



COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION**

**FURTHER INDICATIVE GUIDELINES  
FOR THE CANDIDATE COUNTRIES**

## **1. THE GENERAL BACKGROUND AND SPECIFIC CONTEXT FOR THE FIRST PROGRAMMING IN THE NEW MEMBER STATES**

Pursuant to Article 10(3) of Council Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds, on 1 September 1999 the Commission published 'Guidelines for programmes in the period 2000 to 2006'. This document sought "to help national and regional authorities to prepare their programming strategy for each of the Objectives 1, 2 and 3 of the Structural Funds and their links with the Cohesion Fund" so as to make the best possible use of Community assistance.

The 10 accession countries should become members of the European Union during the current programming period and in line with the common European Union position on the negotiation of chapter 21 on « Regional policy and co-ordination of structural instruments ». Given the particular situation faced by the regions in these ten countries, the Commission has decided to publish a « Complement to the indicative guidelines ».

This new document does not replace the 1999 Communication, which remains the reference document, but constitutes a useful supplement to it by proposing specific further guidelines which take account both of the particular situations of these countries and the institutional framework specific to this enlargement.

### **1.1. More aid during the pre-accession period**

Three financial instruments provide support for the candidate countries as they prepare for accession:

- ISPA offers preparation for the Cohesion Fund;
- SAPARD assists the adaptation of the agricultural sector and rural areas<sup>1</sup>;
- a significant part of PHARE (economic and social cohesion and cross-border cooperation) is a precursor to the Structural Funds' programmes.

The Commission supplements this aid through technical assistance and greater administrative cooperation: twinning, seminars, road maps to prepare for the Structural Funds<sup>2</sup> and support for the preparation of programming documents.

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<sup>1</sup> While Cyprus and Malta do not benefit from ISPA and SAPARD, they receive special financial support, mainly for institutional support.

<sup>2</sup> The Commission has proposed to the candidate countries a road map to prepare for the Structural Funds based on the following three stages:

- Candidate countries were invited to designate their managing and paying authorities at CSF, OP and SPD level within the meaning of Article 9(n) and (o) of Regulation (EC) No 1260/1999 by the end of 2001, in order to permit the necessary administrative capacity to be built up and the structures required for implementation to be established. This was also made a requirement for provisional closure of Chapter 21.

- The provisional closure of Chapter 21 was agreed upon on the basis of a commitment by the candidate country concerned to submit its development plan, draft SPD(s) and operational programmes containing all the elements listed in Articles 17, 18 and 19 of Regulation (EC) No 1260/1999 by the signature of the Accession Treaty.

Furthermore, loans from the EIB are already providing support for vital investment in the candidate countries, often supplementing grants from ISPA.

## **1.2. A realistic and pragmatic approach to implementing the Structural Funds and the Cohesion Fund**

The first programming period for the new members will be very short because it will cover the years 2004-06 at most instead of the seven years for the current Member States. Thus, as a first stage of a medium to long-term development strategy, these countries should not aim to tackle and solve all their difficulties within these three years but should establish clear priorities designed to concentrate the impact of the Funds on their most crucial needs.

Furthermore, despite substantial progress, the candidate countries still have only limited capacity as regards administration, programming, management and monitoring. Compliance with Community rules, particularly as regards public contracts and the environment, still poses enormous difficulties.

Virtually all the regions of the ten candidate countries are on the list of the 25% of regions with the lowest per capita GDP. The main challenge is thus to promote the growth-enhancing conditions and factors that will lead to substantial real convergence of all regions<sup>3</sup>, and to ensure that the strategy focuses on the development of those investments likely to increase competitiveness while paving the way for greater job creation and sustainable development.

As a result, meeting the challenge of implementing the first programming in 2004-06 in the new Member States rests on three vital conditions:

- (1) anticipation: wherever possible, preparing and negotiating, the programming documents with the Commission before accession so that the implementing period can be as long as possible;
- (2) a quest for simplification, which has led the Commission and the Member States to suggest that these countries should adopt a realistic and pragmatic approach to implementing the Funds during this first programming period.

This approach both complies with the *acquis* and, most important, seeks to limit the number of items of assistance and Community Initiatives:

- six of the ten candidate countries have chosen the single programming document (SPD) as the form of assistance;
- four will submit a development plan and a limited number of sectoral operational programmes plus a single regional operational programme for all the regions eligible under Objective 1;

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- The Commission intends to use the ratification period before accession to start discussions with the future Member States on the programming documents, the draft operational programmes should be submitted in due time, and the Commission strongly recommends submission of the draft programme complement *together* with the draft SPD or operational programmes.

