 23.5.2000, p. 6.

As a result, the actual implementation of the bulk of the Interreg III programmes began in earnest in 2001. The Commission also attended several Monitoring Committees as provided for in the general Regulation on the Structural Funds and Steering Committees where these were set up as required by the Interreg III guidelines.

The Urban II Community Initiative is intended to advance the economic and social regeneration of towns and neighbourhoods in crisis in order to promote sustainable urban development. It covers the period 2001-06 and finances 70 towns and neighbourhoods in difficulty proposed by the Member States. The total contribution from the ERDF amounts to €743.6 million<sup>5</sup>, plus an equivalent amount from the public and private sectors. This will be used for measures such as the renovation of buildings and public areas, initiatives to promote employment, improvements to the systems of education and training for the most disadvantaged groups, the development of environmentally-friendly public transport, the introduction of more efficient management systems, the use of renewable sources of energy and the development of the potential created by the information and the communications technologies. A programme to exchange information and share experiences on the regeneration of urban areas will also be launched during 2002.

Despite the fact that many of the 70 programmes were submitted in the first half of 2001, all the programmes were examined, negotiated, approved and committed by the Commission during the second part of the year. The payment on account were also made.

Work began on the spot as part of a broad partnership embracing all those involved (at national, regional and local level).

	ERDF (€ million)	Number of programmes
Belgium	21,2	3
Danmark	5,3	1
Deutschland	148,7	12
Ellada	25,5	3
España	112,6	10
France	102,0	9
Ireland	5,3	1
Italia	114,8	10
Nederland	29,8	3
Österreich	8,4	2
Portugal	19,2	3
Suomi	5,3	1
Sverige	5,3	1
UK	124,3	11
Network	15,9	
Total	743,6	70

The Member States began the implementation of Equal, principally through the call for proposals and the receipt and selection of Equal projects on the basis of the guidelines in their programmes. They all agreed to follow a joint schedule in order to facilitate transnational cooperation, the main point of the Initiative.

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<sup>5</sup> At current prices.

Action 1 began on 15 November for almost 1 500 Development Partnerships following selection in their countries. Two Member States, Germany and Greece, were late in making their selection but made this up during January. Detailed information on each Development Partnership may be found in the Equal data base developed by the Commission and fed regularly since 15 November 2001 by the Member States. This data base is a tool for Development Partnerships seeking transnational partners and the main source of information throughout the life of the programme; it may be consulted on the Equal site on Europa.

Throughout Action 1, the Development Partnerships finalised their national work programmes and established transnational cooperation with at least one Development Partnership in another Member State. In addition to the Equal data base, other tools were developed at European level such as the “Equal Guide on Transnationality” or the ETCIM computer application, which allows finalisation of the transnational cooperation agreements between Development Partnerships in different countries.

Action 2 began on 15 May 2002 and constitutes the effective launching of 1 500 Equal Development Partnerships across the Union.

Two countries applying for accession are involved in the Equal Initiative, the Czech Republic and Hungary. They have selected their Equal Development Partnerships, which are participating in the programme like their colleagues in the Member States.

In 2001 56 Leader+ programmes were approved, 11 at national level and 45 at regional level. The remaining 17 were approved in the first quarter of 2002. Total Community assistance to Leader+ in 2000-06 will amount to €2 020 million from the EAGGF Guidance Section.

2001 was devoted mainly to the selection of the local action groups on the basis of the guidelines in the programme so that, by the end of the year, actual implementation of Leader+ on the ground had not yet started.

#### Budgetary implementation of the Community Initiatives:

The Commission did not adopt any carryover of commitment appropriations because the decision-making procedures to adopt programmes were not sufficiently advanced by the end of the year.

The delay in the adoption of the programmes meant that no carryover of payment appropriations was decided although there was inevitably some shortfall when all the programmes were adopted in time for the initial payment on account to be made. During the annual general transfer procedure approved by the budgetary authority, a total of €160 million was transferred to this chapter from Objective 1. By contrast, because some proposals for Interreg programmes were defective so that they could not be adopted before the end of 2001, commitment appropriations totalling €75.75 million (including €2.4 million from Urban) were made available to other chapters of the Structural Funds. Finally, the Commission proposed to the budgetary authority the transfer of these appropriations to increase the funds available for the adoption of programmes of ERDF innovative measures where funds were inadequate for the adoption of all the programmes selected during examination.

In terms of implementation, both commitment and payment appropriations were implemented at the rate of 89%.

A decision was taken to carry over the balance remaining to be committed at the end of the year (€161.8 million) in order to complete the procedures for the adoption of certain programmes which were then almost complete. However, the unimplemented balance of payment appropriations was cancelled in accordance with the general rule in Article 7(2) of the Financial Regulation.

Considerable progress was made in 2001 as regards the closure of outstanding items of assistance and the settlement of outstanding amounts:

Amounts to be settled for the Community Initiatives programmes from before 1994:

	1999	2000	2001
Amount to be settled in € million	201.6	145.9	62.3
Number of commitments open	125	102	65

#### 2.1.4. *The innovative measures and technical assistance*

Under the ERDF, 103 regions applied for a regional programme in 2001. Each application was examined by DG Regional Policy and other relevant DGs in accordance with the selection criteria laid down in the guidelines. Given the limited budget available, the Commission had to select the best qualified applications for part-financing but had to turn down some even though their quality was relatively good. In these cases, each region was informed why its application did not score sufficiently highly and was invited to make an improved application in the following year.

In all, 81 of the 103 applications received were granted ERDF part-financing from the budget available. The total ERDF amount for approved programmes was approximately €206 million and their total value approximately €393 million.

As for the ESF, on 12 January the Commission adopted a “Communication on the implementation of innovative measures under Article 6 of the European Social Fund Regulation for the programming period 2000-2006”<sup>6</sup> setting out how it intends to use the possibilities offered by Article 6 of the ESF Regulation to promote new approaches and identify examples of good practice in support of mainstream ESF operations. Experience during the previous programming period had suggested that innovative measures should concentrate on a limited number of defined themes, focusing on particular issues. The Communication defines the priority themes for Article 6 in 2001 and 2002:

- Adaptation to the new economy within the framework of social dialogue, and
- Local employment strategies and innovation

Adaptation to the new economy within the framework of social dialogue

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<sup>6</sup> COM(2000) 894 final.

A call for proposals under this priority theme was published in the Official Journal on 27 February 2001<sup>7</sup> with a deadline for submitting applications of 18 May.

The maximum total budget available was €30 million. The Community grant requested had to be between €300 000 and €3 million over a two-year period. Applicants were required to make a financial (cash) contribution to the project covering a minimum of 5% of the total costs while in-kind contributions were limited to a maximum of 10% of the total costs.

Projects could start between 1 September and 1 December 2001 for a maximum duration of 24 months, ending by 30 November 2003 at the latest.

The Commission Communication specified that applications could address one or more of five themes, under the general heading of “Adaptation to the new economy within the framework of social dialogue”:

- Anticipation of economic and social change;
- Use of information society tools in the framework of social dialogue;
- New approaches to corporate social responsibility;
- Modernisation of work organisation;
- Promotion of lifelong learning.

The call for proposals was open to a wide range of applicants. In principle, and depending on the thematic priority covered, applicants could be social partner organisations, private companies, non-profit organisations, or education and training bodies located in the European Union. However, in order to ensure consistency with the overall theme, during the evaluation procedure priority was given to projects based on a partnership approach with social partner organisations.

A total of 148 applications were submitted by the deadline of which 35 were eventually selected for ESF part-financing. The average ESF contribution to individual projects amounts to €785 135, or 72% of the average total cost of the projects.

#### Local employment strategies and innovation

A call for proposals on the priority theme of “Local employment strategies and innovation” was published in the *Official Journal* on 31 October 2001<sup>8</sup>. Applicants can apply before one of two deadlines: 22 February 2002 and 31 January 2003. The fact that the call includes application deadlines in two consecutive years is a reflection of the importance attached to this issue by the Commission and it ensures that support for projects to develop and implement local employment strategies will continue in 2003.

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<sup>7</sup> OJ C 62, 27.2.2001, p. 5.

<sup>8</sup> OJ C 306, 31.10.2001.



The aim of this call is to support innovative actions to develop local employment strategies in order to reinforce the implementation of the European Employment Strategy at a local level. Applications must be aimed at applying the priorities of the National Action Plan (NAP) for employment in a given territory in the form of local employment strategies. The call for proposals, therefore, aims to part-finance innovative projects which may include the following activities (among others):

- Analysis of the existing local employment situation;
- Development of partnerships at local level which include relevant actors from different sectors;
- Relevant studies and research to prepare the local employment strategies;
- Development and implementation of the local employment strategies;
- Monitoring, benchmarking and evaluation;
- Exchange of information, dissemination and networking.

The organisations eligible to apply under this call are, in principle, public authorities and territorial public administrations acting in territories at NUTS levels 2 or 3.

The budget available under this call will be up to €40 million in both 2002 and 2003. The Commission will contribute up to of 75% of total eligible costs, with part-finance ranging from €300 000 to €3 million over a two-year period. Applicants must make a financial (cash) contribution of 25% of the total cost of the project.

It is envisaged that grant agreements for successful applications under the first round of applications will be signed in October 2002, with projects starting between 1 November 2002 and 31 December 2002. Projects can last up to 24 months and must finish by 31 December 2004.

The technical assistance programme for the FIG was implemented as planned in 2001. A total of €1 127 000 was committed. However, no innovative measure was committed in 2001 and the work programme was carried over to 2002.

## **2.2. Implementation of programmes in the Member States**

### **2.2.1. BELGIUM**

#### 1994-99:

The still provisional outturn of the Objective 1 SPD for Hainaut gives a rate of commitment exceeding 98%. Assistance from the four Structural Funds concentrated on direct aid to firms (for investment and research), measures providing indirect support for economic development (equipping of industrial areas) and the development of human resources. The development and equipping of research centres and centres of excellence continued successfully. The evaluations available suggest that the number of jobs will reach 12 000, which may be considered satisfactory.

Measures were taken to modernise education alongside training in the new technologies for teaching staff. The fields of new information and communications technologies were given pride of place among young people and in contacts with job seekers and older workers in small firms. This measure resulted in the emergence of new structures such as the CEMI (Centre d'excellence en maintenance industrielle - Centre for excellence in industrial maintenance), the Centre de technologies avancées (Centre for advanced technologies) and CEQUAL. In addition five effective instruction centres were set up to provide Hainaut with the skills it needs.

The measures under the Objective 2 SPD for Meuse Vesdre continued and work on most of the infrastructure projects (improved access, reception, R&D, tourist projects and restoration of waste land) were completed. In the Aubange SPD, construction of the distance support centre and the economic development projects were completed.

In Flanders all available funds were committed. The rhythm of payments indicates that the two Objective 2 programmes are on schedule. For both areas (Limburg and Turnhout), the programmes focus on encouraging the services sector, in particular services which are expected to create additional jobs for women.

The integrated ESF/ERDF measures to improve research centres under Objectives 2 and 5(b) yielded satisfactory results and, as regards human resources, specialist training for workers and job-seekers and training in the new technologies achieved genuine success. The measures to promote the social economy are expected to be successful, although to a much lesser degree than anticipated.

All the resources for the five Belgian programmes under Objective 3 were used, mainly on measures for the long-term unemployed, ex-convicts, immigrants, the handicapped and those with poor education records and skills. The introduction of the pathways to integration continued. The "Training Carrefours" now provide information and advice, so ensuring transparency in supply and the effective dissemination of information to all those operating at local level.

Thanks to Objective 4, considerable progress was made in the training of workers. In partnership with the sectoral Funds, consultants were engaged to promote appropriate training in firms. The Walloon employment observatory, which was established under Objective 4, and the Brussels observatory produced studies on sectors undergoing change and conversion and the new sectors. The measures for small firms were successful, including the PLATO project which combines a management training programme for small firms with sponsorship by managers in large firms and the exchange of experience and know-how between firms. Despite successes, it is already likely that not all the appropriations for the five programmes under this Objective will have been used when the final account is drawn up on 30 June 2002.

Under the structural programme for fisheries (Objective 5(a) fisheries) almost all the FIFG funds of €25.4 million have been committed. According to preliminary information, the programme had been almost fully implemented by the end of 2001.

#### 2000-06:

The Monitoring Committee approved the programme complement for the Objective 1 SPD for Hainaut after it was amended to make it an operational and

transparent document incorporating the comments which the Commission made on the first version, submitted at the end of 2000.

One year after approval of the SPD, over 150 EFRO projects have been approved with a total contribution from the Structural Funds of over €410 million, over two-thirds of the budget available in this programme. The main measures on which project commitment decisions were taken were aid for investment in industry and the service sector and financial engineering, support for centres of excellence (research centres) and developing the potential of tourism and culture. The level of expenditure is still quite low at €30 million or 5% of the funds available.

Two **Objective 2** programmes were approved for Wallonia: one for the Meuse-Vesdre basin (assistance from the ERDF and the ESF totalling €158.3 million) and one for the rural area of Dinant-Philippeville (assistance from the ERDF and the ESF totalling €58.4 million)

The main aim of the Objective 2 plan for 2000-06 for the Meuse-Vesdre basin is to increase the economic and social prosperity of the eligible area by affirming its status as a town. The Objective 2 SPD has five priorities plus technical assistance which are: 1: Diversification of the economic base, 2: Access to the knowledge society, 3: Improving employability and know-how, 4: Consolidation of its international role, and 5: Promotion of sustainable urban development.

The main aim of the Objective 2 plan for Dinant-Philippeville is to promote and structure the locally-generated development of the area. It has three priorities plus technical assistance: 1: Encouraging and supporting the locally-generated development of merchant economic activities, 2: Structuring the rural area, and 3: Improving employability and know-how.

2001 saw the closure of the negotiations with the Flemish regional authorities on adoption of the four programmes they had submitted under Objective 2 and for transitional support under Objectives 2 and 5(b).

The Commission approved the four SPDs in May and June and the four programme complements were accepted in September and November. The Monitoring Committees met so that the programmes could start as soon as negotiations with the Commission were completed.

During the current programming period, Flanders will have available Community funding totalling €186.4 million, of which €148.2 million will go to the areas eligible under Objective 2 and €38.2 million to transitional support.

Structural measures are aimed at areas undergoing conversion, particularly the former mining area of Flanders and the Belgian coast, urban areas in difficulty (Antwerp, Ghent) and rural areas. Four programmes have been proposed (one for each province excluding Flemish Brabant) and their examination was completed in February/March. The final decisions were taken in May/June.

Each of the four 'provincial' programmes can be regarded as falling into two clearly distinct sub-programmes.

Limburg: This programme will receive financial support from the European Union totalling €92.7 million (€82.1 million from the ERDF and €10.6 million from the ESF). In addition the Flemish public sectors will invest €119 million and the private sector €28.7 million, resulting in total expenditure of €240.4 million. The programme includes the following priorities: Initiatives by and for private investment and employment; Improving overall local economic conditions and Integrated rural development in rural Hesbaye.

Kustgebied-Westhoek (West Flanders): This programme will receive a Community contribution of €33 million (€30.5 million from the ERDF and €2.5 million from the ESF). It concerns both the coastal area, which has specific difficulties because of the decline of the fisheries sector and so is eligible under Objective 2 of the Structural Funds, and the Westhoek, a former Objective 5(b) area now eligible for transitional support. The Union funds will be supplemented by €70.6 million in public investment by Flanders and €13.7 million from the private sector, giving a total cost for the programme of €117.4 million. The programme is based on the following priorities: the development of tourism, improving the local economic fabric, sustainable inter-sectoral development and qualitative improvements to the area as a place for both living and working and training and the employment market.

East Flanders: This programme will receive a Community contribution of €13.6 million (ERDF only). In addition it will receive €32 million in public investment by Flanders and €13.5 million from the private sector, giving a total amount for the programme of €59.1 million. The programme is based on the following priorities: development of economic initiative and employment, improved viability and quality of life in urban and rural centres and stimulating the development of tourism in the rural part.

Province of Antwerp: The programme will receive financial support worth €47 million from the European Union (€41.6 million from the ERDF and €5.5 million from the ESF). In addition it will receive €81.5 million in public investment by Flanders and €7.3 million in private investment, giving a total amount for the programme of €135.8 million. The programme has two geographical priorities: Campine: measures to develop and restore industrial sites, promote cooperation among local small firms, encourage the new communications and information technologies and innovation through the exchange of knowledge among firms and networking, the development of infrastructures for training and research and the promotion of better integrated supply in the tourism sector. North-east Antwerp: This priority contains measures to promote training and improve the skills of the local population, rebuild and make more attractive the public areas of the town, improve the quality of local public services and promote synergies in sectors which are important locally, such as the food industry, fashion and design.

The Commission adopted five SPDs under **Objective 3** in Belgium for vocational training and employment for a total of €765 million and a programme of transitional support for Hainaut with an ESF contribution of €192 million. These six programmes will help implement the European employment strategy in Belgium.

Federal Ministry of Employment and Labour SPD: €69.1 million. Half the budget will go to measures to reintegrate disadvantaged groups into the labour market. Other measures will concern the consolidation of employment and measures to promote equality for men and women at work.

Flanders SPD: €376.2 million. The labour market in Flanders suffers from a shortage of skilled labour, a low rate of employment among older workers and high unemployment among young people, women and immigrants. These are the priorities for the SPD.

Wallonia/Brussels SPD (excluding Hainaut): €285.5 million. The priority remains reducing unemployment. Social and vocational exclusion also affects a large number of men and women. The SPD relies primarily on a preventative approach.

Brussels-Capital SPD: €23.7 million. Although it is the major source of employment in the country, Brussels has the highest unemployment rate in Belgium (16.5%). The measures adopted concern the socio-professional integration of job seekers.

German-speaking Community SPD: €10.7 million. This assistance is intended to reduce long-term unemployment, encourage the integration into the labour market of disadvantaged groups, promote training and education, develop capacity to adapt and the business spirit and promote equality for men and women.

Hainaut SPD: €191.9 million from the ESF. These resources will be used mainly under two priorities: a preventive approach to the labour market and improving vocational reintegration and social inclusion.

Total ESF assistance in Belgium is now increasing in a generally satisfactory manner and is on target. In 2001 over 90% of ESF assistance programmed was implemented. The measures include a conversion unit for the thousands of workers affected by the bankruptcy of Sabena.

**Non-Objective 1 FIFG**: The programme adopted includes an allocation of €35.3 million for fish processing and the renewal and modernisation of the fishing fleet. In addition, the Hainaut SDP contains a measure for aquaculture.

### 2.2.2. DENMARK

#### **Objective 2:**

##### 1994-99

A number of programmes from the previous period were completed in 2001 and await the final report and closure. These are:

The Objective 2 programmes for Lolland and Nordjylland 1997-99. These programmes received a total Community contribution of €68.2 million.

The overall objectives of the Nordjylland programme (€54.4 million) were to improve the conditions for increased growth in business in the region, and so maintain and increase the number of jobs. The strategy for reaching this objective was 'Globalisation': a strengthening of firms' ability to compete internationally through innovation, capacity conversion and improved skills and by strengthening educational and other framework infrastructure.

For the Lolland Programme (€13.8 million) the overall objectives were to foster the region's development potential, widen the base for business development, maintain

and increase the number of jobs in the short and the long term, and increase the overall income of the region.

Both programmes performed well in 1997-99 in terms of both financial and physical implementation. Job creation, for example, exceeded the targets set out in the programmes. Demand was also high for these programmes and consequently all the funding available was committed by the end of 1999.

## 2000-06

On 9 November 2000 the Commission took the final decision on the Objective 2 programme for Denmark for 2000-06. The programme totals €617 million, €189 million of which will come from the EU, €206 million from the national public sector and €222 million from the private sector. The transitional regions will receive €27 million.

The programme aims to create the conditions for self-sustaining growth in the regions of Denmark that are facing structural difficulties. It combines measures under the ERDF (71% of Community resources) and the ESF (29%).

The programme complement detailing the strategy was finalised in autumn 2001. It consists of an “umbrella” covering general aspects and five sections each covering one of the five geographical sub-regions: Bornholm (Objective 2), Lolland, Falster and Møn (Objective 2), parts of the counties of Viborg, Århus, Ringkøbing and Sønderjylland (Objective 2 and transitional), Sydfyn and islands not covered by the regions mentioned above (Objective 2).

The SPD presents the general strategy for the whole Objective 2 area while the sub-regional sections deal with the relevant specific conditions.

Each of these regional sections can be categorised as a sub-programme with analysis of specific needs, potentials etc. and focussing the assistance outlined in the SPD in the specific regions. The background for this model is first and foremost the small size of Denmark combined with eligible (mostly coherent) areas in different parts of the country, each of which has its own specific socio-economic character.

Two programme Monitoring Committee (PMC) meetings were organised in the course of 2001. The first, held on 6 March, concentrated on setting up the operation of the partnership and the PMC, and established the administrative and functional arrangements for implementing the programme. The second, held on 2 October, focused primarily on the adoption of the programme complement and on the work of catching up on spending the allocations for 2000 and 2001. The meeting further discussed the possibilities of including activities in the film industry and decided to consult the Commission. No concrete proposal has yet been made.

The annual meeting between the managing authorities and the Commission was held on 22 October. The general view was that the financial and physical implementation of the programme was progressing very well, as regards both the ERDF and the ESF.

By the end of 2001 the ERDF value of the adopted projects has almost absorbed the first two years of allocation, i.e. the programme had almost caught up with a rather late start. The payments to the projects alone constituted about 1/3 of the first year's allocation, leaving 2/3 to be paid in 2002 (together with preferably a substantial part

of the allocation for 2001), in order not to lose money under the n+2 rule. However, it seems that the programme faces no substantial problems in this respect.

### **Objective 3**

A €379 million seven-year programme to support education, training and employment in Denmark was approved by the Commission on 24 October 2000. The programme sets out five priorities, reflecting the country's 1999 National Action Plan for Employment: strengthening active labour market policies to prevent long-term unemployment and improve labour market structures; promoting equal opportunities for all in accessing the labour market; developing skills and training and encouraging business spirit and innovation.

A further 3% of the budget (€12 million) is set aside for technical assistance to manage, implement and evaluate the results of the programme.

The National Labour Market Authority within the Ministry of Labour is responsible for the day-to-day coordination, management and monitoring of the programme. The Regional Social Fund Committees of the counties are responsible for the implementation of the decentralised funds, which amount to about 75% of total funds. The constituent meeting of the Monitoring Committee took place on 16 January 2001 and the first annual review meeting with the managing authority was held on 26 November.

The Danish programme has been strongly promoted by the managing authority which resulted in a large number of project applications being received. Generally, incoming project applications amount to more than five times the available budget. The 2000 and 2001 commitments have been made. By the end of 2001 total payments, including the initial payment on account, amounted to 7.12% of the total available funds.

### **Non-Objective 1 FIG:**

The Commission adopted the structural programme for 2000-06 on 8 August 2000. €205 million is available from FIG and investment totalling €1 000 million is envisaged. The major areas are processing, port facilities and the fleet, which is in need of modernisation in order to improve working conditions, health conditions and selectivity of the fishing gear. After the first meeting of the Monitoring Committee on 27 October 2000 and the final approval of aid schemes by the Commission early in January 2001, programme implementation started as expected. Some of the assistance schemes, for example modernisation and decommissioning of the fleet, however, were first adopted by the Danish authorities late in 2001 and so did not begin until later.

#### *2.2.3. GERMANY*

##### 1994-99

By the end of 1999, 99.95% of the budget for all programmes and 99.91% of the budget for the Community Initiatives had been committed. Payments to beneficiaries were normally possible up to 31 December 2001. The final payment for one Objective 3 programme (Baden-Württemberg) had already been paid and implementation of the remaining 138 programmes for this period, which had to use

all their funds by the end of 2001, continued. For six Community Initiatives or Objective 2 programmes DG REGIO considered the requests for extension well justified, because of either an error by the Commission or a natural catastrophe. For most of the other cases alternative solutions could be prepared with the managing authorities.

The closure procedure for one Community Initiative (Konver II in Hamburg) started in 2001.

For all programmes, including the Community Initiatives, €347 million was paid out by the Commission in 2001. For one Objective 2 programme payments were suspended pending a commitment to tighten checks by the region.

#### 2000-06

**Objective 1:** The German CSF was adopted in June 2000 and is implemented by nine operational programmes (six for the Länder and three horizontal programmes under the responsibility of the federal authorities). Commission decisions for the regional programmes and the 'Fisheries' horizontal programme were taken by the end of 2000. The outstanding two operational programmes (transport and the ESF federal programme) for the implementation of the CSF (in total €20 700 million of Community funding, including €748 million for transitional areas in Berlin) were approved by the Commission in February 2001. Commitments for all Funds and all programmes were made. The programme complements for Brandenburg, Mecklenburg-Western Pomerania, Saxony-Anhalt, Saxony and Thuringia were approved after the checks required by the Commission showed that they complied with Regulation (EC) No 1260/1999. However, the chapters on human resources development in the programme complements for Brandenburg and Mecklenburg-Western Pomerania in particular required substantial amendments in order to bring them into line with the respective chapters of the underlying operational programmes.

The nine operational programmes in the CSF aim to create a total of 370 000 full-time permanent jobs and further limited jobs equivalent to 265 000 full-time jobs. Around 1.35 million people will benefit from measures to improve skills or employment aids financed by the ESF.

The financial tables (national part-financing) for the German CSF were amended following a request from the German authorities with no change to the objectives or the scope of the measures. A request for an amendment to the programme for Saxony was tabled.

The Monitoring Committees for all the operational programmes met up to six times in the year. The Monitoring Committee for the CSF was convened twice. The social and economic partners were increasingly involved and will attend future meetings at CSF level. They were formally involved in the Monitoring Committees for the operational programmes from the start and some programmes give them voting rights. The Commission has taken several steps to encourage the regional authorities to be involved in the EES (European Employment Strategy) and NAP (National Measure Plan) process and to strengthen the contribution of the human resources development priority in the regional programmes to the German NAP process. There was also a first exchange of views of the Job-Active-Law (the revision of the



German labour market policy law) and of its impact on the operational programmes. This discussion continues in 2002.

