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**The Future of Community Initiatives
under the Structural Funds**

The Future of Community Initiatives under the Structural Funds

Introduction

The Commission agreed a Green Paper on this subject on 16 June last year (COM(93)282). This described the history of Community Initiatives, set out the general principles which should influence the elaboration of initiatives during the 1994-99 period and suggested a framework for these initiatives, based on the following themes:

- i. cross-border, transnational and inter-regional cooperation and networks;
- ii. rural development;
- iii. outermost regions;
- iv. employment and the development of human resources;
- v. the management of industrial change.

The consultation process on the Green Paper has given rise to a large number of submissions from Member States, regional and local authorities, industrial and commercial associations, the social partners and numerous other bodies and individuals. The European Parliament and Economic and Social Committee have adopted formal Resolutions and, in the absence of the Committee of the Regions, the Consultative Council of Regional and Local Authorities has also submitted its views. A summary of the main points made in these submissions is at Annex 1.

As can be seen from Annex 1, a large number of interesting points were raised in the submissions. There was, as could perhaps be expected, a fair degree of special pleading from various groups arguing the case for special initiatives in their favour. But as far as the framework for future initiatives is concerned, the vast majority of submissions supported the approach in the Commission's Green Paper, recognising the advantages of building as much as possible on existing initiatives.

A number of bodies including the European Parliament in its Resolution on the Green Paper¹, did highlight, however, the particular difficulties of urban areas, including problems linked to social exclusion. They pressed the case for an additional theme to the five already proposed by the Commission which would tackle the special problems in these urban areas. Moreover, the European Parliament and a number of other bodies supported a new, specific initiative for the fisheries dependent areas and the sector.

¹ Resolution of 28 October 1993, PE 176.537

Towards the end of the consultation process, the Council, during its discussions on the GATT negotiations, asked the Commission to propose an initiative in favour of the textiles industry in Portugal. The Commission agreed to this, thereby facilitating an agreement in the Council on the GATT package. It was agreed that 400 million ecus be allocated to this initiative, which can be accommodated within the management of industrial change theme in the Green Paper framework.

As stated in Article 7 of Regulation 2052/88, all these actions will be implemented in accordance with Treaty dispositions in relation to state-aids and the respect of Community competition policy.

Cross-border, transnational and inter-regional cooperation and networks

The draft guidelines for the main initiative under this theme, which it is proposed to call Interreg II, follow closely those of the first Interreg initiative, but have been modified in a few respects.

First, it has been recognised that all internal land border areas should in principle be eligible for assistance. This will mean making use of the geographical flexibility clause introduced in the revised Structural Funds regulations recently agreed.

Second, as far as the external borders with central and eastern Europe are concerned, actions under Interreg II should now be planned in close liaison with those to be funded under the increased special budgetary provision for border regions within the Phare programme. All the external land border regions will be eligible for assistance. Two additional external maritime borders will be covered: Andalusia (Cadiz) to Morocco and Southern Italy to Albania.

Thirdly, views on extending the coverage of Interreg to additional maritime border regions were mixed. The proposed guidelines therefore adopt a pragmatic approach on this, accepting that in addition to the Sardinia-Corsica and Kent-Nord Pas de Calais maritime borders which were eligible during the first phase, the borders between southern Italy-Greece and Ireland-North Wales, also be eligible. These can be justified given their special problems and features, particularly for Greece with the increased difficulties in transport links with the Community as a result of the troubles in the Balkans; and for Ireland, the only Member State with no land link to the Community and which relies to a large extent on its links to the Community via North Wales.

Two other points mentioned in the Green Paper in relation to Interreg were subject to comment in the consultations. The first concerns transnational and inter-regional cooperation generally (that is not confined to border areas). There is much support for an expansion of Community activities in this field, with the emphasis on supporting the development of networks and exchanges of experience, particularly in favour of skills and technology transfer towards less favoured regions; environmental management; and cooperation with regions in

neighbouring countries. The Commission should continue to support such actions, but there are advantages in continuing to do so through the funds available for innovative actions rather than through Interreg. As the cooperation itself takes place at the regional and local level, it is more appropriate and in keeping with the subsidiarity principle to manage these measures in the same flexible manner as in the 1989-93 period.

The second concerns the energy projects currently being financed under the Regen Initiative. By their nature, these help complete the trans-european energy network, and as such, have an inter-regional character. It is proposed to continue to finance the existing projects by prolonging the Regen Initiative as a separate strand within the financial amounts allocated to Interreg. Some of the projects are now quite far advanced; others have yet to begin. The proposed financial allocation takes account of developments on each project in the period up to 1993. This initiative complements the funding available from the Community in support of the completion of transeuropean networks for energy from budget appropriations specifically for this purpose and, in Objective 1 regions, from the Structural Funds in Community Support Frameworks.

Rural Development

The rural development guidelines build on the existing Leader programme, which has proved to be very popular and successful in rural areas. It is proposed to call the new initiative Leader II.

As was the case in the first phase, Leader sets out to support local initiatives for rural development and to explore new approaches to tackle the growing difficulties of these areas.

As already announced in the Green Paper, the principle modifications are as follows:

- the reinforcing of the added-value of the initiative in relation to programmes supported under Community Support Frameworks, the accent being put on innovation (interpreted in a wide sense and adapted to each particular context) , its demonstration effect and transferability;
- extending the scope of cooperation and for the transfer of knowhow between regions and rural actors;
- the simplification and decentralisation of implementation methods, the major part of project selection and management decisions being undertaken at a local or regional level.

Lastly, Leader II as a whole is organised around a European network for rural development: this follows up a network established in the first phase, and will be extended to the various bodies participating in rural development and to new fields, so that it becomes a mechanism for active solidarity between all the rural areas.

Outermost Regions

There was a general recognition in the submissions that the Union's outermost regions continued to warrant supplementary assistance through a Community Initiative. Certain Member States argued for an extension of the definition of outermost regions. Others opposed this. The European Parliament preferred the existing definition, and it is proposed to continue to limit this initiative to the Canary Islands, Madeira, the Azores and the French Overseas Departments, respecting the declaration relating to outermost regions annexed to the Treaty on European Union..

Regis has been well appreciated in these regions and it is proposed to call the new initiative Regis II. The new initiative would have its scope widened so that Poseidon, Poseican, Poseima measures eligible for Structural Fund support can be continued and so that measures financed under other initiatives such as Stride, Telematique, Prisma etc, would in future be financed in these regions under Regis. This should lead to a simplification in programming, committee structures, financial management and control, etc, and reinforce the political importance of Regis.

Employment and development of human resources

The Green Paper published by the Commission in June 1993, advanced the idea of an integrated initiative on Employment and human resources as part of a package of ideas on the future of Community initiatives. This idea was widely welcomed in the responses to the Green Paper. The detailed proposals for an Employment and development of human resources Initiative now put forward follow from the ideas outlined last June and take into account the submissions received. The Green Paper envisaged within such an initiative a specific strand dealing with the adaptation of the workforce to industrial change. The approach now being proposed is that this aspect be dealt with in a separate initiative (see below). There would thus be two initiatives under the heading of Employment and the development of human resources. The proposals for both initiatives take as a basic point of reference the White Paper on Growth, Employment and Competitiveness and represent a major part of the Community's initial response to the challenge for action set down in the White Paper.

The first initiative "Employment and the Development of Human Resources" would contain three distinct though interrelated strands: Employment-NOW, Employment-HORIZON and Employment-YOUTHSTART... The proposal builds on the success of the existing human resources initiatives, NOW and HORIZON.

The YOUTHSTART programme was proposed by the Commission in its White Paper on Growth, Competitiveness and Employment endorsed by the Heads of State and Government in December. It reflects the view that a greater effort is required to enable young people to participate effectively in the labour market. Young people who have left education without

a qualification often cannot compete effectively in an already difficult labour market, and face the danger of long-term unemployment. The aim is to stimulate actions by Member States leading progressively in the longer term to the provision of a youth guarantee. The ultimate aim is that every young person under the age of 20 would eventually have access either to full-time employment or to a recognised form of education or training, including apprenticeship or other forms of linked work and training. The basis of YOUTHSTART would be 12 national programmes tailored to the requirements of each Member State receiving, where appropriate, support through the Community Support Frameworks. The Community initiative dimension (Employment-YOUTHSTART) will act as a catalyst for the scheme as a whole. It will ensure the development of the innovative and transnational dimension of YOUTHSTART as well as the development of structured networks of projects and programmes in order to ensure the exchange of good practice and experience.

Across the three strands of this initiative, four broad categories of measure can be identified:

- Systems measures;
- Training measures;
- Job Creation measures;
- Information/communication measures.

While the initiative shares with Community Support Frameworks the primary objective of maintaining and increasing employment in the Community, it is quite distinct in its underlying rationale, aims and methodologies, in particular through its transnational dimension, its character as a catalyst for innovation and change and its emphasis on a decentralised, bottom-up approach.

As regards this initiative as well as the ADAPT Initiative referred to below, it is proposed to strengthen the technical assistance effort at Community, national and decentralised level in order to assist public authorities, private bodies and other interests concerned in the formulation and subsequent implementation of programmes.

Close coordination will be necessary between these two initiatives and other Community activities in the area of employment including the CSFs and the Community vocational training programmes. In order to reinforce the mutual added value of Community supported action in this area, it is proposed that special coordination structures be put in place between DG V and the Task Force on Human Resources and, if necessary, other Directorates General of the Commission. This structure will support an active and mutual collaboration on the preparation and implementation of actions under both the vocational training programme and the Structural Funds including Community initiatives in the field of employment and human resources, while respecting the particular management responsibility of the respective services.

Industrial Change

Three types of action relating to the developments in the European economy are proposed under this heading of industrial change. The first is an action which will apply throughout the Union to help the workforce adapt to industrial change and to facilitate changes in production systems. This is essentially an employment action which will apply throughout the Community. A second type of action will give support to areas particularly dependent on declining industries incurring or expecting to incur a high rate of job losses. These actions aim to strengthen and diversify the local economies and to help remove the pollution and dereliction left behind by declining activities. The third action is intended to help small and medium sized enterprises meet the challenge of the Single Market and international competitiveness more widely. Most of its action is concentrated on the areas of greatest need, the Objective 1 regions.

Each of these three actions is managed separately in view of their particular aims and different management structures, but they form part of an overall approach to reinforcing European competitiveness as set out in the White Paper while seeking to reduce regional disparities. Appropriate coordination will therefore be ensured.

The first initiative concerning employment and adaptation of the workforce to industrial change would be called ADAPT. The importance of actions in this regard was recognised in the decision to create a new Objective 4 under the Structural Funds and was fully endorsed in responses to the Green Paper.

The interrelated goals of this initiative are:

- to assist workers, especially those threatened with unemployment as a consequence of industrial change, to adapt to increasingly rapid changes in the organisation and structure of employment;
- to help enterprises increase their competitiveness, mainly by encouraging organisational adaptation and non-physical investment.
- to prevent unemployment by improving qualifications of the workforce;
- to facilitate the development of new jobs and new activities.

These objectives will require major efforts to offer and to implement adequate training schemes, to identify and develop new skills and qualifications, to upgrade the level of existing skills and improve the ability of the workforce to acquire new skills, to develop and support innovative approaches focused on networking between enterprises, and to promote the diffusion of R&D results.

A Community-wide approach to these issues, allowing cross-fertilisation between enterprise strategies, research and development and training provision is an essential condition for bringing about a European response to these problems which affect in principle all Member States, and which are not limited to particular industries and services. The importance of addressing these issues in the context of the Community Initiatives is therefore evident. The transnational, innovative and bottom-up approach which is possible in the context of Community Initiatives will bring a particular added-value in addressing the problems of industrial adaptation.

The second group of initiatives are regionally based. Within this theme, the submissions gave particular support for the continuation of regionally-based initiatives such as Rechar, Resider, Retex and Konver, where problems of job losses are particularly acute. The EP in particular supported this approach which is geographically focused on the worst hit areas.

The need for Community support for coal and steel regions is all the more necessary in the light of the continuing loss of coal mining jobs and recent steel restructuring decisions and taking into account the run-down of assistance from the ECSC budget over the coming years. This has been recognised by the Industry Council. It is proposed therefore to continue these four initiatives. For the first three, given the degree of restructuring that has already taken place in the coal, steel and textiles industries and that the most affected regions have already been receiving national and Community support for some time, it is proposed to limit their life until the end of 1997. For Konver, an initiative extending to the end of 1997 would also be appropriate, given that there has already been an ad hoc programme in 1993.

As regards the third area of action, the White Paper emphasises the role of SMEs in furthering growth and developing employment. As indicated above, the Employment Initiative will give special attention to the needs of SMEs and many of the measures under that Initiative will apply to the whole of the Community's territory. Other Community Initiatives under the heading of Industrial Change will also give special emphasis to the need to encourage and develop SMEs. The Community Support Frameworks will also in all cases include measures of special relevance to SMEs. To supplement this significant effort and to help SMEs principally in Objective 1 areas (where the need is greatest) to face the challenges linked to the implementation of the Single Market, a new initiative is proposed.

Some of the measures now proposed are currently financed under Stride, Prisma and Telematique. Others, already indicated in the White Paper concern access to finance and credit, support for cooperation and for improving management standards.

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The Urban Initiative

As noted above, the draft guidelines for this initiative will be circulated later. It will be necessary to identify problem neighbourhoods within cities where an accumulation of factors (high unemployment levels, low education attainment, poor housing, environmental decay, high crime rates, etc) make for a generally poor quality of life. Unemployment in poor urban areas tends to be significantly higher than national averages. The problems will need to be tackled in an integrated way, by means of concerted action by the national and city authorities. The Structural Funds cannot be involved in all areas eg. housing. Measures under this initiative should be complementary, among other things, to some of those envisaged under the Employment Initiative for disadvantaged groups.

Fisheries

The fisheries sector is confronted today by a very serious structural crisis with several worrying aspects (chronic over-capacity of the fleet which requires the withdrawal of a number of fishing boats, drastic restrictions on certain fishing methods), in a context of the development of a worldwide system of trade and a more and more competitive environment which enlargement will accentuate.

This rapidly changing sector needs accompanying measures in the framework of a Community initiative called PESCA which foresees targeted measures to assist the restructuring of the sector and to encourage the diversification of economic activity in areas dependent on fisheries. The measures will concern both workers and firms in the regions concerned by this crisis in order to enable the sector to succeed in adapting while helping it to alleviate the social and economic consequences.

Simplified Management

The Structural Funds regulations require that any assistance under Community Initiatives shall be reflected in the establishment or revision of the relevant Community Support Framework. In practice this should mean that, wherever possible, the management of programmes under Community Initiatives should be carried out within the programme management structure of the relevant CSF. This was in fact the case for many of the initiatives in the first phase. Community Initiatives need not therefore result in additional unnecessary Committee structures.

Financial Framework

The amended Structural Funds regulations stipulate that "9% of the commitment appropriations for the Structural Funds shall be devoted" to funding Community Initiatives.

In accordance with the Edinburgh European Council Conclusions, the amended Structural Fund Regulations and the financial allocation decisions taken by the Commission on 21 October and 21 December last year, the total possible appropriations available for Community Initiatives during the 1994-99 period would therefore be 13.465 billion ecus (1994 prices). The regulations require that 8.16 billion be allocated to the Objective 1 regions.

The table below shows how it is proposed to allocate the 13.465 billion ecus between the different initiatives and, on an indicative basis, how each initiative could contribute to the obligation to the Objective 1 regions. It is proposed that the allocations to Objective 1 regions be slightly increased to 8.3 billion ecus to ensure that all Objectives contribute to the financing of the special initiative for the Portuguese textiles industry decided last December at the General Affairs Council.

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Billion ecus (1994 prices)

	Total	of which Objective 1
Interreg/Regen	2.9	2.3
Rural Development	1.4	0.9
Regis	0.6	0.6
Employment		
- Now		
- Horizon	1.4	0.8
- Youthstart		
Industrial Change		
- Adapt	1.4	0.4
- Rechar	0.4	0.1
- Resider	0.5	0.1
- Konver	0.5	0.2
- Retex	0.5	0.4
- Portuguese Textiles Industry	0.4	0.4
- SMEs	1.0	0.8
Urban Policy	0.6	0.4
Fisheries	0.25	0.1
Reserve	1.60	0.8
TOTAL	13.45	8.3

**Results of consultations on the Green Paper
"The Future of Community Initiatives
under the Structural Funds"¹**

I. Organization of the consultation

Before adopting guidelines for the Community initiatives for the period 1994-99, the Commission considered it appropriate to hold a wide debate, inviting not only the Member States (MS), Parliament (EP), the Economic and Social Committee (ESC) and the Consultative Council of Regional and Local Authorities (CCRLA) but also local and regional authorities, development agencies, the economic and social partners and all other interested parties, hereinafter referred to as "organizations concerned by the Community initiatives" (OCIs), to participate.