<sup>3</sup> Growth performance has been uneven among countries with stronger convergence, in Slovenia, Estonia and Hungary. At regional level, higher income regions have on average had a better performance than low income ones (1995-98).

- only two programmes under the Interreg and Equal Community Initiatives will be implemented in these ten countries between 2004 and 2006;
  - measures of the Leader+ and Urban type may be included in the single programming documents or the operational programmes;
  - the SPDs or OPs for Objectives 1 or 2 may, where appropriate, support the Interreg III A cross-border cooperation programmes;
  - innovative actions will not be implemented in the new Member States during this programming period;
- (3) a limit on the number of items of assistance, priorities and measures, through genuine choices to target the work of the Structural Funds on the needs which have greatest priority.

This approach should facilitate the financial management of future programmes and allow a more flexible response to problems of absorption which may affect the implementation of certain measures.

However, the development strategy adopted under the Community support framework (CSF) or SPD should pay particular attention to coherence among the various items of assistance and priorities involved. It should also take account of the actual capacity for absorption assessed in terms of the capacity to prepare projects and the existence of management structures which are adequate for the various priorities and measures contemplated.

With regard to compliance with State aid rules, and in accordance with the mechanism set out in the common positions on competition policy, the candidate countries are expected to draw up a list of those existing aid measures that they wish to continue after the date of accession, and which the relevant State aid authority considers as compatible with the *acquis*. Only aid measures that are included in the list and to which the Commission has not objected, or that were otherwise notified to and approved by the Commission upon accession, can be eligible for part-financing from the Structural Funds.

## 2. THE INSTITUTIONAL NEEDS COMMON TO ALL COUNTRIES: INCREASING INSTITUTIONAL AND ADMINISTRATIVE CAPACITY

In the first progress report on economic and social cohesion<sup>4</sup>, as in its ‘Communication on the common financial framework for the accession negotiations’, the Commission refers to the need to continue improving the institutional capacity of the candidate countries.

On the basis of the experience acquired during implementation of the pre-accession instruments, the aims of the period 2004-06 should seek to ensure:

- the setting up of efficient “project pipelines”, a sine qua non for the new Member States to have available an adequate number of well-prepared projects allowing them to fully absorb Community assistance;
- the setting up of mechanisms ensuring the transparency of investments through the monitoring of public tender procedures and exchange/cross-checking of information between the authorities involved at national and regional level;
- the development of effective delivery systems, in particular for education, training and employment.

This would best be done through focusing on the following priorities:

- increasing the capacity and resources of the programming units;
- improving or establishing adequate implementing bodies;
- initial and continuous training of staff and the development of human resources as a key element in supporting structural changes and promoting economic and social cohesion;
- improving the professional skills of the public administration in information and communications technologies (ITC).

At a more general level, strengthening the capacity of crime prevention authorities (law enforcement and judicial authorities) both in terms of equipment and training of human resources is important<sup>5</sup>.

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<sup>4</sup> COM (2002) 46 final, 30 January 2002.

<sup>5</sup> In the current programming period, the Community is already supporting economic and social cohesion initiatives which indirectly contribute to crime prevention: the Objective 1 programme in Italy includes measures concerning public safety in the *Mezzogiorno*, a special case reflecting structural problems affecting society and conditioning the regions’ economic and social development. Interreg allows for more targeted assistance on internal and external borders, as well as cross-border areas in the Union, particularly in relation to urban development, social inclusion and judicial and administrative cooperation.

### **3. SECTORAL NEEDS AND PRIORITIES IN THE CURRENT CANDIDATE COUNTRIES**

#### **3.1. Substantial needs in infrastructure and equipment**

Ensuring efficient connections to EU and other markets and reducing local obstacles to business and labour mobility are of key importance if the future Member States are to catch up economically.

These countries have very substantial needs as regards infrastructure and equipment both in the fields of transport, energy and the environment and in those of the information society, research, education and health, which can also be financed under the Structural Funds.

The TINA<sup>6</sup> study put at about €90 billion the total cost of constructing the transport infrastructure required in the CEECs to achieve the goals and criteria of the Community guidelines on the development of the trans-European transport network<sup>7</sup> which apply to the present Member States. Other studies put the cost of applying Community environmental standards at €50 to €100 billion, or €15 to 20 billion a year over the next ten years for these two sectors alone.