One major project was submitted at the end of the year under the 'Transport' horizontal programme.

The transport projects are often concentrated on the trans-European networks (TENs) and links to the accession countries in particular are funded.

The programme complements show that most regional programmes include financial engineering and that the funding of these measures is four times higher than in the previous period.

The financial inspection systems were checked at an early stage by the Commission. Revision of the 1997 agreement between Germany and the Commission on financial inspections is under discussion.

The Commission asked for and received the communications action plans by programme. Information and communication will be a prominent element in the administration of programmes. Several programmes have for example started an measure to determine a 'project of the month' to whose promotion particular efforts are devoted.

The ERDF paid a total of €981 million and the ESF €1 003 million as advance payments or interim payments to the Objective 1 programmes.

In the agricultural sector, all EAGGF measures adopted in 2000 are now in operation. For the whole period EAGGF expenditure for Objectives 1 and 2 amounts to €188.7 million.

The programme for fisheries within Objective 1 regions includes an FIFG allocation of €105.2 million and focuses particularly on processing and investment in fishing ports. Programme implementation started in the second half of 2000 and progressed as scheduled in 2001.

**Objective 2:** Up to 2006 in Germany €3 096 million was available for Objective 2 and another €530 million for the transitional areas.

Germany submitted eleven Objective 2 programmes. These were multifund programmes (ERDF and ESF), with the exception of the programmes in Baden-Württemberg, Bremen, Hamburg and Hessen (ERDF alone). The Commission approved 11 programmes in 2002 and the programme complements for six programmes (Baden-Württemberg, Bremen, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate and Saarland) were declared to comply with Regulation (EC) No 1260/1999.

During the negotiations particular emphasis was placed on achieving complementarity between the Objective 2 programmes and other EU programmes. So for example the Baden-Württemberg Objective 2 programme includes close cooperation with Objective 3 and the Mannheim-Ludwigshafen Urban programme. Measures under all three programmes are linked to each other, avoiding duplication. Two major projects were submitted from North Rhine-Westphalia.

The Commission made advance payments totalling €229 million for Objective 2 programmes for 2000-06. Annual reports were due and received for all programmes with the exception of Hamburg, Berlin and Baden-Württemberg.

**Objective 3:** Following adoption of the Objective 3 SPD on 10 October 2000, the draft programme complement was adopted in principle by the Monitoring Committee on 30 January 2001 and after finalisation sent to the Commission on 18 April; it was accepted on 23 May.

The key results of the implementation of assistance in 2000 were presented at the Monitoring Committee meeting on 4/5 July 2001, at which the contribution of the SPD to the National Action Plans for Employment and Social Inclusion was highlighted. In 2000 61.5% of the planned overall resources of the year (37.1% of the ESF resources) was spent. Commitments in 2000 reached 87% of the ESF resources planned for that year. Taking into account the late decision on the SPD, in general and taking all the priorities together the ESF results were in line with forecasts. About 170 000 persons (42% women) have taken part in measures. This corresponds to 96% of the planned overall level. Two-thirds of them engaged in measures undertaken by the Federal Office of Employment. Within individual priorities and measures, actions did not start in all Länder with the same speed and scope. Apart from certain financial bottlenecks, this was mainly due to the fact that measures under priority 4 (adaptability and entrepreneurship) especially needed more intensive preparation than other measures under, for example, priority 1 (active and preventive labour market policy).

By the end of 2001, a total of €830 million (€332 million in advances and €498 million in reimbursements) had been paid for the Objective 3 programme, that is 17.5% of the total SPD.

The Commission adopted the programme for **non-Objective 1 fisheries** on 28 September 2000. It provides a total FIG allocation of €111.1 million for the whole period and focuses in particular on the processing and marketing of fish and on the renewal and modernisation of the fishing fleet. Implementation began in 2001.

#### 2.2.4. *GREECE*

##### 2000-06

Following approval of the CSF in November 2000, almost all its operational programmes were approved between February and April 2001, with the exception of the Environment OP, approved in July, and Technical assistance, which was submitted by the Greek authorities in October and approved by the Commission in December 2001. In December, the Commission also approved an additional €165 million for the Environment OP.

Of the 26 current OPs, 13 are regional and 13 national. The ESF makes the bulk of the contribution to the three national programmes: 'Promoting employment and vocational training', 'Education and initial vocational training' and 'Health and prevention', which were approved in March and April. The total Community contribution to all these programmes is €21 320.6 million, of which the ESF will provide €4 241 million, 19.8% of the total from the Structural Funds for 2000-06.

The three human resources programmes seek to modernise the public employment services by encouraging a personalised approach and following the guidelines of the European employment policy, linking initial and continuing training, further promoting life-long training, continuing the modernisation of education, reforming the health sector to achieve better budgetary management and high-quality services and reducing social exclusion. The 'Information Society' OP was designed to promote the horizontal nature of this type of measure by simultaneously encouraging an integrated approach to associate human resources questions with all the measures planned. The measures will normally be implemented in a decentralised manner and the systematic consultation of all involved is recommended. The 13 regional OPs contain measures to encourage local development and employment initiatives. A special effort was made to incorporate equal opportunities into both the measures under the CSF and into specific measures.

Under the Objective 1 CSF, the EAGGF Guidance Section will contribute a total of €2 260.3 million to the agriculture and rural development priority during the period 2000-06.

The EAGGF Guidance Section will contribute alone to the Rural development OP, providing €1 233,4 million.

With the other Funds, it will also contribute €1 026.9 million to the regional development priority.

The main measures are intended to:

- improve the competitiveness of agriculture through integrated assistance at the level of the holding, assistance for the processing, standardisation and marketing of agricultural and forestry products and assistance for agricultural products;
- promote the sustainable and integrated development of rural areas and the restoration of social balance by improving the age profile of the agricultural population, improving support mechanisms providing information to the rural population and introducing integrated plans for the development of rural areas;
- maintain the environment and social cohesion for the entire rural population through the development and protection of natural resources and the environment.

In 2001, the EAGGF Guidance Section made commitments of €341.2 million and payments of €261.1 million.

The programme for fisheries (FIFG contribution €211.1 million) was adopted on 28 March. The thrust of this programme is similar to that of the previous one (38% on fleet measures, 17% on aquaculture and 18% on processing and marketing) except there is more emphasis on improving the quality of aquaculture products and working conditions and on preventing environmental pollution. The allocation for 2000 was redistributed to later years.

Following approval of the CSF and of the vast majority of operational programmes, the first meeting of the CSF Monitoring Committee was held on 23 and 24 April. After that meeting, all the Monitoring Committees for the approved operational

programmes held their first meetings in the next few months, before the summer break, and approved the programme complements and the annual implementation reports for 2000 before their submission to the Commission.

All the annual reports for 2000 were submitted to the Commission before the deadline of 30 June. In view of the general delay in approving the OPs for Greece, the annual reports for 2000 for all the OPs were formal and descriptive in nature, and concerned mainly the preparation of programming and the arrangements for management and implementation but virtually ignored financial implementation.

The first annual meetings on the CSF programmes for 2000-06 were held on 23 and 24 November. They discussed the CSF in general and in particular implementation of the horizontal priorities, the operation of the managing authorities, the monitoring and inspection system and the monitoring of the commitments given under the CSF.

On 6 and 7 December the Commission organised an event which was well attended and appreciated, two workshops for the managing authorities of the CSF and all the operational programmes and the intermediate agencies, final beneficiaries and social partners, concerning implementation mechanisms for local and regional development projects (including local employment initiatives, innovation and information society in the regions, integrated actions for urban and mountain regions), and concerning information and publicity measures during the implementation of the CSF.

Finally, the Commission began an enquiry under Article 24 of Regulation (EEC) No 2082/93 concerning the financing of a project to establish a land register in Greece under the CSF for 1994-99. Following this enquiry, the Commission decided in December 2001 to make a financial correction amounting to €57.9 million, to be reimbursed in two instalments.

For 2001 a total of €623.3 million was committed for the OPs as a whole and the payment on account of 7% was made.

#### 2.3.5. *SPAIN*

##### **Objective 1**

###### 1994-99

All the resources for the programmes for 1994-99 were committed and only the payments of the balance need to be made to close the programmes. In three cases, the EAGGF Guidance Section OP for Castile-La Mancha and the ERDF OPs for Extremadura and Asturias, application was made to extend the deadline for payments but the Commission accepted only the first of these.

###### 2000-06

During 2001 the Commission approved 18 OPs which, with the five others already adopted in 2000, complete the 23 programmes which comprise the Spanish CSF for 2000-06. Twelve of these are integrated regional programmes covering each of the Objective 1 regions and accounting for about 66% of the Community assistance in the CSF while the remainder are multiregional. The Canary Islands, along with the other outermost regions of the Union as defined by Article 299 of the Treaty, benefit

from the decision of the Council of 28 June 2001, that allows higher co-financing rates in a number of fields.

Besides the sharp fall in the number of programmes compared with the previous period (23 as against 73), the progress to be noted in the regional programmes in particular comprises:

- the integration of the various Funds and their subsequent effective coordination on the ground. This forces the managing authority to keep the Monitoring Committee regularly informed of the coordination work undertaken in this field;
- the guarantee of an improved integration of the horizontal priorities for the environment and equal opportunities for men and women through the presence on the Monitoring Committees of representatives of the national network of environmental authorities and the bodies responsible for equal opportunities;
- the strengthening of the partnership principle through the active participation in the programme Monitoring Committees of representatives of the social and economic partners, with the notable exceptions of the Autonomous Communities of Castile-León and Valencia and the city of Melilla, which preferred a less participative partnership;
- extended and more balanced cooperation between the national and regional administrations thanks to the spirit of co-responsibility which attended the designation of the managing authorities.

Apart from the ‘Information society’ programme, which the Spanish authorities sent later than the others and which the Commission approved in December 2001, the first Monitoring Committees approved the programme complements during the first half of the year. The managing authority sent these to the Commission for information so that it could check their compliance with the rules in force.

To provide genuine assistance in taking decisions and implementing without delay the interim assessment required by the rules, in October the Monitoring Committees for both the CSF and each of the 23 operational programmes set up the ‘Technical Evaluation Groups’, for which provision had been made in the programming documents. Their basic purpose was to undertake the mid-term evaluation and its subsequent updating in satisfactory conditions of transparency and independence and a level of quality adequate to ensure credible results within the time limits laid down in the rules. The Groups, whose members have direct responsibilities as regards evaluation, will also provide forums for the exchange of ideas and experiences on evaluation.

The annual meetings between the Commission and the managing authorities were held in January 2002 on the basis of the programme complements, the annual reports on implementation for 2000 and other available information. These meetings enabled the Commission and the Spanish administration to hold useful discussions confirming the strategic aspects of programming, compliance with Community priorities, the quality of implementation of assistance and analysis of the first results secured in order to improve the physical and financial implementation, management, monitoring and inspection of the measures part-financed.

Progress in agricultural measures under the EAGGF Guidance Section varied sharply from one region to another. Programme implementation ranged from 100% for the horizontal 'Improving structures' OP to 57.4% in Cantabria and Castile-León; 28.7% in Galicia; 22.9% in Andalusia; 9% in Extremadura; 9.3% in Murcia; 4.8% in Valencia; 0.1% in the Canary Islands and 0% in Asturias, Castile-La Mancha and technical assistance.

The total investment planned for fisheries amounted to €3 122 million, including €1 504 million from the FIG. This was aimed mainly at the processing and marketing of fisheries products and the restructuring and renewal of the fleet.

## **Objective 2**

### 1994-96

All the OPs were closed. In the case of the ERDF, all the Community appropriations for the seven items of assistance were used.

### 1997-99

The last two reprogramming decisions (OPs for Catalonia and Madrid) were signed in 2001.

Several payments for these OPs were made in 2001. By the end of the year, only the final balances remained to be considered; in the case of the ERDF, the average level of payments for the CSF was 87% of the total provision for that Fund.

### 2000-06

The Commission gave its agreement in principle to six SPDs on 29 December 2000 and to that for Madrid on 17 January 2001. The Decisions on the SPDs for Aragon, the Balearic Islands, Catalonia and Navarre were signed on 15 February and those for Madrid, La Rioja and the Basque Country on 7 March.

Each of the seven SPDs covers 'transitional' and 'non-transitional' areas. Community assistance for the non-transitional areas amounts to €2 649 million at current prices, excluding provision for the performance reserve (€115 million for 2004-06), or 12.9% of total Union assistance to the non-transitional areas under Objective 2.

The breakdown of this amount among the seven SPDs is proportional to the population covered in each region as a percentage of the total population of Spain.

Community assistance for the transitional areas amounts to €99 million at current prices, excluding provision for the performance reserve (€4 million for 2004-05), or 3.6% of total Union assistance to the transitional areas under Objective 2.

The seven SPDs cover five priorities for assistance, plus technical assistance:

1. Improving competitiveness and employment and developing the productive fabric.
2. The environment, natural surroundings and water resources.

3. The knowledge society (innovation, R&D, information society).
4. Development of communications and energy networks.
5. Local and urban development.
6. Technical assistance.

The regional and local administrations will contribute to virtually all the priorities to the extent of 65% to 75% of the total ERDF allocation to each SPD. The national administration will contribute to only three priorities: 3 (through the development of infrastructure and support for projects in the science-technology-innovation system) and, to a very limited extent, 1 (to promote the internationalisation of firms) and 6 (technical assistance).

The activities to be part-financed by the ESF in six SPDs concern only 5% (five items) or 7% (SPD for Madrid) of the total allocation to the non-transitional areas; they are the responsibility of the national administration and concern priority 3. However, this figure exceeds 21% in the SPD for Catalonia, where work under priorities 1, 3 and 5 will be carried out by the public central, regional and local administrations.

2000 was the year when the SPDs were considered and drawn up and 2001 was the first in which all the other regulatory elements required for the monitoring of assistance (programme complements, Monitoring Committees, annual reports and annual meetings) were set up.

The first meetings of the Monitoring Committees were held in the regions between 27 April and 5 July. They were attended by the national public administrations concerned, the Commission administrative departments and the enlarged partnership (economic and social partners, local authorities, regional representatives responsible for the protection and improvement of the environment and application of the principle of equal opportunities). These meetings approved the Rules of Procedure of the Committees and considered the programme complements.

The complements were officially sent to the Commission between 6 August and 25 October so that it could establish that they complied with the statutory provisions.

The Monitoring Committees considered and approved the reports on implementation for 2000 in October. In mid-November the managing authority sent them to the Commission, which found them satisfactory.

On the basis of the annual reports and other documents concerning the SPDs, the first annual meetings about these items of assistance were held on 19 and 20 December, comprising an initial plenary session (on the aspects common to the seven SPDs) and seven specific meetings.

The managing authority and the Commission, with the participation of the regional administrations concerned, looked at the main results of the first year of implementation and reached a number of conclusions concerning improvements to the implementation, monitoring and inspection of assistance which were sent to the managing authority early in 2002.

The national coordination structure, an ad hoc body set up by the managing authority to coordinate certain aspects of information, monitoring and evaluation of the SPDs, met on 20 December in Madrid. The first meeting covered the first steps in the preparation of the interim evaluation and provided financial information on the SPD and the other forms of Structural Fund assistance in the areas eligible under **Objective 2**.

### **Objective 3**

The CSF for Objective 3 is being implemented through 12 operational programmes (7 regional and 5 multiregional or thematic). The negotiations were completed at the end of 2000 and four multiregional OPs were approved in January 2001. The total Community contribution to these programmes is €1 338 million, or 60.2% of the total ESF contribution to Objective 3 in 2000-06.

These programmes will support the development and improvement of systems of vocational training, assistance with integration and the reintegration of unemployed workers into the labour market by giving priority to a preventative approach, the implementation of pathways of integration and support for local employment initiatives, promoting the participation of women in the labour market, combating gender discrimination and promoting the integration of the disadvantaged into the market, promoting the business spirit and life-long training for workers.

The Monitoring Committees for the regional OPs met in January and February. A joint Monitoring Committee was set up for the four multiregional programmes; it met on 4 May. The programme complements were approved at the first meeting of the Committees.

Following approval of the Spanish OPs for 2000-06 at the end of 2000 and early in 2001, the annual reports on implementation for 2000 were sent to the Commission with some delay (after the deadline of 30 June). They were approved by the Monitoring Committees and sent to the Commission during the second half of 2001. The annual reports for 2000 on the business initiative and continuing training OPs (Objectives 1 and 3) were approved by the Monitoring Committee at the end of 2001 and forwarded in January 2002.

The first annual meetings of the OPs for the 2000-06 programming period were held at the end of 2001. The annual meeting of the Objective 3 OPs was held on 17 and 18 December 2001 (apart from 'Developing employment' and 'Business initiative', for which it was held on 7 February 2002) along with that for the Objective 1 OP 'Vocational training system and combating discrimination'. The main subjects discussed at these meetings were the implementation of the horizontal priorities, integration of the European Employment Strategy into the OP, the revision and improvement of the selection criteria, the establishment of technical groups to evaluate the OPs and general improvements in the information contained in the annual reports.

Between January and May, €318 065 was committed for Objective 3. 18 applications for interim payments under the Objective 1 and 3 OPs were received during October and November. Of these, 8 were paid before the end of the year. These totalled €118 509 527, 9% of the payments predicted by the Member State as sent to the Commission in April.



## **Non-Objective 1 FIG**

Total investment planned amounted to €824.5 million, including €207.5 million part-financed by the FIG. During 2001, the SPD for fisheries committed 17% and paid 7.8% of the total amount programmed. The priorities for investment were the same as for Objective 1.

### 2.2.6. *FRANCE*

#### **Objective 1**

In addition to two regions in the phasing-out category, Corsica and Nord Pas de Calais (French Hainaut), Objective 1 in France covers the four Overseas departments (“DOM”). For the latter, along with the other outermost regions of the Union as defined by Article 299 of the Treaty, the decision of the Council of 28 June 2001, allows higher co-financing rates to be applied to investments in infrastructure, in SMEs, in improving farm holdings and in the processing and marketing of agricultural produce. These provisions are designed to take account of the handicaps specific to the outermost regions.

The total amount for ERDF in the six Objective 1 French regions represents €2.215 billion for the period 2002-2006, of which €1.908 billion (86%) for the four overseas departments. The ERDF amount paid in 2001 to these regions represents €68.481 billion. This amount includes €64.466 billion which is the 7% advance for Martinique, Guyane and Nord-Pas-de-Calais and an intermediary payment of €4.015 billion.

No request for modification of SPDs for the overseas departments relevant to Council decision of 28 June 2001 was submitted to the Commission in 2001.

As regards the ESF, 2001 saw the start of implementation of the Objective 1 programmes. By the end of the year, the ESF had paid €124.36 billion (including the payments on account), 13% of the total funding for the period. The priorities selected included the training of workers, combating exclusion (including action against illiteracy), learning and the acquisition of skills by young people (including adapted military service) and encouragement for the vocational mobility of the unemployed and young people. Particular attention was paid to the new information and communications technologies and respect for equal opportunities.

The EAGGF Guidance Section provided €680 billion for rural development in the four overseas departments and Corsica and French Hainaut. During 2001 the programme complements were considered and accepted. Only Martinique is awaiting official acceptance of its programme complement. Five regions submitted applications for interim payments: Guadeloupe (two applications), Réunion, Corsica and French Hainaut in 2001 and Martinique in February 2002. However, only interim payments for Guadeloupe and Réunion could be made in 2001.

The derogations from Community rules (rates of public assistance to agricultural holdings and agri-food firms, the eligibility of State forests) granted by the Council on 28 June 2001 required the amendment of the programme complements for the four overseas departments and of the SPDs, which should be done in the first half of 2002.

The four overseas departments and Corsica enjoy specific measures for fisheries, which receive €40.7 million in part financing from the FIG. The main priorities concern the preservation of employment, the improvement of port facilities and the development of aquaculture.

## **Objectives 1 and 2**

### **1994-99**

In 2001 the Commission received some 33 applications to extend the final date for payment (originally 31 December 2001). In most (20) cases, it granted a further period of several months (up to 9) because of *force majeure* or similar reasons. Six applications were rejected and on 31 December the others were still being considered.

### **2000-06**

In March the Commission formally adopted all the decisions concerning the 21 regional SPDs under Objective 2 for 2000-06 and the two decisions on the PNI (National computer programme) for the Objective 1 and 2 areas for that programming period.

The Commission also approved the proposal by the French authorities on the PNAT (National technical assistance programme) for the Objective 1 and 2 areas.

The Commission committed appropriations for the 2000 and 2001 instalments of these programmes and made the 7% payments from the Structural Funds for each programme.

The Commission received all the 26 programme complements for the regional SPDs and the PNI and found that 18 of these complements complied with Article 18(3) of Regulation (EC) No 1260/1999. The others are still being considered.

In 2001 it also received 25 annual reports for 2000 on these 27 programmes, of which 21 were considered to comply satisfactorily with Article 37(2) of Regulation (EC) No 1260/1999. The Commission is still considering the other reports.

To ensure the correct implementation of the next generation of programmes, the Commission, in close cooperation with the French authorities, both national and regional, organised three seminars for promotion and discussion, in Guadeloupe and Corsica for the Objective 1 regions and a third in Rhône-Alpes for the Objective 2 areas.

The topics discussed at these seminars included the implementation of the arrangements for evaluation and monitoring and the performance reserve, the implementation of the single computer system to manage the SPDs, management and inspection systems, the procedure for implementing financial corrections, the content of the annual reports, the procedure for taking decisions on major projects, the introduction of global grants, implementation of the territorial aspects of the SPDs and the establishment and implementation of the communications plans.

## **Objective 2**

The approval of the last programmes and of the proposal by the French authorities to increase the SPDs for Brittany and Picardy because of the floods which hit those two regions in the autumn meant that all the appropriations available for France for 2000-06 were allocated.

All the programme Monitoring Committees were set up during the year.

During 2001, the Commission also decided to agree to the ERDF contributing to the finance of two major projects within the meaning of Article 26 of Regulation (EC) No 1260/1999.

The first is 'PORT 2000 – LE HAVRE' in the SPD for the Upper Normandy Region to which the ERDF will contribute €38 099 846, 25% of the total eligible cost of €152 399 384. Completion of this project will have a considerable impact on the whole region and in particular employment (direct creation of 3 500 jobs).

The second major project is the Route Nationale 106: it is intended to dual the 10.7 km section from Boucarain to La Calmette of the existing road from Alès to Nîmes in the Gard department under the SPD for the Languedoc-Roussillon Region. This is the main road serving the Alès industrial area and will provide efficient links with the A54 and A9 motorways and Nîmes airport. The ERDF will contribute €16.07 million (25 %) to the total eligible cost of €64.29 million.

Five programmes for human resources submitted a first declaration of ESF expenditure in 2001 so that €4.45 million in ESF appropriations could be reimbursed.

### **Objective 3**

The ESF will contribute €4 713 million to financing **Objective 3**. The programme has six priorities with the following shares in total funding: active labour market policies (20.5%), equal opportunities and social integration (26%), life-long education and training (23%), adaptation of workers, business spirit, research, innovation, technology (22.5%), increasing the participation of women in the labour market (4%), horizontal measures (4%).

At the end of 2001, ESF payments stood at €585 million (including the statutory payment on account), or 12% of total funding for period. Since the **Objective 3** SPD gave priority to a preventative approach, priorities 1 and 3 have the highest rates of consumption of appropriations. This is particularly true of priority 1, which offers a new start to job-seekers to head off long-term unemployment. The public employment service is very active and offers a personalised service to job-seekers in the first months of unemployment. This includes guidance, monitoring during training and support towards employment. In June the Monitoring Committee decided to extend personal treatment to all the unemployed and to increase the offer of services to them. Assistance under priority 3 concentrates on apprenticeship programmes supported by the regional councils and transition classes to help pupils at risk of being excluded from education.

In addition to the meetings of the national Monitoring Committee, the regional steering committees met in all the regions the better to assist the decentralised management of the SPD.

### **Non-Objective 1 FIFG**

The SPD for the non-Objective 1 areas of France has FIG funding totalling €233.7 million for 2000-06 (a payment on account of €16.4 million has been made). Strategic priorities are the long-term management of fisheries resources, assisting the modernisation of firms to enable them to increase their value added and improving the socio-economic environment of territories dependent on fishing. At 31 December 2001, €18 million had been committed – mainly for fleet measures.

The FIG allocation for 1994-99 was €197 million. At the end of 2000, 87% of the programme had been committed. This shortfall was because the programme was late in starting, new procedures had to be adapted to and not enough priority was given initially to the programme. By 31 October, 67% of the funding had been paid – with fleet renewal and modernisation prominent.

### 2.2.7. IRELAND

#### 1994-99

Most of the operational programmes and Community Initiatives being implemented in the programming period 1994-99 were due to complete expenditure by 31 December 2001. Following requests from Irish authorities, the Commission agreed short extensions of the deadlines for expenditure and the submission of final reports for a number of programmes.

#### 2000-06

Six Irish Objective 1 programmes approved in 2000 were being implemented in 2001. They concern Economic and social infrastructure, Employment and human resource development, Productive sector, Technical assistance, Border, Midland and Western region and Southern and Eastern region. The Community funding decided under the six programmes amounts to €3 066 million, of which €1 205 million had been committed and €449 million paid by the end of 2001.

In March 2001 the Commission adopted the Peace II programme 2000-04 that benefits Northern Ireland and the Border (NUTS III) region of Ireland. Community funding for the Border region under the programme amounts to €106 million.

Progress on operations relating to infrastructure and the productive sector is generally on target for roads, public transport and environmental infrastructure. Some delays have been experienced in relation to the development of tourism, renewable energy and broadband (e-commerce) capacity. In the case of research and development, the major slowdown in the high technology sector has greatly reduced the availability of private sector part-financing for the types of projects in the Productive sector OP. Therefore, following a proposal from the Irish authorities, the Commission agreed to the transfer of commitment appropriations of some €51 million for 2001 and 2002 from the Research and development priority of the Productive sector OP to the Public transport priority of the Economic and social infrastructure OP.