To that end, a Green Paper was sent to the other Community institutions after it had been adopted by the Commission. At the beginning of July 1993 some 1 500 copies were also sent to the regional and local authorities, some 100 copies to the social partners and some 500 copies to the lead organisations of networks of socio-professional organizations, and to the Leader, Now, Horizon and Euroform networks. Following publication of a summary of the Green Paper in the Official Journal, about 400 copies were also sent in response to individual enquiries.

The EP, ESC and CCRLA drew up Opinions on the Green Paper while the Member States had the opportunity of expressing their views in a number of forums: the Consultative Committee for the regions eligible under Objectives 1 and 2, the ESF Committee, the Committee on Agricultural Structures, meetings of senior civil servants in charge of regional policy, the informal Council of Ministers for regional policies and land-use planning. Some Member States also sent a written reply.

Although the Commission had requested the OCIs to reply by the end of September 1993 many replies were received in October and more still November. A total of 514 different replies were received.²

II. General summary of the replies received from the OCIs

A database supported by all the departments concerned (DGs V, VI and XVI) was set up to assist the analysis of replies.

¹ COM(93) 282 final of 16 June 1993.

² Multiple replies based on standard letters drafted by a head of network were treated and counted as a single collective reply.

A. Breakdown by Member State

The breakdown of the replies by Member State and by category of organization is given in Tables 1, 2 and 3 in the Annex.

About 60% of the replies came from three countries (France, Ireland and the United Kingdom). Those from Spain, Italy and Greece accounted for only 10% of the total.

The country which sent the largest number of replies in proportion to its population was undoubtedly Ireland.

B. Breakdown by category of respondent

Table 3 gives the breakdown by category of respondent.

By far the largest category was regional and local authorities, which accounted for 39% of replies. Replies were received from all three regions of Belgium, 15 of the 26 regions of France, 9 of the 16 German Länder, 20 of the 65 counties and regions of the United Kingdom, and 6 of the 29 county councils in Ireland - but from only three of the 20 regions of Italy, three of the 17 regions of Spain, and two of the 12 provinces of the Netherlands.

Replies were also received from the most representative of the associations of local and regional authorities: the Assembly of European Regions, the Council of European Municipalities and Regions (CCRE), the Conference of Peripheral Maritime Regions of the EC (CPMR) and the European Association of Industrial Regions (RETI).

A comparatively large number of replies was also received from consultants, the European networks linked to the Community initiatives, and from associations and lobbyists. By contrast, there was little reaction from chambers of commerce, employers' organizations and trade unions, and public and private industrial firms.

C. Breakdown by fields covered

While some replies dealt with only one theme, others covered all of them so that the number of fields covered was larger than the number of replies received.

An initial classification was made on the basis of the fields referred to: i.e. general matters and each of the five themes suggested in the Green Paper.³ Table 1 demonstrates that the amount of interest generated by each of these themes was broadly similar, apart from the outermost regions, which account for only a small proportion of the Community's territory. If the number of times a theme was mentioned is related to the amounts involved, rural development heads the list in terms of the rate of response.

³ Cross-border, trans-national and inter-regional cooperation and networks; rural development; outermost regions; employment and the development of human resources; the management of industrial change.

Table 1: Fields covered

Number of fields covered	
General matters	207
Cooperation and networks	263
Rural development	212
Outermost regions	42
Employment and human resources	244
Management of industrial change	180 ⁴

III. Analysis of opinions and replies

The analysis below summarizes the main points made by the Member States (MS), Parliament (EP), the Economic and Social Committee (ESC) and the Consultative Council of Regional and Local Authorities (CCRLA) and the other written replies received by the Commission's services.

A. General points

1. Priorities for assistance by Community initiatives

Overall, there was broad agreement that the initiatives should concentrate on the five themes proposed by the Commission. There were, however, some requests for the following extra themes or initiatives:

- programmes for urban areas with a high rate of unemployment to combat social exclusion (Northern MS, EP, CCRLA and some ten replies from the OCIs);
- the continuation of Envireg or specific programmes on the environment (EP and some twenty OCIs);
- specific programmes on fisheries (EP and some twenty OCIs);
- one Member State requested special measures to help customs combat illegal imports of drugs. Another Member State asked for attention to be given to the tourist sector.

⁴ The 226 standard letters supporting the continuation of Rechar received from local authorities benefiting from that initiative were not counted as individual replies.

2. Value added by the Community initiatives

There is general agreement that trans-national cooperation, the exchange of know-how and the development of best practice are important ways in which the Community initiatives can add value (MS, EP, ESC, CCRLA and some 100 OCIs).

The EP, ESC, CCRLA and some 100 OCIs asked for greater participation by territorial bodies and other involved in the local economy, particularly the social partners, and the development of a "bottom-up" approach.

Some replies stressed that cooperation and the exchange of know-how could not operate effectively without adequate participation by those involved at regional level and representatives of the socio-professional groups.

Some thirty replies also mentioned the encouragement given to innovation and the trying of new approaches as a factor adding value.

3. Management mechanisms

There was virtually unanimous agreement that procedures should be simplified but few concrete suggestions; some proposals would entail greater complication.

3.1 Reduction in the number of Community initiatives or Community initiative programmes

The Member States wanted the number of initiatives reduced and a number asked for only one per theme.

While Parliament referred to the need to reduce the number of initiatives, it asked for all those from the previous period to continue and added two new ones (urban areas and fisheries). It also proposed that there should be only one initiative for Telematique, Stride and Prisma and one for Euroform, Now and Horizon.

More than 70 OCIs supported reducing the number of initiatives but a small minority (about ten replies) were opposed because they feared either that regional programmes would disappear or that small groups and associations would be excluded.

3.2 Integrated financial management

In its budgetary procedures, Parliament has moved from allocating appropriations by Fund to allocating them by theme. It is also asking for vocational training measures under Objective 4 and other measures to help firms to be managed in a more coordinated fashion both at Community level and at the level of the Member States.

It should be noted that the Council decided to have a single Monitoring Committee for the Community Initiatives bringing the three Structural Funds together in a single framework.

3.3 Decentralized management and global grants

Parliament, the ESC and some twenty replies from OCIs (but only one Member State) mentioned decentralized management, and in particular greater use of global grants as a means of achieving simplification. A number of Member States had reservations about global grants.

3.4 Information and monitoring

About thirty OCIs mentioned the need for better information on the Community Initiatives. By contrast, the idea of including them in the CSF monitoring structure was mentioned rarely and opinions were divided (10 for, 8 against). Parliament stressed that simplification should not detract from the promotion of trans-national and inter-regional cooperation.

3.5 Monitoring

Some Member States, Parliament, the ESC and some OCIs mentioned the need to derive lessons for the future from previous Community Initiatives. One Member State asked for prior appraisal of all the new Community Initiatives for 1994-99.

4. Geographical flexibility

The Member States mentioned geographical flexibility principally in relation to Interreg and industrial change. Only one considered that it should remain the exception.

Parliament and the ESC accepted that there should be broad geographical flexibility for Interreg. However, in the case of industrial change, they stressed the need for it to be limited, either to areas with serious problems (ESC) or in accordance with strict criteria (EP).

Some fifty OCIs supported flexibility but about ten wanted it to be limited. However, some replies indicated opposition for fear of a reduction in the appropriations available for the areas eligible under Objectives 1, 2 or 5(b).

5. Financial reserve

Most of the Member States felt that a reserve of 25% as proposed by the Commission was excessive. Some wanted 10%; one could support 25% initially provided that at least 40% of the reserve was allocated during the first three years.

Parliament wanted a reserve of not less than 25% in order to meet unexpected events with a heavy economic and social impact.

Some forty OCIs were in favour of a reserve of about 25% while two wanted only 10% and one was opposed to the idea.

B. REACTIONS BY INITIATIVE

1. CROSS-BORDER, TRANSNATIONAL AND INTERREGIONAL COOPERATION
(INTERREG)

Six issues in INTERREG have been the main focus of attention. The following paragraphs summarise the position of each of the main groups of respondents on these issues:

1.1 The inclusion of Maritime Regions:

Among Member States, those without land frontiers with the rest of the Union are strongly in favour of including extensively maritime regions within INTERREG. The idea is also supported by the European Parliament but there is a recognition that this may not be entirely practical. The ESC supports a limited inclusion only. The CCRLA does not take a strong position.

Of the 263 written submissions on INTERREG, 114 argue for its extension to maritime borders and only 6 argue against. This support comes mainly for maritime regions in the UK and France.

1.2 Reinforcing action on the external borders:

Among the Member States, those most directly concerned are strong advocates of reinforcing action. Other Member States are not opposed but do not want any extra effort on the external borders to be at the expense of internal borders. The European Parliament is also very much in favour. The ESC and CCRLA also favour reinforcement but not as strongly as the Parliament.

Among the written submissions over 60 mention reinforcement favourably. These include a wide range of European bodies (AER, AEBR, Eurada, CRPM, ETUC etc.) as well as many regional and local authorities not located in external border areas.

1.3 Definition of border areas:

The issue which respondents addressed is whether coverage should extend beyond the NUTS level 3 to a wider area of the territory. Several Member States, argue for a more flexible approach, but one is opposed. The European Parliament refers to this point but does not argue strongly for it. The ESC is generally negative arguing for concentration of resources. The CCRLA supports a wider coverage.

Among the written submissions received, over 100 respondents argue for a flexible position on geographical coverage although this is often linked to the argument for including maritime regions.

1.4 Strengthening the role of regional and local authorities:

As would be expected this idea is strongly advocated by regional and local authorities themselves and by their main representative bodies (AER, CEMR, Eurocities etc.). Equally, the CCRLA also argues very strongly in this direction. The European Parliament and ESC also agree as do some other European bodies such as Unice, ETUC, Eurada and Eurochambers, although they also seek a more active role for the social partners at local level.

1.5 Simplification and cross-border management structures:

Among Member States there is an insistence that procedures should be simplified, but few precise proposals. The European Parliament have also pressed strongly for more streamlined procedures for the management of initiatives while stressing that this must not be to the detriment of transnational cooperation. The ESC and CCRLA also support simplification and transparency although nothing very specific is proposed.

The question of a legal instrument at Union level to facilitate cooperation also arises in this context. Although the European Parliament and many regional and local authorities have called for a Commission proposal on this, there is almost unanimity among Member States that this is not appropriate.

1.6 Inclusion of transnational and interregional cooperation:

The reaction on this point is perhaps the most surprising. In the Green paper, the Commission was very careful on this issue, but almost 100 written submissions from a broad cross-section of interests support the idea. The European Parliament, CCRLA and ESC are all also in favour. What is most interesting is that a majority of Member States have also expressed their support most notably at the informal Council of Ministers for Regional Policy and Planning in Liège on 12/13 November 1993.

2. RURAL DEVELOPMENT

More than half the replies received referred to this theme and of these, a large number were collective replies on behalf of several thousand public and private bodies concerned with the development of rural areas.

Almost all these responses were highly positive about the Leader initiative. The Green Paper provided an opportunity to verify the impact and demonstration effect of this initiative, particularly among local bodies and professional organizations and associations. The reactions of existing beneficiaries are based mainly on what they have directly experienced and stress the principle of continuity as a priority.

2.1 Institutional reactions

Meeting in the "STAR" Committee, the Member States gave overall approval to the Green Paper's guidelines on Leader. The Advisory Committee on Agricultural Structures and Rural Development welcomed the Commission's proposals while urging that those professionally engaged in the sector would be involved in the decision-making process.

Parliament's resolution supported the Commission's proposals while stressing the need to create jobs in rural areas particularly in regard to new ways of using land, and the management of agricultural waste. Parliament also wanted programmes on a larger scale and covering broader areas to be eligible when proposed and implemented through cooperation among a number of local bodies and/or socio-economic partners.

The opinion of the Economic and Social Committee "particularly welcomed" the Commission's proposals while stressing the need for a "bottom-up" approach.

2.2 Objectives and strategy

The general strategy based on support for practical and innovative initiatives taken at local level to demonstrate new approaches to rural development obtained unanimous support.

Reactions stressed the need for continuity between Leader I and Leader II as indispensable in view of the length of time required by the development process.

A strategy which is innovative in terms of both its methods and its content should result in specific add value. The reactions of all the partners stress the importance of there being a difference between Leader and the content of operational programmes under the Community Support Frameworks.

A number of responses from the Member States and from the networks also stressed greater transparency and coordination of the various forms of Community assistance to support development initiatives in the countryside managed by different Directorates-General (rural development, local development, local initiatives for job-creation, etc.). Leader should provide a structure for grouping these actions.

2.3 Range of measures

The three main components of the implementation of this strategy (innovation, trans-national cooperation and exchanges within the network) received generally favourable comments:

- innovation enjoys broad support provided that it is interpreted very broadly, adapted to specific local situations and not confined to the economic sphere;
- trans-national cooperation is seen as a useful advance on Leader I provided that it does not become a condition of eligibility;

- there was unanimous approval of networking and of its effects in terms of exchanges of experience and facilitating cooperation. Many replies insisted that this category of measures was a priority and that Leader networks should also be supported at national level.

Many replies, particularly those from Ireland and the United Kingdom, proposed enlarging eligibility and taking explicit account of social, cultural and environmental measures, of specific measures for women in the countryside, and of the use of financial engineering techniques (revolving funds, mobilization of local savings, loans, etc.).

2.4 Geographical flexibility

The proposal in the Green Paper to extend the territorial coverage of Leader II beyond the Objective 1 and 5(b) areas was fairly well received, provided that such an extension was limited and did not undermine the principle of concentration.

2.5 Implementation

The principle of decentralizing decision-making and management was understood in a variety of ways and received a mixed reception.

Leader II follows the approach of Leader I in giving local groups and others involved a large degree of independence in design and management. There was unanimous support for this aspect.

The Commission's proposal for Leader II included decentralization of the process for the submission of programmes and the selection of groups, which would become the responsibility of the regional and local partners. Replies reflected concern over this point: there was a general desire for the Commission to retain some responsibility for the process of selecting groups, and that in any case local bodies should play an important role.

At the same time, many replies hoped that implementation could be genuinely simplified by avoiding the cumulation of Community and national administrative constraints.

2.6 Conclusions

Overall, the guidelines proposed by the Commission received broad support from all the groups involved. Clearly, this initiative is regarded as of great importance and it arouses substantial expectations.

It would be helpful if the Commission attempted to give explanations of those points about which misgivings were expressed.

3. OUTERMOST AREAS

Comments were made on two points: the areas eligible and the content of his initiative.

3.1 Areas eligible

Three Member States and Parliament felt that only those regions currently benefiting from Regis should be eligible. Two Member States requested extension of the initiative to the Scottish and Irish islands. The ESC supported this request and added other islands.

The "islands" Commission of the CPMR (Conference of Peripheral Maritime Regions of the EC) asked for eligibility to be restricted to those remote regions currently eligible with a new initiative introduced for the other islands.

The regions currently eligible under Regis and UPEC (a Europe-wide organization of professional associations in the peripheral regions) stressed that only those regions should be eligible.

Some ten OCIs requested an extension of the eligible area, half to embrace the small islands off Ireland and half to include the Scottish islands, including the Shetlands.

3.2 Content of the initiative

Most of the comments on the content of the initiative came from UPEC, which considered that stress should be laid on the diversification of productive activities, cooperation between the most remote islands and neighbouring non-member countries and the rest of the Community and the development of telematics networks. Some OCIs pointed out that the existing Envireg, Stride, Telematique and Interreg Initiatives were of interest to those islands.

The CPMR and UPEC referred to extra transport costs, and asked for measures to offset them similar to those applied to certain agricultural imports under Poseidom, Poseima and Poseican.

One Member State insisted that large-scale transport infrastructure such as airports should remain eligible under the initiative.

4. EMPLOYMENT AND THE DEVELOPMENT OF HUMAN RESOURCES

The theme "Employment and the development of human resources" was given considerable importance in the positions adopted by the institutions of the Union, several Member States, the social partners and about half the organizations which commented on the Green Paper. Altogether, 244 replies mentioned this theme; their source is shown in Table 3 in the Annex.