The work of part-financing major infrastructure projects will have to be shouldered primarily by the Cohesion Fund. The Commission has therefore proposed that the new Member States' share of the Cohesion Fund should be about one third of the total for the structural instruments as compared with 18% for the present cohesion countries. The development strategy in the plan (or SPD) should ensure synergy between the sectoral strategies in transport and the environment defined for the Cohesion Fund and those underlying the assistance provided under the Structural Funds. Loans from the EIB can usefully be employed to supplement part-financing from the Structural Funds or the Cohesion Fund.

To avoid dispersal of Community contributions, the measures in these areas should concentrate on projects which can demonstrate:

- a contribution to the structural adjustment of the eligible area or region concerned;
- that the final beneficiaries have the capacity to prepare and implement them.

#### **3.2. Transport**

Some 19 000 km of roads, 21 000 km of railways, 4 000 km of waterways, 40 airports and 20 seaports will have to be built or rebuilt (since the design of this infrastructure is so obsolete).

Five priorities supplement the 1999 guidelines:

- (1) modernising the networks through major investment to:

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<sup>6</sup> Transport Infrastructure Needs Assessment.

<sup>7</sup> Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network (OJ L 228, 9.9.1996).

- develop motorway networks (sometimes very underdeveloped);
  - bring existing road networks up to Community standards,<sup>8</sup> particularly as regards the weight and dimensions of vehicles<sup>9</sup>;
  - modernise aging rail networks which are suffering from underinvestment dating back many years;
- (2) improving urban transport infrastructure which is now unable to cope with the sharp increase in traffic;
  - (3) meeting the goals of the White Paper on European transport policy<sup>10</sup>, as regards bottlenecks and safety<sup>11</sup> and the development of short-distance sea and river transport, including links to ports, particularly on the Danube ;
  - (4) improving road safety;
  - (5) modernising the rail system with the deliberate aim of moving 35% of freight by rail by 2010<sup>12</sup>, by rebalancing this mode of transport and intermodality and restructuring the rail companies.

This means that there will be three levels of assistance:

- the pan-European corridors and areas defined by the Crete and Helsinki ministerial conferences;
- the future trans-European network negotiated as part of the technical adjustment of Decision 1692/96/EC on the Community guidelines;
- networks at regional and urban level.

In accordance with the Regulation, the Cohesion Fund will contribute solely to infrastructure for projects located on the trans-European network. The job of the Structural Funds will be to supplement this instrument for regional infrastructure providing access to the trans-European network, urban infrastructure and measures not linked to infrastructure (e.g. staff training). Assistance in urban areas will concern mainly policies on mobility favouring public transport<sup>13</sup>.

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<sup>8</sup> Directive 96/53/EC.

<sup>9</sup> It is estimated that 70% of the road network in the CEECs does not meet the standard of 11.5 tonnes per axle.

<sup>10</sup> COM (2001) 370.

<sup>11</sup> Because of the need to promote road safety, a prior analysis of the impact on safety of road projects will be encouraged.

<sup>12</sup> The candidate countries which have a dense rail network carry almost 40% of freight in this way (8% in the EU). The obsolete infrastructure and shortcomings of the rail companies mean that the dominance of road transport will have an impact in terms of congestion, environmental problems and declining road safety. Present trends suggest that the share of freight carried by rail could fall to 10% by 2010 if pro-active policies are not pursued.

<sup>13</sup> Community assistance for the trans-European networks is limited to 10% of the total cost of a project (Regulation (EEC) No 2236/95) and the new Member States will be eligible as soon as they join. This instrument must therefore be coordinated with the Cohesion Fund and the Structural Funds (in accordance with the rules on the non-cumulation of aid). The Commission has proposed an amendment

### 3.3. Environment

Structural measures should support the environment through:

- direct funding of environmental investments helping with the implementation of the environmental *acquis* (drinking water, waste water, waste management);
- supporting integration of the environment into other policies, thus promoting development along a more sustainable path<sup>14</sup>.

*Water*<sup>15</sup>:

While 90% of the population of the EU is connected to water distribution systems and 70% to mains drainage, in the candidate countries 60% of the population is connected to a mains water supply and only 42% of waste water is treated, well below the figure required by Community standards.

For the period 2004-06, the 1999 priorities thus apply in full.