In relation to human resource development, the economic slowdown has also affected Ireland and resulted in layoffs and closures in electronics companies. In addition, Ireland also has suffered from the impact of the foot and mouth crisis on agriculture and tourism in particular. In labour market terms this means slower

employment growth and even declines in some sectors, increased layoffs and redundancies, lower levels of recruitment, a reduction in labour and skill shortages, increased unemployment, greater difficulties in finding jobs (especially among less employable groups) and a reduction in net immigration.

Against this changing environment, progress in implementing the human resources OP was nevertheless satisfactory. Good progress was made in respect of the Employability and Adaptability priorities whilst some difficulties were identified in relation to Entrepreneurship and Equality. Problems with existing staff in firms were debated at the Employment and Human Resource Development Co-ordinating Committee on 13 November with stakeholders and a temporary transfer of funds helped ease the problem until a lasting solution can be found. Within the Equality Pillar the Monitoring Committee approved a transfer of funds from the Department of Education and Science to the Department of Justice, Equality and Law Reform.

Notable policy changes include innovative developments in the National Employment Service measure, with the extension of the Callnet and Jobconnect programmes and the extension of the Callnet service by FAS to take vacancies from Northern Ireland. Apprenticeships and traineeships continued to expand and the establishment of a traineeship in childcare work is likely to improve the level of female participation in the traineeship programme. Finally, an important and innovative initiative under the Adult Literacy measure is the huge success of the TV and radio series "Read Write Now", which is continuing with a new TV series from September 2001.

After submission by the Irish Authorities of the programme complement and the Communications Action Plan, the Commission made a first interim payment of some €76 million.

The managing authority submitted the first annual report on implementation for 2000, which the Commission accepted. Finally, the first annual review meeting on implementation in 2000 took place in December 2001.

Significant progress with regard to gender mainstreaming has been made over recent years. This is now a requirement for all policies and programmes under the Irish National Development Plan 2000-06. In addition to mainstreaming equality for women and men in all but six measures in the National Development Plan, a number of other commitments have been made to advance equal opportunities in NDP spending.

A practical example of how gender mainstreaming is making progress is the development of a series of training courses for policy makers and implementing agencies which explains the requirements and explores the practice of gender mainstreaming in areas such as tourism, transport and local development.

**In the agricultural sector,** payments on forestry measures are proceeding while other rural development and agricultural measures were delayed due to foot and mouth restrictions.

The annual reports for 2000 were received. Implementation of the rural development measures under the Operational Programmes were hampered by the foot and mouth restrictions and the transfer of staff in the early part of 2001. All part-financed

measures are now operational and the Irish authorities selected Local Action Groups under the measure for Area Based Development.

The FIFG contribution to the three **fisheries** programmes concerned totals €67.6 million (€42 million for the Productive sector OP, €16 million for the Border, Midland and Western region and €9.6 million for the Southern and Eastern region)

## 2.2.8. *ITALY*

### 1994-99 and earlier periods

Early in 2001 there still remained 51 items of assistance to be closed for the period before 1989 and the period 1989-93; of these 31 were actually closed during the year. The other forms of assistance are expected to be closed in 2002.

As regards the financial implementation of the 1994-99 programming period, information from the Italian Government's financial monitoring system puts the percentage payments on the ground at 30 September 2001 at 87.7% for Objective 1, 76% for Objective 2 (1997-99), 77.6% for Objective 5(b) and 54.1% for the Community Initiatives.

The earthquake in 1997 damaged large areas of the regions of Umbria and Marche and the implementation of programming under Objective 5(b) encountered serious difficulties. At the request of the Italian authorities, the Commission adopted two decisions (on 5 September for Umbria and on 9 October for Marche) extending to 31 September 2002 the deadline for making payments to the final beneficiaries in order not to interrupt the process of reconstruction begun in rural areas. An extension for expenditure to 30 September 2002 was also granted for the Objective 5(b) SPD and the Objective 5(a) OP for Piedmont, following delays due to the flooding there in October 2000.

### 2000-06

#### **Objective 1:**

The last two operational programmes were adopted (Technical Assistance in March and Transport in September), which completed approval of the 14 **Objective 1** programmes for Italy and represents, in comparison to 1994-99, a substantial acceleration in approval times.

Most of the second meetings of the Monitoring Committees for the CSF and the programmes approved were held during the first half of 2001 and the third meetings in December in most cases.

The Monitoring Committees approved the versions of the programme complements revised in the light of the comments made by the Commission during its consideration of the first versions approved in 2000. These comments concerned mainly consistency between the complements and the corresponding programmes, indication of the selection criteria for the projects and inaccuracies in the financing plan.

In several cases the Committees approved a third version of the complement. However, the first versions of the programme complements for the 'Transport' and 'Technical assistance and system measures' programmes have not yet been notified.

The first annual meetings were held from 5 to 8 November and the Commission was able to discuss in depth with the managing authorities the critical points of implementation, the appropriateness of the administrative and operational structures of the managing and paying authorities, implementation in the time allowed by the CSF of the regional strategies in several fields such as transport, the information society, research and innovation, the environment and improved monitoring and inspection systems.

The national monitoring system became fully operational in financial terms. Introduction of the physical monitoring system was completed by the end of the year and its operation will be considered early in 2002.

The identification and quantification of the indicators of result and impact in the programme complements, an exercise which the Commission regards as very important, was completed.

With the exception of three programmes, the selection of evaluators for the interim evaluation was completed by the end of the year. This represents considerable progress as compared with 1994-99.

The situation with regard to the arrangements for inspection reveals major shortcomings.

The description of the organisation of the managing and paying authorities required by Article 5 of Regulation (EC) No 438/2001 was generally submitted after the three-month period laid down by that Regulation.

Introduction of the 'second level' inspection systems (and Regulation (EC) No 438/2001 as a whole) was considerably delayed and this will have to be made up as soon as possible.

At 31 December 2001, commitments and payments represented respectively 29% and 7% of the total cost of the CSF. The Commission received three declarations of expenditure for the ERDF during 2001.

In implementing **ESF assistance** in the **Objective 1** regions of Italy during 2001 an attempt was made to apply at operational level all the principles of the employment strategy which were transposed in the operational programmes.

This effort was particularly marked in the regions where the Council's recommendations to Italy on employment policy represented an abrupt change from the earlier way of using Community resources. That phase had concentrated attention on the unemployed, while taking account of the preventative approach. Particular attention was paid to improving the vocational training system and in-firm training.

Support for the reform of the public employment services, where, despite the efforts made, the **Objective 1** regions are lagging behind, particularly in investments in human and structural resources, should also be noted. This situation is negative

compared with the other regions of Italy and appears to depend on the starting situation.

Among the innovative initiatives, the interregional projects, and particularly those concerned with South – North mobility, which seek to promote the employment of workers, should be noted.

All the regions are completing the systems for establishing the system of accrediting training centres through a series of regulatory initiatives. Introduction of this system is complementary to renovation of the system of access to ESF resources, since all the regions are requested to select projects for vocational training through open tender procedures.

There has been some delay in implementing the strategy to promote equal opportunities and undeclared work has emerged: there are problems in giving the strategy concrete form although during the negotiations all the programmes agreed to include these elements.

**As regards agriculture**, the Commission approved the amendment of the Calabria OP on 18 December 2001. This concerns the adjustment of a number of measures including aid to firms, particularly aid for small holdings in structural difficulties.

The seven **Objective 1** regions received the payment on account of 7%, a total of €208.8 million. The annual reports for 2000 sent by the Italian regions showed very little expenditure on measures part-financed by the EAGGF Guidance Section.

**In the fisheries sector**, the Fisheries OP has an FIFG allocation of €122 million for fleet measures. Strategic priorities include adjusting fishing effort to the fisheries resources available, renewing and modernising the fleet and technical assistance. Other fisheries measures for **Objective 1** regions are contained in separate programmes for each of the regions concerned. These are six regions (Calabria, Campania, Molise, Apulia, Sardinia and Sicily), where FIFG part-finance amounts to €164 million.

### **Objective 2:**

The 14 programmes for Central and Northern Italy, which were held up by the long time taken to approve the **Objective 2** zoning, were sent by the Italian authorities at the end of November 2000. Following the partnership negotiations begun at the end of February 2001, decisions of principle were taken on these programmes in June and July that year and then adopted by the Commission between September and November 2001 in the form of mono-Fund (ERDF) SPDs. ERDF part-financing for the **Objective 2** areas in 2000-06 amounts to about €2 600 million, including about €4 million for transitional support. The estimated total cost for these SPDs as a whole is about €10 000 million.

The first meetings of the Monitoring Committees were held in November and December 2001; they approved the programme complements.

### **Objective 3:**

ESF assistance was intended to apply the principles of the employment strategy transposed into the operational programmes. Implementation of the employment



policies, which is a matter for the regions, meant that the European strategy in this field could be applied at local level.

The 15 programmes which now cover the **Objective 3** areas became fully operational in 2001. In terms of financial implementation, total commitments reached 18.73% of total programming, or 66.07% of programming of the instalments for 2000-01.

Of the main themes in the strategy, social exclusion and measures to promote equal opportunities have received particular attention from most managing authorities.

The 'preventative approach' to combating unemployment, for which the CSF contained substantial funding, has demonstrated a satisfactory level of commitment, as has the 'curative approach', which is a strategic element in implementing the regional programmes.

There has, however, been some delay overall in reorganising employment services, probably because of administrative and bureaucratic problem in implementation amongst other reasons.

Activities concerned with advanced training have performed better than others in the same priority, especially those concerned with improving the system of vocational training and instruction and combating school refusal. The difficulties in this field are partly due to the reforms currently taking place in Italy, and to the new breakdown of responsibilities between the State and the regions, which is a question of constitutional reform.

Improving training in firms, especially small and medium-sized ones, has yielded acceptable results which to some extent continue the work of **Objective 4** under the former programming arrangements; however, assistance for training in scientific research and technological development, and support for the business spirit has encountered some worrying difficulties, probably due to the fact that these are new measures in ESF programming and to questions over the preparation of the activities to be implemented.

Overall, the twin goals laid down by the CSF, increasing the job content of economic growth and improving the vocational integration of disadvantaged groups, have received a contribution which should play a substantial role in boosting employment.

### **Non-Objective 1 FIFG:**

The SPD has an FIFG allocation of €99.6 million, including €46 million for fleet measures (a payment on account of €7 million has been made).

#### **2.2.9. LUXEMBOURG**

##### **1994-99**

**Objectives 2 and 5(b):** The measures to support growth and locally-generated development by expanding human resources aroused considerable interest. The provisional version of the final report shows that virtually all the available funding was used. The final statement and the certification of expenditure are expected by the deadline.

Objectives 3 and 4: All the projects programmed have now been closed and the €23 million of ESF assistance used, according to the provisional statement. The final statement and the certification of expenditure are expected by the deadline.

2000-06

**Objective 2:**

By its decision of 25 February 2000 the Commission adopted the list of the three eligible areas. It approved the SPD for the measures in the three areas selected and the one receiving transitional support on 27 December. The assistance is from a single Fund (ERDF).

**Objective 3:**

In line with the national action plan for employment, the programme adopted concentrates on vocational training measures, the modernisation of employment services and support for providing workers with skills (Community assistance of €39 million). In fact, despite a rate of growth in employment above the average for the EUR15, the labour market in Luxembourg is still suffering from a number of problems, principally the low rate of employment among older workers and the fact that a large number of people of working age leave the labour market early to receive invalidity benefits or early retirement.

The Luxembourg programme has four main priorities: (1) preventing unemployment and reducing the number of people dependent on 'passive' arrangements such as early retirement and invalidity; (2) promoting social integration including training, if possible on computers, and aid for integration into the social economy and the open labour market; (3) promoting life-long education and training and the business spirit; (4) increasing the equality of men and women on the labour market.

At the first annual meeting, in December 2001, the Luxembourg authorities reported that, after a fairly difficult start-up period, 80% of the financial resources for 2000-03 had been committed following the first public calls for projects. The provisional statement of expenditure on the 2000 budget instalment represents only 25% of the ESF appropriations available. An automatic decommitment of the 2000 instalment at the end of the period n+2 cannot therefore be excluded, although the partners have agreed together to implement all the measures, a decision stimulated by a certain re-emergence of unemployment in Luxembourg during the second half of 2001.

*2.2.10. NETHERLANDS*

1994-99

**Objective 1**

By the end of 2000, the total amounts paid out under the programme had reached 75%, a significant increase on the previous year. Nevertheless, the final balance will almost certainly show a less than complete utilisation of the EU funds available for the programme. The overall impact of the programme seems positive. Per capita GDP in the province is now approaching the target of 85% of the EU average. Private investment and employment have increased steadily, and above the Dutch average. The number of new companies and area of greenfield industrial sites has

largely overshoot the original targets. By contrast, the development of the tourism sector lags behind the stated targets.

### Objective 2

In the period 1994-99, there were five Dutch Objective 2 programmes (Zuid-Limburg, Zuidoost-Brabant, Arnhem-Nijmegen, Twente and Groningen-Drenthe). An extension of the payment deadline for the Arnhem-Nijmegen Objective 2 programme was requested. For all other programmes, the final reports and the request for payment of the balance are due by June 2002. The reported levels of implementation of expenditure and of the physical programme targets are substantially higher than in the previous year, but in many cases still clearly below the levels originally planned.

### Objective 3

The irregularities found in a number of ESF projects continue to cause problems. At the request of the Commission the Dutch authorities have investigated a sample of projects for the years 1994-96, a period not hitherto inspected. On the basis of this study the Commission decided to fix the irregularity rate at 31.3% and to use this rate in the Article 24 decision to reclaim a substantial amount of money. The Netherlands has not submitted final payment claims for 1997-99 and the Dutch authorities are expected to ask the Commission for permission to use the extension provided by the Regulation to settle the 1994-99 period no later than the end of March 2003.

### 2000-06

#### Objective 1

The 2000-06 Flevoland transitional programme was adopted in July 2000 and had a somewhat slow start, due among other things to a fundamental revision of local State aid schemes. During 2001, the programme complement was accepted and the first annual report submitted. Much time was spent on the development and implementation of the communication and information strategy, which has served as an example of good practice for other Objective 1 regions.

Two meetings of the Monitoring Committees took place, in May and November, to discuss the state of the implementation of the programme. Among other matters, the latter meeting adopted the arrangements required for local venture capital funds, which are expected to play an important role in the programme.

The SPD includes €6.0 million for FIGG measures. Implementation up to the end of 2001 was marginal. The investment planned concerns mainly the adjustment of fishing effort and the processing and marketing of fish.

#### Objective 2

Of the four single programming documents for the Objective 2 areas, "Noord", "Steden", "Zuid" and "Oost", the first was adopted in July 2001 and the second in March 2001; the other two were approved by the Commission in August 2001. "Noord" combines eligible areas in the Friesland, Groningen and Drenthe provinces. "Steden" combines urban areas in difficulties in nine large and medium-sized cities. "Zuid" concerns the Brabant, Limburg and a small area in Zeeland, while "Oost"

covers Gelderland, Overijssel and a small zone in Utrecht province. For the latter two SPDs, which concern to a large extent rural areas, negotiations were protracted due to the need to establish a clear distinction between the activities part-financed under these programmes and those funded under the rural development plan. All Dutch **Objective 2** programmes are funded exclusively by the ERDF.

In 2001 all programmes submitted their first annual reports. In accordance with the flexibility allowed for this first series of reports and taking into account the late start of most programmes, the information on the year 2000 was rather general. Figures on financial and physical realisation were limited. By the end of the year, the four programme complements had been adopted by the Monitoring Committees. Much effort was devoted to the implementation of the organisational arrangements for the programmes, in particular the programme management systems.

In January 2002, the first annual meeting between the Commission and the Dutch authorities took place to review the implementation of the programmes in 2001. The main outcome was that the state of implementation was broadly satisfactory, but with certain differences between programmes. In particular the largest programme, "Noord", which also receives substantial funds via a specific national programme for this region, is making very good progress.

### **Objective 3**

The new programme did not start until July 2001, after the new national ESF subsidy rules were published in the State Journal. So far absorption has been very disappointing. The many unresolved irregularity problems of the old programme make promoters hesitant in applying for projects under the new programme. In order to improve absorption, all 536 municipalities were given access to the **Objective 3** programme. At present 63 applications for an amount of €150 million have been received. In 2001 only eight retroactive decisions for 2000 were taken.

### **Non-Objective 1 FIG**

The structural programme for fisheries in the non-**Objective 1** areas was submitted to the Commission on 29 December 2000 and contains an allocation for the FIG of €32.1 million. The programme was not approved until 17 January 2002.

## *2.2.11. AUSTRIA*

1995-99:

### **Objective 1**

For Austria's only **Objective 1** programme (Burgenland) in the programming period 1995-99, 2001 is to be considered as an operational year in which projects adopted in earlier years were monitored and concluded as the period for payments ended on 31 December 2001.

Of the 100% commitments of the total amount for the Structural Funds, 93% had been paid by the end of 2001.

Following an inspection of implementation of the ESF in Burgenland, it was decided to suspend the payments and carry out an overall audit inspection via the Ministry for Economy and Labour.

## Objective 2

For the four Austrian Objective 2 programmes of Upper Austria, Lower Austria, Styria and Vorarlberg too, 2001 was the last year of implementation so only payments were made. Projects which had been approved in the earlier years were monitored and closed.

For the larger Objective 2 programmes like Styria and Lower Austria the indicators targeted have clearly been reached, and in most cases overshoot. The target of 1 000 new jobs in the case of Objective 2 in Styria was achieved with a total of 3 200 jobs, three times more than expected.

Of the 100% of commitments concerning the total amount for the Structural Funds for all four Objective 2 programmes, 83% were paid by the end of 2001.

For the Objective 3 programme the Labour Market Service ("Arbeitsmarktservice") acted as final beneficiary and the Ministry of Labour, Health and Social Affairs as coordinator. The Federal Offices of social affairs and handicapped persons were involved, alongside with the Labour Market Service, in matters related to handicapped persons. 88% of the funds was implemented by the Labour Market Service and 11% by the above mentioned Federal Offices. The programme managed to reach the target groups as envisaged. About 50% of those supported were women.

Within the Objective 4 programme, the antinomy of objectives led to a preponderance of businesses that had to decide who in their workforce could participate in measures for the adjustment of professional capabilities (adaptation of workers to industrial changes and changes in production systems). The interests of the businesses thus prevailed.

Problem groups such as those threatened by unemployment were reached only to a lesser extent. The considerable additional support with regard to the adaptation of professional capabilities of staff primarily belonging to SMEs can be seen as a positive effect. The disproportionate share of funding going to large firms may be considered a negative effect.

2000-06

## **Objective 1:**

There were two amendments to the SPD of the Burgenland Objective 1 programme in 2001. The decisions were adopted in May and December and concerned principally amendments to the financing and State aid tables. Concerning the financial changes, the national contribution in the ESF part was reduced for budgetary reasons and a slight overshoot in the Structural Fund contribution to technical assistance had to be adjusted. The list of State aid schemes was amended to include all the schemes currently necessary for implementation.

The programme complement was approved by the second Monitoring Committee in June and accepted as complying with Regulation (EC) No 1260/1999 by the Commission on 20 July as the main instrument for the implementation of the SPD.

The first annual report for the new period on the year 2000 was submitted to the Commission in July 2001 and accepted in August. The financial data presented showed that, especially in the fields of human resources, infrastructure, research and development and tourism marketing, the programme had started quite well.

Because of the programme monitoring used, it is expected that positive or negative development changes could be recognised at an early stage, so permitting the programme management to react immediately. The system registers all projects approved and recommended, including those in the pipeline.

The SPD includes €41.3 million for agricultural and rural development measures, part-financed by the EAGGF. At the end of 2001, the Commission had made a payment on account of €2.8 million and a first reimbursement of €1.8 million.

The SPD also includes €800 000 for FIFG measures, principally aquaculture. The first measures were launched in 2001.

## **Objective 2**

The single programming documents for the **Objective 2** regions of Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Vorarlberg and Tyrol were approved by the Commission in March and the **Objective 2** programme for Vienna followed in July. For the first seven programmes, the eligibility expenditure began on 1 January 2000, in the case of Vienna on 4 July because this programme was submitted to the Commission later.

Except for Vienna, the first Monitoring Committees were held in May 2001 in St. Pölten and Salzburg; they approved the programme complements for all seven programmes. The Monitoring Committee for the **Objective 2** SPD for Vienna met in September 2001. The Commission accepted the programme complements in July (in the case of Vienna in December).

The Commission received the first annual reports for all these programmes except Vienna in July and accepted them in August. The first report for the Objective 2 programme for Vienna will be required by 30 June 2002 as the starting date for the eligibility of expenditure under this SPD was later than 1 January 2000.

In accordance with the flexibility allowed for the first series of reports, the information on the year 2000 is very general and mainly contains a description of the planning process and the organisation of the implementation of the programs.

Financial implementation began for only a few measures but the differences between the various programmes are quite wide. Following the first annual reports for the Objective 2 programme for Tyrol, eligible expenditure has been declared for only two out of 20 measures, whereas those for Carinthia include financial data (mainly in the sectors of RTD, regional development and soft aid) in five out of 11 cases and for Lower Austria 12 out of 22.

Three programmes (Carinthia, Styria and Vienna) include an ESF part. Only Carinthia had declared eligible expenditure so far.

The first interim payment requests for seven Objective 2 programmes were received during autumn 2001 and carried out during the turn of the year.

The first annual meeting with the managing authorities for Objectives 1 and 2 in Austria took place on 22 November. The first part was devoted to the development of EU regional policy regarding enlargement as regards the border regions. The second part of the meeting dealt with administrative topics, and all the issues concerning annual reports, first experiences of programme management, data exchange and audit reports were discussed by the managing authorities for Objective 1 and 2 with the responsible bodies at national level.

### **Objective 3**

The Commission approved the Objective 3 programme on 8 August 2000. The annual meeting between the Commission and the Austrian managing authorities in Vienna on 21 November 2001 covered the main features of the most recent state of implementation of the programme.

As far as the four final beneficiaries (Labour Market Service, Federal Ministry of Economic Affairs and Labour, Federal Ministry of Education, Science and Culture and Ministry of Social Security and Generations) are concerned, the Labour Market Service can receive most of the ESF resources (approximately 60%). About 17% of the available ESF funds are earmarked respectively for the benefit of the Ministry of Social Security and Generations (in favour of handicapped persons) and the Ministry of Education, Science and Culture (promoting lifelong learning).

The Länder as such are involved in the Territorial Employment Pacts and receive a relatively modest 2-3%. The Federal Ministry of Economic Affairs and Labour is primarily engaged in gender mainstreaming.

As far as the absorption of funds is concerned, the Labour Market Service was expected to absorb all funds in 2001. The Ministry of Social Security and Generations was expected to absorb up to 60% in 2001 due to the fact that the ministry also manages special programmes, the Equal Programme and the so-called 'billion for handicapped persons' (Behindertenmilliarde). The Ministry of Education, Science and Culture, with responsibility for schools, adult education and universities, has so far absorbed a smaller share because schools rely on annual planning and projects are mostly linked to school years.

A series of supporting bodies connected to the Federal Ministry of Economic Affairs and Labour was created in the past. They concern the Territorial Employment Pacts, gender mainstreaming, public relations, an evaluation body to evaluate the ESF on a permanent basis (ongoing evaluation) and an Equal office. These bodies are organised under private law and following an EU-wide call for tender. The planned ongoing evaluation differs from the evaluation according to Regulation (EC) No 1260/1999 and is aimed at providing direct feedback on programme implementation.

### **Non-Objective 1 FIFG**

The Commission adopted the structural programme for fisheries for Austria on 30 October 2000. It provides an allocation to the FIFG for this period of €4.2 million. Following the adoption of the programme, the Commission also approved the national aid scheme submitted by Austria. Implementation of the programme during 2000 and 2001 is as planned.

#### 2.2.12. PORTUGAL

##### Previous programming periods

During 2001, one item of assistance from before 1989 was closed and one from 1989-93. All the remaining items of assistance should be closed during 2002.

As regards financial implementation for 1994-99, about 99% of the forecast for the whole period was implemented.

The FIFG contribution for 1994-99 was reduced from an initial €182 million to €164 million and the 1999 instalment accounts for 44% of the total FIFG contribution.

##### 2000-06

Most of the work in 2001 concentrated on completing programming and implementing the structures for management, monitoring and inspection. For Madeira and Azores, along with the other outermost regions of the Union as defined by Article 299 of the Treaty, the decision of the Council of 28 June 2001, allows higher co-financing rates in a number of fields.

18 OPs were adopted in 2000. The technical assistance programme, which was adopted on 20 March 2001, includes a Community contribution of €81.31 million (€36.4 million from the ERDF and €44.9 million from the ESF). This programme is intended to support implementation of the CSF and management of the Funds; it also includes measures to improve the technical and pedagogic quality of vocational training and offers support to thematic working groups to improve action in areas regarded as priorities.

Two meetings of the Monitoring Committees for each OP were held in 2001. The meetings in the first half of the year approved the final versions of the programme complements, the first versions of which had been tabled at the meetings of the Monitoring Committees in the second half of 2000.

Following work in partnership with the Commission, the managing authorities improved the programme complements, particularly as regards the criteria for selecting projects for certain measures, the definition of a series of indicators of results and for attribution of the performance reserve and consistency between the programme complements and the corresponding programmes.

One of the points developed during 2001 was the introduction of the information system on projects part-financed by the Structural Funds. This data base should permit both the financial monitoring of assistance and monitoring of the physical implementation of projects and the results of the various measures. This system, which has been completely operational since 2002, is a vital tool for the overall coordination of the CSF and a basic instrument for the mid-term evaluation and allocation of the performance reserve early in 2004.



The first annual meetings with the managing authorities were held in October. They enabled the Commission to use the implementation reports for 2000 and information available mainly through the Monitoring Committees to discuss with the managing authorities the aspects most relevant to implementation: application of the project selection criteria matrices appropriate to the priorities established at the level of the measures, improving the monitoring and inspection systems, the proposed arrangements for complying with the financing plans adopted and the monitoring of aid schemes.