Local administrations showed particular interest in this Community Initiative, seeing it as a flexible tool for fighting local unemployment and a necessary complement for measures under the Community support frameworks. The ESC, the ETUC (European Trade Union Confederation), Unice and Parliament stressed the importance of participation by the social partners at all levels of implementation of the Initiative. (The ESC regretted that the social partners were not represented on the Management Committee for the Community Initiatives).

4.1 A majority in support of a framework initiative

Most of the Member States, Parliament, the ESC, Unice, the ETUC, the CCRLA and the vast majority of the organizations supported grouping the various priorities into a single framework initiative. The existence of a number of separate but interactive aspects was seen as a procedure which improves the coordination, monitoring and assessment of measures.

However, it was considered necessary to improve the definition of the target groups to permit a better direction of measures, greater visibility of the beneficiary groups and to ensure that specific groups received aid. A significant number of replies supported a precise breakdown of the budget by aim.

Parliament, the ESC, Unice and several organizations asked for measures under the Euroform, Horizon and Now Initiatives to be continued under a new Community initiative. Similarly, Parliament wanted the initiative to receive appropriate finance. A number of organizations also proposed increasing resources, mainly for measures to promote equal opportunities.

A large number of the OCIs saw greater job creation in small firms, the transfer of innovation and the development of applied research as horizontal measures to be developed in the three aspects regarded as priorities:

- adaptation of the labour force to industrial change;
- promotion of equal opportunities;
- measures to combat exclusion from the labour market.

4.2 Anticipating and facilitating adaptation to industrial change

Parliament, the ETUC, Unice and a number of Member States stressed the importance of accompanying measures to enable the workforce to adapt to industrial change.

Attention was drawn to the advantages of an approach which would anticipate the social consequences of restructuring. Such an approach should encourage the diversification of the local economy through new qualifications and skills. For this purpose, use should be made of the experience acquired through Euroform.

There was much support for a broad geographical coverage which would enable all the firms facing a given problem to receive help. These measures should be effectively linked to others dealing with the topic of the management of industrial change (EP, Unice).

4.3 Improving measures to combat exclusion

Many responses concerned measures to combat the risk of exclusion from the labour market. Parliament, some Member States and the social partners stressed the socio-economic impact of measures to combat exclusion and 79 organizations also considered this aspect a priority.

However, some regarded it as very widely drawn and relating to a heterogeneous groups. They proposed distinguishing the following categories:

- the handicapped;
- immigrants, refugees and cultural minorities (e.g. gypsies);
- the disadvantaged (drug addicts, prisoners, young delinquents, the fourth world, etc.).

Concerning the nature of the measures, the importance of protected workshops, the adaptation of work places and the preparation of teaching material to meet the needs of the handicapped were mentioned, as were measures to encourage integration into an ordinary working environment.

A number of organization stressed the importance of training for immigrants and combating racism and xenophobia in general.

With reference to other handicapped people, it was stressed that exclusion is a process which has to be dealt with at different stages and in a broad way, from prevention to counselling and support for the person to safeguard his job.

4.4 Support for the promotion of equal opportunities

The promotion of equal opportunities for men and women on the labour market is also regarded as a priority. Parliament, several Member States, the social partners (particularly the ETUC and a number of national unions) and 63 organizations mentioned it explicitly.

Parliament wanted a specific initiative to promote the integration of women into working life. While approving the establishment of a framework initiative, Parliament asked for the NOW Initiative to continue with adequate funding since it had demonstrated its worth. Parliament's Committee on Women's Rights, the ETUC, some trade union organizations, the European Women's Lobby and some promoters also considered that a separate and specific initiative for equal opportunities was required. If that proved impossible, the framework initiative should include a specific budget allocation for equal opportunities which could not be transferred to other aspects.

It was also stressed that the principle of equal opportunities should appear as a standard clause in all measures financed under the initiative, and appropriate monitoring mechanisms for that purpose were proposed.

Of the measures suggested, the acquisition of new qualifications in areas offering jobs, the recognition and exploitation of acquired skills, the development of nurseries and other accompanying measures which would provide women with greater access to employment, were regarded as particularly important.

4.5 Encouraging innovation, research and the establishment of small firms

Many replies saw innovation, the transfer of the results of research and innovative activities in these areas as a necessary complement to policies concerning employment and the integration of certain groups.

Along the same lines, the ESC and one Member State proposed support for the establishment of small and medium-sized firms. Some organizations wanted firms and associations in the community, social and cultural sector to be included.

4.6 Other measures proposed

Parliament, Denmark and the Netherlands and some OCIs proposed addition of a new aspect to deal with the socio-economic problems of urban areas. Parliament also wanted a series of measures for fisheries.

Some organizations proposed experimenting with new ways of organizing work (reductions in hours worked, new ways of organizing work, etc.).

4.7 Maintaining and strengthening the general principles of the existing initiatives

Basing themselves on their experience of the current human resources initiatives, the vast bulk of replies stressed the need to retain and strengthen the following general principles:

- their trans-national nature: while stressing the importance of this dimension in adding value through the initiatives and for exchanges of know-how at Community level, all the European institutions, the ETUC, Unice, national authorities and the bulk of the OCIs noted that it had been particularly difficult to give this concept practical expression because of the lack of adequate technical assistance and harmonized procedures for the selection of projects, and the very short time allowed for project selection. Since the projects are trans-national in character, the majority of the OCIs suggested allowing more time for implementation, enough time for preparation of the project and increasing the amount of technical assistance during this preparatory phase;

- local dimension and "bottom-up" approach: all concerned considered that an approach including these two elements provides a better response to the specific needs of the target groups, generates synergy and encourages a global approach which determines the success of the measure. Excessively cumbersome procedures were also seen as an obstacle to financing for small promoters and a desire for simpler procedures was expressed;
- support structures and networks: the results of the Euroform, Horizon and Now programmes and experience accumulated by the support structures and networks should be exploited in preparing a new framework initiative. Some replies suggested fostering exchanges by integrating projects into thematic networks (the ETUC, CCRLA) while others suggested that the countries of central and eastern Europe should join the networks;
- complementarity with the CSFs and other Community programmes: cooperation between the Community initiatives on human resources and programmes and initiatives on training and employment was seen as positive by respondents, who wanted to see this complementarity improved and favoured greater coherence and coordination of measures (EP, ESC, UNICE). They also stressed the need to make the Community initiatives more complementary with the CSFs;
- information on the Community initiatives: those replying reported a lack of information at regional or local level. Decentralized management would permit better dissemination of information.

5. INDUSTRIAL CHANGE

Most of the replies concerning industrial change came from the central regions. A large number of the replies came from regions or bodies which had already benefited from one of the initiatives in this category, while few of those potentially eligible under the new measures proposed in the Green Paper expressed a view.

The replies by each group of partners are briefly set out below:

5.1 Objectives to be pursued

Some Member States wanted the approach to be limited to the diversification of regional economies. Other Member States, by contrast, considered that, while emphasizing diversification, the sectors undergoing restructuring should not be excluded from modernization measures. Parliament did not rule out aid for restructuring measures while the ESC had considerable reservations. Of the 16 OCIs which commented on this point, the majority wanted restructuring to be financed while two of them, including UNICE, were opposed.

Parliament considered that the "industrial change" theme should cover measures of four types: remedying the crises in traditional industrial regions; preparing modern sectors for changes; helping small firms; and; preparing industry in the Objective 1 regions for the single market, in particular by taking over some of the measures in STRIDE, TELEMATIQUE and PRISMA.

Some countries also stressed the preparation of small firms for the Single Market, and several Member States asked for the measures under "Stride", "Prisma" and "Telematique" to be continued.

The ESC, UNICE and the CCRLA emphasized both the diversification of regions with sectoral problems and the preparation of industry in the Objective 1 regions for the Single Market. The ETUC and UNICE saw the solution as lying in the development of networks of firms, aid for high-quality services to firms, the promotion of transfers of technology and the continuation of measures under "Stride". More especially, however, the ETUC stressed the diversification of regions affected by closures, and the retraining of workers.

The OCIs, operating close to the operational reality, saw the priorities as being cooperation networks, exchanges of experience and the dissemination of technologies. Employment, training and, in general terms, the development of know-how was also a major concern. Many contributions stressed the need to assist small firms in the process of change because they were less capable than large firms of reacting unaided. There were many requests for the continuation of measures, such as "Stride", "Prisma" and "Telematique", both in the Objective 1 regions and elsewhere. Many replies also emphasized the importance of systematically pursuing a quality policy, as a factor for change in firms.

Other ideas put forward on the subject of industrial change included links with environmental protection, the supply and rational utilization of energy, urban decay and local development.

5.2 Geographical flexibility

Most of the Member States supported geographical flexibility as applied to industrial change: Parliament and the ESC emphasized the need for geographical flexibility only in areas with serious problems (ESC) or limited by strict criteria (EP). Of the OCIs, 44 were in favour of flexibility for this theme, four were against and six asked for it to be limited.

5.3 Management methods

Many countries wanted there to be only one initiative dealing with industrial change. One Member State opposed programmes of the sectoral type such as Rechar and Retex while another country opposed programmes dealing with only one issue, such as "Telematique", "Prisma" and "Stride".

Parliament also suggested that there should be a high-level consultative committee comprising representatives of the employers and workers at national level, to help the Commission acquire analytical tools and information with respect to industrial change.

Many contributions from the OCIs recommended continuation of measures already in progress, which they saw as having made an effective contribution to helping solve sectoral problems, particularly in the conversion of coal-mining areas, defence, textiles, shipbuilding and steel. However, in this regard some drew attention to the need to avoid overlapping with the CSFs and from an administrative point of view, between the initiatives.

TABLE 1 - Number of replies by country

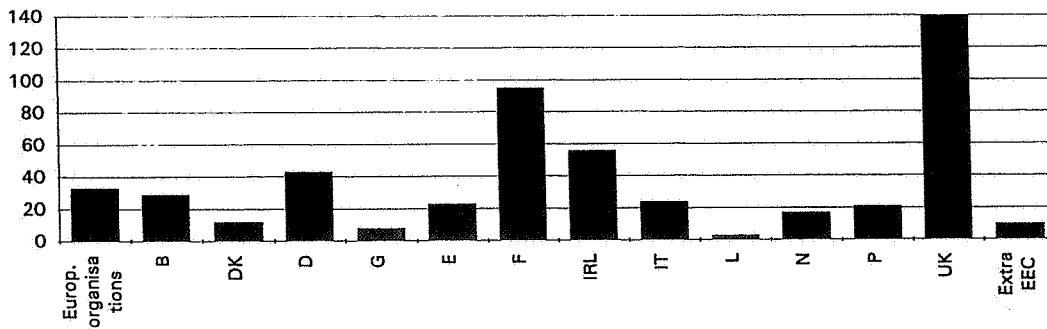


Table 2 - Number of replies by country by 100.000 inhabitants

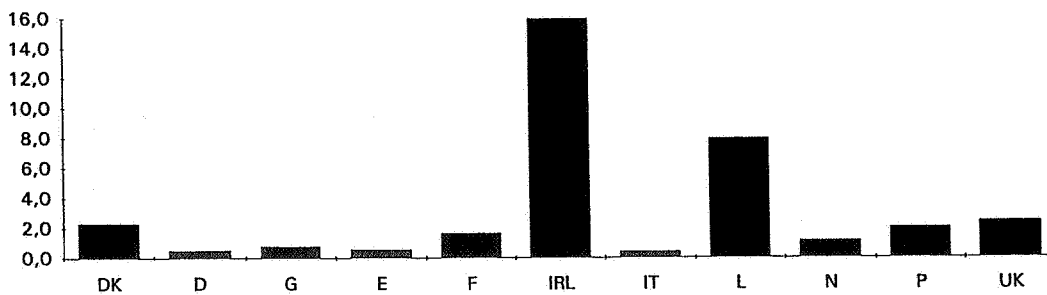
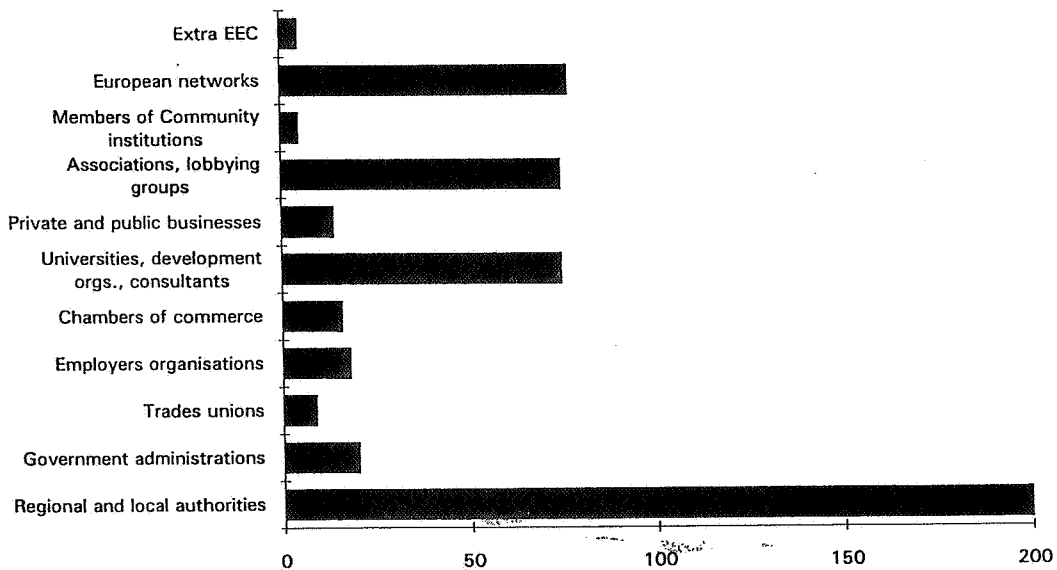


Table 3 - Number of replies by type of organisation



Organisations concerned by the Green Paper (OC.I.)	European organisations	B	DK	D	G	E	F	IRL	IT	L	N	P	UK	Extra EEC	TOTAL
Regional or local authorities	6	8	5	19	1	9	43	10	8		8	3	80		200
Government administrations		2	2	2		3	1	1	1		1	1	1	5	20
Trades unions	4		1					1					3		9
Employers organisations	7	1	1	1			2		4			2			18
Chambers of commerce	2			1		1	7	3				1	1		16
Universities, development orgs., consultants	5	5		3	2	4	13	9	7	1	3	2	21		75
Private and public business	1				1	1	1	3	2			1	4		14
Associations, lobbying groups	4	6		8		1	10	22	1		2	2	19		75
Members of Communities institutions	4											1			5
European networks		7	3	9	4	4	18	7	1	2	3	8	11	5	77
Extra EEC															5
Total by country	33	29	12	43	8	23	95	56	24	3	17	21	140	10	514

Explanatory Memorandum

"INTERREG II" Initiative

1. The Commission decided in 1990 to introduce a Community initiative in favour of border areas of the Community called INTERREG. The purpose of the INTERREG initiative was to accelerate the integration of internal border areas into a single internal market and to reduce the isolation of external border areas, to the benefit of the local population concerned. It was also intended to promote cooperation between the Community's external border areas and adjoining areas in the countries of Eastern Europe as new opportunities arose.

The initiative applied to objective 1, 2 and 5(b) border areas. Complementary actions in all non-eligible border areas were supported through studies and pilot projects under article 10 of the ERDF Regulation, and measures under Article 1(2) of the ESF Regulation and Article 8 of the EAGGF Regulation.

2. The conclusions of the European Council at Edinburgh in December 1992 concerning the continuation of Community initiatives gave high priority to the type of activities pursued under INTERREG for the new programming period 1994-1999. Cross-border and interregional cooperation met with extensive support in the responses to the Green Paper. The European Parliament, ECOSOC, CCRLA regarded INTERREG as the main priority for the next set of initiatives. Among Member States, it was also generally considered as the most important of the initiatives.
3. The first INTERREG initiative has stimulated already joint approaches to development between border regions. It was implemented through 31 operational programmes, of which 24 covered internal border regions and the remainder external borders. Programmes for internal borders had to be prepared jointly by Member States concerned which - by drawing them up, negotiating them and implementing them in genuine partnership - represented a significant step forward for interregional cooperation.

Actions supported under INTERREG I covered almost all areas of economic development activity, ranging from transport and communication (45% of credits) to support of business and tourism (28% of credits), environment (10% of credits), rural development (6% of credits), training and other activities (11% of credits).