*Waste Management:*

While all the candidate countries have established large-scale systems for recycling waste, almost all are finding it difficult to meet the targets set in the Community Directive<sup>16</sup>. Existing plants have not been modernised and, if no public money is forthcoming, some will have to be closed. This situation will deteriorate because the economic growth expected in these countries in the next few years will undoubtedly have a significant impact on the amount of waste produced. Support from the structural instruments in this field will therefore be of prime importance for sustainable development in the enlarged Union, even though most countries will have transitional periods for implementing the main heavy-investment directives.

While making sure they properly implement the commitments given during negotiations, the new Member States should apply the 1999 recommendations concerning the management and disposal of solid, urban, industrial and hazardous waste according to Community policy and legislation; waste recycling and recovery and the landfills directive<sup>17</sup> (see page 17 of the 1999 document).

*Moreover, the new Member States should focus on the three following priorities:*

- implementation of the integrated pollution prevention and control (IPPC) Directive<sup>18</sup>;

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to the Regulation to allow part-financing at a rate of 20% for cross-border sections of transport infrastructure linking the Union to the candidate countries.

<sup>14</sup> The *Sustainable Development Strategy*, endorsed by the Göteborg European Council in June 2001, provides an important framework for the period 2004-06 and beyond.

<sup>15</sup> Programmes/projects should take into account the requirements of the Framework Directive on Water.

<sup>16</sup> 50% of waste recycled in 2001 in the current Member States.

<sup>17</sup> Council Directive 1999/31/EC on the landfill of waste, OJ L 182, p. 1, 16.7.1999.

<sup>18</sup> This Directive is the main environmental challenge for industry in the candidate countries as more than 6 000 industrial installations will require major investment to comply with this legislation by 2007. Where permitted under State aid rules, Structural Fund support through national or regional aid schemes could contribute to this objective.



- the provision of infrastructure to prevent natural hazards;
- the protection of regions with long-term natural handicaps.

### **3.4. Energy**

The priorities in this sector should concentrate on measures to:

- improve energy networks and their connections with those in western Europe;
- make up the extent to which these countries are lagging behind in terms of energy efficiency<sup>19</sup>;
- achieve the goal of doubling the share of renewable energy which applies to all Member States<sup>20</sup>.

In addition, without changing the basic texts governing the Cohesion Fund, flexibility would allow some assistance to be taken into consideration:

- measures to clean up pollution in conventional power stations (dust filters, SO<sub>x</sub> scrubbers);
- measures to make substantial improvements in energy efficiency;
- measures to encourage the production of renewable or non-polluting energy.

The ERDF is the instrument for supporting investments in the networks and, where necessary, energy production.

Community aid will be conditional on the introductions of structural reforms allowing application of the directives in the gas and electricity sectors (separation of distributors and producers, establishment of a regulator, setting of tariffs). These reforms will require technical assistance supported by the Structural Funds.

### **3.5. Fisheries**

Production in the fisheries sector of those candidate countries with a coastline has fallen sharply because of the over-exploitation of resources and the collapse of markets. Despite drastic reductions, fishing fleets are still comparatively old and uncompetitive and the fishing industry is based on out-dated infrastructure which will require a substantial effort to bring it up to European standards.

The priorities should be identified in line with the reform of the common fisheries policy which was adopted by the Council at the end of 2002.

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<sup>19</sup> Their economies are much more energy-intensive than those of the current Member States, which has an adverse effect on the environment.

<sup>20</sup> Solar heating technologies are widely used in the Mediterranean Member States and Cyprus.

### 3.6. Agriculture and rural development<sup>21</sup>

In most candidate countries, despite efforts and successful developments, restructuring of the agriculture and food industries is still far from complete. The competitiveness of their agriculture and agri-food chain is generally much lower than the EU average.

The unfavourable farm structure, and in particular the large number of small farms and the existence of durable semi-subsistence farming combined with the presence of an emerging commercial farming sector, poses a range of administrative and economic dilemmas for the common agricultural policy. This dualism of structures is likely to exacerbate political tensions during the restructuring process, when not only farm structures, but up and downstream infrastructure, services, and off-farm employment opportunities will require expansion.

As regards the rural areas, most candidate countries have already gained experience in the design and implementation of a policy part-financed through the pre-accession instrument SAPARD<sup>22</sup>. Given the short programming period, the new Member States should build on the experience of the implementing bodies set up under SAPARD, be selective in their choice of measures, and concentrate funding on the main needs for the period<sup>23</sup>.