Technical evaluation groups by programme were set up for the interim evaluation. The work carried out by these groups, on which the Commission is represented, resulted in a detailed schedule for launching the mid-term evaluation. These groups identified a series of elements common to all the evaluations so as to make available the points required to evaluate the CSF and ensure a consistent approach.

To make the work of the Structural Funds more visible in Portugal, in November the Commission, in partnership with the Portuguese authorities, organised a seminar to make managers and those responsible for the communications plans in the CSF and the OPs aware of the application of Regulation (EC) No 1159/2000 and to present good practice as regards information and publicity in other Member States.

Establishment of the inspection systems was delayed; this must be made up by the Portuguese authorities as soon as possible. The situation for implementing the inspection arrangements shows some shortcomings, particularly as regards human resources and training. Steps must be taken in this regard in the first half of 2002.

In terms of financial implementation, most OPs made good progress with 61 statements of ERDF expenditure submitted to the Commission in 2001. Applications for payments were made for all the programmes except technical assistance.

In all, the interim payments made in 2001 totalled about €988 million in ERDF appropriations.

The managing authorities for the OPs decided to part-finance major projects within the programmes, in accordance with Regulation (EC) No 1260/1999. During 2001, the Commission received and approved seven major projects covering the storage of natural gas (two projects) and transport infrastructure (five projects).

**In the field of human resources**, the annual meetings of the Employment and Education Programmes allowed analysis of the ESF contribution to the European strategies for employment and social inclusion.

The national authorities, in partnership with the Commission, drew up a document containing specific recommendations for the evaluation of measures financed by the ESF in the various programmes.

**In the agricultural field**, all the annual reports for the eight programmes assisted by the EAGGF Guidance Section were received and considered satisfactory. In terms of implementation, three payments were made for the Agriculture and rural development OP, the first a 7% payment on account of €76.8 million in 2000 and two others totalling €47 million in 2001, bringing the total to 11.3% of EAGGF Guidance Section funding for this programme.

**In the fisheries sector**, the FIG contribution to the fisheries operational programme is €163 million (a payment on account of €11.4 million was made), of which €64 million is for fleet measures and €56 million for the protection and development of aquatic resources, port facilities, processing and marketing.

Besides this specific programme, six regional programmes include measures targeted on fisheries: Azores, Madeira, Alentejo, Algarve, Centro, Norte, totalling €54.5 million. These priorities concern mainly the development of aquaculture and improving product quality.

### 2.2.13. FINLAND

#### 1995-99

2001 was the final year of implementation for the last projects from the 1995-99 regional development programmes. The last date for payments to projects was 31 December 2001.

The annual reports for 2000 for the Objective 6 and the Objective 2 (1997-99) programmes were approved by the Monitoring Committees and received by the Commission in October. They showed that a high percentage of the EU budget had been paid out to projects by the end of 2000, in particular in the case of Objective 6 (almost 90%).

In 2001 calls for tenders for the *ex-post* evaluations of the Objective 2 and Objective 6 programmes were issued by the Commission. Work on the Objective 2 *ex-post* evaluations started at the end of 2001 and the Objective 6 evaluation is expected to start early in 2002.

#### 2000-06

#### **Objectives 1 and 2**

In mainland Finland there are two Objective 1 programmes (Eastern and Northern Finland) and two Objective 2 programmes (Southern and Western Finland); there is one Objective 2 programme in the Swedish-speaking Åland Islands.

In 2001 the first Monitoring Committee meetings of the mainland Finland programmes convened in May and June. One of the main points on the agenda was the approval of the first annual implementation reports for 2000-06, i.e. annual reports for 2000. The Second Cohesion Report was also presented by the Commission and discussed in the meetings. The first Åland Islands Objective 2 Monitoring Committee was organised in February 2001 to launch the programme implementation including the finalisation of the programme complement.

The second Monitoring Committee meetings of the mainland Finland programmes were held in December. The Objective 1 Committee discussed the first needs for programme amendments. The Committees approved the terms of reference and calls for tender for the mid-term evaluation prepared by the national evaluation steering group. This group - with representatives from the regions, ministries and the Commission - was set up by the Monitoring Committees in 2000 to prepare the mid-term evaluation of the Objective 1 and 2 programmes. It met three times in 2001.

Most of the Monitoring Committee meetings included project visits or presentations and several press conferences were also held. In addition, in the context of the Objective 1 Monitoring Committee meetings in June, an international seminar on the Exchange of Experience and Future Cohesion Policies was organised in Joensuu, Eastern Finland, with some 100 participants from other European Objective 1 regions and candidate countries. A one-day seminar on urban matters was organised in the context of the Objective 2 Monitoring Committee meetings in Helsinki in December.

The programming phase was completed when the Commission received the finalised programme complements in June. After correction of some technical errors, the Commission confirmed that the complements complied with the requirements of Regulation (EC) No 1260/1999.

The Commission received the annual reports of both Objective 1 and 2 programmes at the end of June. After examining the documents, and taking into account the specific circumstances of the first year of implementation, the Commission considered these documents as satisfactory. According to these reports, the implementation of both Objective 1 and 2 programmes had started in full during 2000. The monitoring data for 2001 showed that both commitments (decisions made on projects) and payments to projects were advancing well in the Objective 1 and 2 areas as well as in the Objective 2 transitional areas.

The first annual review meeting between the Commission and the mainland Finland Objective 1 and 2 managing authority was held on 23 November 2001 in Brussels. The review covered the main programming stages, annual reports for 2000, the main events and results of 2000 and follow-up, monitoring, developments in the operational environment and in the socio-economic situation and their possible effects on implementation, and developments around the future cohesion policy. It was agreed, *inter alia*, to expand annual reporting, and to promote thematic and policy discussions in the Monitoring Committees. It was also noted that following the Second Cohesion Report of 2001 DG REGIO had received two position papers from the Finnish regions and the Association of the Local and Regional Authorities.

The annual review meeting with the managing authority of the Åland Islands Objective 2 programme was held on 27 November. As the implementation started in early spring 2001, the discussion in the context of this first review focused on the start-up phase.

At the end of September the Commission received the first interim payment requests for the mainland Objective 1 programmes from managing authorities, at the end of October those for the mainland Objective 2 programmes and at the end of November those for the Åland Islands Objective 2 programme, all within the regulatory 18 months of programme approvals. The first ERDF interim payments were made in December for the Objective 1 programmes.

**In the field of human resources**, the first annual review meeting between the Commission and the management authority took place in Brussels on 23 November. This was a joint meeting for Objectives 1 and 2. Links between the ESF and the European Employment Strategy and complementarity between the ESF under Objectives 2 and 3 were discussed.

**As for agriculture**, a total of 1 390 project decisions were taken in Eastern Finland and 971 in Northern Finland. The fastest uptake has been on the “Farm investments” measure. Furthermore, Finland has partially mainstreamed a Leader-type approach to the Objective 1 SPDs.

**In the fisheries sector**, the FIG contribution for Northern Finland is €2.65 million (a payment on account of €190 000 has been made), mainly for processing, fishing ports and aquaculture. For the other Objective 1 region (Eastern Finland), the FIG contribution is €4.2 million (a payment on account of €300 000 has been made). Processing and fishing ports are the main recipients of funding.

### **Objective 3**

ESF funding for **Objective 3** SPD (excluding Åland Islands) totals €416 million. The SPD sets out four policy priorities in accordance with the ESF policy frame of reference: 1. exploiting labour demand and improving employability (29% of the ESF allocation); 2. promoting equality and equal opportunities in working life (19%); 3. improving the quality and effectiveness of education and training, promoting occupational mobility, and strengthening the integration of education and working life (19%); 4. developing human capital to support entrepreneurship and the quality of working life and exploiting research and technology (29%). In addition, there is a priority for technical assistance (4%).

The main labour market problems the **Objective 3** programme aims to address are the high rate of unemployment, the danger of exclusion of certain groups (e.g. long-term unemployed, young unemployed, ageing and handicapped people) from the labour market and increasing labour market bottlenecks.

The first annual review took place in Helsinki in October. The following issues were dealt with: coherence with the proposed strategy, link with the EES, implementation of the horizontal issues, financial issues, management and financial control systems, monitoring, evaluation, and compliance with Community policies. It was agreed that the managing authority should take the necessary steps to improve programme implementation.

The separate **Objective 3** programme for the autonomous Åland Islands, with €2.6 million funding from the ESF, proceeded as follows (situation at 31 December 2001): ESF commitments 20%, payments 8%, number of projects 28, and 750 persons participating in them. The annual review was organised in the form of exchange of letters about the implementation of assistance.

### **Non-Objective 1 FIG**

For the period 2000-06, the FIG contribution is €32 million (a payment on account of €2.25 has been made). 55% is for protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing and inland fishing. 11% of the funding goes to the Åland Islands, which have a separate plan.

#### *2.2.14. SWEDEN*

##### 1995-99

The Commission received the annual reports for 2000 between July and October 2001. According to the annual report of the **Objective 6** programme, 78% of the EU budget had been paid to projects by the end of 2000. As regards the five **Objective 2** programmes, between 68% and 83% of the EU budget had been paid out to projects. Results so far show that the programmes will be well over-target as regards the creation of jobs and new enterprises.

In 2001 calls for tenders for the *ex-post* evaluations of the **Objective 2** and **Objective 6** programmes were issued by the Commission. Work on the **Objective 6** evaluation is expected in early 2002. In addition, the Swedish authorities decided to carry out complementary national *ex-post* evaluations for Objectives 2 and 6. Some preparatory work was carried out in 2001 and the procurement procedures will be finalised during the first half of 2002.

#### 2000-06

#### **Objectives 1 and 2**

There are two **Objective 1** programmes (Norra Norrland and Södra Skogslänsregionen) and four **Objective 2** programmes (Norra, Södra, Västra and Öarna) in Sweden.

In 2001 two Monitoring Committee meetings were held for each programme. The first **Objective 1** Monitoring Committee meetings took place in March and both meetings included project visits. The second round of meetings took place in October. The first set of **Objective 2** Monitoring Committee meetings was held in April and the second meetings in September/October. Most of the first meetings included either project visits or focused on the programme complements and the second ones on the *ex-post* and mid-term evaluations, in addition to the obligatory reporting on the finalisation of the programme implementations. In the context of those Monitoring Committee meetings which included project visits press conferences were organised.

During the year one working group was established for the **Objective 1** programmes and one for the **Objective 2** programmes, the members being nominated by the respective Monitoring Committee with the Commission having one representative on each Committee. The main task of these working groups will be to follow the *ex-post* and mid-term evaluations. During the end of 2001 each evaluation working group met to outline the main focus of the mid-term evaluations. This paper will be presented to all Monitoring Committees for approval in the beginning of 2002. In addition to this each programme has its own working group, which will focus on special issues defined by each committee.

The first annual reports for 2000 were approved by the Monitoring Committees and thereafter sent to the Commission at the end of June. After having reviewed the reports in the light of the general Structural Funds regulation, and taking into account the specific circumstances of the first implementation year, the Commission considered the reports as satisfactory.

The annual reports 2000 for **Objective 1** covered an implementation period of only a few months. The managing authorities had to process a great number of applications in the beginning since many applicants had been waiting for the application process

to be opened. The first project decisions were taken in the autumn of 2000. In view of this, no payment was made that year.

Since the **Objective 2** programmes were approved on 15 and 20 December 2000, actual programme implementation did not start until 2001.

The programming phase was finalised in September/October 2001 when the Commission confirmed that the **Objective 1** and **Objective 2** programme complements complied with the requirements of the regulation. The first versions received by the Commission did not contain all the necessary elements, so a major part of 2001 was devoted to the development of final and complete programme complements, especially with regard to the financing plans and the indicators.

The first interim payment requests for **Objective 1** programmes came in October 2001, which was within the regulatory time limit of 18 months.

The first annual review meeting between the Commission and the **Objective 1** and **2** managing authorities was held in Brussels on 3 December. The first part of the meeting was common for all programmes. In the afternoon there were separate sessions for **Objective 1** and **Objective 2**. The main points of the agenda covered management and payment procedures, inspections, data systems and transmission (including annual reports for 2000, a qualitative assessment of implementation and results so far, the partnerships, the private sector involvement, payment requests, etc.). No specific problems as regards programme implementation were brought up during the meeting, except for the fact that some programmes had not yet started the 5% checks. The Commission therefore stressed the importance of starting these checks as soon as possible in order to comply with Article 10 of Regulation (EC) No 438/2001.

In June 2001 a conference on “Regional depopulation as a challenge for structural policies” was organised in Lycksele (Northern Sweden) within the framework of the Swedish presidency and in cooperation with the Commission. It included an exchange of experiences and dissemination of best practice and will provide the background for discussion among policy makers on efficient measures and implications for structural policies after 2006 at national as well as EU level.

**In the agricultural sector**, the uptake in EAGGF-funded measures was considered acceptable during 2001. Generally, investment in agricultural holdings and support for the setting up of young farmers progressed well, while support schemes for processing and marketing received only a relatively limited amount of applications.

**In the fisheries sector**, two programmes were adopted. In the programme for Norra Norrland €5.8 million is available from the FIFG and investments in the fisheries sector totalling €13 million are planned. The strategy for the development of the fisheries sector includes a wide range of FIFG measures but investments in aquaculture, processing and protection and development of aquatic resources should represent about 50% of FIFG funds. Södra Skogslänsregionen will benefit from a FIFG allocation of €5.7 million, which should lead to total investments of €13 million. According to the strategy established for fisheries, 75% of all FIFG funds will be used to develop the aquaculture and processing industries. The implementation rate of these programmes has so far been lower than expected, but the pace has accelerated, according to preliminary information at the end of 2001.

### **Objective 3**

The Commission approved the **Objective 3** SPD on 27 September 2000, following seven months of negotiations with the Swedish authorities. In addition to the regions covered by **Objective 1**, Sweden is eligible for €747 million in ESF funds with an overall budget of €2 780 million, of which €729 million will come from national public funds and €1 303 million from private sources. The five priorities are 'Skills development of employees', 'Increase employability and entrepreneurship', 'Integration, diversity and equal opportunity', 'Local development' and 'Technical assistance'.

In 2001 the programme was on track and by the end of 2001 had made up the late start in 2000. Commitments reached 98% of the financing plan and payments 48%. This meant altogether 423 000 participants (slightly more women than men). In the first full operational year, measures on analysis of skills development and increased employability had well exceeded the targets, while job rotation in particular had had teething troubles.

The first annual review meeting was held on 7 November. One result was that the Commission paid attention to slow financial reporting from the projects, stressing a need to find incentives to speed it up. Further, due to start-up difficulties, the job rotation measure needs to be thoroughly assessed prior to further measures. As the programme is a whole, its balanced development needs to be closely monitored. The involvement of social partners should be ensured by further developing working methods. The mid-term evaluation was started by the selection of the evaluator by the end of the year.

### **Non-Objective 1 FIG**

The Commission adopted Sweden's structural programme for 2000-06 on 15 December 2000. This programme has a FIG contribution of €62 million and total investments of €360 million are planned, mainly for the restructuring of the processing industry and modernisation of the fleet. The modernisation of the fleet is necessary in order to improve working and health conditions, to improve the selectivity of the fishing gear and to reduce the impact from fishing on the environment. The first meeting of the Monitoring Committee was held on 9 February; this meeting adopted more detailed arrangements for the programme.

#### *2.2.15. UNITED KINGDOM*

##### 1994-99

##### Objective 1

Three programmes were being implemented with completion to be achieved by 31 December 2001 and final reporting and final expenditure claims scheduled to be submitted by 30 June 2002. The Commission agreed to a request by the UK authorities to extend the implementation period for the Merseyside programme until 30 June 2002. 91.9 % of total payments have been made.

##### Objective 2

All programmes except one completed implementation by 31 December 2001, with final reporting and expenditure claims scheduled to be submitted by 30 June 2002. The Commission agreed to a request to extend the implementation period for the North East England programme until 30 June 2002.

## 2000-06

Following the successful conclusion of the negotiations during 1999-2000, six Objective 1 and 14 Objective 2 programmes were approved and started implementation.

### **Objective 1**

Five programmes approved in 2000 were being implemented in 2001. They concern the English regions of Cornwall and the Isles of Scilly, Merseyside and South Yorkshire, Wales (West Wales and the Valleys) and Scotland (transitional programme for Highlands and Islands). Each programme covers between four and six priority areas, grouped around five main themes: support for SMEs, support for business modernisation, community economic regeneration, human resource development and development of strategic infrastructure.

Three major projects setting up venture capital funds were appraised favourably. The three projects and approved amounts of ERDF part-financing were: “South Yorkshire Investment Fund” (€37 million), “Merseyside Special Investment Fund” (€60 million), and “Finance Wales” (€32.6 million).

One transitional **Objective 1** programme, “Building sustainable prosperity”, an operational programme under the Northern Ireland CSF, was approved in 2001. The thrust of this operational programme for a region in transition from **Objective 1** and emerging from conflict to peace is to move Northern Ireland towards a state of sustainable prosperity in a competitive economy, by focusing on restructuring to modernise business and providing for skills development of its people, to enable a higher technology future. The main focus and thus major priorities of this programme are those of economic growth and competitiveness, and employment.

In March 2001 the Commission adopted the second EU programme for peace and reconciliation, the Peace II programme 2000-04. 80% covers Northern Ireland and 20% covers the Border region of Ireland. It builds on the experience of the special support process after the Belfast Agreement. The new programme addresses the economic and social legacy of the conflict and helps projects that take opportunities arising from the return to peace. It also seeks to pave the way to reconciliation between Protestants and Catholics by funding projects displaying cross-community commitment.

**In the fisheries sector**, for Cornwall and Isles of Scilly, the total FIFG for fisheries is €16.99 million, which represents 3% of total Community aid for the programme. Applications from the fishing and aquaculture sectors opened in April and by the end of the year 34 applications had been approved with an FIFG contribution of €2.8 million. Five Cornish bids were successful under the English decommissioning scheme. A Fisheries Priority Management Group was set up and it met regularly to review progress and approve applications. Progress in 2001 was very satisfactory.



In Merseyside, the total FIFG for fisheries is small, €400 000 for 2000-06. Within the **Objective 1** area fisheries activity includes an offshore fishery for trawlers which land their catch into Canada dock; inshore fishing vessels for some 25 fishermen; a cockle fishery, and a brown shrimp fishery. In addition there is Stanley market and a number of processors.

In Highlands & Islands **Objective 1** (transitional **Objective 1**), the total FIFG for fisheries for the period 2000-06 is €27.76 million, 9% of the total Community aid to for the programme. The Highlands & Islands Fisheries Management Group was set up and met regularly to review progress. Interest from the industry was strong, particularly in the aquaculture sector, which has been heavily oversubscribed. Two bidding rounds took place resulting in the announcement of awards totalling €8 million of FIFG funding for 54 projects. In addition there was a €800 000 allocation of FIFG funding for the “Scottish” decommissioning scheme. Most of the aid was for projects located in remote areas whose economies are heavily reliant on aquaculture and fishing. In fact, six grant aid schemes were set up covering fishing vessel modernisation, aquaculture, port facilities, operations by members of the trade, innovative measures and processing and marketing. The allocation of FIFG funding among these schemes will be reviewed in 2002.

In Northern Ireland (transitional **Objective 1**), although the total amount of FIFG (€27.76 million) is small in comparison to the total funds available for this transitional **Objective 1** programme, it will have a significant impact on the fishing industry. The multi-fund programme was not approved until early in 2001 and a number of fisheries issues still need to be resolved. As in Scotland, there was much political debate on how best to help with recovery of fisheries stocks. Rather than a “tie up” scheme, a “decommissioning” scheme for fishing vessels was drawn up and applications were received during the year. The scheme was part-financed by the FIFG and the total amount available was some €8 million. The scheme was heavily oversubscribed and the outcome is likely to be a reduction in the fishing fleet of around 30 vessels.

In Wales, the amount of FIFG funding for 2000-06 is €15.2 million, considerably more than had been taken up by the Welsh fisheries industry in the past. Following Commission approval of the programme, progress was slow, mainly because fisheries is now being administered by the newly formed Welsh European Funding Office where time was needed to set up the necessary documentation, procedures, and schemes to implement the FIFG. Absorption of funds is likely to continue to be slow but in order to try accelerate progress consultants were engaged and have now made recommendations. A much more proactive approach is needed.

## **Objective 2**

Fourteen programmes were approved and started implementation in 2001. Ten programmes concern English regions and Gibraltar, three concern Scotland and one Wales. Each programme covers an average of three priority areas, grouped around three main themes: developing diverse, dynamic and competitive business bases, strategic spatial development, and community regeneration and economic and social development.

## **Objectives 1 and 2**

In accordance with the regulation, the Commission and the UK managing authorities reviewed the main outcomes of the implementation of the programmes during 2000 in the course of five review meetings held in Brussels between 27 November and 14 December. The reviews were based on the annual implementation reports, together with other information available through regular exchanges between the Commission and the UK authorities, and the work of the programme Monitoring Committees. Overall the reviews confirmed the consistency of the programme strategies with the policies and economic frameworks in force during implementation, as well as the overall consistency of the programme measures with Community policies. They also concluded that, generally, progress in implementation was consistent with the targets for achieving the programmes' output and the disbursement targets.

The Commission and the UK authorities agreed on a strategy and a work programme for launching the mid-term reviews. They should permit field work to start early in the second half of 2002 and the evaluation results to be finalised, approved and available for use during the second half of 2003.

### **Objective 3**

The UK's Objective 3 programme for 2000-06 will be implemented through a UK CSF and separate operational programmes for England, Scotland and Wales. Reflecting the general downward trend in the number of unemployed in the UK, there has been a significant increase, when compared with the 1994-99 programmes, in the emphasis in the programmes on lifelong learning, adaptability and entrepreneurship (31.6% to 40.0%). At the same time, a substantial sum (53%) is still reserved for tackling unemployment and encouraging social inclusion. The proportion of the budget allocated to specific measures to promote gender equality has almost doubled (3.6% to 7.0%).

The English OP is structured along the five policy fields approach of the ESF Regulation and closely follows the approach in the UK CSF. It is steered by the Department for Work and Pensions (Sheffield); project selection and payments will mainly be conducted at the level of nine Regional Government Offices and Monitoring Committees. The total value of the programme is €4 111 million, 87% of the total UK Objective 3 allocation. After application by the English authorities the Commission made a first interim payment of some €94.9 million. In 2001 the English authorities continued to prepare the part-financing system. Under the proposed arrangements, Regional Government Offices (RGOs) would enter into contract negotiations with a small number of large public training providers - Co-financing Organisations (CFOs) e.g. the Learning and Skills Councils (LSCs) and the Employment Service. These discussions would play a crucial role in enabling the prospective CFO to demonstrate its commitment to regional and local priorities as well as to national ones. After securing funding from RGOs, CFOs would enter into contracts with training providers. The contract would set clear quality criteria, specify the outputs required and say how those outputs were to be certified, and the CFOs would contract with providers on the basis of output related funding using nationally agreed rates ("formula based funding").

The Scottish OP totals €498 million and places heavy emphasis on social inclusion problems experienced in inner city areas, particularly Glasgow. The breakdown by policy fields of the ESF Regulation is as follows: raising employability (23%), addressing social exclusion (37%), lifelong learning (10%), a competitive economy

(22%), addressing gender imbalances (7%) and technical assistance (1%). The Scottish authorities requested the first interim payment amounting to €19.5 million. The Commission will pay out this claim after approval of the Scottish Objective 3 programme complement.

The Wales OP totals €132 million and greater emphasis is placed on entrepreneurship and adaptability than in the other OPs. The split between policy fields is: active labour market policies 25%, promoting social inclusion 21%, lifelong learning 22%, adaptability and entrepreneurship 23%, improving women's labour market participation 7% and technical assistance 2%. Following an application by the Welsh authorities, the Commission made a first interim payment of some €4.3 million.

Each of the managing authorities of the OPs for England, Scotland and Wales submitted the first annual implementation report on 2000.

Finally the first annual review meetings on implementation of these three OPs in 2000 took place in November. The general conclusion of these meetings was that implementation of the three programmes has started satisfactorily and that it was still consistent with the strategy presented in each of the operational programmes.

### **Non-Objective 1 FIFG**

For the period 2000-06 the UK non-Objective 1 fisheries programme covers all areas of the UK not eligible under Objective 1, i.e. most of England, all of Scotland excluding Highlands & Islands and a very small part of Wales. The total FIFG allocation for 2000-06 is €125.5 million, of which almost 50% will go to Scotland.

Since the programme was not approved until December 2000, it was necessary for the administrations to prepare the various procedures and documentation required under fisheries regulations. A Monitoring Committee including representatives from all sectors of the fishing industry plus members with a specific interest in the environment was set up and met twice. FIFG grant schemes together with programme complements, application forms, guidance notes, state aid approvals were drawn up. Separate schemes were prepared for England, Scotland and Wales.

During the early part of the year there was intensive discussion and debate, particularly in the Scottish Parliament, on the problems of the fishing industry and the continuing decline in fish stocks. There was strong opinion in favour of a "tie up" scheme for fishing vessels to keep vessels in the fishing ports in order to help conservation of stocks. However in March the Scottish ministry announced a major "decommissioning" scheme covering all of Scotland and costing €40 million (part-financed by the FIFG) in order to help ensure the long-term viability of the whitefish fisheries and the Scottish sea fisheries industry. Later DEFRA announced its own "decommissioning" scheme for England making available up to €10 million (part-financed by the FIFG), again for permanent withdrawal of fishing capacity. The schemes operate on the basis of a tender, with those vessel owners prepared to take less money for decommissioning their vessels getting priority. During the year the necessary legislation and documentation were drawn up and vessels selected for decommissioning. There was a favourable response from the industry and applications exceeded the funds available. These were one-off schemes.

While decommissioning schemes received most attention over the year, applications were received for other grant aid schemes covering modernisation of the fleet, aquaculture, processing and marketing, port facilities, operations by members of the trade and innovative measures. Absorption of FIGF funding is more advanced in Scotland.