The bulk of the credits were concentrated on objective 1 regions (Spain - Portugal, Greece and Ireland - Northern Ireland) but there was support also for regions at the heart of the Community, like EUREGIO between Germany and the Netherlands, which have worked together for many years. A special effort was made to encourage the dissemination of experience between regions already well practised in cooperation and regions for which such actions are relatively new.

4. In the period 1989-1993, the Commission also adopted an initiative entitled REGEN whose purpose was to complete selected energy transport and distribution networks and ensure links to Community-wide networks.

The European Council and the Commission have underlined on several occasions the importance of trans-European networks, particularly in the field of energy, in relation to the completion of the single market and the reinforcing of economic and social cohesion. The White Paper on growth, competitiveness and employment reaffirms this observation and lists the projects eligible for support under this initiative.

These projects should contribute to improving the competitiveness of productive activity, especially industry, in the Objective 1 regions concerned, to the improvement of the energy balances of Member States which are still isolated in energy terms from the rest of the Community, and finally to the reinforcement of the security of their energy supplies and to the improvement of the environment.

5. Six projects were identified for REGEN (1989-93):
 - two projects for the introduction of natural gas in Greece and in Portugal;
 - four transnational links, one concerning electricity interconnections between Italy and Greece, the three others concerning gas interconnections between Ireland and the United Kingdom, between Spain and Portugal, and between Sardinia, Corsica and Italy.

Four of the above projects started in the period 1991-1993. One of them, the gas interconnection between the United Kingdom and Ireland, which obtained Community support of 116 MECU, is finished.

On the other hand, work has not begun on interconnections between Italy, Corsica and Sardinia and between Spain and Portugal.

6. The guidelines for INTERREG II follow closely those of the first INTERREG initiative, but have been modified in the context of the completion of the Single Market. In future, it is proposed that INTERREG II should have two strands - cross-border cooperation which continues the action started under INTERREG I, and the completion of energy networks, which concludes the action started under REGEN. A single budget is proposed for INTERREG II, amounting to 2 900 MECU of which 2 400 MECU is for the first strand (cross-border cooperation) and the remainder, 500 MECU, for the second strand (completion of energy networks).
7. Turning first of all to cross-border cooperation, the adaptations in relation to INTERREG I can be summarized as follows: all internal and external land borders will be eligible for support from INTERREG II on the basis of the flexibility now provided by the amended Structural Fund regulations.

8. Views on extending the coverage of INTERREG to additional maritime border regions were mixed. The proposed guidelines adopt a pragmatic approach, accepting that, in addition to the existing maritime borders which were eligible under INTERREG I, only a very limited number should be added. As regards internal maritime borders it is proposed to add only those between Greece - Southern Italy and Ireland-Wales. These can be justified given their special problems and features, particularly for Greece with its increased transport difficulties in view of the troubles in the Balkans, and for Ireland, the only Member State with no land link to the Community.

As regards external maritime borders INTERREG I covered certain Greek islands and Bornholm in Denmark. It is now proposed to add the Spain(Cadiz)-Morocco maritime border, and the Italy (Bari)-Albania maritime border.

9. The geographical definition of a border zone remains unchanged i.e. the NUTS III level. The NUTS III classification coincides with administrative boundaries in each Member State. However there are often significant variations in the size of regions especially between Member States that may give rise to anomalies along certain borders in the preparation of cross-border cooperation programmes. The INTERREG I guidelines provided for some flexibility in regard to geographical scope, where a clear anomaly would arise if a cross-border programme was to be rigidly confined to NUTS III areas on both sides of a border. This flexibility clause which permits actions beyond these limits in exceptional cases, is strengthened in INTERREG II to allow some limited infrastructure investment outside the strictly defined NUTS III border area, provided this genuinely promotes crossborder cooperation.
10. INTERREG I allowed a wide choice of eligible measures without any particular priority. This principle will be kept. However, it is proposed to include some new measures such as: education, health, media services, language-training, spatial planning in border areas and measures complementary to Trans-European networks to enable border regions to benefit more fully from them. INTERREG II strengthens also provision for technical assistance and to support monitoring and evaluation activities.
11. INTERREG II places a strong emphasis, in particular in the internal borders, on the condition that measures should involve a high degree of cooperation. The participation of regional and local authorities and other local partners, including those representing SMEs, in devising and implementing such measures is clearly very important for their success.
12. For external border areas an important new element is being introduced in the new programming period. New opportunities for cooperation arise following the opening up of the countries of Eastern and Central Europe. The PHARE budget now includes a special budget line, amounting for 1994 to 150 MECU, which will be devoted to crossborder cooperation projects with bordering regions of the Member States of the European Union. Through this, cooperation of the Unions external border regions with Eastern and Central European countries should be facilitated in future. Because of the different

regions of the Member States of the European Union. Through this, cooperation of the Unions external border regions with Eastern and Central European countries should be facilitated in future. Because of the different procedures and management methods of INTERREG and PHARE, practical mechanisms of co-ordination will have to be established.

13. INTERREG II does not include a general provision for interregional cooperation between regional and local authorities outside border areas. There is much support for an expansion of Community activities in this field. Emphasis has been put in the responses to the Green Paper on the development of networks of cooperation and exchanges of experience particularly between poorer regions with more prosperous ones within the European Union. Particular interest has been also expressed in networking regions and cities of the Union with their counterparts in neighbouring, but not necessarily bordering, third countries in central and Eastern Europe and the Mediterranean. The Commission will strengthen its support for such actions, but there are advantages in continuing to do so through the funds available for innovative actions rather through INTERREG, and in managing these measures in the same flexible manner as in the 1989-93 period.
14. In order to attain at least the same level of financing as under INTERREG I, there will be a need for supplementary resources for the INTERREG II programme. The external border area of the new German Lander alone accounts for an increase of eligible population of some 1.6 million people. Also, certain border areas of Belgium and France now have Objective 1 status.
15. As regards the second strand, which is the completion of energy networks, the intention is to complete projects which have been started including the interconnection between Portugal and Spain. The interconnection between Italy and Corsica and Sardinia is not included. On this basis, future requirements have been estimated as follows:
 - the high-pressure gas transport network in Greece received ECU 90 million from Regem and ECU 59 million from the CSF. The Community contribution to the second phase through INTERREG II is estimated at ECU 180 million;
 - between 1991 and 1993 the high-pressure gas transport network in Portugal between Setúbal and Braga received ECU 82 million in Community assistance. A further ECU 60 million is required to complete the project. In addition, as part of the 1994-99 phase and as foreseen in the 1990 Regem guidelines, it is intended to carry out the interconnections between Spain and Portugal in order both to link the Portuguese network to the Spanish gas pipeline, which will receive gas from Algeria and in due course to link Galicia to the Portuguese network. The Community contribution is estimated at ECU 160 million;

16. These estimates assume that ERDF assistance will amount to 40% instead of 35 % as in the previous period. These estimates should be checked further but the information currently available suggests that total Community assistance of about ECU 500 million will be required.

Draft

Notice C(94)to the Member States, laying down
guidelines for operational programmes
which Member States are invited to establish in the framework
of a Community initiative concerning
cross-border cooperation and selected energy networks
(Interreg II)

1. At its meeting on 1994, the Commission of the European Communities decided to establish a Community initiative concerning cross-border cooperation and selected energy networks (hereafter called 'Interreg II') within the meaning of Article 11 of Council Regulation (EEC) No 4253/88, as modified by Council Regulation (EEC) No 2082/93⁽¹⁾, and Article 3(2) of Council Regulation (EEC) No 4254/88, as modified by Council Regulation (EEC) No 2083/93⁽²⁾.
2. In the context of Interreg II, Community assistance in the form of loans and grants and technical assistance is made available for measures and in areas which respect the guidelines laid down in this Notice, and which are included in operational programmes and projects submitted by the Member States and approved by the Commission of the European Communities.

Development aims

3. The aims of the initiative are:
 - to assist both internal and external border areas of the European Union in overcoming the special development problems arising from their relative isolation within national economies and within the Union as a whole, in the interests of the local population and in a manner compatible with the protection of the environment;
 - to promote the creation and development of networks of cooperation across internal borders and, where relevant, the linking of these networks to wider Community networks, in the context of the completion of the single market in 1992;
 - to assist the adjustment of external border areas to their new role as border areas of a single integrated market.
 - to respond to new opportunities for cooperation with third countries in external border areas of the European Union;

(1) OJ L 193, 31.7.1993, p.24.

(2) OJ L 193, 31.7.1993, p. 36.

- to complete selected energy networks (already defined in the initiative "Regen" for the period 1989-93)⁽³⁾ and to link them to wider European networks.

This initiative will be implemented under two distinct strands:

- cross-border cooperation
- completion of energy networks

A - Cross-border cooperation

4. Previous experience of efforts to promote cross-border cooperation in the European Union indicates that, in general, three types of actions can be distinguished:
 - (a) the joint planning and implementation of cross-border programmes;
 - (b) the introduction of measures to improve the flow of information across borders and amongst border regions, between public agencies, private organisations and voluntary bodies;
 - (c) the setting-up of shared institutional and administrative structures to sustain and promote cooperation.
5. In the preparation of operational programmes for submission under the Interreg initiative, Member States and regional and local authorities are encouraged to present agreed proposals for cross-border cooperation as far as possible for the three types of action defined in paragraph 4 above and to develop their strategies for cooperation accordingly.
6. In providing Community assistance under this initiative to border areas, the Commission will accord priority to proposals which are made in cooperation with regional and local authorities in border areas and, in internal border areas, to those which include the establishment or development of shared institutional or administrative structures intended to widen and deepen cross-border cooperation between public agencies, private organisations and voluntary bodies. Where possible, these shared institutional or administrative structures should have the competence to implement jointly determined projects.
7. Measures assisted under this initiative should be designed to have their main development impact on the population of the border areas eligible under this initiative. Particular attention should be given to creating alternative employment opportunities in areas where job losses may arise due to changes in customs and other border-related activities, such as customs agencies.

(3) OJ C 327, 28.12.1990, p.7.

Definition of eligible areas

8. For the purposes of cross-border cooperation programmes assisted under the initiative, eligible areas include:
 - all areas along the internal and external land borders of the Community delineated at administrative level III of the nomenclature of Territorial Statistical Units (NUTS III), as listed in Annex 1 to this Notice.
 - certain maritime regions delineated at administrative level III of the nomenclature of Territorial Statistical Units (NUTS III), as listed in Annex 1 to this Notice.
9. In exceptional cases, and in the context of cross-border cooperation programmes, Community assistance may be given to measures in NUTS III areas located outside, but adjoining, those areas at NUTS III level referred to in paragraph 8, provided that they involve a high degree of cross-border cooperation and do not account for more than [20%] of the total expenditure of the operational programmes concerned.
10. Infrastructure investments should be concentrated as far as practicable in administrative areas smaller than the NUTS III level, immediately adjacent to borders. However when, within depopulated regions, it is observed that economic development is held up by the absence of road infrastructures, these infrastructures can be exceptionally taken into consideration in the framework of this initiative in an area going beyond the strictly defined NUTS III level, to the extent that the main aim of these infrastructures is related to the development of the regions in question rather than facilitating transit across those regions.

Eligible measures

11. In this section of the Notice, a list of measures eligible for assistance under the Interreg II initiative is given below. When submitting operational programmes, Member States are expected to choose from this list a more limited but balanced set of measures on which Community assistance should be concentrated. This choice should have regard to the priorities described in paragraphs 6 and 7 above and to ensuring coherence with the measures in favour of the areas eligible under Interreg II that are envisaged in the context of Community Support Frameworks, in relation to which Interreg II is a complementary action. Community aid under the Interreg II initiative can only be given to areas within the European Union.
12. As regards measures to promote cooperation between internal border areas of the Union, schemes may be assisted provided that a development impact can be foreseen on both sides of the border and that their planning, and where possible implementation, is undertaken on a cross-border basis. Special attention should be

paid to creating alternative employment opportunities in border areas affected by significant job losses as a consequence of the completion of the single market.

13. As regards measures for external borders, they should promote development of these areas so that they can adapt to new situations and encourage cooperation between external border areas of the European Union and border areas of neighbouring non-Community countries. Where appropriate, their planning and implementation should be undertaken on a cross-border basis, in conjunction with cross-border schemes supported in the neighbouring non-Community countries under other Community programmes, particularly PHARE.
14. In both cases the following operations may be assisted:
 - (a) studies related to development plans treating border areas as an integrated geographical unit;
 - (b) aids to investment and the provision of services and facilities to support and promote the development of small and medium-sized enterprises and craft industries, in particular, technology transfer and marketing support services; an emphasis should be placed on developing cross-border networks of commercial contacts between SMEs;
 - (c) the development of tourism (including farm-based tourism) and the development and management for tourism purposes of natural parks through which a border runs;
 - (d) the provision of local water, gas and electricity supplies and local telecommunications and the development of renewable energy resources; the common development and use of water resources and infrastructures;
 - (e) pollution prevention and control, rational use of energy, waste disposal and environmental conservation programmes and the monitoring of environmental standards of new industries locating in border areas;
 - (f) rural development programmes to diversify farmers' incomes and for forestry, fishing, and agricultural waste disposal;
 - (g) genetic improvement and animal and plant health measures designed to increase agricultural productivity and to facilitate cross-border trade;
 - (h) measures to improve agricultural products and processes, to promote product diversification, to develop quality labels and trademarks; measures to improve marketing structures and to support cooperative marketing strategies, particularly where these facilitate cross-border trade;

- (i) the establishment or development of trade organisations, professional associations, and planning and advisory groups such as cross-frontier development associations or other public, private or voluntary bodies aiming to facilitate cross-border contacts in the economic and social spheres and the provision of language training for this purpose;
 - (j) in areas seriously deficient in infrastructures, improving transport and other communications systems (including media services) within and between border areas by the creation or modernisation of infrastructures, provided that such operations have their principal development impact on the areas concerned on both sides of the border or are a response to problems directly linked to the existence of borders;
 - (k) measures to promote cooperation in higher education, between research centres, universities and in vocational training, particularly the sharing of resources and facilities on a cross-border basis;
 - (l) training and employment measures particularly for the unemployed and for persons directly or indirectly affected by changes in border-related activities arising from the establishment of a single market and related to measures described in subparagraphs (a) to (k);
 - (m) measures to promote cooperation in health, particularly the sharing of resources and facilities on a cross-border basis;
 - (n) measures in the fields of energy, telecommunications and transport, aimed at complementing the development of Trans-European Networks;
 - (o) special measures to relieve the problems arising from the existence of different languages, administrative procedures and legal systems on either side of national borders;
 - (p) measures to support the preparation and implementation of cross-border spatial planning.
15. Within the framework of technical assistance, the Commission will:
- provide assistance to Member States, regional and local authorities and other interested parties, especially in Objective 1 regions, in the preparation and implementation of cross-border cooperation programmes;
 - promote and facilitate the exchange of information and experience between border regions of the European Union and the exchange of personnel between different border regions;
 - organise bilateral or multilateral meetings between Member States to facilitate cooperation.

B - Completion of energy networks

16. The aims are:

- to accelerate the creation of infrastructures for the reception and transmission of natural gas in peripheral regions where these do not exist at present;
- to accelerate the completion of Community-wide networks for the transmission and distribution of gas and exceptionally electricity, so as to ensure appropriate interconnections between peripheral regions of the Community and the rest of the Community.

17. These projects should help improve the competitiveness of productive activities, and particularly that of industry in the regions concerned, and enable these regions to take best advantage of the completion of the single market in energy. They should also contribute to creating the necessary conditions for more efficient energy management and greater security of supply in the Community. They should, in addition, contribute in regions receiving natural gas supplies for the first time to reduce pollution linked with energy use.

Eligible projects

18. Under this initiative, the following projects have been chosen to receive Community assistance, depending on their degree of progress and the estimated expenditure over the period 1994-99.

- the completion of reception facilities and transmission networks for the introduction of natural gas into certain parts of Portugal and Greece;
- completion of the interconnection between the electricity networks of Italy and Greece
- the establishment of interconnections between the gas transport systems of Portugal and Spain.

The Community's contribution to the financing of Interreg II

19. The Interreg II operational programmes and projects shall be the subject of joint financing by the Member States and the Community. The total contribution by the European Community's Structural Funds to Interreg II during the period 1994 to 1999 is estimated at ECU 2 900 million. Community resources will be concentrated mainly in Objective 1 regions in accordance with the priorities established in the regulations governing the Structural Funds.