### 3.7. Justice and home affairs<sup>24</sup>

A safe society and an established rule of law are fundamental conditions for economic and social development. As a consequence, the fight against organised criminal networks needs to be addressed.

The programmes for the period 2004-06 should help in the following way:

- ensuring the availability of institutional capacities for collecting, spending and monitoring the use of public funds;
- promoting and supporting rule of law through public awareness;
- promoting a culture of “crime prevention”, in particular by bringing together all parties involved in the prevention of crime at local or regional level (national judicial and law enforcement authorities, entrepreneurs, trade unions, NGOs, representatives of EU Institutions etc);

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<sup>21</sup> The Commission’s view on “Enlargement and Agriculture: successfully integrating the new Member States into the CAP” was presented in its issues paper SEC(2002) 95 final of 30 January 2002.

<sup>22</sup> Council Regulation (EC) No 1268/1999.

<sup>23</sup> A large part of the rural development measures of most new Member States will be integrated into their Objective 1 programme, part-financed by the EAGGF Guidance Section.

<sup>24</sup> In the current programming period, the Community already supports economic and social cohesion initiatives which indirectly contribute to crime prevention: in Italy, the Objective 1 programme, includes actions concerning public safety in the *Mezzogiorno*, a special case reflecting structural problems affecting society and conditioning the regions’ economic and social development. Interreg allows for more targeted assistance on internal and external borders, as well as cross-border areas in the Union, particularly in relation to urban development, social inclusion and judicial and administrative cooperation.

- strengthening the capacity of the crime prevention authorities (law enforcement and judicial authorities), in particular, through enhanced training of human resources.

### **3.8. Employment and human resources**

The Lisbon agenda stresses the need for enhancing investment in human capital. This is particularly crucial in the case of the candidate countries, where employment rates have decreased and unemployment has increased significantly, mainly because of the restructuring of their economies and labour markets. Six out of the ten candidate countries have exceedingly high unemployment rates above the EU average. Regional disparities remain high and often reflect the difference between the region around the capital and those elsewhere. Women's employment has often fallen less than that of men because most job losses have occurred in industry and activity in the services sector has grown.

The priorities for human resources development derive from the priorities and conclusions pervading the Joint Assessment Papers (JAPs) agreed jointly by the Commission and each candidate country<sup>25</sup>. They aim at providing a good basis for:

- Promoting and improving active labour market policies (ALMPs), which requires examination, evaluation and careful monitoring of existing programmes to improve their efficiency, as well as their expansion as part of a comprehensive implementation strategy which should also address regional imbalances.
- Improving public employment services and labour market institutions, which are the main instrument for the delivery of active labour market policies, and implementing preventive strategies, through three functions: placement, matching and guidance. Support should focus upon the extension of public employment service coverage, particularly in the less advantaged areas; the training of public employment service staff and the setting up of computerised job search systems.
- Expanding and improving the quality of education and training systems, particularly in the field of secondary and tertiary education, and improving systems of education and training which are able to identify and anticipate the changing training needs of the various sectors in the economy and be responsive to those demands.
- Tackling and preventing gender gaps and segregation in the labour market, particularly when promoting greater skills in the ITC field and other service sectors. An important element is the provision of good quality care services for children and other dependants and the development of family-friendly arrangements.
- Promoting social inclusion by providing integrated socio-economic support to the members of socially disadvantaged communities, increasing their

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<sup>25</sup> The JAPs present an analysis of the main problems and challenges facing each of the candidate countries in preparing themselves to be able to fully implement the EES (European Employment Strategy).

participation in basic and secondary education and expanding the range of re-training programmes to improve their labour market situation. Combating discrimination against ethnic or language minorities (especially the Roma) through anti-discrimination measures in both the public and private sector.

To implement these priorities, it is essential to ensure the right kind of incentives at all levels.

### **3.9. Research and development**

The accession of the candidate countries to the EU will coincide with the first developments in the European Research Area (ERA)<sup>26</sup> intended to create the most favourable possible European environment for developing research and promoting innovation. Along with this challenge goes a quantified objective for Europe's research policy fixed at the Barcelona European Council in March 2002: to devote 3% of the Union's GDP to work on research and innovation by 2010.

Enlargement offers favourable prospects for the construction of the ERA by facilitating exchanges and the mobility of research workers and increasing cooperation between research teams in the candidate countries in the main scientific fields, particularly by associating them with the RTD framework programmes.