### **2.3. Coordination with the other financial instruments**

#### *2.3.1. The Cohesion Fund*

Cohesion Fund assistance helps finance infrastructure projects in the field of transport contributing to the implementation of the trans-European networks and projects in the field of the environment which help these countries achieve the goals laid down in the Union's environmental policy. The Cohesion Fund helps the four beneficiary Member States to maintain a high level of public investment in these two fields of common interest, while meeting targets for reductions in budget deficits set in the convergence programmes set up in preparation for economic and monetary Union.

The main instrument for coordinating assistance from the Cohesion Fund and from the Structural Funds is the Strategic Reference Framework. The presentation by the Member States to the Commission of a strategic reference framework is the logical corollary to the new legal arrangements governing the operations of the Cohesion Fund. Annex II to Regulation (EC) No 1164/94, as amended by Regulation (EC) No 1265/1999, states that "*Member States shall also provide the results of the environmental impact assessment in conformity with the Community legislation, and their consistency with a general environmental or transport strategy at administrative unit or sectoral level,*".

In addition, the "Cohesion Fund Vade-mecum 2000-2006", distributed to the national administrations of the four beneficiary Member States states "*this strategy should be defined and set down formally in a set of guidelines which will provide the "frame of reference" for assistance from the Fund. This frame of reference, to be defined at the most appropriate level, should include: a definition of the long term objectives, a list of individual projects, the interim objectives which could be achieved by 2006, the projects to be carried out to achieve those objectives, for each project, an initial indication of the investment costs and an indicative plan of sources of finance.*"

The four countries submitted their strategic reference frameworks for the environment and transport sectors at an information meeting for the Member States organised by the Commission on 18 December 2000. In some cases, these frameworks form an integral part of the operational programmes approved as part of the programming of the Structural Funds for 2000-06, which improves coordination between assistance from the Cohesion Fund and that from the Structural Funds.

#### *2.3.2. Coordination with the European Investment Bank (EIB) and the European Investment Fund (EIF)*

The cooperation agreement signed by the Commission and the EIB on Community structural action in 2000-06 includes provision for contacts between the Commission and the EIB. These arrangements have operated satisfactorily and have included

specific coordination contacts in the field of major transport projects (Spain and Greece) and the ‘innovation 2000’ initiative in Portugal.

Following the conclusions of the high-level meeting on 4 December 2000, cooperation between the two Institutions began on cross-border cooperation (European Union and candidate countries) and urban matters (Urban).

Under the framework contract between the Commission (DG for Regional Policy) and the EIB for 2000-06, covering the evaluation by the Bank of certain major projects submitted for financing from the Structural Funds by the beneficiary countries, eight rapid evaluations were undertaken.

As regards the priorities for cooperation, particular attention was paid to the major transport projects, the i2i initiative and to innovative financial products, i.e. venture capital and global loans contributing to the main priority of effective support for regional development.

During 2001 the Bank devoted €31.2 billion to projects in the Union compared with €30.6 billion in 2000. In the candidate counties, the Bank provided €2.7 billion for investments to help prepare for enlargement. Support from the Bank for the most disadvantaged regions amounted to €14.5 billion in individual loans and €5 billion in global loans.

The main countries benefiting from EIB loans were Germany, Italy, Spain, the United Kingdom and France.

	2001	2000	1999	1998
Work of the EIB in the Union	-	30.6%	27.8%	25.1%
Regional development	-	>66%	61%	71%

Within the EIB Group the EIF is now dealing exclusively with all venture capital and SME portfolio guarantee transactions (European Community resources and EIB/EIF resources).

In its areas of assistance, in 2001 the EIF took part in about 100 transactions, of which 57 concerned venture capital, involving a total participation of €800 million. Total assistance signed in 2001 amounted to €1.75 billion.

Assistance covered regional development and research, particularly biotechnology. It also extended to the candidate countries.

In 2001 the MAP programme was signed for the period 2001/05. This programme, managed by the EIF, will take place within the Union and in the candidate countries. It is intended to strengthen the financing of business nurseries and seed capital funds.

The Commission will ensure that regional development secures its share of total assistance.

An initiative to increase cooperation between the Commission and the EIF on the regions assisted was launched in the second half of the year and is now taking shape.

### 2.3.3. *Financial assistance for the trans-European networks (TENs)*

Coordination between the trans-European transport and energy networks (TENs) budget and the Structural Funds resources, in particular the ERDF, is important in Objective 1 and 2 areas and the Cohesion countries (Spain, Portugal, Greece, Ireland) because these Community financial instruments take into account the need for regions suffering from handicaps of a structural nature or because of their insular, landlocked or peripheral location to have links to the central regions of the Community.

While both transport and energy TENs projects of common interest are financed from the TENs budget line, the Cohesion Fund provides specifically for transport infrastructure and the ERDF for both transport and energy. Article 2 of the Regional Fund Regulation ((EC) No 1783/1999) provides that in achieving its tasks the Fund shall contribute to the financing of investment in infrastructure contributing to the establishment and development of trans-European networks. 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.

The TENs Regulation does not allow the same phase of a single project to be financed both by the TENs budget and from other Community sources but, in some cases, feasibility studies financed through the TENs budget may be followed by support from the ERDF and the EIB for the (part-) financing mainly of construction works for the actual investment. Frequently, in the area of transport, the ERDF finances works designed to give “access” to the trans-European transport network, the components of which are themselves financed from the TENs budget line and/or the Cohesion Fund.

The TENs Financial Regulation ((EC) No 2236/95) was amended by Regulation (EC) No 1655/1999 to provide for medium term planning via indicative multi-annual programmes for Community funding (MIP) and for the encouragement of public-private partnerships and use of a small amount of the budget line (1-2%) to support projects involving risk capital.

The MIP proposal for 2001-06, adopted by the Commission in September 2001, provides a total of about €2.8 billion for 11 priority projects (Essen projects), the project Global Navigation Satellite Systems (“Galileo”) and four groups of projects of “common interest”.

In 2001 a total of €563 million in commitment appropriations was allocated to TENs-Transport projects under the MIP, the Galileo project and projects of common interest outside the MIP.

In 2001 by far the largest part of Union spending on transport under the TEN-transport budget went to rail projects (almost 55%), with Galileo (20.6%) and roads (12%) in second and third places.

On 12 September 2001 the Commission adopted a White Paper on transport<sup>9</sup> which makes the reduction of congestion, environmental nuisances and accidents the main

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<sup>9</sup> White paper: European transport policy for 2010: time to decide. COM(2001) 370 final, 12.9.2001.

objectives of transport policy. Achieving these will require rebalancing among transport modes and will rely in particular on the following measures:

- revitalising railways through a regulated opening up of markets and the promotion of sea and inland waterway transport and intermodality;
- the construction of new infrastructure, in particular railways, to eliminate bottlenecks;
- charging for infrastructure use so that its price better reflects the costs to society, which can also help finance infrastructure.

To achieve these ambitious goals, the Commission will rely *inter alia* on the finance available from the TENs transport budget, the Cohesion Fund and the ERDF and, in the candidate countries, from ISPA (Instrument for Structural Policies for Pre-Accession). The White Paper notes that “In the new context of sustainable development, Community co-financing should be redirected to give priority to rail, sea and inland waterway transport.”<sup>10</sup> This concerns in particular ERDF finance for regions at the centre of the Union where congestion is worst. In the context of financing TENs infrastructure, the White Paper also draws attention to the need “to ensure that Community funding is much more conditional upon the implementation of projects guaranteeing interconnection of the infrastructure concerned, their interoperability, their contribution to the development of intermodality, greater safety, and the recovery of the aid where this principle is not met.”<sup>11</sup>

By including these proposals in the White Paper, the Commission was responding to the expectations in the conclusions of the Göteborg European Council on the need “for giving priority, where appropriate, to infrastructure investment for public transport and for railways, inland waterways, short sea shipping, intermodal operations and effective interconnection.”

As already announced in 2000, an initiative in the field of telecommunications was launched in 1997 by the Directorates-General for the Information Society and Regional Policy to improve the quality of local information on tourism and SMEs through a critical mass of interoperable and reliable information. Under this initiative 15 projects were part-financed by the TENs telecom programme. Following a technical evaluation, the financial evaluation of 12 projects was completed in 2001 and that of the last three projects (Intourism, Tommy and Toursax) will be finished during 2002. This initiative has seen the development of working groups, experimental pilots and technical approaches. These results have been appraised by the national tourism committees which encourage their use by their European federation and, in particular, by the researches of the Media Group, the federation’s European Economic Interest Grouping, which deals with the use of the new media in tourism.

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<sup>10</sup> Page 8.  
<sup>11</sup> Page 59.

## 2.4. Coherence with other Community policies

### 2.4.1. *The Structural Funds and employment policy*

In line with the Amsterdam Treaty, at the Luxembourg Summit in November 1997 the Heads of State and Government agreed a framework for action based on the commitment from Member States to establish a set of common objectives and targets for employment policy against four pillars: employability, entrepreneurship, adaptability and equal opportunities. The so-called Luxembourg process is built on several components: the Employment Guidelines for Member States' employment policies, Member States' National Action Plans, the Joint Employment Report and country-specific recommendations. In this way, the Luxembourg process proceeds as a rolling programme of yearly planning, monitoring, examination and re-adjustment. The NAPs provide an important occasion for reporting on the links between the work of the Structural Funds and employment strategy.

Whereas the NAPs for 2000 provided information about the broader framework of their plans for the programming period 2000-06, most NAPs for 2001 provided updated information illustrating the overall expenditure under the ESF and closely related instruments, structuring the presentation according to the structures of the ESF programmes. This reflected the fact that the ESF has been established as a major component for the implementation of the NAPs and thereby has become an important part of Member States' employment policies, as was intended by the new ESF Regulation.

However, the fact that reporting did not follow a common structure did not make it easy to identify the genuinely activating or innovative contribution of the ESF. Increased comparability could be achieved by a more standardised way of reporting in the future in order to present information more homogeneously.

This problem has been discussed by the ESF Committee. The Committee asked the Commission to provide more guidance for Member States reporting on the links between the EES and the ESF; furthermore, reporting on the ESF should include not only quantitative data on the number of projects and budget but also qualitative information. The Commission has taken up that recommendation and included it in its outline for the 2002 NAPs, which has been sent to all Member States.

It should be noted that a major impact evaluation of the European Employment Strategy is being carried out, whose results will affect the future shape of the EES objectives. This may have some bearing on the Structural Funds' contribution to the EES.

### 2.4.2. *The Structural Funds, rural development policy and fisheries policy*

The priority for **the structural policy for fisheries**, an aspect of the common fisheries policy, is the search for a lasting balance between fisheries resources and their exploitation. It must also help ensure the stability and sustainable development of firms in the sector, further improve supply and the exploitation of fisheries and aquaculture products and contribute to revitalising areas dependent on fisheries.

In no case may aid for the fishing fleet, whether Community or national, contribute to an increase in the fishing effort. Apart from aid for decommissioning, which is



still available, public aid for the construction of new vessels is authorised only if there is definitive withdrawal, without public aid, of an equivalent, or in some cases substantially higher, amount of fishing capacity.

Assistance part-financed by the FIGG must also help all components of the sector (fleet, processing and marketing of products, aquaculture, port facilities) to meet a number of challenges: globalisation of economies, more stringent consumer requirements as regards product quality, higher hygiene standards and better working conditions on vessels.

Rural development policy is partially integrated into the policy of the Structural Funds in the Objective 1 and 2 areas and forms part of their programming.

Part of the rural development policy, the supporting measures for the CAP, is financed by the EAGGF Guarantee Section, the early cessation of agricultural activity, agri-environmental measures, the afforestation of agricultural areas and the compensatory allowances for agricultural activity in the less-favoured areas and those subject to environmental constraints.

In the Objective 2 areas, these measures are integrated with the other rural development measures (investment in holdings, setting up of young farmers, training, improving the processing and marketing of agricultural products, forestry and the adjustment and development of rural areas) where, in all the Member States except France, they form part of the same rural development plans under Regulation (EC) No 1257/1999, so ensuring consistency.

In the Objective 1 regions, the Commission ensures that the part of rural development integrated in the programming of the Structural Funds and financed by the EAGGF Guidance Section is consistent with the part financed by the EAGGF Guarantee Section.

#### 2.4.3. *The Structural Funds and environmental policy*

The annual report for 2000 described the framework and guidelines for integrating the environment into the Structural Funds.

A first assessment was made in 2001 of the effectiveness of this integration process, which is described below.

*Ex-ante environmental evaluation:* an *ex-ante* environmental evaluation must be carried out for all programmes. It has been noted that the *ex-ante* environmental evaluation was particularly thorough in some programmes. On the other hand, a common weakness that emerged was the lack of basic harmonised environmental data and indicators in almost all programmes.

*Direct environmental investments:* of the €195 billion for the Structural Funds 2000-06, roughly €20 billion (over 10%) was earmarked for direct environmental investments (water, waste water, waste, soil and nature protection), mainly in southern countries. To this should be added €9 billion from the Cohesion Fund (50% of the total), bringing the total for environmental infrastructure to €29 billion. This represents a doubling in absolute terms from the previous programming period (1994-99).

*Improving the implementation of environmental legislation:* the Commission has pursued the better implementation of environmental legislation not only through direct financing as mentioned above, but also by making the correct implementation of certain EC environmental directives a pre-requisite for receiving finance for certain measures. This concerns both thematic Directives with a strong territorial dimension (such as those for nature, waste management and waste water), and the Directive on environmental impact assessment (EIA).

The establishment of Community lists of sites for the Natura 2000 network remains a priority for the Commission. Its initiative in linking the negotiation of the Structural Fund programmes with the transmission of the lists of Natura 2000 sites (due since 1995) considerably accelerated their submission. In cases where significant deficiencies still exist, appropriate measures have been taken.

During the year, the Commission assessed the measures connected with the Natura 2000 network in the various programmes and programme complements, especially as regards part-financing of positive measures for the conservation and management of sites. It has also assessed the compliance of applications for part-financing with Article 6 of the Habitats Directive. The Commission also set up a group of experts to establish on the basis of Article 8 of the Habitats Directive, the financing needs for the Natura 2000 network and the potential use of the Community funds for this purpose.

A similar story can be told with the waste plans<sup>12</sup>, where legal measures started against almost all Member States in 1997 for lack of waste plans. Without an agreed waste plan in place financing is problematic. Currently legal actions remain against only a few Member States.

With regard to waste water, both the urban waste-water<sup>13</sup> and the nitrates<sup>14</sup> Directives must be respected. It is planned to finance urban waste-water treatment projects only to the appropriate level (primary, secondary, or tertiary depending respectively on the designation of sensitive areas) in accordance with the urban waste-water Directive. On the other hand, the negotiation of the Rural Development Plans caused a considerable acceleration in the designation of sensitive areas under the nitrates Directive.

The negotiation of the Structural Fund programmes has helped implement the polluter-pays principle through the application of different levels of assistance<sup>15</sup>. The application of the polluter-pays principle will be further strengthened by the correct application of the framework Directive on water<sup>16</sup>.

*Integration:* the integration of environmental concerns into sectoral policies for industry, energy, transport, tourism, agriculture, human resources and urban development is a clear feature of the new programmes. It is now possible to start to talk about sustainable regional development rather than purely economic development.

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<sup>12</sup> Directive 75/442/EEC, as amended by Directive 91/156/EEC.

<sup>13</sup> Directive 91/271/EEC.

<sup>14</sup> Directive 91/676/EEC.

<sup>15</sup> DG REGIO working paper No 1, application of the polluter-pays principle.

<sup>16</sup> Directive 2000/60/EC.

Given the decentralised nature of management of the Structural Funds, it is the responsibility of the environmental authorities, often together with environmental non-governmental organisations through Management and Monitoring Committees, to ensure that integration is successfully happening. In some countries such as Spain, Portugal and Italy, networks of regional and national environmental authorities have been established through technical assistance budgets to help with monitoring and integration. Efforts are being made to establish similar networks in other Member States.

#### *Environmental legislation and policy in 2001 and the Structural Funds*

The Commission published its proposed Sixth Environment Action Programme “Environment 2010: our future, our choice” in January 2001 (6th EAP)<sup>17</sup>. It was approved by the Council and Parliament in June 2002<sup>18</sup>. This programme proposes a strategic approach to meeting environmental objectives involving the implementation of existing environmental legislation, integration of environmental concerns in other policies, working with the market, encouraging individual citizen actions, and land use planning and management decisions. It also focuses on four priority measure areas: tackling climate change, nature and biodiversity, environment and health and sustainable use of natural resources and waste management. All these approaches and priorities are related to the Structural Funds.

A further feature of the 6th EAP is the requirement to propose thematic strategies in the following areas: protection and conservation of the marine environment, soil protection, air pollution, sustainable use of pesticides, urban environment, sustainable use and management of resources, and waste recycling. These thematic strategies will develop a holistic approach.

The Directive on Strategic environmental assessment (SEA) was approved in 2001<sup>19</sup>. This will apply to plans and programmes, and hence will complement the existing Directive on Environmental impact assessment (EIA), which applies to projects<sup>20</sup>. The SEA Directive will not apply to the Structural Funds and rural development plans until after 2006.

#### *2.4.4. The Structural Funds and competition policy*

The Community is developing a policy of economic cohesion which seeks in particular to reduce the gap between the levels of development of the various regions and the degree to which the less favoured regions are lagging behind. Since a considerable amount of the assistance from the Structural Funds goes straight to firms, it is important to ensure that Community regional policy fully complies with the competition rules. Accordingly, in 2001 the Commission completed its examination of the compatibility with the Treaty of the measures in the single

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<sup>17</sup> Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the Sixth environment action programme of the European Community, proposal for a Decision of the European Parliament and of the Council laying down the Community Environment Action Programme 2001-2010, COM(2001) 31 final, 24.1.2001.

<sup>18</sup> OJ L 242, 10.09.2002.

<sup>19</sup> Directive 2001/42/EC.

<sup>20</sup> Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC.

programming documents on assistance from the Funds to the Objective 2 areas in 2000-06.

The complementarity and synergy of the two policies may also be seen from a consideration of the compatibility of regional aides with the internal market. In this context, the Commission pays particular attention to the potentially beneficial effects of aid intended to promote the economic development of the least favoured regions, provided that the conditions of competition and trade among the Member States are not affected to a degree contrary to the common interest. These principles are applied not only when considering specific schemes but also in the context of horizontal provisions. Hence the new Community Guideline on State aid for environmental protection<sup>21</sup>, like the communication on State aid and risk capital<sup>22</sup>, lays down less stringent conditions when such aid is granted in assisted regions.

Finally, pursuant to Council Regulation (EC) No 994/98 on the application of Articles 87 and 88 of the Treaty establishing the European Community to certain categories of horizontal State aid<sup>23</sup>, the Commission has continued its work on reforming the procedural rules applicable in the case of aids less likely to create distortions of competition. Regulations exempting aids on a *de minimis* basis<sup>24</sup>, aids for training<sup>25</sup> and aids to small and medium-sized firms<sup>26</sup> which should result in a simplification of Community part-financing procedures for certain aid schemes throughout the current programming period for the Structural Funds were adopted in 2001.

#### 2.4.5. *The Structural Funds and public procurement*

Under Article 12 of the general Regulation on the Structural Funds ((EC) No 1260/1999), 'Operations financed by the Funds ... shall 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 become more decentralised, which increases the responsibility of the Member States, and in particular the managing authorities, when awarding contracts financed by the Community Funds. To ensure that these procedures comply with Community rules, the Commission, without prejudice to its powers to intervene when Community law is infringed, is encouraging the national authorities to take preventive measures, such as adequate training for staff involved in awarding such contracts and the production of guides and handbooks for the award of contracts.

The Commission checks that the procedures for awarding contracts comply with Community law by ensuring that the relevant Community directives have been transposed into national law and by using its powers to intervene when Community law is infringed.

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<sup>21</sup> OJ C 37, 3.2.2001.

<sup>22</sup> OJ C 235, 21.8.2001.

<sup>23</sup> OJ L 142, 14.05.1998.

<sup>24</sup> OJ L 10, 13.1.2001.

<sup>25</sup> OJ L 10, 13.1.2000.

<sup>26</sup> OJ L 10, 13.1.2001.

#### 2.4.6. *The Structural Funds and equality for men and women*

The promotion of gender equality is more firmly rooted in the new Structural Funds Regulations, which propose an integrated equality strategy. Together with horizontal integration of equal opportunities, specific measures to promote women are needed in order to reduce continuing inequalities. This new legal framework is of major importance as a legal basis and as an incentive to implement the policy incorporating equality into the Structural Funds. The Commission has drawn up a Technical Paper on this issue which sets out guidelines on practical arrangements for implementing gender mainstreaming in operations part-financed by the Structural Funds.<sup>27</sup> The equal opportunities dimension has also been incorporated into the Methodological Working Papers drawn up by the Commission services on programming, *ex-ante* evaluation, monitoring and evaluation.<sup>28</sup>

In the negotiations with the Member States on the content of the new programmes, the Commission stressed the need for more effective measure on equality. A more comprehensive approach taking into account gender mainstreaming and specific measures has been introduced in the new Community support frameworks (CSFs) and single programming documents (SPDs).

In line with the European Employment Strategy, the ESF programmes contain, as a dual strategy, specific measures to support gender equality alongside a wider commitment to mainstream gender across all actions and programme priorities. This approach compared to the previous programming period raises the visibility and impact of gender issues at each stage in the programmes from design to implementation and through to evaluation.

The Commission and the Member States are committed to ensuring that these objectives are actually achieved rather than remaining declarations of principle. Now the implementation phase has started, the annual implementation reports on Structural Fund Programmes and the annual meetings between the Commission and the managing authorities provide information on progress and obstacles to achieving gender equality.

In order to efficiently monitor the implementation of gender mainstreaming in the Structural Funds operations, the Commission has strengthened its cooperation and coordination mechanisms and set up a working group within its Interdepartmental Group on Gender Equality. The working group is preparing two key events which will take place in 2002: the 3rd Conference on Gender Mainstreaming in the Structural Funds in June, and the Commission Communication on the implementation of gender mainstreaming in the Structural Funds programming documents. Both are expected to give an inventory of progress in mainstreaming gender in the new programming period, but also to identify areas where progress is slow. They will present successful projects and instruments to mainstream gender in

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<sup>27</sup> Technical Paper 3 "Mainstreaming equal opportunities for women and men in Structural Fund programmes and projects" (<http://inforegio.cec.eu.int>)

<sup>28</sup> Annex 4 to Working Paper 2 "The ex-ante evaluation of the Structural Funds assistances" deals with equality between men and women. Sheet I of Working Paper 3 "Indicators for Monitoring and Evaluation". (<http://inforegio.cec.eu.int>). Guidelines for systems of monitoring and evaluation of ESF assistance in the period 2000-2006.

the Structural Funds operations and serve as an important input to the Structural Funds mid-term review in 2003.

In order to get a deeper look into the programming documents including the commitments to achieve gender equality, in-depth studies have been launched by the Directorates-General for Employment and Regional Policy. The results are expected for the first half of 2002 and will serve as a basis for the communication.

One important instrument to exchange experience and best practices to mainstream gender in the Structural Funds operations across the EU will be the network of persons in Member States responsible for gender equality issues in the Structural Funds which will be set up in 2002.

#### 2.4.7 *Structural Funds and the information society*

The development of the information society is an integral part of the policy of the Structural Funds for 2000-06. The Lisbon summit set out an ambitious strategy (e-Europe) to make the European Union by 2010 *“the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion.”*

The Structural Funds for 2000-06 contain some €6 billion for the development of the information society. The percentage of ERDF and ESF funding devoted to the information society in the Objective 1 regions for the 2000-06 programming period ranges from 10.5% in Italy to 7.8% in Greece, while in Spain and Portugal the percentages are 9.4% and 8.5% (also including aid for innovation and R&D).

The horizontal initiatives projects, such as the Innovative Actions programme and other Structural Funds programmes such as Urban II and Interreg III also include the information society as a priority.

2001 saw the development of national and regional information society strategies in virtually all the Objective 1 regions (and often in the Objective 2 areas). The regional and national operational programmes submitted in 2001 contain a financial commitment to information society measures which represents a substantial part of the total budget of the Structural Funds. The Commission makes an active contribution to this effort by participating in working groups on the information society set up within the Monitoring Committees and by ensuring that these initiatives are coordinated at national, regional and local level and consistent with the objectives of e-Europe.

A specific initiative for the outermost regions was also launched. In 2001, a study on the information society and the outermost regions was carried out and its conclusions will help encourage the development of the information society there.

The use of e-Europe evaluation indicators (benchmarking), approved by the European Council in November 2000, is also regarded as a tool for evaluating the impact of Structural Fund assistance to the information society in the Member States.

## **CHAPTER 3: EVALUATION AND FINANCIAL CONTROL**

### **3.1. Evaluations in 2001**

#### **ERDF:**

During 2001, DG REGIO launched seven studies concerning a range of issues of relevance to regional policy and the Structural Funds. All of these studies will be completed during 2002. The seven studies are:

- *Ex-post* evaluation of Objective 1, 1994-99, which aims to establish the effectiveness, efficiency and impact of the Structural Funds in Objective 1 regions, to identify Community added value and to identify lessons for both the 2000-06 and the post-2006 planning periods.
- *Ex-post* evaluation of Objective 2, 1994-99, which has similar objectives to the Objective 1 evaluation, but with respect to Objective 2.
- *Ex-post* evaluation of Objective 6, 1994-99, again with similar objectives to the Objective 1 and 2 evaluations.
- An Input-Output study, which aims to quantify the economic impacts of all Objective 1 assistance for all Member States for the 2000-06 period with the help of a dynamic input-output model.
- A study on the information society and economic and social cohesion aims to provide an assessment of the contribution of the Structural Funds - both in financial and strategic terms - to the development of the Information Society in Europe. The study will address the extent of disparities between regions and social groups in the area of information society, the main objectives and strategies pursued in the field of the information society in the context of Structural Funds and the actual and potential contribution of the Structural Funds to the development of the information society.
- A thematic evaluation of the Territorial Employment Pacts will examine the relevance, catalytic effect and impact, cost-effectiveness, added value and lessons of the Territorial Employment Pact approach which operated in 89 areas between 1997 and 2001.
- A thematic evaluation of the contribution of the Structural Funds to sustainable development aims to develop methods, indicators and approaches for the evaluation of regional sustainable development, to identify ways for structural funds to generate better projects promoting sustainable development and to identify the main policy trade-offs being made in regional development policies either explicitly or implicitly.