Loans from EIB and ECSC resources may also be made available. For the regions of eastern and central European countries neighbouring the Union's external borders, cross-border activities can be assisted by PHARE.

Within the total amount of ECU 2 900 million, approximately ECU 2 400 million will be allocated to the first strand covering cross-border cooperation and in the order of ECU 500 million to the strand involving completion of energy networks.

Community expenditure under the strand covering cross-border cooperation in regions not classified as eligible under Objectives 1, 2 and 5(b) should be less than 10% of the total Community contribution of ECU 2 400 million; 75% of the available resources will be devoted to Objective 1 regions.

20. As regards the strand covering cross-border cooperation, the Commission's decisions on the amount of the Community budget contribution to individual operational programmes will reflect the population and level of development of the border areas concerned and the quality of the programmes submitted. The rates of assistance will be decided in conformity with the provisions of the regulations governing the Structural Funds and take account of the financing capacity of the national and regional authorities concerned. In evaluating the quality of programmes, the Commission will take into account the following elements in particular:
- the presence of a coherent regional strategy for the border areas concerned, seen as a single geographical unit, with a clear statement of the development aims into which the aims of the operational programmes have been properly integrated;
 - the likely development impact of the proposed measures within the areas eligible for this initiative, taking into account deficiencies in infrastructures and services and the consequences for employment of the removal of internal borders;
 - for internal border areas within the Community, the contribution the proposed measures will make to promoting cross-border cooperation across as wide a number of fields as possible and thus assist the completion of the internal market;
 - for external borders, the contribution that the proposed measures will make to promoting cross-border cooperation across as wide a number of fields as possible with neighbouring non-Community countries;
 - the character of the resources requested from the Community as additional to those to be made available by the national and regional authorities for the operational programme,
 - the likely effectiveness of the mechanisms for implementation, monitoring and evaluation; in the case of border areas within the Union, joint mechanisms should be envisaged;

- the extent to which an optimal combination is made of loans and grants.
21. As regards the strand involving the completion of energy networks, applications submitted under this initiative should identify clearly any requirements for complementary investment elsewhere in the Community's energy transmission and distribution networks necessary for the proper operation of the projects which it is intended to implement in the period 1994 to 1999. Community assistance under this initiative will be conditional upon an undertaking by the responsible authorities that they will undertake these complementary investments at an appropriate time.
22. The Community's contribution will take account, in particular, of:
- the estimate by the Commission, in consultation with the European Investment Bank, of the work that is likely to be carried out in the period 1994 to 1999, and the resulting requirement for Community payment appropriations, where relevant, in addition to those already provided under Community support frameworks;
 - an assessment of the financial plans for these projects, so as to ensure the appropriate balance between grant and loan finance. The Commission may request an independent assessment of the costing and financial plan proposed.
23. Cost-benefit analyses submitted in relation to proposed projects should include:
- the justification for the choice of route and the capacity of the system,
 - the expected internal rate of return of the investment,
 - other benefits, for example in terms of the cost of energy to users in the regions and the better management and greater security of energy supplies for the regions in question and for the Community as a whole,
 - the environmental impact of the projects.
24. The Commission will make available technical assistance as required for the design, financing and implementation of projects under this initiative.

Implementation

25. Member States wishing to benefit from Interreg II are invited to present detailed proposals for operational programmes, or amendments to an existing or proposed operational programme or projects in application of Community Support Frameworks, within

four months of the date of publication of this Notice. Proposals received after this date need not be taken into consideration by the Commission.

26. As regards the strand concerning cross-border cooperation, proposals relating to internal border areas in the European Union should be submitted in the form of a single operational programme by the two or more Member States concerned. The structures and procedures for the implementation of the programme on a cross-border basis, where appropriate, should be indicated. Where relevant, expenditure related to areas which are not Objectives 1, 2 or 5(b) areas is to be shown separately.

Proposals relating to each external border in the European Union should be submitted by the Member State concerned in the form of a single operational programme covering, where appropriate and practicable, measures on both sides of the border and indicating the measures or parts of measures for which assistance under the Structural Funds regulations is requested. The neighbouring countries should submit their requests for the cross-border projects or programmes for which assistance is sought under other Community programmes, in particular PHARE, on the basis of the relevant procedures. In order to facilitate the implementation of cross-border projects and measures, appropriate coordination procedures should be established between the Member States and non-Community countries concerned in association with the Commission.

27. As regards the strand concerning the completion of energy networks, for projects where the Commission has already financed or been associated with the implementation of the necessary feasibility studies and these studies have been satisfactorily concluded, Member States should submit detailed proposals as soon as possible, taking account of the requirements indicated above.

For projects where feasibility studies have not yet been completed, Member States should submit proposals for Community assistance for any further studies required as soon as possible. When all necessary preparatory studies have been completed, and provided that the results of these studies justify a decision to implement the projects, Member States should submit appropriate detailed project proposals, taking account of the requirements indicated above.

Where a transnational gas or electricity interconnection is proposed, a single proposal should be submitted by the Member States concerned.

28. All correspondence relating to this Notice should be addressed to:

Mr E. Landaburu
Director-General
Directorate-General for Regional Policies,
Commission of the European Communities,
200 Rue de la Loi,
B-1049 Brussels.

LIST OF BORDER REGIONS (NUTS III) ELIGIBLE UNDER INTERREG

1) Classified by Objectives

BELGIE/BELGIQUE

Objective 1

Ath
Mons
Mouscron
Thuin
Tournai

Objective 2

Arlon (*)
Ecklo (*)
Maaseik (*)
Tongeren (*)
Turnhout (*)
Verviers (*)

Objective 5b

Bastogne
Dinant (*)
Ieper (*)
Neufchâteau
Philippeville (*)
Veurne (*)

DANMARK

Objective 2

Storstroms Amtskommune (*)

Objective 5b

Bornholms Amtskommune (*)
Fyns Amtskommune (*)
Sonderjyllands Amtskommune (*)

BR DEUTSCHLAND

Objective 1

Annaberg
Barnim
Bautzen
Elstertalkreis
Frankfurt(Oder), Stadtkreis
Freiberg
Göltzschtalkreis
Görlitz, Stadtkreis
Märkisch-Oderland
Mittlerer Erzgebirgskreis
Niederschlesischer Oberlausitzkreis
Oder-Spree
Ostvorpommern
Sächsische Schweiz
Sächsischer Oberlausitzkreis
Spree-Neisse
Uckermark
Uecker-Randow
Weisseritzkreis
Westerzgebirgskreis

Objective 2

Emden, Kreisfreie Stadt (*)
Grafschaft Bentheim (*)
Heinsberg (*)

Objective 5b

Aachen, Landkreis (*)
Aurich (*)
Cham
Emsland (*)
Euskirchen (*)
Freyung-Grafenau
Grafschaft Bentheim (*)
Hof, Landkreis
Leer
Lorrach (*)
Neustadt a.d. Waldnaab
Nordfriesland (*)
Merzig-Wadern (*)
Regen
Rottal-Inn
Saar-Pfalz-Kreis (*)
Schleswig-Flensburg (*)
Schwandorf
Tirschenreuth
Trier-Saarburg
Waldshut (*)
Wunsiedel i. Fichtelgeb.

ELLAS

Objective 1

Achaia
Aitolokarnania
Chania
Chios
Dodekanisos
Drama
Evros
Florina
Ioannina
Irakleio
Kastoria
Kavala
Kefallinia
Kerkyra
Kilkis
Lasithi
Lefkada
Lesvos
Pella
Preveza
Rethymni
Rodopi
Samos
Serres
Thesprotia
Thessaloniki
Xanthi
Zakinthos

ESPAÑA

Objective 1

Badajoz
Cáceres
Cádiz
Ceuta
Huelva
Melilla
Orense
Pontevedra

Salamanca
Zamora

Objective 2

Gerona (*)
Guipuzcoa (*)
Navarra (*)

Objective 5b

Gerona (*)
Guipuzcoa (*)
Huesca (*)
Lérida (*)

FRANCE

Objective 1

Corse du Sud
Nord

Objective 2

Aisne (*)
Bas-Rhin (*)
Hautes-Pyrénées (*)
Meurthe-et-Moselle (*)
Moselle (*)
Pyrénées-Atlantiques (*)

Objective 5b

Ain (*)
Alpes-de-Haute-Provence
Alpes-Maritimes
Ariège
Bas-Rhin (*)
Doubs (*)
Haut-Rhin
Haute-Garonne
Haute-Pyrénées (*)
Haute-Savoie (*)
Hautes-Alpes
Jura (*)
Meurthe-et-Moselle (*)
Meuse
Moselle (*)
Pyrénées Atlantiques (*)
Pyrénées-Orientales (*)
Savoie (*)

IRELAND

Objective 1

Donegal
East
North East
North West

ITALIA

Objective 1

Bari
Brindisi
Lecce
Sassari

Objective 2

Gorizia (*)
Torino (*)
Trieste (*)
Udine (*)
Valle d'Aosta (*)

Objective 5b

Belluno (*)
Bolzano-Bozen (*)
Como (*)
Cuneo (*)
Imperia (*)
Novara (*)
Udine (*)
Valle d'Aosta (*)
Vercelli (*)

LUXEMBOURG (G.D.)

Objectives 2 and 5b

Luxembourg (Grand-Duché)

NEDERLAND

Objective 5b

Midden-Limburg (*)
Noord-Limburg (*)
Noord-Overijssel (*)
Zeeuwisch-Vlaanderen (*)

PORTUGAL

Objective 1

Alentejo Central
Algarve
Alto Alentejo
Alto Tras-Os-Montes
Baixo Alentejo
Beira Interior Norte
Beira Interior Sul
Cavado
Douro
Minho-Lima

UNITED KINGDOM

Objective 1

Northern Ireland (other than Belfast)

Objective 2

Kent (*)

Objective 5b

Gwynedd (*)

(*) partly classified under Objective 1, 2, 5b

2) Totally or partly excluded from classification under Objectives 1, 2 or 5b.

BELGIE/BELGIQUE

Antwerpen (Arr)
Arlon (*)
Brugge
Dinant (*)
Gent
Ieper (*)
Kortrijk
Liège
Maaseik (*)
Philippeville (*)
Sint-Niklaas
Tongeren (*)
Turnhout (*)
Verviers (*)
Veurne (*)
Virton

DANMARK

Bornholms Amtskommune (*)
Fyns Amtskommune (*)
Sonderjyllands Amtskommune (*)
Storstroms Amtskommune (*)

BR DEUTSCHLAND

Aachen Landkreis (*)
Aachen, Kreisfreie Stadt
Altötting
Aurich (*)
Bad Tölz-Wolfratshausen
Baden-Baden, Stadtkreis
Berchtesgadener Land
Bitburg-Prüm
Bodenseekreis
Borken
Breisgau-Hochschwarzwald
Daun
Emden, Kreisfreie Stadt (*)
Emmendingen
Emsland (*)
Euskirchen (*)
Flensburg, Kreisfreie Stadt
Freiburg im Breisgau, Stadtkreis
Garmisch-Partenkirchen
Germersheim
Grafschaft Bentheim (*)
Heinsberg (*)
Hof, kreisfreie Stadt
Karlsruhe, Landkreis
Karlsruhe, Stadtkreis
Kaufbeuren, Kreisfreie Stadt
Kempten (Allgäu), Kreisfreie Stadt
Kleve
Konstanz
Leer (*)
Lindau-Bodensee
Lörrach (*)
Lubeck, Kreisfreie Stadt
Merzig-Wadern (*)
Miesbach
Nordfriesland (*)
Oberallgäu
Ortenaukreis
Ostallgäu
Ostholstein
Passau, Kreisfreie Stadt
Passau, Landkreis
Pirmasens
Pirmasens, Kreisfreie Stadt

Rastatt
Rosenheim, Kreisfreie Stadt
Rosenheim, Landkreis
Saar-Pfalz-Kreis (*)
Saarbrücken, Stadtverb.
Saarlouis
Schleswig-Flensburg (*)
Schwarzwald-Baar-Kreis
Südliche Weinstraße
Traunstein
Trier, Kreisfreie Stadt
Viersen
Waldshut (*)
Weiden i.d. Opt, Kreisfreie Stadt
Zweibrücken, Kreisfreie Stadt

ESPAÑA

Gerona (*)
Guipuzcoa (*)
Huesca (*)
Lérida (*)
Navarra (*)

FRANCE

Ain (*)
Aisne (*)
Alpes-Maritimes (*)
Ardennes
Bas-Rhin (*)
Doubs (*)
Haut-Rhin (*)
Haute Garonne (*)
Haute-Savoie (*)
Jura (*)
Meurthe-et-Moselle (*)
Moselle (*)
Pas-de-Calais
Pyrénées-Atlantiques (*)
Pyrénées-Orientales (*)
Savoie (*)
Territoire de Belfort

ITALIA

Belluno (*)
Bolzano-Bozen (*)
Como (*)
Cuneo (*)
Gorizia (*)
Imperia (*)
Novara (*)
Sondrio
Torino (*)
Trieste (*)
Udine (*)
Valle d'Aosta (*)
Varese
Vercelli (*)

LUXEMBOURG (G.D.)

Luxembourg (Grand-Duché) (*)

NEDERLAND

Achterhoek
Arnhem-Nijmegen
Midden-Limburg (*)
Midden-Noord-Brabant
Noord-Limburg (*)
Noord-Overijssel (*)
Oost-Groningen
Twente
West-Noord-Brabant
Zeeuwsch-Vlaanderen (*)
Zuid-Limburg
Zuidoost-Drenthe
Zuidoost-Noord-Brabant

UNITED KINGDOM

Gwynedd (*)
Kent (*)

(*) Also partly classified under objectives 2, 5b, or both

LEADER II

EXPLANATORY MEMORANDUM

1. Under the LEADER I (1991-93) Community initiative, local, often innovative, approaches to rural development were tried out. The initiative financed projects promoted by local action groups implementing an overall development strategy within a limited rural area and involving all the local partners. This experiment proved the value of such an approach, which enabled those involved and the rural areas concerned to develop their own potential within an overall policy for stimulating rural development.

Assistance provided by LEADER I for the "bottom up" aspect of this development constitutes a valuable complement to measures under the Community support frameworks (in particular with regard to operations to assist overall land-use planning and the provision of infrastructures and equipment), which can thus be further developed.

2. The Commission Green Paper on the Community initiatives adopted in June 1993⁽¹⁾ proposed an initiative specifically for rural development and following on from LEADER I. In the context (the implementation of the reform of the common agricultural policy started in 1993, the persistent problems affecting rural areas with weak economies), the Commission said, the new initiative should guarantee continuity with LEADER I while putting greater emphasis on the following aspects:

- innovation as a response to major changes occurring in rural areas; these changes are creating a need for new measures, orientations and forms of development that involve all those concerned;
- the launching of transnational cooperation projects originating in rural areas, giving substance to their will to cooperate; and
- the exchange of experience and know-how among all interested parties in the Community through a European rural development network.

(1) COM(93) 282. "The Future of Community initiatives under the Structural Funds".

3. Reactions to the Green Paper on the Community initiatives and the LEADER II rural development initiative (more than 250 answers, often collective, representing several thousand bodies or authorities involved in rural development) were very positive, with regard to both LEADER I and the Commission proposal for the new initiative. They stressed the need to continue the approach of LEADER I more vigorously and with better coordination through the introduction of more ambitious aims and stiffer requirements to ensure the quality of the projects financed.

The Green Paper's emphasis on innovation, stepping up the network's activity and possible transnational cooperation was welcomed. The improved transparency of Community assistance, the search for simpler management methods and the ability to build on the strong points of the various operations carried out in the period from 1989 to 1993 are all arguments in favour of making LEADER II the instrument for productive coordination of Community measures to assist innovative development in rural areas (e.g. local development, local job creation initiatives), while respecting the specific tasks of each of the Structural Funds.

4. The present LEADER II proposal incorporates and makes more specific the approaches outlined by the Commission in the Green Paper, while taking account of comments received during the consultation process.

The new initiative, which will cover the period from 1994 to 1999, will provide for Community contributions to the following categories of measures:

- Acquisition of skills by those involved at local level to enable them to launch integrated development strategies whose underlying objective will be to exploit the potential of the area concerned.
- Innovative investment programmes that can serve as models and are transferable, promoted either by local action groups organizing an integrated project following the LEADER I model (the geographic approach), or by other public or private collective bodies operating in one or more sectors (a more sectoral approach), but also as part of a local development plan.