However, despite their long scientific and university tradition, a comparison of the research systems in the candidate countries with those in the present Member States may pose risks of several kinds: movements of research workers away from those countries and the disappearance or weakening of large areas of science because of the lack of infrastructure which is appropriate of meets international standards.

The resources allocated to research in most of the candidate countries have fallen over the last ten years and, with human potential being reduced by successive waves of the 'brain drain', the gap between the most advanced countries in the EU 15 and most of the candidate countries has grown in terms of the main features of research capacity such as human potential, the level of public and private investment and so on. Several factors limit the dynamic of innovation and competitiveness there:

- the weakness of technological, legal and financial services at international level offered to firms;
- the lack of capital directed to innovation or the establishment of firms engaged in technology;
- the difficulty of accessing this finance experienced by the smallest firms.

Three priorities for assistance are advocated:

(1) to support and expand human resources for research:

- improved training for research workers;
- helping the work of young researchers at the beginning of their careers;

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<sup>26</sup>

Adopted by the Lisbon European Council in March 2000.

- encouraging younger people to enter scientific branches of education;
  - developing information networks, especially those based on the ‘Grid’ concept;
  - encouraging work to promote the mobility of researchers: development and transfer of skills to and from the candidate countries and improved career opportunities for research workers;
  - help to scientists from the candidate countries who wish to return there.
- (2) to improve existing infrastructure and develop new infrastructure in line with the needs and economic and social environment of the candidate countries<sup>27</sup>;
- (3) to promote interaction between education, vocational training, development economic, research, access to risk capital and services for the creation or development of firms, etc.

The ‘networking and industrial cooperation’ priority in the 1999 guidelines is of particular importance for the present candidate countries.

### **3.10. Enterprise and innovation policy**

Small and medium-sized firms (SMEs), which have a key role to play in expanding the economy and increasing employment in the candidate countries, help create jobs and wealth and increase productivity, particularly in the field of services. However, such firms still encounter difficulties, mainly as regards access to finance but also as regards the development of innovation, the transfer of technologies, access to information and management. This means that a culture more favourable to enterprise and innovation must be developed.

Existing innovation policies are recent or still lack dynamism. In addition, strict budgetary constraints often restrict the scope of measures taken by governments.

This sector requires the development in particular of:

- the recommendations of the European Charter for small enterprises<sup>28</sup>;
- measures to provide access to finance (credit guarantees and risk capital);
- the protection of intellectual property rights and the restructuring of the patent offices;
- technology transfers and the dissemination of research results;
- cooperation between research centres and firms and associations of firms, banking sectors, educational systems, professional organisations and networks of firms;

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<sup>27</sup> Priority must be given to infrastructure likely to constitute a critical mass of resources, whatever the scientific sector concerned, and allow transnational access to those resources.

<sup>28</sup> [http://europa.eu.int/comm/enterprise/enterprise\\_policy/charter/charter\\_en.pdf](http://europa.eu.int/comm/enterprise/enterprise_policy/charter/charter_en.pdf)

- initiatives to improve the environment for firms;
- the simplification of administrative procedures and the reduction of costs for firms, particularly those which are young and growing quickly;
- support services for small firms.

### **3.11. The information society**

In the candidate countries, disparities between telecommunications infrastructures are substantial both as compared with the EU average and among the countries themselves. While the process of modernising public networks for advanced communications infrastructure, such as broad-band access, has begun, there are still great differences in the degrees of modernisation achieved.

Most of these countries will therefore have to make a substantial investment effort to reach the level of the *acquis*, which requires basic services (fixed lines, fax and narrow-band Internet access) to be available everywhere at a reasonable price.

The lower purchasing power of the local economies and the difficulty of obtaining the investment required from commercial sources (unattractive investments in the short-term) constitute serious risks for the *eEurope 2005* action plan.

In this context, structural actions should support:

- the development of national and regional Information Society strategies;
- the investments aiming at the implementation of the *acquis* in the communication services;
- the implementation of the *eEurope 2005* Action Plan in these countries .

Assistance in this field will be decided on in the light of the results of a full analysis and a comparative evaluation of national and regional needs. To achieve these targets, global Information Society strategies (infrastructure and content development) that will take into consideration the European, national and regional priorities and their appropriate integration into other EU policies will be needed.

Finally, Community aid will be subject to the development of structural reforms that will permit the application of the directives in the communication services sector. These reforms will need technical assistance.