#### **ESF:**

Most of the final evaluation reports for the ESF for Objectives 1, 3 and 4, Employment and Adapt arrived in 2000 and the latest were adopted by the Monitoring Committees in 2001. The summary of results was completed on the basis of these latest reports and the main features are to be found in the report of the Structural Funds for 2000. They are now available to the public: “Conclusions of the

final evaluations of the ESF”, European Commission, Directorate-General for Employment and Social Affairs, October 2001, ISBN 92-894-1793-5.

The Commission drew up the terms of reference to launch the *ex-post* evaluation by external evaluators. The Member States were consulted through partnership on the ESF evaluation. The *ex-post* evaluation is intended to assess the results and impact of the assistance from the European Social Fund under Objectives 3 and 4 and the Employment and Adapt Community Initiatives over the period 1994-99 in relation to their objectives and to analyse the input and the effectiveness of the Community project on specific structural problems. Some analyses will also be carried out on the ESF measures taken under the Objective 1 CSF. A sample of the latter will be the subject of another *ex-post* evaluation, to examine the impact of the Structural Funds under Objective 1.

This *ex-post* evaluation aims to measure the effects of the assistance on people (final beneficiaries of these actions) as well as on systems (including indirect recipients) in the various Member States and, as far as possible, to identify the Community appreciation of these items. The horizontal priority of equal opportunities between men and women will not be the subject of an individual task but should be taken into account in a specific way in each analytical task described below.

Although covering the 1994-99 programming period, the results and lessons of this evaluation will be able to contribute to:

- the drafting of the next report on progress in achieving economic and social cohesion;
- the implementation of the ESF 2000-06 (interim evaluation in 2003 and its update in 2005);
- ideas relating to the ESF as it could be post-2006;
- the negotiation of the ESF programmes with new Member States following enlargement;
- the analysis of the contribution of the ESF to both the European employment strategy and the social inclusion process (National Action Plans included).

The evaluation of the 1998 pilot projects on local social capital produced the second interim report by the end of 200; the final report is scheduled for the end of 2002.

The management of innovative measures intrinsically includes a system of capitalisation and dissemination of the results of projects and lessons learnt. Successful innovation needs to be capitalised in order to achieve the maximum impact on policy and, where appropriate, be incorporated across Objectives 1, 2 and 3 of the Structural Fund programmes and the National Action Plans for Employment. The evaluation aims to measure impact, innovation, effectiveness and transferability of the results obtained.

An evaluation of the measures developed on social dialogue in the new economy will be also carried out.

Evaluation of the programmes for 2000-06 part-financed by the ESF



The regulatory provisions on monitoring and evaluation were stepped up for 2000-06. For Objectives 1 and 3, DG EMPL worked with the Member States on the implementation of the guidelines which had been drawn up and negotiated with them in 1999<sup>29</sup>.

The main feature of 2001 was the introduction of the arrangements for evaluation, and in particular technical groups responsible for steering the exercise. They prepared the mandates for the mid-term evaluations, the results of which should be available in the second half of 2003. Over half the external evaluators for the ESF programmes were recruited through a call for tenders.

#### Evaluation of the Equal Community Initiative programmes

The start of evaluations of the Equal Initiative resulted in further consideration of the Community guidelines for the evaluation of these programmes<sup>30</sup>. This takes place at three levels:

- self-evaluation of each project implemented directly through the development partnership responsible for its management;
- national evaluation of each programme by independent evaluators;
- European-level evaluation of all the programmes, also by an independent evaluator, concentrating mainly on the aspects of transnational cooperation, the effectiveness of networking at European level and the impact on the political process.

As in the cases of Objectives 1 and 3, 2001 was devoted to the introduction of the arrangements for evaluation. The Commission drew up terms of reference for a call for tenders concerning evaluation at European level.

#### Assistance to the candidate countries for programme evaluation

Most of the candidate countries have begun to prepare development plans to receive assistance from the Structural Funds. They have had bilateral contacts with the Commission to prepare the programming documents. In this context, the *ex-ante* evaluation exercise is a valuable instrument for improving the quality of structural assistance. Seminars have made the expertise gained available to the administrations of the candidate countries.

#### EAGGF Guidance Section:

*Ex-post* evaluations for 1994-99 concerning Objectives 5(a) and 5(b) and Leader II: The Member States and regions presented a large number of evaluation studies for the measures supported from the Structural Funds in 1994-99 regarding the setting-up of young farmers, less favoured areas, investment in agricultural holdings, processing and marketing of agricultural products, Objective 5(b) programmes and

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<sup>29</sup> Guidelines on the arrangements for the monitoring and evaluation of the ESF for the period 2000-06 - July 1999.

<sup>30</sup> “Key issues for the mid-term evaluation of Equal CIP in the Member States”, EC Directorate-General for Employment and Social Affairs – Unit EMPL/G.5, July 2001

the Leader II Community Initiative. These studies were carried out at national level using guidelines issued by the Commission, which meanwhile initiated the process of synthesising this information in order to draw conclusions at Community level.

Rural development measures and Leader+ in the period 2000-06: Work continued on establishing and disseminating a coordinated approach for evaluating the programmes with EAGGF involvement in the period 2000-06. This included guidelines for evaluating the rural Community Initiative Leader+, for which also *ex-ante* evaluations were received as a part of the programme proposals.

While awaiting the *ex-post* evaluation of the programmes for 1994-99 to be carried out in 2002-03, a study evaluating the impact of assistance from the FIG to the processing industry was launched in 2001.

### **3.2. Checks carried out**

#### **ERDF in 2000-06**

In 2001, DG REGIO undertook 27 audits of Member States' management and inspection systems for the period 2000-06. Their main objective was a preventive one, to check that the systems set up meet the requirements of the new Regulations (EC) Nos 1260/1999, 438/2001 and 448/2001 and to assist Member States in solving practical problems in implementing the new legal framework.

For this purpose a sample of programmes was taken from all 15 Member States, mostly under Objective 1 but also some under Objective 2. The missions were normally of one week's duration and distributed per country as follows:

- one each in Denmark, Germany, Ireland, the Netherlands, Luxembourg and Austria
- two each in Belgium, Finland, France, Spain, Sweden and the United Kingdom
- three each in Greece, Italy and Portugal.

DG REGIO also carried out some shorter audits of projects under Articles 7 and 10 (see below).

The requirements of separate managing and paying authorities, the certification of interim declarations of expenditure, and the independent audit certificate at the winding-up of programmes have to be implemented in highly different national administrative systems. The changes required have taken some time to put in place and are not yet complete everywhere. The main difficulties have related to the separation of the functions of certification of expenditure and independent audit from management as it necessitates a new organisation of the work, often in an environment of staff cuts.

Among the problems found in relation to the management of the programmes are the following :

- Lack of authority over intermediate bodies and other entities performing important functions for which the managing authority is ultimately responsible. The latter are often other ministries, which may be higher in the administrative

hierarchy than the managing authority. Another case is where the managing authority's work is done by a unit in a directorate or department, where other units in the same department at the same level perform other functions such as paying authority or intermediate bodies for certain measures or internal audit, and where these other units traditionally report not to the managing authority unit but to the head of department.

- Managing authorities have in many cases not yet issued enough in the way of guidance and instructions to intermediate bodies on EU rules, expenditure declarations, and the necessary procedures and checklists. This is being done gradually. However, the present situation is one of lack of standardisation of requirements and procedures in intermediate bodies and hence of varying quality of management of EU funds.
- Some intermediate bodies have some way to go in organising procedures. Checklists and instruction manuals were often lacking. The same is true of job descriptions and staff training. Progress is, however, being made in these areas.
- Moves in Member States towards setting up internal audit units to check how systems are operating have been noted. They can provide managing and paying authorities with a great deal of assurance, especially if they are coupled with access of bodies at a given level in the chain to the systems of the bodies immediately below them.

As far as paying authorities are concerned, some characteristics found were:

- The importance of the certification function of the paying authority and the responsibility this involves are not always fully understood. The paying authority is not doing its job if it relies 100% on the expenditure returns from intermediate bodies.
- Also the instruction manuals, checklists and training in the paying authority were underdeveloped to a degree similar to that of the organisation as such. Authorities, however, were aware of the importance of procedural standardisation, and of the need for adequate supervision where money was concerned, in line with the “two pairs of eyes” principle.

Problems are also still being found in information systems, although the new systems are a great improvement: for example, declarations to the Commission may not be linked to the underlying databases, modules may be incomplete, and there may be insufficient staff.

A few planned audits of 2000-06 systems remained still to be carried out at the end of 2001. They will be undertaken in the first half of 2002.

#### Desk audits of system descriptions (Article 5 of Regulation (EC) No 438/2001)

Regulation (EC) No 438/2001 requires the Member States to submit to the Commission within three months of the entry into force of the Regulation or approval of the programme concerned, whichever is the earliest, descriptions of the management and control systems set up for the new programmes. For the most part the Member States were punctual in sending the descriptions, of which over 100 had been received by the end of 2001, with countries with a centralised administration

tending to choose the option of a common general presentation covering many or all programmes.

In the second half of the year DG REGIO analysed around a third of the descriptions and gave feedback from its assessment to the Member States concerned, in many cases asking for further information and clarifications. It is intended to complete the exercise of analysing the descriptions and providing feedback by the middle of 2002. DG REGIO sees the descriptions as part of the preventive systems audit which can alert Member States to obvious problems when the Commission may not be able to carry out an on-the-spot audit in the foreseeable future.

#### Articles 7 and 10 of Regulation (EC) No 2083/93 (direct expenditure) audit enquiry

Scope and objectives:

Further to the audit missions and preparation work carried out by the DG in 2000, the Articles 7 and 10 audit team organised in 2001 three waves of on-the-spot financial and compliance audits of Articles 7 and 10 technical assistance and pilot projects. These were largely carried out by external auditors and supervised by Commission staff. The total audited amount of the enquiry exceeds €90 million, relating to a EU budget commitment of approximately €145 million. The objectives for all Articles 7 and 10 project audits were to check the conformity of expenses with Community and national rules and to confirm that the conditions of grant letters had been respected.

Implementation:

The first wave comprised 39 audits in Denmark, Germany, Greece, France, Ireland, Spain, Finland, and the United Kingdom. The audit work was carried out in spring 2001 and the final reports were accepted in July and August after a quality review procedure.

The second wave was carried out after DG REGIO concluded a framework contract with an audit firm on 31 July 2001. It covered 36 projects leading to 37 audits in Austria, Belgium, Germany, France, Italy, the Netherlands, Portugal, Spain and Sweden. The audit work on-the-spot was finished by the end of November. However, because of continuous delays with the contractor, the final reports in the official language of the beneficiaries are still partly outstanding. The letters to the beneficiaries were not sent as planned in the schedule, and, at the time of writing, the audit enquiry cannot be considered as completed for these projects.

The third wave was a joint measure of DG REGIO staff and external auditors to audit seven Article 7 technical assistance contracts. The audit work was finished in January 2002. The final versions of reports are due by the end of March 2002.

Results:

The main findings of the Articles 7 and 10 enquiry are still provisional. The most common audit finding was the lack or incompleteness of accounting documentation, which was noted in almost half the cases audited. The accounting rules were not adequately followed in approximately one third of the projects audited and checks on staff and expert costs were deficient in another third. Other errors such as a wrong classification of expenditure or irregular accounting for investments were also noted by the auditors in a significant number of projects. The amounts of financial

corrections as a result of the audit enquiry cannot be reliably estimated until the correspondence with the beneficiaries on audit findings is completed. One case has been transmitted to OLAF for investigation.

### Regulatory work

On 2 March 2001 the Commission approved Regulations (EC) Nos 438/2001 and 448/2001 on the management and control systems required for 2000-06 programmes and the procedures for financial corrections. These had been in preparation throughout 2000 in intensive discussions with national authorities represented on the Structural Fund committees. At the same time the Commission approved internal guidelines for the financial corrections it could have occasion to apply itself, especially on the basis of extrapolation or at flat rates.

### ESF Controls

In 2001 a total of 41 audit missions were carried out in all Member States. These missions can be divided in the following sub-groups:

System audits: 21

Special checks: 3

Audit on the application of Regulation (EC) No 2064/97: 11

Preventive audits: 1

Inspections of Article 6 projects: 5

In principle, every Member State will be paid one visit per year from 2001 on. A special emphasis was given to missions controlling the application of Regulation (EC) No 2064/97. These missions were performed in regions where this point was not part of previous system audits. They showed quite important differences of quality in the control work done by Member States control authorities.

The planned number of preventive audits on a first evaluation of the descriptions of management and control systems (Article 5 of Regulation (EC) No 438/2001) had to be reduced because of overwork or missing descriptions. They will form a major part of the checks in 2002.

In 2001 the System audits and *ex-post* control Unit started to increase and strengthen the contact with Member States' control authorities. The coordination meetings with five Member States were extended by bilateral meetings. The principle of a minimum second contact per year was established and there were contacts with three control authorities in 2001.

### EAGGF checks

The overall inspection activity in 2001 could be summarised as follows:

Up to 1 May 2001, four inspection missions were carried out (three in Italy and one in Spain), with the main focus on the verification of the eligibility of the expenditure declared, often following denunciations received by DG AGRI.

In the second half of 2001, 14 further inspections were carried out (three each in Germany and Italy, two in Spain, and one each in Belgium, France, Greece, Portugal, Ireland and UK) on the 1994-99 programmes. The main focus of the inspections was the evaluation of the management and control systems applied in Member States. Specific attention was paid to compliance with the requirements for checks provided for by Regulation (EC) No 2064/97 and the sufficiency of the audit trail and the procedures applied in practice by Member States to ensure a reliable and correct declaration of expenditure to the Commission.

The problems most frequently detected relate to:

- late or unsatisfactory application of Regulation (EC) No 2064/97;
- difficulties in reconciling the expenditure declared to the Commission with the underlying transactions;
- cases of ineligible expenditure items or projects.

Checks on the 1994-99 programmes will continue in 2002, especially in view of their impending closure.

**As for FIFG programmes**, the responsibilities of DG FISH include the following tasks:

- review of the management and inspection systems of the Member States as regards the systems developed and implemented by the fisheries sector;
- planning, implementation and follow-up of on-the-spot *ex-post* inspections in the Member States;
- organisation of a financial control coordination meeting for one Member State and participation in the coordination meetings for the other Member States.

The review of the management and inspection systems of the Member States is generally carried out on the basis of descriptions as a desk audit. This work is also an important part for the preparation of the on-the-spot control.

This also requires a change in the content of the programmes for on the-spot inspections which now concentrate on the review and evaluation of systems.

In 2001 DG FISH carried out 12 on-the-spot inspections (Austria, Denmark, France, Greece, Portugal, Sweden). These covered in particular projects in the aquaculture sector, processing and the modernisation of fishing vessels. A check was also made on whether the national inspections of the programmes were carried out in accordance with the Community rules on financial control.

In one case (Austria) the on-the-spot audit contains the review and evaluation of the management and control systems concerning the programmes of the period 2000-06.

The audit efforts concerning the closure of the programmes for 1994-99 and the review of the new management and inspection systems will continue in 2002.

### **OLAF inspections**

In 2001, the European Anti-Fraud Office (OLAF) opened 65 new enquiries into cases of fraud or suspected fraud (26 for the ERDF, 29 for the ESF, 5 for the EAGGF Guidance Section and 5 for the FIG) and carried out 23 inspections concerning structural measures, both alone and, in a limited number of cases, in association with the departments concerned. Half these inspections concerned enquiries begun in previous years while the other half were new cases. OLAF used as the legal basis for virtually all these inspections Regulation (EC) No 2185/96 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

Over half these inspections focussed on the ESF, which accounted for two-thirds of the new cases opened in 2001. An inspection on the FIG concerned a new case opened in 2001 and two inspections related to enquiries begun in 1997 affecting the EAGGF Guidance Section.

The inspections uncovered cases with a range of problems such as the failure of beneficiaries to provide part-finance, non-compliance with the rules on public procurement, ineligible expenditures and declarations of expenditure predating the actual expenditure. There were also examples of payment claims where a link could not be established with projects realised on the ground.

During 2001, the Member States notified the Commission pursuant to Regulation (EC) No 1681/94 of some 1 190 cases of irregularity or fraud involving a total of €199 120 000.

It appears that the number of cases of irregularities notified stabilised compared with the previous year although the amount involved was greater. It should also be emphasised that the cases of irregularities notified do not necessarily concern fraud, which requires the demonstration of intent. In any case, despite the significant progress noted in recent years in the application of Article 5 of the above-mentioned Regulation, which requires the Member States to notify the Commission in each case of the steps taken in response to the irregularity detected, no action is taken on many cases notified, although the time allowed for the closure of certain programmes has expired.

When the programmes for 1994-99 were closed, all cases which had been the subject of a notification under Article 3 of Regulation (EC) No 1681/94, apart from measures suspended for legal reasons, which are covered by point 10 of the Commission decision on guidelines for the financial closure of operational (1994-1999) from the Structural Funds, should normally have been settled.

In future, the new Regulation ((EC) No 448/2001) will link application of the financial correction to the reports made pursuant to Regulation (EC) No 1681/94; it requires the Member States to send the Commission every year a statement of recoveries pending. In future this will facilitate the financial monitoring and charging to the Member State of amounts lost as a result of its negligence. This will make correct application of the Regulation a priority for the Member States.

## CHAPTER 4: DIALOGUE AND INFORMATION

### 4.1. European Parliament

The dialogue with the European Parliament takes place mainly through the parliamentary committees, particularly the Committee for Regional Policy, Transport and Tourism. This Committee tabled two legislative resolutions and two own-initiative reports which were adopted by the whole house:

- on 14 June the legislative resolution on the proposal for a Council Regulation amending Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds (Markov report);
- on 20 September:
  - the legislative resolution on the proposal for a Council Regulation amending Regulation (EC) No 1267/1999 establishing an Instrument for Structural Policies for Pre-Accession (Folias report);
  - the eleventh annual report on the Structural Funds 1999 (Nogueira Román report);
  - the annual report on the Cohesion Fund for 1999 (Marques report).

The Member of the Commission responsible for regional policy, Mr Barnier, kept the European Parliament regularly and personally informed about progress on the various issues.

On 30 January, the day when the second report on economic and social cohesion was adopted, he presented a summary of this document to Parliament and launched the debate on the future of cohesion policy in an enlarged Union. He also made a statement on the future of cohesion policy to the plenary part-session on 19 September.

On 25 January and 9 October Mr Barnier outlined his work programme to Parliament's Committee on Regional Policy, Transport and Tourism, reviewed the first year of the 2000-06 programming period and described progress in programming Objectives 1 and 2 and budgetary implementation. He also presented to that Committee the second report on economic and social cohesion on 25 March.

On several occasions during the year, Parliament held emergency debates on the various natural disasters which had hit certain countries in the Union: on 15 February flooding in Portugal and on 17 May flooding in France.

Relations between these two institutions, and in particular between the Commission and Parliament's Committee on Regional Policy, Transport and Tourism are governed mainly by the new code of conduct on the implementation of the structural policies, signed on 6 May 1999 by Presidents Jacques Santer and Gil Robles. During 2001, the Commission continued to send Parliament various documents concerning programming for Objectives 1 and 2 (CSFs, OPs and SPDs) in all the Member States. It also sent the decisions taken by the Committee for the Development and Conversion of Regions and the Management Committee for the Pre-Accession Structural Instruments.



The European Parliament's Committee on Agriculture and Rural Development follows closely all Community initiatives in the area of rural development and in its resolutions and opinions has often expressed itself, in general terms, in favour of reinforcing the second pillar (rural development) of the common agricultural policy. In 2001 the Parliament adopted two own-initiative reports on rural development. One concerned hill and mountain farming in which the Parliament called for particular attention to be paid to this part of European agriculture. The other report was devoted to the situation of young farmers in the Community. As the legal framework for the period 2000-06 was already in place, Parliament dealt with only one legislative proposal concerning rural development in 2001. It concerned an increase of the ceiling of public aid for some structural measures in favour of French overseas departments, the Azores, Madeira and the Canary Islands.

#### **4.2. Fund Committees**

In 2001, the Committee for the Development and Conversion of Regions (CDCR), which, as specified in Article 48 of Regulation (EC) No 1260/1999, is both a management and a consultative committee, met eleven times. It amended its Rules of Procedure to bring them into line with the standard Rules adopted by the Commission.

As a *management committee*, the CDCR gave favourable opinions on interregional cooperation under Interreg III C, amendment to the guidelines for Interreg and the guidelines for innovative actions by the ERDF in 2000-06.

As a *consultative committee*, the CDCR gave opinions on the revision of the list of areas eligible under Objective 2, the types of technical assistance measures under Article 23 of the Regulation, the SPDs and the CSFs.

The CDCR also gave a favourable opinion on the rules governing the implementation of Regulation (EC) No 1164/94 on the arrangements for management and control and the financial corrections for the Cohesion Fund.

The Committee welcomed the second cohesion report and the creation of the Interact programme to establish a network for exchanges and cooperation under the Interreg Initiative.

The CDCR held many discussions on the application of the various Regulations, including:

- Procedure for the financial closure of operational assistance for the 1994-99 programmes (general rules, extension of the deadline for payments, provisions on the legal procedures under Article 52(5) and Article 8 of Regulation (EC) No 2064/97, etc.).
- Programming of the Structural Funds for 2000-06 (results of the Objective 1 programming, submission of annual implementing reports, treatment and inspection of programme complements, performance reserve, forecasts of payment applications, description and audits of management and inspection systems, payments by final beneficiaries, rules for calculating reimbursement payments, part-financing of subsidised loans beyond the end of the

programming period and application of Annex IV to Regulation (EC) No 438/2001).

The CDCR set up a working party on 'Territorial and urban development' which met five times. In accordance with its Rules of Procedure, the working party has reported its work to the CDCR, the only body which can take decisions. It held discussions on territorial and urban development (the territorial impact of Community policies and the cost of their non-coordination, the result of the urban audit and urban affairs, the territorial and urban dimensions of the Objective 1 and 2 programmes for the 2000-06 programming period, the White Paper on transport, the conclusions and monitoring of the Council on policy in large cities on 9 October 2001, a network for exchanges of experience (Urban) and the European research area and the sixth framework programme).

The ESF Committee met four times in 2001. Following the presentations in 2000, the members attended the presentation of the new programming of the ESF for 2000-06 (taking into account the priorities of the Social Fund and of the employment strategy and the link with the national action plans) in the Member States not covered in 2000. Other aspects of the Social Fund were presented for discussion, such as the communication on innovative measures and local development, the state of programming and good practice for Equal and the role of the ESF in implementing the National Action Plans for employment.

During the year members were kept informed of general developments in the employment strategy in all its aspects and all its implications for the Social Fund. They were also informed of progress in work on enlargement, and more specifically on the various aspects dealt with by the High Level Group.

The Commission presented to members the situation concerning evaluation, and the report on measures under Article 6 of the ESF Regulation.

The Committee also discussed the report on economic and social cohesion, the communication on support from the ESF for the European employment strategy and the report on 'e-inclusion' and the work of the Dublin Foundation on industrial changes.

As regards the thematic aspects, it held a discussion on topics such as skills and mobility, life-long education and training and the Green Paper on the social responsibility of firms.

The STAR Committee (agriculture and rural development) met 12 times in 2001 and acted as a management committee under the procedure provided for in Article 47(3) on the following issues:

- Regulation (EC) No 1750/1999 laying down detailed rules for the application of Regulation (EC) No 1257/1999 on support for rural development from the EAGGF. The Committee gave a favourable opinion on two amendments and a derogation;
- Regulation (EC) No 2603/1999 laying down transitional rules for Regulation (EC) No 1257/1999. The Committee gave a favourable opinion on an amendment;

- Regulation (EC) 1268/99 on the SAPARD pre-accession instrument. The Committee gave a favourable opinion on an amendment;
- Regulation (EC) No 2759/1999 laying down rules for the application of Regulation (EC) No 1268/1999 on the SAPARD pre-accession instrument. The Committee gave a favourable opinion on an amendment;
- the Committee gave favourable opinions on 38 rural development plans under Article 44(2) of Regulation (EC) No 1257/99, one amendment to a rural development plan under Article 4 of Regulation (EC) No 1268/99 for Latvia and two amendments to aid programmes for environmental protection under Article 7 of Regulation (EEC) No 2078/92.

The Committee on Fisheries and Aquaculture met on four occasions in 2001 and dealt with the following issues:

- discussion and opinion with vote (procedure under Article 47(3) of Regulation (EC) No 1260/1999) on the draft Commission Regulation on the arrangements for implementing measures defined by Regulation (EC) No 2792/1999. The Committee issued a favourable opinion by a qualified majority;
- discussion and opinion with vote (procedure under Article 18 of Regulation (EC) No 3760/1992) on the draft Commission Decisions approving permanent schemes to inspect the renewal and modernisation of fishing fleets;
- discussion and opinion with vote on two Commission Decisions reducing the assistance granted to two projects concerning the establishment of joint ventures in the fisheries sector (one Danish and the other Spanish). The Management Committee issued a favourable opinion by a qualified majority on the two decisions;
- discussion and opinion with vote on two Commission Decisions reducing the assistance granted to two projects concerning the establishment of joint ventures in the fisheries sector (one Portuguese and the other Spanish). The Management Committee issued a favourable opinion by a qualified majority on the two decisions.

#### **4.3. Economic and Social Committee and Committee of the Regions**

The main feature of **the dialogue with the ESC** in 2001 was the signature on 24 September of a protocol on cooperation by Mr Prodi and Mr Frerichs which will govern future relations between the Commission and the ESC.