The concept of innovation is to be understood in a broad sense and will be adapted to the specific context in each case (in relation to the type of area and the content of the CSF rural development programme), although a basic minimum of innovation must be demonstrated in all cases.

- The design and implementation of joint projects by those involved at local level in rural areas belonging to at least two Member States; such projects very much depend on the existence of a network, which will initially establish contact between those concerned and enable them to exchange experience and know-how (see below).

All these arrangements will develop over time. During the six-year implementation period the emphasis may gradually shift from the acquisition of skills to transnational cooperation projects, each region progressing at its own pace.

The categories listed above will supplement and reinforce the measures initiated under LEADER I. Furthermore, implementation procedures will be simplified and decentralized (projects replaced by programmes); essential selection and administration decisions will be taken at local or regional level. Not only will the local beneficiaries of LEADER II be given planning and management autonomy, but the whole process of programme submission and the selection of projects and beneficiaries will now be the responsibility of the national, regional and local partners. On the other hand, monitoring, evaluation and checks will, naturally, be stepped up.

The whole initiative hinges on the European rural development network, which will not replace existing networks but is designed to serve as a meeting point for them. Taking over from the network established under LEADER I, the European network will be expanded to benefit those participating in rural development and its activities will be extended so as to form a permanent instrument for the exchange of experience and know-how among all rural areas of the Community. A European Observatory of Rural Innovation and Development will be established to serve it.

The beneficiaries of the LEADER II initiative will be those involved at rural level in Objective 1 and 5b regions. However, in application of the flexibility allowed by the Regulation revising the Structural Funds, a maximum of 10% of the funds appropriated for Objective 5b regions under the initiative may be allocated to areas outside but contiguous with Objective 1 and 5b regions. The network's activities will concern the whole Community.

NOTICE TO MEMBER STATES

laying down guidelines for integrated global grants or integrated operational programmes for which Member States are invited to submit applications for assistance in the framework of a Community initiative for rural development.

" L E A D E R I I "

(Liaisons Entre Actions de Développement de l'Economie Rurale)
(Links between actions for the development of the rural economy)

1. On the Commission of the European Communities, acting under Article 11 of Council Regulation (EEC) No 4253/88⁽¹⁾, as amended by Council Regulation (EEC) No 2082/93, decided to establish a Community initiative which would serve as a model for rural development, hereinafter referred to as LEADER II (Liaisons Entre Actions de Développement de l'Economie Rurale - Links between actions for the development of the rural economy).
2. Under LEADER II, Community assistance in the form of integrated global grants or integrated operational programmes may be provided to permit those engaged in the rural economy to implement measures in accordance with the guidelines laid down in this notice.

I. O B J E C T I V E S

3. Under the LEADER I (1991-93) Community initiative, local, often innovative, approaches to rural development were tried out. This experiment proved the value of such an approach, which enabled those involved and rural areas to develop their own potential within an overall policy for stimulating rural development.
4. Reactions to the Commission Green Paper on the Community initiatives⁽²⁾ and to the LEADER initiative (more than 250 answers, often collective, representing several thousand bodies or authorities involved in rural development) have stressed that this approach should be continued more vigorously and with better coordination through the introduction of more ambitious aims and stiffer requirements to ensure the quality of the projects financed.

(1) OJ No L 374, 31.12.1988, p. 20.

(2) COM(93) 282. "The Future of Community initiatives under the Structural Funds".

5. However diverse rural areas in the Community may be, they are generally affected, to differing degrees (reflected in their classification under one or other of the Structural Funds Objectives), by marked trends (decline in employment and in agricultural activity, departure of the best educated young people, increase in rural unemployment and in the number of people in insecure circumstances, growing isolation as a result of the disappearance of certain services for businesses and private persons, damage to the environment) which are reducing the attractiveness of the countryside.
6. Faced with this situation, those responsible within institutions and those engaged in rural development agree that the countryside is undergoing a major transformation and that new orientations, new forms of development and new measures bringing together the various parties concerned must be sought. It is also admitted that as yet there has been little success in identifying these new directions and that European cooperation would be a powerful means of achieving this and disseminating experience throughout the Community.

The aim of LEADER II will therefore be to stimulate innovative measures by those, whether public or private, engaged at local level in all sectors of rural activity, to make known the results of these experiments throughout the Community and to assist rural operators in different Member States who wish to profit from the lessons learnt elsewhere and to work jointly on some projects.

II. A R R A N G E M E N T S

7. The various elements of LEADER II are organized around a European rural development network, which provides a framework for the circulation of information on rural development policies, the exchange of experience among those involved in rural development, the spreading of innovation and know-how, in particular to assist the most handicapped rural areas, and the setting up of joint projects.

The partners in this rural cooperation network have very varied requirements and capacities, and LEADER II must be able to respond to these flexibly and, where necessary, in successive stages. Some partners need first and foremost to acquire skills (category (a)) in order to initiate an integrated development process in areas where this is new. Subsequently, or for other more advanced partners, the need is rather for finance for specific innovative operations serving as models of development for particular geographical areas (run by local action groups) or for particular thematic aspects (run by other collective bodies) on the basis of a previously agreed analysis and strategy (category (b)). Finally, many local collective bodies and many rural operators are or will be in a position to take a further step forward in qualitative terms by cooperating directly on specific projects of a transnational nature (category (c)), after having made contact through the network.

Thus it is in the nature of these arrangements that they should evolve over time: during the 6-year implementation period the emphasis may gradually shift, at a pace appropriate to each region, from technical assistance measures towards transnational cooperation projects.

III. B E N E F I C I A R I E S

8. LEADER II can assist two categories of final beneficiaries:

- local action groups as defined by LEADER I, i.e. a combination of public and private partners jointly devising a strategy and innovative measures for the development (or one aspect of the development) of a rural area on the scale of a local community (less than 100 000 inhabitants as a rough guide). These partners are allocated an administrative and financial lead agency which must be a public body or local collective body, except for a different arrangement with the Member State;
- other rural collective bodies, public or private (for example, Chambers of agriculture, industry, commerce, or crafts, cooperatives, business groups, groups of local authorities, non-profit-making organizations) whose more specific activities relate to a plan for rural development at the local level.

LEADER II is applicable in Objective 1 and Objective 5(b) regions. However, a minimum of 10% of funds allocated to Objective 5(b) areas under LEADER II may be used outside Objective 1 and 5(b) regions, in adjoining rural areas.

IV. E L I G I B L E M E A S U R E S

9. Measure (a) - Acquiring skills

Technical assistance for local development should be provided on request with a view to initiating an integrated development process in areas where this practice is new. This measure concerns the financing of technical assistance prior to investment (analysing the area's needs while taking account of the wishes of local people, motivating and training local people to participate actively in the development process, establishing links between local partners, drawing up a strategy, finding finance etc.). The nature of the measures, the characteristics of the beneficiaries and the type of body responsible for implementation should be clearly specified. This measure should be strongly represented at the beginning of the programming period and ceilings will be established in partnership with each Member State.

10. Measure (b) - Rural innovation programmes

In all matters related to rural development, priority should be given to programmes for local action and investment which, besides forming part of a general rural development strategy and providing the necessary continuity with earlier measures in the area in question (particularly if it received assistance under LEADER I), should have three key features: they should be innovative in the local context (in terms of method, product, production process or market), they should be capable of serving as models, and they should be transferable. These "projects of excellence" should illustrate the new directions that rural development may take. They are promoted by either collective or public bodies (in cooperation with others professionally involved and associations) following the model of LEADER I (overall local development aspects), or by other rural collective bodies.

11. Innovation

By making innovation and the capacity to serve as a model the criteria for eligibility for this category of LEADER II, the Commission does not wish to restrict the operational scope of the initiative to a few avant-garde operations of little potential use elsewhere but wishes to ensure that the programmes financed contribute real added value in relation to other operations part-financed by the operational programmes or other forms of assistance under the Community Support Frameworks, and do not serve to finance activities already being carried out by others engaged in the rural development process. The innovative and model nature of projects should thus be adapted to the type of area.

Whether the projects emanate from local groups (integrated local approach) or from other rural collective bodies (with a more sectoral or thematic approach), they must meet the basic common criteria for eligibility (see Annex I) and offer innovative elements to be assessed in relation to the area and to the content of the rural development operational programme under the Community Support Framework for that area.

The innovation criteria for the area in question will be specified in the application for assistance and will be negotiated in partnership when these applications are considered.

In many situations (in particular in most of the Objective 1 regions) establishing a local partnership to support a multisectoral approach (along the lines of LEADER I) is still, in the context, a complete innovation.

In other cases (in particular in most Objective 5(b) areas and hence also in areas not eligible under any of the Objectives), the innovative nature of the project must not be confined to the method (on the model of LEADER I), but must also be apparent in the technical content of the project, whether in the product, the production process, the market or some other aspect. These innovations may concern the purely economic aspects, but may also be, for example, cultural, environmental or related to social integration if these aspects are closely linked to rural development.

The Commission is proposing, by way of illustration, a series of subjects lending themselves to innovation (on which technical dossiers that draw on the many innovations made possible by LEADER I will be offered to the partners concerned):

- measures, including environmental and renewable energy aspects to offset the impact of the Reform of the Common Agricultural Policy;
- application of new information and communication technologies in the rural environment;
- provision of services adapted to low population density, including as an additional source of income;
- devising and marketing new products and services;
- job creation in the rural environment, including the integration into the labour market of persons in difficult circumstances and involving educational and training institutions in rural development;
- the production and promotion of cultural activities in the rural environment as a contribution to local identity and a tourist attraction;
- raising the awareness of the local population of what is to be gained from development and their own capacity to take initiatives.

Local groups' projects and those of other collective operators will thus have to demonstrate their:

- difference and novelty in relation to what is being done under the operational programme under the CSF (or Single Programming Document) covering the same area, in terms of approach to rural development and implementation details and/or content of the measures;
- expected impact (in terms of at least temporary comparative advantage for the area or the sector) in relation to a reference situation (which will involve an analysis that clearly shows the obstacle to development which the innovation is intended to overcome).

The local groups that have benefited from LEADER I are in no way excluded from benefiting from LEADER II. However, they will be required to submit a proposal that meets the innovation criteria as defined in partnership with the area concerned.

12. Suitability as model and transferability

These two criteria are linked and mean that those in charge of the project must:

- identify the conditions under which the innovation concerned can emerge, in order to assess its capacity to be reproduced and the cost thereof (transfer of know-how and/or technology);
- ensure that the project is to some extent "visible" and implement communication measures; and
- show the project's potential in market terms where the sale of goods or services is involved.

The promoters of the project will also have to undertake to make what they learn about methodology available to the network.

Finally, each year a European competition could award prizes to the best projects with regard to the basic characteristics of the initiative (innovation, suitability as a model and transferability).

13. Measure (c) - Transnational cooperation

In this case the projects are undertaken at the initiative of potential local beneficiaries (defined under section III) that belong to at least two Member States. The LEADER II initiative will assist with the joint design, production and marketing of goods or services in any area of rural development. This category depends very much on the existence of the network, which will facilitate the emergence of transnational cooperation. In this case innovation is not mandatory, since the cooperation itself constitutes an innovation for most of the areas and operators concerned.

This measure would, in most cases, appear progressively after the network has been operating for some time, has made known the practical innovative experience already acquired in many Member States but as yet little known, and has provided technical assistance for establishing cooperation. In the case of the LEADER programme, some additional costs related to the transnational nature of the enterprise may also be part-financed.

14. Measure (d) - Networking

The development of active solidarity between rural areas and the exchange of achievements, experience and know-how between all parties concerned in the Community is a priority of LEADER II which involves extending the present LEADER network for the benefit of all those participating in rural development: national authorities and their decentralized services, local collective bodies, local development groups, the social and economic partners and associations.

The present network must also expand its activities, in particular by establishing a methodological instrument, hereinafter referred to as the "European Observatory of Rural Innovation and Development", whose role will be to identify, specify, validate and facilitate the transfer of innovations implemented in rural environments. The network's activities will concern the Community as a whole, since innovation is needed throughout the Member States.

Active participation in the network is mandatory for all direct beneficiaries of LEADER II (local groups and other local operators), which will have a number of obligations (feeding the Observatory's data base, publicizing results, making acquired expertise available) which will, in turn, enable them to benefit from the network.

The European network for rural development (LEADER network) will neither replace nor constitute an umbrella network for existing national or transnational networks of public authorities or associations. It is conceived as a meeting point of these different networks and will seek to facilitate the work of some of them, by coordinating their activities and delegating to them certain organizational and information functions to be selected in partnership with the Member States.

Specifically, the network's organizational structure will have to provide the following services at Community level:

- gathering, processing and disseminating information on Community measures to assist rural development and on innovative and model practices in rural environments (data bases, internal and external publications, electronic mail network);
- organizing contact among beneficiaries of LEADER II and providing technical assistance for transnational cooperation (seminars, visits by experts);
- using and processing the assessment work attached to each national or regional LEADER programme;
- organizational and technical support for national networks and non-governmental organizations identified in partnership with the Member States as having proved their added value in respect of rural development and as necessary for the good functioning of LEADER II; and
- technical assistance for national authorities and local collective bodies to facilitate cooperation and the exchange of expertise between authorities responsible for rural development.

The administrative and organizational tasks relating to the operation of the network, to be closely monitored by the Commission, will, in the main, be allocated to external providers of services on the basis of an invitation to tender to be published in the Official Journal.

V. I M P L E M E N T A T I O N

15. In keeping with the principle of subsidiarity, the implementation of LEADER II will be as decentralized as possible, respecting the competences of each local collective body. The Commission will negotiate, in partnership with the Member State, the content of regional or national programmes and will no longer intervene directly in the selection of projects and beneficiaries (action groups and other local collective bodies) except where partners responsible fail to act. This approach means, on the one hand, drawing up detailed specifications of eligibility, (Annex 1 to this notice) and, on the other, stepping up monitoring, assessment and checking procedures.

16. The following system will be established:

- (a) At the regional level (whether the regions concerned have institutional competences or are programming regions with specific operational programmes under the Community Support Framework) or, where that proves impossible at the regional level, at the national level a "planning and decision-making partnership" will be established, whose scope will be at least as wide as that of the operational programmes under the Community support frameworks, and which will include, at a minimum, all those who will provide part-finance at national level (State, region, other local collective bodies). These partners will draw up a regional LEADER programme which will be a synthesis of specific applications already submitted by potential local beneficiaries (local groups and other collective bodies). This summary should use examples to illustrate the type of measures to be implemented, demonstrating their appropriateness to the objectives of the initiative (innovation, capacity to serve as a model, transferability) and to the eligibility criteria defined in this notice. The programme should be structured as shown in Annex 2.

The opinions of the other local and regional public authorities and rural partners concerned, whether administrative or professional bodies (Chambers of agriculture, commerce, industry, crafts, Tourist Offices etc.) or associations (in particular in the field of culture, environment and social integration) must be secured and attached to the programme. At this stage, it is important to demonstrate that the programme is not a mere theoretical construction but aims to implement an innovative strategy for developing local potential, with reference to specific needs and to projects formulated by local people and local operators with a view to improving the economic situation of the area or sector concerned. The programme must also adduce proof that public part-financing is available to this end.

The programme must distinguish between the different eligible measures :

- acquiring skills;
- local action groups, whose programmes will be funded under a single measure financed by the three Structural Funds, in order to enhance flexibility;
- other collective rural operators (also in the form of a single multifund measure);
- transnational cooperation. This measure will have to be the subject of a token entry in the regional programme, to be completed subsequently on the basis of a specification to be adopted by the competent Monitoring Committee. It should be noted that the criteria of innovativeness and capacity to function as a model do not apply to this measure.

- (b) After submission, these programmes are considered by the Commission and negotiated in partnership with the Member State, taking account of the priorities given to innovation, capacity to serve as a model and transferability, on the one hand, and to the rural character of the projects and their involvement of the rural population on the other. The regional level partners are then allocated a budget by a Commission Decision. The form of the budget is to be decided in partnership - operational programme, integrated global grant committed in the form of annual instalments in order to assure greater flexibility between the different Funds over the life of the initiative, or multi-annual contracts within a national programme or subsidy).

The programmes are implemented by a decision-making partnership at regional level (or at national level when this proves impossible at regional level), in which at least all the national contributors of part-finance (State, region, other local collective bodies) are represented.

The individual selection of the projects and beneficiaries and the financial and administrative management of the regional LEADER programme falls within the exclusive competence of these partners, who must, however, act in compliance with Community policies, criteria for the eligibility of measures under the Structural Funds and permissible rates of assistance. The other rural operators concerned, whether these are professional bodies, associations or local authorities, where they do not form part of the decision-making partnership, are involved through an advisory partnership. However, where the decision-making partnership fails properly to fulfil its functions, the Commission reserves the right, in agreement with the Member State concerned, to define other procedures, including the possibility of intervening in the selection process.

The programme submitted to the Commission must specify how the partnerships operate, as well as the procedures for submission of projects by local groups and other collective bodies (e.g., may projects be submitted at any time, or only annually, when an official invitation is published?).

These programmes will be concluded for the entire programme period (1994-99) so as to ensure that they last as long as the needs of rural development and all the final beneficiaries (local action groups or other collective bodies) require, but must contain a clause allowing for a mid-term review in order to ensure that available funds are used to the best possible effect.

VI. MONITORING - CONTROL - ASSESSMENT

17. Monitoring

It is the responsibility of the relevant regional (or national) Monitoring Committee to ensure that each programme or global grant is as complementary as possible to the operational programmes under the Community Support Frameworks (or Single Programming Document).

Moreover, experience acquired under LEADER I and the fact that projects are intended to serve as models both indicate that regional and national levels should be coordinated in order to provide physical and financial monitoring on the basis of which an assessment of the initiative as a whole at the level of each Member State can be carried out. The partnership should enable the most appropriate administrative arrangements to be identified, taking into account the institutional arrangements in each Member State. Taking account of the specific objectives of LEADER II (support and diffusion of innovation), the Monitoring Committee, as well as the national coordination structure, in which the Commission will participate, constitute the first level where the exchange of experience will operate. To this end these bodies will be informed *a posteriori* of the final beneficiaries (local groups and other collective bodies) selected by the managers of each programme.

18. Control

All the provisions of Article 23 of Regulation (EEC) No 4253/88, as amended by Regulation (EEC) No 2082/93 apply, and the Member State will guarantee all the operations.

Since the initiative's management is to be decentralized, the Member State's description of the management and verification systems it intends to establish to ensure that the measures are effectively implemented should be attached to the LEADER II proposals and will be considered together with the regional programmes.

19. Assessment

Since the initiative's management is to be decentralized, and the emphasis is on innovation and the model function, continuous assessment of LEADER II is essential.

To qualify for implementation, each regional programme will have to include, before it starts up, a mechanism for continuous assessment of the different projects and of the programme as a whole. Details of the operation of this mechanism will be attached to the programme submitted to the Commission. The partners responsible for the programme will have to arrange for regular assessment reports to be submitted to the Monitoring Committee and the Commission. All the data gathered will also be submitted for use by the innovation Observatory.

Each beneficiary of the programme (local group or other collective body) will have to provide, in a form to be defined, information for assessment purposes, permitting an initial analysis, specification of the changes expected, the extent of the innovation and the model function of the project. This information will serve as a reference point for assessment to analyse over the duration of each project the emergence of the innovation in question, its impact, its spontaneous spread and the conditions for any transfer. More generally, the periodic assessment must show the value added by the different categories of the programme in relation to other measures in the same area (including transnational cooperation projects).

The network will collect all these assessments and reports and redistribute them in the form of bulletins on innovative practices and papers synthesizing information on particular aspects. This permanent assessment will enable the regional decision-making partnership to refine its internal selection criteria, adjust its strategy and propose any modifications to its programme.

LEADER II will also be assessed (mid-term and at the end of the programme period) in terms of its impact at the national and Community levels. This statutory assessment will be carried out within the partnership as for all programmes part-financed by the Structural Funds. It will use specific parameters adapted to the programme's characteristics.

VII. COMMUNITY FINANCIAL CONTRIBUTION LEADER II

20. The LEADER II initiative will be jointly financed by the Member State and the Community. The total Structural Funds contribution to LEADER for the period from 1994 to 1999 is estimated at 1400 million ECU in 1994 prices, of which 900 million ECU in the Objective 1 regions.
21. Community contribution rates will be applied as defined in the Structural Funds Regulations. Within the ceilings fixed by the Regulations measures (a) (skills acquisition) and (c) (transnational cooperation) may be granted higher rates depending on details to be worked out in the partnership.
22. An indicative amount of not more than 3% of the total Community contribution will be reserved to finance the various activities of the Community network (including the Observatory of innovation and rural development) and any support of national networks (measure (d)).

VIII. APPLICATIONS FOR ASSISTANCE BY THE MEMBER STATES

23. The Member States will submit applications for assistance for the programmes or integrated global grants within four months from the date of publication of this notice. Applications received after this date will be taken into account by the Commission of the European Communities only in exceptional and duly justified cases.

When an application is for areas that fall within the scope of more than one Objective (Objectives 1 and 5(b)) the expenditure for each Objective and area must be clearly distinguished.

24. Address for all correspondence regarding this notice:

Mr G. Legras,
Director-General
Directorate-General for Agriculture
Commission of the European Communities
Rue de la Loi 200
1049 BRUSSELS
Belgium

A N N E X I

LEADER II - Indicative list of eligible measures

Since it has limited funds at its disposal, LEADER II will give priority to innovative measures to develop the locally-generated potential of rural areas. Therefore, with the exception of very small-scale measures, to be defined in the partnership, investments in infrastructure are not eligible under this initiative, nor is any single productive investment entailing an amount exceeding a ceiling to be agreed in the partnership.

1. Measure (a) - acquisition of skills

- Analysis of the local area.
- Informing the population about LEADER.
- Technical support for the formation of local partnerships.
- Technical support for drawing up local integrated development strategies.
- Technical support for potential beneficiaries (local groups and other collective bodies) in seeking financing and preparing applications.

2. Measure (b) - rural innovation programmes (local groups and other collective bodies)

Projects must include elements of innovation and elements that are capable of functioning as a model to be assessed in the light of the area's characteristics and the content of the operational programme under the Community support framework for that area (cf. para. 11 of the notice).

Local groups that have benefited from LEADER I will be treated on a strictly equal footing and their projects will be subject to the same criteria as those of other potential beneficiaries.

In the case of local groups (public and private partners cooperating on a multisectorial development strategy in a local-scale continuous area), the project submitted must include several of the elements listed below.

In the case of other collective bodies, whether public or private, the local project may be limited to a single operational aspect.

Technical support for rural development

- Technical assistance for those running development projects (identification of initiatives involving starting up or taking over businesses, including farms, feasibility studies, technical advice, follow-up, etc.).

- Technical assistance for existing small firms and other activities (farming, crafts etc.) (identification of potential markets, access to finance, innovation management etc.).
- Single offices providing guidance, advice and support for young people who wish to go into business.
- Raising the awareness of the public, including young people still at school, about the area's identity and prospects and the need for innovation.

Aid for data processing and transmission equipment needed by a local groups or other collective bodies to implement the project (maximum 3% of total cost of project).

Training and recruitment assistance

- Training of project managers and organizers.
- Short training courses for specific requirements related to the implementation of other project measures that are not financed under the CSF operational programme.
- Development training.
- Involvement of educational and training institutions in the development process.
- Innovative procedures for the integration of people into working life whose employment situation is unstable (training companies and workshops, public service jobs, etc.).

Rural tourism

- Individual or collective small-scale innovative investment projects (including tourist investment linked to farming).
- Adapting small-scale public infrastructure to new requirements relating to tourist facilities.
- Listing, restoration and development of rural buildings and sites of tourist interest.
- Promotional activities, market studies, introduction of reservation systems.
- Devising and establishing new rural tourism products (including cultural tourism).

Small firms, craft enterprises and local services

- Access by small firms and craft enterprises (particularly in the agri-foodstuff sector, including processing of fisheries products) to services (advisory, market studies, transfer of technology, innovation, vocational training).

- Establishment (start-up aid) of local services needed in an area, including those providing additional work for farmers (information, unified provision of services, call-out transport etc.).
- Aid for innovative investment in crafts enterprises and small firms, in particular to take advantage of local natural resources.
- Facilitation of tele-working.
- Aid for setting up businesses.

Local exploitation and marketing of agricultural, forestry and fisheries products

- Local and regional market studies and analysis of distribution channels.
- Technical assistance and investment for the production of local specialities derived from agricultural, forestry and fisheries.
- Transfer of technologies.
- Promotion and labelling of local and regional quality products stressing their local origin.
- Marketing (sales structure, participation in fairs, contacts with mail order and central purchasing organizations, tele-marketing).
- Diversification of agricultural production and farmers' activities.
- Development of aquaculture and non-commercial sports fishing.
- Production of alternative sources of energy (exploitation of biomass and of waste from the wood industry).
- Development of financial engineering.

N.B. Should the case arise, actions in the fishing sector must be different from those financed under the PESCA programme of Community Initiative in the same area.

Preservation and improvement of the environment and living conditions

- Renovation and development of villages and the architectural heritage.
- Support for cultural creativity and the promotion of cultural products linked with rural development.
- Protection, rehabilitation and exploitation of natural resources (fauna, flora, small streams etc.) and landscapes.
- Disposal and recycling of waste.

3. Measure (c) - transnational cooperation

- Costs of participation in activities of the European rural development network (identification of potential partners, setting up cooperation projects).
- Eligible cooperation measures are identical to those under point 2 (reminder: the innovation criterion does not apply to this category).

A N N E X I I

LEADER II - Outline application for assistance

(Integrated operational programme or
integrated global grant)

1. PROGRAMME

- 1.1. Brief analysis of area concerned.
- 1.2. Strategy for LEADER II in the area covered by the programme.
- 1.3. Complementarity with operations financed under the Community Support Framework and new aspects not included in CSF operations.
- 1.4. Procedures for informing potential beneficiaries
- 1.5. Financing plan by year, measure and Fund.
- 1.6. Measure (a) - Acquiring skills
 - Objective.
 - Summary of applications already submitted (to serve as examples) and types of measure eligible (for the purposes of Annex I).
 - Nature of beneficiaries (local collective bodies, associations, local population).
(Note: beneficiaries of this measure are not automatically beneficiaries of measures (b) or c)). Assistance is intended to precede any investment programmes).
 - Selection procedures and criteria.
 - Authority responsible for implementation.
 - Indicative timetable.
- 1.7. Measure (b) - Rural innovation programmes - local development groups
 - Objectives.
 - Strategy.
 - Expected impact on the reference situation.
 - Complementarity with operations financed under the Community support framework and new aspects not included in CSF operations.
 - Summary of applications already submitted (to serve as examples) and types of measure eligible (for the purposes of Annex I).
 - Nature of beneficiaries.
 - Selection procedures and criteria.

- Management procedures (nature of multiannual contracts with beneficiaries, degree of autonomy of groups).
- Authority responsible for implementation.
- Indicative timetable and indication of procedure planned for ensuring regular surveys of projects of new beneficiaries for the duration of the initiative.
- Financing plan by Fund.

1.8. Measure (b) - Rural innovation programmes - other collective bodies

- Same information as under 1.7.
- Priority aspects or sectors if any.
- Selection criteria should make it possible to ensure that the measure fits into the overall rural development plan at the local level.

1.9. Measure (c) - Transnational cooperation

- Same information as for 1.7 and 1.8..
- If this is not available, indicate the amount of the LEADER budget set aside for this purpose; the specification must be submitted subsequently to the Monitoring Committee.
- Planned preparatory measures (identification and linking up of partners).

1.10. Monitoring and continuous assessment

- Specific monitoring procedures established at regional (national) level, taking into account the very decentralized nature of the initiative.
- Description of the mechanism for assessing the various projects and the programme as a whole.
- Timetable and procedures for selecting the body responsible for this assessment.
- Estimated cost of assessment, to be funded from the LEADER grant (maximum 1% of the programme).

2. PARTNERSHIP

- Composition of planning and decision-making partnership.
- Composition of local and regional advisory or associated partnership.
- Opinion of the advisory or associated partnership.
- Procedures for decisions and selection of final beneficiaries by the partnership.

3. PARTICIPATION IN THE EUROPEAN RURAL DEVELOPMENT NETWORK

- Planned arrangements for ensuring participation in the network by partners and final beneficiaries (local groups and other collective bodies).

- Planned measures for disseminating results and assessments through the network.
- Specific contribution of rural development know-how which the partners presenting the programme are prepared to make available to all Community rural areas.

4. PART-FINANCING - CONTROL

- Undertaking by those providing national part-finance to do so in respect of the programme and assurance that budgets will be available for this purpose for the entire programme period.
- Financial control procedures.

Explanatory memorandum

REGIS II INITIATIVE

1. The aim of the Regis II initiative is to contribute to the better balanced development of the outermost regions (as defined in Declaration No 26 annexed to the Treaty on European Union) in order to facilitate their integration into the European economic system
2. It is a continuation of the Regis initiative which was decided on by the Commission on 25 July 1990 and forms part of the Community approach based on Poseidom, Poseima and Poseican.
3. It applies to the same seven regions (Guadeloupe, French Guiana, Martinique, Réunion, the Canary Islands, Madeira and the Azores) which have special features clearly distinguishing them from the rest of the Community (great distance from continental Europe, island nature and/or isolation, small local markets, mainly tropical agricultural production, under-developed economies).
4. In order to simplify the management of Community assistance for the economic and social development of the most remote regions of the Community, give such assistance a higher profile and promote an integrated development strategy which would take account of the special situation of these regions, it is proposed to group under Regis II the specific measures in Regis I, all the measures under the other Community initiatives which take account of the specific features of these regions and measures eligible under the Structural Funds in Poseidom, Poseima and Poseican.

This means that the financial resources allocated to Regis II are considerably higher than those available for the preceding period.

5. The Regis programmes implemented between 1991 and 1993 were concerned principally with the diversification of productive activity. Some 60% of the appropriations programmed were used for that purpose.

In the French overseas departments priority was given to the diversification of agriculture and building up the agri-foodstuffs industries in each region (e.g. through the development of horticulture, market gardening and fruit production, stockraising and the growing of forest trees). Particular attention was also given to the development of rural tourism which paid due attention to the landscape, flora and fauna. Regis also enabled each region to complete infrastructure works to facilitate access (ports and airports) and contributed to the integration of each region into its regional environment.

In the Canary Islands, Regis concentrated on development of the islands' local potential with measures to stimulate craft industries, small businesses and adventure holidays. The measures for craft industries and small businesses concentrated on improving know-how on management, R&D, new technologies and the reduction of pollution and on the preparation of industry and craft parks and the construction of craft centres and technology institutes. In the case of tourism, the stress was on the laying out of marked walks, the restoration of traditional villages, the promotion of rural accommodation and the establishment of small museums, covering folklore, crafts, flora and fauna.

In the Azores and Madeira, Regis programmes were concerned mainly with the improvement of transport infrastructure. An example in the Azores is the airport on the island of Flores which is being modernized to permit regular flights even in bad weather. Regis has also contributed to infrastructure improvements in a number of small fishing ports. Work on Madeira has been concerned mainly with improving road access to Funchal airport and preparations for lengthening the runway there, which is essential to enable loaded large aircraft to take off there, so reducing the cost of transport between Madeira and Europe.

6. In addition to the inclusion in Regis II of measures under other Community initiatives, as mentioned in paragraph 4, some adjustments and additions have been made to the specific measures provided for in Regis I.
 - As requested by Parliament and those involved in the most remote regions, measures previously financed by Envireg are to be incorporated in Regis II.
 - Greater stress is being laid on measures for the exchange and transfer of know-how with other Community regions.
 - The measure concerning energy has been extended by making it possible to finance energy-saving investment projects.