The Commission continued to follow closely the work of the ESC, which adopted a number of opinions in the field of regional policy, including amendments to the general provisions on the Structural Funds (Mengozzi report), the integrated planning of coastal areas (Bento Gonçalves report) and European policy on cross-border cooperation and experience of the Interreg programme (Barros Vale report). The Committee adopted two own-initiative opinions, on the second report on economic and social cohesion and on the Commission communication on the results of the programming of the Structural Funds for the period 2000-06 (Objective 1) (Christie reports). It also discussed the annual reports for 1999 on the Structural Funds (Burani report) and the Cohesion Fund (Pezzini report).

Mr Barnier addressed the full meeting of the Committee on 31 May on the future of the Union.

The Committee prepared 13 opinions on agricultural matter during the year. DG AGRI continued to follow its decisions closely and worked closely with the specific study groups and the “Agriculture, Rural development and the Environment” Section.

In its opinion on financing the CAP, the Committee welcomed the proposal to convert ‘negative expenditure’ into ‘assigned revenue’ because the amounts so converted could really be used to finance expenditure from the EAGGF Guarantee Section without imposing an extra burden on the common budget.

In its opinion ‘New economy, knowledge society and rural development: what prospects for young farmers?’, the Committee considered that, in a Europe which is rapidly developing in the face of the challenges of globalisation and of the “new economy”, society has begun to wonder once again about the future of agriculture and rural areas, and to seek development prospects capable of satisfying the expectations of the new generations. It asked the Commission and the Member States to encourage, within the framework of the usual Community funding channels, in particular the Structural Funds, support for cooperation and exchange projects between companies, schools, training bodies, universities and agricultural/rural research centres. The Committee also asked for support for decentralised action plans at local and regional level and the creation of new local agencies for the development of agriculture and rural communities and proposed a series of concrete initiatives to that end.

At its 382nd plenary session on 30 and 31 May 2001, the Committee unanimously adopted an opinion on the ‘11th annual report on the Structural Funds (1999)’ (COM(2000) 698 final - Volumes I and II). As regards agriculture, it noted improvements in the case of Objective 5(a) (modernisation of structures) resulting in a commitment rate of 96% and payment rates of 70%. 1999 had seen a substantial speeding up in the implementation of appropriations for Objective 5(b) (development of rural areas), with 99% of appropriations committed and 68% paid.

The dialogue with the social partners on rural development took place through the Advisory Committee on Rural Development set up by the Commission under Decision 98/235/EC. This Committee met twice in 2001, on 31 May and 15 November. At these two meetings the Commission and the representatives of the socio-professional organisations in the EU exchanged information and points of view on the first year of implementation of the rural development programmes (EAGGF Guarantee Section) and Leader+.

On 31 May a debate was held on good agricultural practice followed by a discussion on the draft Council Conclusions on the integration of environmental concerns and sustainable development in the CAP. The Commission also informed the Committee about the updating of work on rural development and the rules for implementing Regulation (EC) No 1259/1999 on the arrangements for direct support under the CAP.

The other points discussed on 15 November included a report on the situation as regards the Leader+ Observatory.

On 6 February and 29 November the standing group of women in rural areas of the Advisory Committee for Rural Development met to discuss topics such as the quality and promotion of agricultural products and equal opportunities under the Structural Funds and Leader+.

Two *ad hoc* working parties of the Advisory Committee for Rural Development involving 12 experts met on 15 March and 3 October to consider the nature of the Leader+ projects and start discussions on the forthcoming Observatory for rural areas and inter-territorial cooperation. On 3 October, discussions covered the implementation of the horizontal Regulation ((EC) No 1259/99), in particular its requirements as regards environmental protection (Article 3) and its approach to modulation (Article 4).

**The Committee of the Regions** initiated and adopted over a dozen opinions of its commission 1 in areas under the responsibility of DG REGIO. A working document (Zaplana Hernandez-Soro report) and an opinion on the second report on economic and social cohesion were drawn up (Zaplana Hernandez-Soro and Tindemans report). The Committee also continued its work on cross-border cooperation through an information note discussed on 9 April and an initiative by Mr Rombouts.

It also issued an opinion on the 1999 reports on the Structural Funds (Tillich report) and the Cohesion Fund (Bree report).

In 2001 DG REGIO acted on 17 opinions adopted by the Committee dealing with regional policy, including the urban audit, the structure and objectives of European regional policy in the context of enlargement and globalisation and the second report on economic and social cohesion.

Mr Barnier, the Member of the Commission responsible for regional policy, addressed the Committee on 14 February, reporting on progress in programming and presenting the second report on economic and social cohesion.

During the year the Committee adopted six opinions on agricultural policy. Experts from DG AGRI participated in preparatory work to present the Commission's position, provide information and answer members' questions.

In its opinion on the regional consequences of Europe's agricultural and rural policy the Committee made a political assessment of the situation and looked at the fundamental elements of an integrated development policy for rural areas and the application of rural development programmes.

The opinion on projects for young people in European agriculture notes the serious consequences of the ageing of farmers in Europe which, in many regions, poses a threat to rural development, spatial planning and the protection of the environment and the countryside. The Committee added that, particularly in mountainous and less-favoured areas, it reduced the chances of effectively implementing the new policy on rural development. That is why the Committee considers it essential to have instruments which will allow analysis of the various data, identifying the reasons for them and helping provide solutions.

As in the case of the ESC, a protocol of cooperation was signed on 20 September by Mr Prodi and Mr Chabert defining relations between the Commission and the Committee of the Regions.

#### **4.4. Social partners**

The dialogue with the social and economic partners **on regional development** continued and the annual meeting provided for by Article 8 of Regulation (EC) No 1260/1999 was held on 14 March. Two further meetings were held during the year so that a large number of issues could be considered in depth. These included:

- The Commission presentation of a review of how partnership had been taken into account in the programming process, stressing a degree of diversity in the practices of the various countries. It was acknowledged that, despite a general tendency not to go beyond the statutory minima, progress had been made compared with the previous period.
- Presentation of the second cohesion report was the subject of a special meeting where it was discussed in depth. The partners were also invited to attend the Cohesion Forum held in Brussels in May.
- Increasing interest by the partners in the consequences of enlargement. This point was raised at the main meeting and at a special meeting where the Commission presented PASI and SAPARD, which were discussed in depth with the partners.

The partners appreciated the more frequent meetings with the Commission. This approach will be continued, e.g. by concentrating on certain subjects: PASI, SDEC, Objective 2, etc. It was agreed that more frequent meetings could be considered from 2002, following the adoption of the programmes for the new programming period.

**Through the regular meetings of the ESF Committee** the social partners continue to be informed about Community initiatives in the human resources sector and involved in the implementation of ESF assistance. In this way they participate actively in the support of the ESF in underpinning the European Employment Strategy. Measure has also been launched to strengthen the input of the social partners in the up-coming ESF support programmes in the candidate countries.

In the context of Article 6 of the ESF Regulation (see point 1.2. of this report) under the heading “Adaptation to the new economy in the framework of the social dialogue”, 35 innovative projects were selected for the period 2001-02, always including partners from various Member States. The projects focus on issues such as new approaches to corporate social responsibility, the promotion of lifelong learning and competence development, the modernisation of work organisation, the anticipation of economic and social change, and the use of IT tools in the development of the social dialogue.

#### **4.5. Information and publicity**

Since 2001 was the first real operational year of the new ESF programming period, a strong emphasis was placed on information and publicity regarding the launch of the new programmes in order to ensure transparency and present a consistent image of the ESF throughout the Member States. This was done by providing a vast array of

information via the ESF and Equal websites. Press releases on the adoption of ESF and Equal programmes as well as facts and figures on the ESF in the Member States and Equal in general were distributed both to the accredited press in Brussels and, through the Commission offices, to the press in the Member States. The new programmes received broad media coverage in the national, regional and local press, but the extent of this varied from Member State to Member State.

In line with Regulation (EC) No 1159/2000, in June 2001 the Commission organised in Brussels the eighth meeting of the Informal Network of ESF Information Officers (INIO) to support them in their efforts to publicise the ESF. At this meeting, the Commission presented a study, which was carried out early-2001 to provide the Member States with guidelines on how to develop and evaluate their own activities in the field of information and publicity. An abbreviated and easy-to-understand version of this study will be made available early-2002 in all 11 languages for extensive use by ESF information officers and project promoters in the Member States. In addition, the Commission created - as a follow-up to the eighth meeting - an extranet site for the INIO in order to better exchange experiences and best practice as well as improve communication between meetings.

Furthermore, the enlargement process was supported through regular contacts with an informal ESF information officers network in the 10 PHARE countries, which will be kept up-to-date on the main ESF developments within the EU.

The regional development programmes were exploited through a significant increase in information: 500 success stories on the Inforegio web site, thematic brochures on the islands and on transport, brochures on countries (ten new countries covered), a wall map of eligible areas and a CD-Rom and video on the new programming period. The brochure 'At the service of the regions', which presents regional policy to the general public was produced in cooperation with DG PRESS and published in the series 'Europe in movement'. 800 000 copies were printed.

Other documents concerned with specific aspects of regional policy were also produced such as: the guide to partnership for the Interreg/TACIS programmes, the Recite magazine on interregional cooperation in the European Union and the evaluation of programmes. Information leaflets presenting the work of the Directorate-General and its publications were also widely distributed.

Publication of the *Inforegio News* newsletter continued in the eleven languages of the Union, as did publication of the quarterly magazine *Panorama*, published in five languages and available on the web in 11.

The *Inforegio* fact-sheets summarising the guidelines for the innovative measures for regional development in 2000-06 and the management of the Structural Funds 'Sound management of the Structural Funds, a major issue for the Union's development' were produced.

Visits to the Inforegio web site exceeded 100 000 per month, mainly thanks to the introduction of an interactive platform for discussion on *Cohesion policy in an enlarged Union*. Besides an on-line forum, this platform includes a series of documents including the *Second report on economic and social cohesion*, ten studies ordered by the Commission as preparation for this report, brief presentations of the future challenges for cohesion policy, the transcription of an on-line discussion

(*Internet chat*) on this topic between Mr Barnier and surfers and all the documents related to the Cohesion Forum (programme, speeches, proceedings, etc.).

Overall, the Inforegio site and the pages of the Europa site on regional policy have attracted particular attention and are updated very frequently. A large number of links to the national and regional sites of the managing authorities have been added and structured. All the regulations implementing the Structural Funds were placed on line as they were adopted during the year. Information sheets were published on the site setting out the rules on the information and publicity measures to be taken by the Member States.

The Commission also made available its own working documents to help the Member States and the regions prepare their programming better. It published its mid-term management plan for the Directorate-General for 2001.

For the dissemination of information, 2001 saw completion of the *Inforegio service* documentation, including the former resources centre and library. *Inforegio service* now has eight Internet terminals for the public and a conference room for groups of visitors.

With regard to the media, establishment of a network of regional journalists began in 2001 on the occasion of the Forum Cohesion. A data base of 500 journalists was set up and contacts with associations of regional newspapers were established in France, Spain and Greece. DG PRESS made wide-ranging approaches to all the Commission's representative offices in the Member States to make arrangements for cooperation with the regional press. A more interactive network will be set up in 2002.

The main events of the year included:

- The conference on '*sharing responsibilities*' in the financial management of Objective 2 (Brussels, 29 January) attended by over 450 managers from the Member States concerned.
- The information day on *ERDF innovative actions 2000-06*, (Brussels, 19 February).
- The *European Cohesion Forum* (Brussels, 21 and 22 May) attended by some 1 800 senior politicians from the Member States and the candidate countries. It opened the debate on cohesion policy in an enlarged Union to which contributions were made at various levels during 2001 and which was summarised in the first progress report on cohesion, adopted by the Commission on 30 January 2002. The Forum was also an occasion for the DG to welcome the public at an open day.
- Four meetings were organised at national level, in Sweden, Italy, Portugal and Greece, on the implementation of Regulation (EC) No 1159/2000, allowing initial discussions between those responsible for information in the managing authorities.
- The conference under the Swedish Presidency (Lycksele, 12 and 13 June 2001) on *Challenges for structural policy resulting from regional depopulation*.



On agriculture, the Advisory Committee on Rural Development met twice in 2001, on 31 May and 15 November. At these meetings the Commission and the representatives of the socio-professional organisations in the Union held an exchange of information and points of view on the first year of implementation of the rural development programmes (EAGGF Guarantee Section) and Leader+. On 31 May there was a debate on good agricultural practice followed by a discussion on the draft Council conclusions on the integration of environmental concerns and sustainable development in the CAP. The Commission also kept the Committee informed on progress in activities relating to rural development and the rules for implementing Council Regulation (EC) No 1259/1999.

The other points raised on 15 November included progress on the Leader+ Observatory.

On 6 February and 29 November two standing groups of women in rural areas met to discuss topics such as the quality and promotion of agricultural products and equal opportunities under the Structural Funds and Leader+.

Two *ad hoc* working parties of the Advisory Committee for Rural Development involving 12 experts met on 15 March and 3 October to consider the nature of the Leader+ projects and start discussions on the forthcoming Observatory for rural areas and inter-territorial cooperation. On 3 October, discussions covered the implementation of the horizontal Regulation (No 1259/99), in particular its requirements as regards environmental protection (Article 3) and its approach to modulation (Article 4).

In the fisheries and aquaculture sector, information on structural assistance formed part of the broad debate launched by the Commission following the presentation in March of its Green Paper on the future of the common fisheries policy (CFP).

A public hearing attended by some 400 representatives of the sector as a whole and other affected by this policy was held in Brussels from 5 to 7 June.

This attracted over 300 written contributions setting out ideas and suggestions for the changes needed to make the common fisheries policy more effective and better able to meet the challenges facing the sector, of which the chief are the deteriorating of many large fish stocks, the over-capacity of the fishing fleet compared with the resources available, the loss of profitability in the sector and its consequences for employment, inadequate inspections, growing competition on a world scale and the loss of fishing opportunities in the waters of non-member countries.

The targeted measures, such as participation in the international 'European Seafood' fair (Brussels, 24-26 April 2001) on the processing of and trade in fisheries and aquaculture products and the dissemination of information through the magazine *European Fisheries* and the CFP Internet site, continued. A special heading to facilitate access to information on Community structural assistance in the fisheries and aquaculture sector was set up on this site. It makes available to the public the data on expenditure programmed and implemented in the 1994-99 programming period, by area of assistance, country and region.

## **FINANCIAL ANNEXES**

*Annex 1: Financial implementation by Objective*

*Annex 2: Financial implementation of the Community Initiatives*

*Annex 3: Financial implementation of technical assistance*

*Annex 4: Budget implementation*

## ANNEX 1

<b>Annex 1: Financial implementation in 2001 by Objective</b>						
<b>OBJECTIVE 1</b>						
						(in € million and in %)
		<b>ERDF</b>	<b>ESF</b>	<b>EAGGF</b>	<b>FIFG</b>	<b>Total</b>
<b>AT</b>	Assistance (1)	173.82	55.01	41.35	0.83	271.00
	Commitments 2001	25.01	7.92	5.95	0.12	39.00
	Commitments 2000-06 (2)	49.39	15.63	11.75	0.23	77.00
	Payments 2001	9.13	7.71	1.81		18.66
	Payments 2000-06 (3)	21.30	11.56	4.71	0.06	37.63
	% (2)/(1)	28%	28%	28%	28%	28%
	% (3)/(1)	12%	21%	11%	7%	14%
<b>BE</b>	Assistance (1)	409.79	191.90	41.57	1.74	645.00
	Commitments 2001	75.52	22.93	5.27	0.28	104.01
	Commitments 2000-06 (2)	158.08	43.07	9.36	0.49	211.00
	Payments 2001	2.40	9.58			11.98
	Payments 2000-06 (3)	31.09	23.01	2.91	0.12	57.13
	% (2)/(1)	39%	22%	23%	28%	33%
	% (3)/(1)	8%	12%	7%	7%	9%
<b>DE</b>	Assistance (1)	11 295.54	5 863.94	3 442.25	105.28	20 707.00
	Commitments 2001	1 867.51	1 513.22	662.25	32.11	4 075.08
	Commitments 2000-06 (2)	3 265.82	1 703.09	971.63	48.46	5 989.00
	Payments 2001	981.18	957.79	304.41		2 243.38
	Payments 2000-06 (3)	1 405.81	1 050.80	456.71	7.37	2 920.69
	% (2)/(1)	29%	29%	28%	46%	29%
	% (3)/(1)	12%	18%	13%	7%	14%
<b>ES</b>	Assistance (1)	24 178.70	8 843.50	5 021.20	1 504.60	39 548.00
	Commitments 2001	5 612.74	2 520.30	1 224.17	216.30	9 573.50
	Commitments 2000-06 (2)	6 832.80	2 520.30	1 224.17	429.00	11 006.27

	Payments 2001	3 064.95	708.08	603.10	115.97	4 492.10
	Payments 2000-06 (3)	3 064.95	708.08	603.10	221.29	4 597.42
	% (2)/(1)	28%	28%	24%	29%	28%
	% (3)/(1)	13%	8%	12%	15%	12%
<b>FI</b>	Assistance (1)	471.03	272.97	197.15	6.85	948.00
	Commitments 2001	71.03	39.73	24.26	0.98	136.00
	Commitments 2000-06 (2)	147.44	79.54	40.07	1.96	269.00
	Payments 2001	8.13	1.37	3.92	0.36	13.78
	Payments 2000-06 (3)	41.10	20.48	17.70	0.84	80.12
	% (2)/(1)	31%	29%	20%	29%	28%
	% (3)/(1)	9%	8%	9%	12%	8%
<b>FR</b>	Assistance (1)	2 292.65	938.62	675.95	40.78	3 948.00
	Commitments 2001	343.68	183.68	118.46	8.34	654.15
	Commitments 2000-06 (2)	617.36	334.45	190.71	11.79	1 154.30
	Payments 2001	72.78	66.83	16.42	1.17	157.20
	Payments 2000-06 (3)	164.15	111.94	49.63	2.85	328.57
	% (2)/(1)	27%	36%	28%	29%	29%
	% (3)/(1)	7%	12%	7%	7%	8%
<b>GR</b>	Assistance (1)	14 608.00	4 241.20	2 260.30	211.10	21 320.60
	Commitments 2001	2 122.40	623.32	341.20	26.50	3 113.42
	Commitments 2000-06 (2)	2 122.40	623.32	341.20	26.50	3 113.42
	Payments 2001	1 461.57	423.51	261.12	14.78	2 160.97
	Payments 2000-06 (3)	1 461.57	423.51	261.12	14.78	2 160.97
	% (2)/(1)	15%	15%	15%	13%	15%
	% (3)/(1)	10%	10%	12%	7%	10%
<b>IE</b>	Assistance (1)	1 812.31	1 016.49	169.40	67.80	3 066.00
	Commitments 2001	354.62	181.09	30.71	10.98	577.40
	Commitments 2000-06 (2)	762.29	382.95	47.13	13.00	1 205.37
	Payments 2001	157.33	80.67		2.73	240.73
	Payments 2000-06 (3)	284.19	147.78	11.86	4.75	448.58
	% (2)/(1)	42%	38%	28%	19%	39%

	% (3)/(1)	16%	15%	7%	7%	15%
<b>IT</b>	Assistance (1)	14 276.53	4 092.70	2 982.63	286.32	21 638.18
	Commitments 2001	2 355.37	582.15	387.21	39.08	3 363.81
	Commitments 2000-06 (2)	4 342.46	1 072.49	713.26	77.64	6 205.85
	Payments 2001	141.81	72.49	16.46	11.17	241.94
	Payments 2000-06 (3)	1 005.00	298.60	210.89	31.18	1 545.67
	% (2)/(1)	30%	26%	24%	27%	29%
	% (3)/(1)	7%	7%	7%	11%	7%
<b>NL</b>	Assistance (1)	76.66	33.34	10.00	6.00	126.00
	Commitments 2001	16.65	2.35	1.50	1.50	22.00
	Commitments 2000-06 (2)	34.80	4.00	3.20	3.00	45.00
	Payments 2001		0.68			0.68
	Payments 2000-06 (3)	5.37	2.33	0.70	0.42	8.82
	% (2)/(1)	45%	12%	32%	50%	36%
	% (3)/(1)	7%	7%	7%	7%	7%
<b>PT</b>	Assistance (1)	12 428.16	4 415.34	2 117.35	217.69	19 178.54
	Commitments 2001	2 051.56	695.74	342.18	35.13	3 124.62
	Commitments 2000-06 (2)	4 168.85	1 389.60	463.54	71.46	6 093.45
	Payments 2001	990.90	357.58	55.14	6.67	1 410.29
	Payments 2000-06 (3)	1 858.19	663.51	203.35	21.91	2 746.96
	% (2)/(1)	34%	31%	22%	33%	32%
	% (3)/(1)	15%	15%	10%	10%	14%
<b>SE</b>	Assistance (1)	465.74	158.74	111.76	11.77	748.00
	Commitments 2001	66.59	22.50	15.80	1.67	106.56
	Commitments 2000-06 (2)	131.92	44.77	31.48	3.32	211.48
	Payments 2001	9.24	1.87	5.85	0.08	17.03
	Payments 2000-06 (3)	41.85	12.98	13.67	0.90	69.40
	% (2)/(1)	28%	28%	28%	28%	28%
	% (3)/(1)	9%	8%	12%	8%	9%

<b>UK</b>	Assistance (1)	3 780.47	1 830.36	355.82	89.36	6 056.00
	Commitments 2001	720.22	314.15	60.87	12.15	1 107.39
	Commitments 2000-06 (2)	1 224.85	554.10	83.76	22.78	1 885.50
	Payments 2001	35.25	19.60	5.53	2.03	62.41
	Payments 2000-06 (3)	264.63	128.12	24.98	6.26	423.99
	% (2)/(1)	32%	30%	24%	25%	31%
	% (3)/(1)	7%	7%	7%	7%	7%
<b>IE/UK*</b>	Assistance (1)	293.01	189.70	44.83	3.46	531.00
	Commitments 2001	113.73	73.57	17.40	1.30	206.00
	Commitments 2000-06 (2)	113.73	73.57	17.40	1.30	206.00
	Payments 2001	20.51	13.28	3.14	0.24	37.17
	Payments 2000-06 (3)	20.51	13.28	3.14	0.24	37.17
	% (2)/(1)	39%	39%	39%	38%	39%
	% (3)/(1)	7%	7%	7%	7%	7%
<b>TOTAL</b>	Assistance (1)	86 562.41	32 143.79	17 471.55	2 553.58	138 731.32
	Commitments 2001	15 796.64	6 782.64	3 237.23	386.44	26 202.94
	Commitments 2000-06 (2)	23 972.18	8 840.89	4 148.65	710.93	37 672.65
	Payments 2001	6 955.18	2 721.05	1 276.89	155.19	11 108.31
	Payments 2000-06 (3)	9 669.70	3 616.00	1 864.46	312.96	15 463.12
	% (2)/(1)	28%	28%	24%	28%	27%
	% (3)/(1)	11%	11%	11%	12%	11%
* PEACE 2 interregional cooperation programme						
SOURCE :SFC - \$YSREGIO						

<b>Annex 1: Financial implementation in 2001 by Objective</b>							
<b>OBJECTIVE 2</b>							
						(in € million and in %)	
		<b>ERDF</b>	<b>ESF</b>	<b>EAGGF</b>	<b>FIFG</b>	<b>Total</b>	
<b>AT</b>	Assistance (1)	674.09	28.91			703.00	<
	Commitments 2001	214.94	7.53			222.47	
	Commitments 2000-06 (2)	214.94	7.53			222.47	<
	Payments 2001	68.65	2.19			70.83	
	Payments 2000-06 (3)	68.65	2.19			70.83	<
	% (2)/(1)	32%	26%			32%	
	% (3)/(1)	10%	8%			10%	
<b>BE</b>	Assistance (1)	397.45	49.55			447.00	<
	Commitments 2001	68.79	8.21			77.00	
	Commitments 2000-06 (2)	68.79	8.21			77.00	<
	Payments 2001	14.82	1.30			16.12	
	Payments 2000-06 (3)	14.82	1.30			16.12	<
	% (2)/(1)	17%	17%			17%	
	% (3)/(1)	4%	3%			4%	
<b>DE</b>	Assistance (1)	3 137.78	488.22			3 626.00	<
	Commitments 2001	814.87	106.90			921.77	
	Commitments 2000-06 (2)	814.87	106.90			921.77	<
	Payments 2001	228.65	34.18			262.82	
	Payments 2000-06 (3)	228.65	34.18			262.82	<
	% (2)/(1)	26%	22%			25%	
	% (3)/(1)	7%	7%			7%	
<b>DK</b>	Assistance (1)	134.15	54.85			189.00	<
	Commitments 2001	22.21	7.79			30.00	
	Commitments 2000-06 (2)	45.43	15.57			61.00	<
	Payments 2001	2.07	0.23			2.30	
	Payments 2000-06 (3)	11.46	4.07			15.53	<

	% (2)/(1)	34%	28%			32%	
	% (3)/(1)	9%	7%			8%	
<b>ES</b>	Assistance (1)	2 412.05	335.95			2 748.00	<
	Commitments 2001	708.76	95.24			804.00	
	Commitments 2000-06 (2)	708.76	95.24			804.00	<
	Payments 2001	278.47	23.52			301.98	
	Payments 2000-06 (3)	278.47	23.52			301.98	<
	% (2)/(1)	29%	28%			29%	
	% (3)/(1)	12%	7%			11%	
<b>FI</b>	Assistance (1)	396.83	110.17			507.00	<
	Commitments 2001	59.28	15.73			75.00	
	Commitments 2000-06 (2)	119.81	31.19			151.00	<
	Payments 2001	21.80	0.19			21.99	
	Payments 2000-06 (3)	49.26	7.90			57.17	<
	% (2)/(1)	30%	28%			30%	
	% (3)/(1)	12%	7%			11%	
<b>FR</b>	Assistance (1)	5 380.05	881.95			6 262.00	<
	Commitments 2001	1 667.19	258.25			1 925.43	
	Commitments 2000-06 (2)	1 667.19	258.25			1 925.43	<
	Payments 2001	378.23	66.19			444.41	
	Payments 2000-06 (3)	378.23	66.19			444.41	<
	% (2)/(1)	31%	29%			31%	
	% (3)/(1)	7%	8%			7%	
<b>IT</b>	Assistance (1)	2 608.00				2 608.00	<
	Commitments 2001	412.00				412.00	
	Commitments 2000-06 (2)	412.00				412.00	<
	Payments 2001	182.56				182.56	
	Payments 2000-06 (3)	182.56				182.56	<
	% (2)/(1)	16%				16%	
	% (3)/(1)	7%				7%	



<b>LU</b>	Assistance (1)	41.00				41.00	<
	Commitments 2001	6.00				6.00	
	Commitments 2000-06 (2)	6.00				6.00	<
	Payments 2001					-	
	Payments 2000-06 (3)					-	
	% (2)/(1)	15%				15%	
	% (3)/(1)						
<b>NL</b>	Assistance (1)	823.00				823.00	<
	Commitments 2001	159.40				159.40	
	Commitments 2000-06 (2)	159.40				159.40	<
	Payments 2001	57.94				57.94	
	Payments 2000-06 (3)	57.94				57.94	<
	% (2)/(1)	19%				19%	
	% (3)/(1)	7%				7%	
<b>SE</b>	Assistance (1)	373.30	49.70			423.00	<
	Commitments 2001	58.79	14.36			73.15	
	Commitments 2000-06 (2)	118.64	14.36			133.00	<
	Payments 2001	26.13	3.48			29.61	
	Payments 2000-06 (3)	26.13	3.48			29.61	<
	% (2)/(1)	32%	29%			31%	
	% (3)/(1)	7%	7%			7%	

<b>UK</b>	Assistance (1)	4 324.65	527.35			4 852.00	<
	Commitments 2001	1 404.51	149.50			1 554.00	
	Commitments 2000-06 (2)	1 404.51	149.50			1 554.00	<
	Payments 2001	302.73	36.91			339.64	
	Payments 2000-06 (3)	302.73	36.91			339.64	<
	% (2)/(1)	32%	28%			32%	
	% (3)/(1)	7%	7%			7%	
<b>TOTAL</b>	Assistance (1)	20 702.35	2 526.65			23 229.00	<
	Commitments 2001	5 596.73	663.49			6 260.22	
	Commitments 2000-06 (2)	5 740.33	686.74			6 427.07	<
	Payments 2001	1 562.04	168.18			1 730.21	
	Payments 2000-06 (3)	1 598.89	179.73			1 778.62	<
	% (2)/(1)	28%	27%			28%	
	% (3)/(1)	8%	7%			8%	
SOURCE :SFC - \$YSREGIO							

<b>Annex 1: Financial implementation in 2001 by Objective</b>							<b>2000</b>
<b>OBJECTIVE 3</b>							
						(in € million and in %)	
		<b>ERDF</b>	<b>ESF</b>	<b>EAGGF</b>	<b>FIFG</b>	<b>Total</b>	<b>ESF</b>
<b>AT</b>	Assistance (1)		548.18			548.18	548 184 800
	Commitments 2001		78.48			78.48	
	Commitments 2000-06 (2)		155.41			155.41	76 937 100
	Payments 2001		64.23			64.23	
	Payments 2000-06 (3)		102.60			102.60	38 372 936
	% (2)/(1)		28%			28%	14%
	% (3)/(1)		19%			19%	7%
<b>BE</b>	Assistance (1)		765.17			765.17	765 174 700
	Commitments 2001		109.54			109.54	
	Commitments 2000-06 (2)		216.93			216.93	107 391 500
	Payments 2001		32.51			32.51	
	Payments 2000-06 (3)		72.90			72.90	40 396 286
	% (2)/(1)		28%			28%	14%
	% (3)/(1)		10%			10%	5%
<b>DE</b>	Assistance (1)		4 756.13			4 756.13	4 756 126 501
	Commitments 2001		680.87			680.87	
	Commitments 2000-06 (2)		1 348.38			1 348.38	667 517 100
	Payments 2001		497.12			497.12	
	Payments 2000-06 (3)		830.05			830.05	332 928 855
	% (2)/(1)		28%			28%	14%
	% (3)/(1)		17%			17%	7%
<b>DK</b>	Assistance (1)		378.95			378.95	378 953 400
	Commitments 2001		54.25			54.25	
	Commitments 2000-06 (2)		107.44			107.44	53 185 700
	Payments 2001		13.70			13.70	
	Payments 2000-06 (3)		26.96			26.96	13 263 369

	% (2)/(1)		28%			28%		14%
	% (3)/(1)		7%			7%		4%
<b>ES</b>	Assistance (1)		2 221.81			2 221.81		884 022 383
	Commitments 2001		505.82			505.82		
	Commitments 2000-06 (2)		629.89			629.89		124 071 570
	Payments 2001		151.29			151.29		
	Payments 2000-06 (3)		185.00			185.00		33 713 270
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		8%			8%		4%
<b>FI</b>	Assistance (1)		418.41			418.41		418 406 300
	Commitments 2001		59.90			59.90		
	Commitments 2000-06 (2)		118.62			118.62		58 722 900
	Payments 2001		16.96			16.96		
	Payments 2000-06 (3)		31.69			31.69		14 735 067
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		8%			8%		4%
<b>FR</b>	Assistance (1)		4 713.56			4 713.56		9 427 118 600
	Commitments 2001		674.77			674.77		
	Commitments 2000-06 (2)		1 336.32			1 336.32		661 542 900
	Payments 2001		255.18			255.18		
	Payments 2000-06 (3)		585.13			585.13		329 949 151
	% (2)/(1)		28%			28%		7%
	% (3)/(1)		12%			12%		4%
<b>IT</b>	Assistance (1)		3 887.13			3 887.13		7 538 892 533
	Commitments 2001		556.47			556.47		
	Commitments 2000-06 (2)		1 102.02			1 102.02		545 554 301
	Payments 2001		128.85			128.85		
	Payments 2000-06 (3)		336.85			336.85		207 991 140
	% (2)/(1)		28%			28%		7%
	% (3)/(1)		9%			9%		3%

<b>LU</b>	Assistance (1)		39.45			39.45		39 452 700
	Commitments 2001		5.65			5.65		
	Commitments 2000-06 (2)		11.19			11.19		5 537 100
	Payments 2001					-		
	Payments 2000-06 (3)		2.76			2.76		2 761 689
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		7%			7%		7%
<b>NL</b>	Assistance (1)		1 750.45			1 750.45		1 750 454 000
	Commitments 2001		250.59			250.59		
	Commitments 2000-06 (2)		496.26			496.26		245 674 300
	Payments 2001		61.27			61.27		
	Payments 2000-06 (3)		122.53			122.53		61 265 890
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		7%			7%		4%
<b>SE</b>	Assistance (1)		747.52			747.52		747 524 800
	Commitments 2001		107.01			107.01		
	Commitments 2000-06 (2)		211.93			211.93		104 914 300
	Payments 2001		26.16			26.16		
	Payments 2000-06 (3)		52.33			52.33		26 163 368
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		7%			7%		4%
<b>UK</b>	Assistance (1)		4 742.63			4 742.63		4 742 629 600
	Commitments 2001		678.94			678.94		
	Commitments 2000-06 (2)		1 344.56			1 344.56		665 622 900
	Payments 2001		99.21			99.21		
	Payments 2000-06 (3)		431.20			431.20		331 984 072
	% (2)/(1)		28%			28%		14%
	% (3)/(1)		9%			9%		7%
<b>TOTAL</b>	Assistance (1)		24 969.41			24 969.41		31 996 940 317
	Commitments 2001		3 762.27			3 762.27		

	Commitments 2000-06 (2)		7 078.95			7 078.95		3 316 671 671
	Payments 2001		1 346.48			1 346.48		
	Payments 2000-06 (3)		2 780.00			2 780.00		1 433 525 093
	% (2)/(1)		28%			28%		10%
	% (3)/(1)		11%			11%		4%
	SOURCE :SFC - SYSREGIO							

## Annex 1: Financial implementation in 2001 by Objective

### ALL OBJECTIVES

(in € million and in %)						
		ERDF	ESF	EAGGF	FIFG	Total
<b>AT</b>	Assistance (1)	847.91	632.11	41.35	0.83	1 522.18
	Commitments 2001	239.95	93.93	5.95	0.12	339.95
	Commitments 2000-06 (2)	264.32	178.58	11.75	0.23	454.88
	Payments 2001	77.78	74.13	1.81		153.72
	Payments 2000-06 (3)	89.95	116.35	4.71	0.06	211.06
	% (2)/(1)	31%	28%	28%	28%	30%
	% (3)/(1)	11%	18%	11%	7%	14%
<b>BE</b>	Assistance (1)	807.24	1 006.63	41.57	1.74	1 857.17
	Commitments 2001	144.32	140.68	5.27	0.28	290.54
	Commitments 2000-06 (2)	226.88	268.21	9.36	0.49	504.93
	Payments 2001	17.22	43.39			60.61
	Payments 2000-06 (3)	45.90	97.22	2.91	0.12	146.15
	% (2)/(1)	28%	27%	23%	28%	27%
	% (3)/(1)	6%	10%	7%	7%	8%
<b>DE</b>	Assistance (1)	14 433.32	11 108.28	3 442.25	105.28	29 089.13
	Commitments 2001	2 682.37	2 300.98	662.25	32.11	5 677.71
	Commitments 2000-06 (2)	4 080.68	3 158.38	971.63	48.46	8 259.15
	Payments 2001	1 209.83	1 489.08	304.41		3 003.31
	Payments 2000-06 (3)	1 634.46	1 915.02	456.71	7.37	4 013.56
	% (2)/(1)	28%	28%	28%	46%	28%
	% (3)/(1)	11%	17%	13%	7%	14%
<b>DK</b>	Assistance (1)	134.15	433.81			567.95
	Commitments 2001	22.21	62.04			84.25
	Commitments 2000-06 (2)	45.43	123.01			168.44
	Payments 2001	2.07	13.93			16.00
	Payments 2000-06 (3)	11.46	31.03			42.49

	% (2)/(1)	34%	28%			30%
	% (3)/(1)	9%	7%			7%
<b>ES</b>	Assistance (1)	26 590.75	11 401.26	5 021.20	1 504.60	44 517.81
	Commitments 2001	6 321.49	3 121.37	1 224.17	216.30	10 883.32
	Commitments 2000-06 (2)	7 541.56	3 245.44	1 224.17	429.00	12 440.16
	Payments 2001	3 343.41	882.88	603.10	115.97	4 945.37
	Payments 2000-06 (3)	3 343.41	916.60	603.10	221.29	5 084.40
	% (2)/(1)	28%	28%	24%	29%	28%
	% (3)/(1)	13%	8%	12%	15%	11%
<b>FI</b>	Assistance (1)	867.87	801.54	197.15	6.85	1 873.41
	Commitments 2001	130.31	115.35	24.26	0.98	270.90
	Commitments 2000-06 (2)	267.25	229.35	40.07	1.96	538.62
	Payments 2001	29.93	18.52	3.92	0.36	52.73
	Payments 2000-06 (3)	90.37	60.08	17.70	0.84	168.98
	% (2)/(1)	31%	29%	20%	29%	29%
	% (3)/(1)	10%	7%	9%	12%	9%
<b>FR</b>	Assistance (1)	7 672.69	6 534.13	675.95	40.78	14 923.56
	Commitments 2001	2 010.86	1 116.70	118.46	8.34	3 254.36
	Commitments 2000-06 (2)	2 284.54	1 929.02	190.71	11.79	4 416.05
	Payments 2001	451.01	388.20	16.42	1.17	856.79
	Payments 2000-06 (3)	542.38	763.26	49.63	2.85	1 358.12
	% (2)/(1)	30%	30%	28%	29%	30%
	% (3)/(1)	7%	12%	7%	7%	9%
<b>GR</b>	Assistance (1)	14 608.00	4 241.20	2 260.30	211.10	21 320.60
	Commitments 2001	2 122.40	623.32	341.20	26.50	3 113.42
	Commitments 2000-06 (2)	2 122.40	623.32	341.20	26.50	3 113.42
	Payments 2001	1 461.57	423.51	261.12	14.78	2 160.97
	Payments 2000-06 (3)	1 461.57	423.51	261.12	14.78	2 160.97
	% (2)/(1)	15%	15%	15%	13%	15%
	% (3)/(1)	10%	10%	12%	7%	10%



<b>IE</b>	Assistance (1)	1 812.31	1 016.49	169.40	67.80	3 066.00
	Commitments 2001	354.62	181.09	30.71	10.98	577.40
	Commitments 2000-06 (2)	762.29	382.95	47.13	13.00	1 205.37
	Payments 2001	157.33	80.67		2.73	240.73
	Payments 2000-06 (3)	284.19	147.78	11.86	4.75	448.58
	% (2)/(1)	42%	38%	28%	19%	39%
	% (3)/(1)	16%	15%	7%	7%	15%
<b>IT</b>	Assistance (1)	16 884.53	7 979.83	2 982.63	286.32	28 133.31
	Commitments 2001	2 767.37	1 138.61	387.21	39.08	4 332.27
	Commitments 2000-06 (2)	4 754.46	2 174.51	713.26	77.64	7 719.87
	Payments 2001	324.37	201.34	16.46	11.17	553.35
	Payments 2000-06 (3)	1 187.56	635.44	210.89	31.18	2 065.07
	% (2)/(1)	28%	27%	24%	27%	27%
	% (3)/(1)	7%	8%	7%	11%	7%
<b>LU</b>	Assistance (1)	41.00	39.45			80.45
	Commitments 2001	6.00	5.65			11.65
	Commitments 2000-06 (2)	6.00	11.19			17.19
	Payments 2001					-
	Payments 2000-06 (3)		2.76			2.76
	% (2)/(1)	15%				21%
	% (3)/(1)					3%
<b>NL</b>	Assistance (1)	899.66	1 783.79	10.00	6.00	2 699.45
	Commitments 2001	176.05	252.94	1.50	1.50	431.99
	Commitments 2000-06 (2)	194.20	500.26	3.20	3.00	700.66
	Payments 2001	57.94	61.95			119.89
	Payments 2000-06 (3)	63.31	124.87	0.70	0.42	189.29
	% (2)/(1)	22%	28%	32%	50%	26%
	% (3)/(1)	7%	7%	7%	7%	7%

<b>PT</b>	Assistance (1)	12 428.16	4 415.34	2 117.35	217.69	19 178.54
	Commitments 2001	2 051.56	695.74	342.18	35.13	3 124.62
	Commitments 2000-06 (2)	4 168.85	1 389.60	463.54	71.46	6 093.45
	Payments 2001	990.90	357.58	55.14	6.67	1 410.29
	Payments 2000-06 (3)	1 858.19	663.51	203.35	21.91	2 746.96
	% (2)/(1)	34%	31%	22%	33%	32%
	% (3)/(1)	15%	15%	10%	10%	14%
<b>SE</b>	Assistance (1)	839.04	955.96	111.76	11.77	1 918.52
	Commitments 2001	125.38	143.87	15.80	1.67	286.72
	Commitments 2000-06 (2)	250.56	271.05	31.48	3.32	556.41
	Payments 2001	35.37	31.51	5.85	0.08	72.80
	Payments 2000-06 (3)	67.98	68.79	13.67	0.90	151.33
	% (2)/(1)	30%	28%	28%	28%	29%
	% (3)/(1)	8%	7%	12%	8%	8%
<b>UK</b>	Assistance (1)	8 105.12	7 100.34	355.82	89.36	15 650.63
	Commitments 2001	2 124.73	1 142.58	60.87	12.15	3 340.33
	Commitments 2000-06 (2)	2 629.35	2 048.16	83.76	22.78	4 784.06
	Payments 2001	337.97	155.73	5.53	2.03	501.26
	Payments 2000-06 (3)	567.36	596.24	24.98	6.26	1 194.83
	% (2)/(1)	32%	29%	24%	25%	31%
	% (3)/(1)	7%	8%	7%	7%	8%
<b>IE/UK*</b>	Assistance (1)	293.01	189.70	44.83	3.46	531.00
	Commitments 2001	113.73	73.57	17.40	1.30	206.00
	Commitments 2000-06 (2)	113.73	73.57	17.40	1.30	206.00
	Payments 2001	20.51	13.28	3.14	0.24	37.17
	Payments 2000-06 (3)	20.51	13.28	3.14	0.24	37.17
	% (2)/(1)	39%	39%	39%	38%	39%
	% (3)/(1)	7%	7%	7%	7%	7%
<b>TOTAL</b>	Assistance (1)	107 264.75	59 639.85	17 471.55	2 553.58	186 929.72
	Commitments 2001	21 393.36	11 208.40	3 237.23	386.44	36 225.43
	Commitments 2000-06 (2)	29 712.51	16 606.57	4 148.65	710.93	51 178.67

	Payments 2001	8 517.22	4 235.70	1 276.89	155.19	14 185.00
	Payments 2000-06 (3)	11 268.59	6 575.73	1 864.46	312.96	20 021.74
	% (2)/(1)	28%	28%	24%	28%	27%
	% (3)/(1)	11%	11%	11%	12%	11%
* PEACE 2 interregional cooperation programme						
SOURCE :SFC – :SYSREGIO						

## Annex 2: Financial implementation in 2001 of the Community Initiatives

(in € million and in %)						
		ERDF	ESF	EAGGF	FIFG	Total
<b>Interreg III</b>	Assistance (1)	4 077.87				4 077.87
	Commitments 2001	589.19				589.19
	Commitments 2000-06 (2)	589.19				589.19
	Payments 2001	82.88				82.88
	Payments 2000-06 (3)	82.88				82.88
	% (2)/(1)	14%				14%
	% (3)/(1)	2%				2%
<b>Urban II</b>	Assistance (1)	727.70				727.70
	Commitments 2001	109.40				109.40
	Commitments 2000-06 (2)	109.40				109.40
	Payments 2001	43.03				43.03
	Payments 2000-06 (3)	43.03				43.03
	% (2)/(1)	15%				15%
	% (3)/(1)	6%				6%
<b>Leader +</b>	Assistance (1)			2 148.90		2 148.90
	Commitments 2001			271.34		271.34
	Commitments 2000-06 (2)			271.34		271.34
	Payments 2001			81.96		81.96
	Payments 2000-06 (3)			81.96		81.96
	% (2)/(1)			13%		13%
	% (3)/(1)			4%		4%
<b>Equal</b>	Assistance (1)					-
	Commitments 2001		455.80			455.80
	Commitments 2000-06 (2)					-
	Payments 2001		207.80			207.80
	Payments 2000-06 (3)					-

	% (2)/(1)		----			-----
	% (3)/(1)		-----			-----
<b>TOTAL</b>	Assistance (1)	4 805.57	0.00	2 148.90	0.00	6 954.47
	Commitments 2001	698.59	455.80	271.34	0.00	1 425.72
	Commitments 2000-06 (2)	698.59	0.00	271.34	0.00	969.93
	Payments 2001	125.91	207.80	81.96	0.00	415.67
	Payments 2000-06 (3)	125.91	0.00	81.96	0.00	207.87
	% (2)/(1)	15%	-----	13%		14%
	% (3)/(1)	3%	-----	4%		3%
SOURCE :SFC – SYSREGIO						

## ANNEX 3

### ERDF commitments for technical assistance in 2001 (Article 23 of Council Regulation (EC) No 1260/1999)

TYPES OF MEASURES	Amounts committed (in €)
<b>A. Studies, including those of a general nature concerning the work of the Funds</b>	
1 Report on economic and social cohesion	13 000.00
2 Support for Eurostat	2 297 051.00
3 Studies on special problems: the labour market at national, local or sectoral level	610 700.00
4 Other studies	92 950.00
<b>TOTAL</b>	<b>3 013 701.00</b>
<b>B Measures for technical assistance, exchanges of experience and information for the partners, final beneficiaries of assistance from the Funds and the public</b>	
1 Framework contracts for information and communications work	3 900.000.00
2 Publications by the Publications Office (OOPEC) and other publications	1 600.000.00
3 Seminars, conferences, colloquia and stands	1 013 170.48
4 Grants: contribution to financing studies, events, networks, training measures jointly with the Member States on the details of assistance, etc.	76 900.00
5 Contracts with technical assistance offices (BAT), principally for the management of innovative actions	29 684.00
6 Other technical and administrative assistance: framework contracts and other expert assistance related to the work of the Funds	1 469 088.00
7 Map making	130 300.00
<b>TOTAL</b>	<b>8 219 142.48</b>
<b>C The establishment, operation and interconnection of computerised systems for management, monitoring and evaluation</b>	
1 Development and maintenance of computer programmes	698 401.50
2 Establishment and maintenance costs for equipment (hardware and software) required for the operation of activities	532 698.12
3 Technical assistance for the day-to-day operation of systems and training and assistance for users	903 981.64
4 Other technical assistance and equipment	170 599.00
<b>TOTAL</b>	<b>2 305 680.26</b>
<b>D Improved methods of evaluation and the exchange of information on practices in this area</b>	
1 Thematic evaluations	1 049 900.00
2 <i>Ex-ante</i> evaluations and methodological work	83 600.00
3 <i>Ex-post</i> evaluations: reports	1 798 400.00
<b>TOTAL</b>	<b>2 931 900.00</b>

<b>TOTAL</b>	<b>16 470 423 74</b>
<b>COUNTRY</b>	<b>Amounts committed (in €)</b>
Austria	126 630.00
Belgium	3 546 595.71
Finland	238 150.00
Greece	29 684.00
Italy	312 005.00
Luxembourg	1 360 208.00
Sweden	76 900.00
EU not broken down	10 780 251.03
<b>TOTAL</b>	<b>16 470 423.74</b>

**ANNEX 3**

**EAGGF commitments for technical assistance in 2001  
(Article 23 of Council Regulation (EC) No 1260/1999)**

TYPES OF MEASURES	Amounts committed (in €)
<b>A Studies, including those of a general nature concerning the work of the Funds</b>	
1	
2	
3	
...	
<b>TOTAL</b>	
<b>B Measures for technical assistance, exchanges of experience and information for the partners, final beneficiaries of assistance from the Funds and the public</b>	
1	
2	
3	
...	
<b>TOTAL</b>	
<b>C The establishment, operation and interconnection of computerised systems for management, monitoring and evaluation</b>	
1	
2	
3	
...	
<b>TOTAL</b>	
<b>D Improved methods of evaluation and the exchange of information on practices in this area</b>	
1	
2	
3	
...	
<b>TOTAL</b>	
<b>TOTAL</b>	



**ANNEX 3**

**ESF commitments for technical assistance for 2001  
(Article 23 of Council Regulation (EC) No 1260/1999)**

<b>TYPES OF MEASURES</b>	<b>Amounts committed (in €)</b>
<b>A Studies, including those of a general nature concerning the work of the Funds</b>	
<b>B Measures for technical assistance, exchanges of experience and information for the partners, final beneficiaries of assistance from the Funds and the public</b>	
<b>C Outside staff</b> a) Seconded national experts b) Temporary staff c) Auxiliary staff <b>TOTAL</b>	
<b>D Other expenditure</b> a) Missions b) Meetings c) Evaluation	
c) Miscellaneous expenditure <b>TOTAL</b>	
<b>E Direct infrastructure (expenditure on computer operation)</b>	
<b>F Information and publications</b>	
<b>TOTAL</b>	<b>€</b>

## ANNEX 3

### FIFG commitments for technical assistance in 2001 (Article 23 of Council Regulation (EC) No 1260/1999)

TYPES OF MEASURES	Amounts committed (in €)
<b>A Studies, including those of a general nature concerning the work of the Funds</b>	
1 Study on the socio-economic indicators in the fisheries sector (with Eurostat)	44 050
<b>TOTAL</b>	<b>44 050</b>
<b>B Measures for technical assistance, exchanges of experience and information for the partners, final beneficiaries of assistance from the Funds and the public</b>	
1 Miscellaneous publications on the Structural Funds	80 000
2 Compendium of legislation on 'Aquaculture, processing and marketing	50 000
3 Conference on the 'CFP Green Paper 2002'	158 086
4 Other conferences and seminars'	94 776
5 Participation in the 'European Seafood Exhibition'	94 508
6 Other meetings	100 000
<b>TOTAL</b>	<b>577 370</b>
<b>C The establishment, operation and interconnection of computerised systems for management, monitoring and evaluation</b>	
1 Development and maintenance of the fleet register	221 410
2 Auxiliary staff (Maintenance and development of INFOSYS)	90 000
<b>TOTAL</b>	<b>311 410</b>
<b>D Improved methods of evaluation and the exchange of information on practices in this area</b>	
1 Evaluation study 'Impact of FIFG assistance to the processing industry'	194 580
<b>TOTAL</b>	<b>194 580</b>
<b>TOTAL</b>	<b>1 127 410</b>

**ANNEX 4 BUDGET IMPLEMENTATION****I/ Budget implementation of commitment appropriations:**

(€ million)

	ERDF	ESF	EAGGF	FIFG	Implementation of appropriations	Implementation ratio
Objective 1	15 797	6 783	3 237	386	26 203	
Objective 2	5 597	663			6 260	
Objective 3		3 762			3 762	
Non-Objective 1 FIFG						
<a href="#">CI<sup>[1]</sup></a>	699	456	271		1 426	
<a href="#">IA and TA<sup>[2]</sup></a>	16				16	
<b>TOTAL</b>	<b>22 109</b>	<b>11 664</b>	<b>3 508</b>	<b>386</b>	<b>37 667</b>	
<b>Implementation ratio by Fund</b>						

**II/ Budget implementation of payment appropriations:**

(€ million)

	ERDF	ESF	EAGGF	FIFG	Implementation of appropriations	Implementation ratio
Objective 1	6 955	2 721	1 277	155	11 108	
Objective 2	1 562	168			1 730	
Objective 3		1 346			1 346	
Non-Objective 1 FIFG						
CI	126	208	82		416	
IA and TA						
<b>TOTAL</b>	<b>8 643</b>	<b>4 443</b>	<b>1 359</b>	<b>155</b>	<b>14 600</b>	
<b>Implementation ratio by Fund</b>						

[\[1\] CI: Community Initiatives](#)[\[2\] IA and TA: Innovative actions and Technical assistance](#)