Draft notice to Member States laying down guidelines
for operational programmes
which Member States are invited to establish
in the framework of a Community initiative
concerning the most remote regions,

(Regis II)

1. At its meeting on _____, the Commission of the European Communities decided to establish a Community initiative concerning the most remote regions as defined in Declaration No 26 annexed to the Treaty on European Union (hereinafter referred to as 'Regis II' - initiative pour regions isolées - initiative for the most remote regions) within the meaning of Article 11 of Council Regulation (EEC) No 4253/88, as amended by Regulation (EEC) No 2082/93⁽¹⁾. This initiative is a continuation of the Regis initiative⁽²⁾, which was adopted in July 1992 and came to an end on 31 December 1993.
2. Community assistance in the form of loans and grants may be provided under Regis to the regions of Guadeloupe, French Guiana, Martinique, Réunion, Canary Islands, the Azores and Madeira to finance operational programmes submitted by the Member States and approved by the Commission of the European Communities. These regions were selected on account of their great distance from the rest of the Community, their economic dependence, in most cases, on tropical agriculture, and their proximity to non-member countries which are party to preferential agreements with the Community.
 - I. Objectives
3. The reason for the initiative is the need to undertake development measures complementary to those agreed under the Community Support Frameworks (CSFs) to speed up adaptation of the economies of the recipient regions so that they may be better integrated into the European Community's internal market. The initiative forms part of the Community's policy towards its most remote regions.
4. The specific objectives of Regis are:
 - to promote economic diversification,
 - to consolidate the links between these regions and the rest of the European Community,

(1) OJ No L 193, 31.7.1993, p. 24.

(2) OJ No C 196, 4.8.1990, p. 15.

- to stimulate cooperation between neighbouring remote regions, and between them and nearby non-member countries, particularly those party to preferential arrangements with the Community,
 - where appropriate, to increase their capacity to cope with natural disasters.
5. In drawing up operational programmes, priority should be given to economic diversification by developing products and services for the local markets, for the markets of neighbouring non-member countries and for the Community market.

II. Eligible measures

6. In this section a list of eligible measures is proposed. In submitting operational programmes, the Member States may choose a more limited, but balanced, set of measures on which Community aid will be concentrated.
7. In order to encourage economic diversification, the following measures are eligible:
- (a) Agriculture: assistance for the diversification of agricultural production in order to increase self-sufficiency and develop products for export. This may involve the financing of investments in farming, packaging and processing, marketing schemes, the organization of agricultural producers and measures to improve the genetic quality and health of livestock. Similar assistance to upgrade traditional agricultural activities can be granted provided that economic viability in the medium-term can be demonstrated;
 - (b) Tourism: assistance for investment related to the development of adventure holidays outside the main tourist centres which takes account of the local context and does not endanger environmentally sensitive zones (e.g. rural accommodation, family-run hotels, tourist facilities linked to the creation or development of national parks, forest and tropical river trails and hiking paths);
 - (c) Industry and services: measures under the initiative to assist small and medium-sized firms are eligible under that initiative and financed by it;
 - (d) Energy: assistance for investments in energy saving and local energy production with particular emphasis on renewable energies, including geothermal energy;
 - (e) Environment: measures to preserve coastal areas and their natural beauty and investment in the treatment of waste water and urban waste.

8. In order to consolidate the links between these regions and the rest of the Community, the following measures will be eligible:
 - (a) investment in transport and telecommunications infrastructures and services, both over long distances and between neighbouring regions;
 - (b) measures to exchange and transfer know-how from other Community regions through, for example, study visits, seminars, training courses and participation in networks; product promotion campaigns to secure outlets throughout the Community market.

9. The following measures will be eligible in the context of cooperation between the most remote regions and with neighbouring countries, particularly countries party to the Fourth ACP-EEC Convention:
 - (a) assistance for organizing seminars, meetings, missions and studies and for setting up agencies through which to find potential partners and to define and implement joint cooperation measures;
 - (b) assistance for setting up services and purchasing equipment required for other joint initiatives, particularly in the fields of tourism and trade;
 - (c) assistance for the purchase of equipment and the construction of buildings needed for the development and improvement of services at the disposal of a geographical area extending beyond the Community regions and assistance with the costs of setting up bodies to develop services for the export of local know-how;
 - (d) assistance for small inter-regional transport infrastructures.

10. Assistance to cover the additional costs of business investments resulting from the need to take account of natural hazards. Such additional costs will be calculated on the basis of criteria agreed jointly with the Commission of the European Communities.

11. Measures concerning vocational training and employment linked with the foregoing measures are eligible. These will include:
 - aid for the setting up of self-employed businesses and for recruitment to newly created stable jobs,
 - vocational training in management and marketing, new technologies, renewable energy and energy control, tourism, environmental management and language training,
 - vocational training in reducing the risks resulting from hurricanes, particularly for the agricultural sector,

- in view of the extent of unemployment or under-employment, it is also intended to provide assistance to social policies which help young people and the long-term unemployed to find employment and help the under-employed to be more fully employed.

Measures under the Employment initiative are also eligible.

12. The measures under the Leader II initiative are eligible as regards local and rural development.

III. The Community's contribution to the financing of Regis

13. The Regis operational programmes will be jointly financed by the Member State and the Community. The total contribution by the Structural Funds to Regis for the period 1990 to 1993 is estimated at ECU 600 million. Loans may also be made by the European Investment Bank.
14. The Community contribution to the operational programmes will take account of the quality of the programmes and the remoteness of the regions, their population, their level of economic development and their specific handicaps.

In evaluating the quality of the programmes, the Commission will take into account the following elements in particular:

- specific objectives for medium-term economic diversification, and the mechanisms for achieving them,
- the expected impact of the proposed measures on economic and social development,
- an exact timetable giving milestones at which an evaluation of the impact on economic development will be made, and the methods of monitoring and assessment to be used,
- a demonstration of the additional character of the resources requested from the Community as well as those made available by the regional and national authorities in support of the operational programme,
- the appropriate use of loans and grants.

IV. Implementation

15. Member States should submit detailed proposals for operational programmes within four months of the date of publication of this notice. The Commission need not take account of proposals received after that date.
16. Community assistance may be granted to public bodies or, in the form of global grants, direct to the bodies responsible for implementation as designated by the Member State concerned, including bodies responsible for trans-national measures which entail expenditure in more than one Member State.

17. Cooperation between beneficiaries will be encouraged both within the Member States concerned and between regions in different countries to enhance exchanges of experience, the spreading of best practice, joint measures and comparative assessments. The Commission will encourage the Member States to take this objective into account in preparing and subsequently managing the programme.
18. All correspondence relating to this notice should be addressed to:

Mr E. Landaburu,
Director-General,
Directorate-General for Regional Policy,
Commission of the European Communities,
200 rue de la Loi,
1049 Brussels
Belgium.

PROPOSAL FOR A

COMMUNITY INITIATIVE ON "EMPLOYMENT AND DEVELOPMENT OF HUMAN RESOURCES"

Explanatory Memorandum

Introduction

The Green Paper published by the Commission in June 1993, advanced the idea of an integrated initiative on Employment and Development of Human Resources as part of a package of ideas on the future of Community initiatives as a whole, to be introduced under the Structural Funds regulations for the period 1994/1999. This idea was widely welcomed in the responses to the Green Paper. The detailed proposals for an initiative on Employment and the Development of Human Resources now put forward by the Commission follow from the ideas outlined last June and take into account the submissions subsequently received .

The green Paper also envisaged the possibility of including a specific strand within the initiative concerned with the adaptation of the workforce to industrial change. It is now proposed that this be the subject of a separate initiative-Adaptation of the Workforce to Industrial Change (ADAPT). Insofar as both initiatives are particularly focused on employment and human resources, it will be necessary to ensure that their planning and implementation are closely coordinated.

The proposals for this initiative build on the success of the existing human resources initiatives, NOW and HORIZON.

The proposals also take as a basic point of reference the White Paper on Growth, Employment and Competitiveness which was endorsed by the Heads of Government of the Union at their meeting in Brussels on 10/11 December 1993. In this context, the proposals include a major strand to support the introduction of a Community-wide YOUTHSTART programme along the lines described in chapter 8 of the White Paper.

The Employment and Development of Human Resources initiative represents a significant part of the Community's response to the challenge set out in the White Paper. The measures which the Community will support under this initiative are designed to encourage Member States to initiate the reforms prescribed in the White Paper. The initiative is about stimulating and supporting change.

An integrated initiative

The initiative is based on an integrated approach, drawing together various measures which are targeted directly at groups who face specific difficulties in the labour market. In proposing a strategy for job protection and creation in Europe, Chapter 8 of the White Paper identified four inter-dependent tasks for the Community - improving the adaptability of the labour market, improving access to the labour market among disadvantaged groups, raising the stock of human capital and anticipating and accelerating the development of new job-intensive activities. The three strands of the initiative, as described below, will contribute to the achievement of these interdependent tasks, each in its own distinctive way. Thus the strands are interconnected. It is also clear that success in any one strand will impact on the others. At the operational level, the integrated approach will lead to more streamlined and simplified management structures (e.g. one single monitoring committee), to a more active cross-fertilisation of ideas and a more dynamic Community-wide transfer of experience and know-how. It will also make it easier to ensure more efficient monitoring and evaluation procedures and thus enable any necessary changes in the focus of the initiative to be introduced quickly and effectively during its implementation.

The idea of a more integrated and focused approach has been widely welcomed in the response to the Green Paper. It is also in line with the wishes of Member States, the European Parliament, the Economic and Social Committee and the Consultative Council of Regional and Local Authorities, as well as of the European Confederation of Trades Unions and the Union of Industrial and Employers' Confederations of Europe.

At the same time, it is recognised that the initiative should contain three distinct strands, which cover the specific needs of: women; the disabled and other disadvantaged groups; the young unemployed.

Strand 1 -Equal employment opportunities for women ("Employment -NOW"):

This strand is aimed at the development of equal opportunities for women in the labour market and at ensuring access for women to jobs in growth sectors as well as their professional development in the sectors where they form a major part of the workforce. Whilst the Community has a longstanding commitment to promoting equal opportunities in the labour market, innovative action in this regard needs to be continued and strengthened. In particular the initiative will build on the success of the first NOW programme.

Strand 2 - Improving the employment prospects of disabled people and of other disadvantaged groups ("Employment -HORIZON"):

This strand will address the root causes of marginalisation and the resultant poor employment prospects of those who face specific obstacles to their entry into and effective participation in the labour market (disabled people, ethnic minorities, migrants and refugees, etc). In doing so it will draw on the successful experience of the first Horizon programme.

Since the problems of exclusion extend beyond insufficient income and unemployment to specific barriers to the labour market, emphasis will be placed on an integrated approach to cater for the global needs of the individuals who make up the various target groups. Local area-based and partnership-based measures aimed at coordinating and delivering local solutions to labour market problems will be emphasised.

Strand 3 - Assisting the integration of young people into the labour market ("Employment-YOUTHSTART"):

This strand is aimed at preventing youth unemployment, especially of those without adequate basic qualifications who face the risk of life-long unemployment. In order to respond more effectively to the problems facing these people this strand will help to promote access to work or a recognized form of education or training to all young people under the age of 20.

Categories of eligible measures

Across the strands, four broad categories of measure can be identified.

- (1) Systems measures: aimed at initiating and supporting changes in the way training systems, employment services and the promotion of job creation are organised.
- (2) Training measures: covering the delivery and content of training, guidance, placement and counselling services that are being introduced or developed as part of an overall strategy for change in the operation of the labour market.
- (3) Job creation measures: which focus on innovative ways to develop new enterprises, to expand the job opportunities available and the more effective deployment of employment aids. Particular emphasis is given to expanding sectors where new employment opportunities are most likely to arise, and to new approaches to the organisation of work as referred to in the White Paper.
- (4) Information/communication measures: concerned with encouraging the dissemination of information throughout the labour market to heighten awareness of the need for change and to encourage an acceptance of new initiatives and new practices.

Distinguishing characteristics of the Employment and Development of Human Resources initiative

In presenting its proposals for the initiative, the Commission wishes to stress that while it shares with Community Support Frameworks the primary objective of maintaining and increasing employment in the Community, it is quite distinct in its underlying rationale, aims and methodologies.

The distinguishing features, which seek to achieve a special added value for the Community, can be summarised as follows:

Transnationality: a key element of the new initiative should be, as in the past, its transnational dimension. One of the most significant achievements of the current Human Resources initiatives has been to introduce transnational cooperation on a major scale. The new initiative will continue to place particular emphasis on the transfer of know-how to the least advanced regions of the Community and on the undoubted advantages of cooperation. In this context, the initiative will draw on the experience gained in transnational cooperation through the existing Community initiatives on Human Resources, the Community Support Frameworks and also within the framework of Community programmes for vocational training, especially PETRA and LEONARDO. The creation of new networks of cooperation and the further development of existing ones at regional, national and Community level will play an important role in pooling resources on a Community-wide basis.

Innovation: the initiative will seek to act as a catalyst for innovation and change. Experience to date has shown that, in the mainstream Community Support Frameworks, Member States tend to favour more traditional forms of labour market measures. The initiative, on the other hand, should provide an incentive for carrying out innovative operations requiring extra developmental work and financial and managerial support.

A "bottom-up" approach: by combining a decentralised approach with increased involvement at regional and local level, the initiative will enable the Community to identify and act promptly on local problems and needs. The initiative aims, in particular, to mobilise the expertise and experience of private sector actors, as well as non-governmental and voluntary organisations in delivering targeted training to people who are particularly disadvantaged in the labour market.

Reinforcing Community policies and programmes: the initiative will promote and support closer interaction between different aspects of Community policy on Human Resources. The reinforcement of Community programmes and networks in the field of vocational training and employment, social and professional integration of disadvantaged groups and equal opportunities for men and women will be an important feature of the initiative. Common policy guidelines, joint transnational measures and networks and common research and evaluation will be amongst the principal means of ensuring a coordinated and coherent approach.

Technical Assistance

The main guiding principles which will shape the content of operational programmes or global grants supported under this initiative are that they should have a strong transnational dimension, be concerned with effecting change through innovation in the operations of the labour market and stimulate a more active "bottom-up" involvement. Experience of the current Community initiatives in the field of human resources suggests that these key principles are sometimes difficult to apply in practice. The Commission therefore wishes to strengthen substantially the technical assistance effort at Community, national and decentralised level in order to assist public authorities, private bodies and other interests concerned in the formulation and subsequent implementation of programmes. This technical assistance will take various forms including support for consultancy and expert services to advise and assist in the preparation of programmes, as well as the organisation of an intensive programme of information both during the preparatory and the implementation phases. In this context also, a determined effort will be made to involve the Social Partners in the policy formulation process and in the subsequent implementation of agreed measures.

Finance

Employment protection and creation are now at the top of the agenda of the European Union. The Employment and Development of Human Resources initiative is a major part of the Community's initial response to the challenge for action set down in the White Paper. In line with the broad thrust of policy proposed in the White Paper, which was endorsed by the Heads of Government in Brussels during December 1993, it seeks to shift the focus in Community initiatives as a whole and to place more emphasis on investment in human resources. The Commission therefore proposes that, of the total resources available for Community initiatives, 1.4 billion ECU should be allocated to the initiative. It also proposes that the amounts set for each strand within the initiative should be as follows:

	MECU
"Employment -NOW"	370
"Employment - HORIZON"	730
"Employment - YOUTHSTART"	300
TOTAL	<u>1,400</u>

The initiative will draw mainly from the European Social Fund for resources. It will also be funded in part from the European Regional Development Fund to support, where appropriate, complementary investment in infrastructure and business support services.

It will apply throughout the whole territory of the Union but, in accordance with the social and economic cohesion objective, priority will be given to Objective 1 areas.

Evaluation

In keeping with the stronger commitment to evaluation made during the negotiations on the new Structural Funds regulations, the Commission will require Member States to specify, in quantifiable terms, the targets it seeks to achieve within the operational programmes submitted under the initiative. These targets will be used as the main benchmark against which to assess progress during, and at the end of, the planning period.

Communication to the Member States laying down guidelines for operational programmes or global grants which Member States are invited to propose within the framework of a Community initiative on Employment and Development of Human Resources aimed at promoting employment growth mainly through the development of human resources.

1. At the meeting of the Commission of the European Communities decided to introduce a framework initiative on "Employment and Development of Human Resources" in the context of Article 11 of the Council Regulation (EEC) n° 4253/88 as modified by the Council Regulation 2082/93.
2. Within the framework of this initiative the Community may grant subsidies for measures which satisfy the guidelines laid down in this communication and which are included in proposals for operational programmes or global grant submitted by the Member States and approved by the European Commission. In addition, other Community financial instruments may make an appropriate contribution to this initiative.

I. Objectives

3. This initiative aims to contribute to the development of human resources and to improve the workings of the labour market with a view to enhancing employment growth and to promoting social solidarity in the European Union. As such it is a direct follow-up to the Commission's White Paper on Growth, Competitiveness and Employment, the main thrust of which is to put the highest possible premium on pro-active labour market measures to stimulate employment-intensive growth.
4. The initiative has three inter-related objectives corresponding to three distinct but inter-connected strands:
 - a. to promote equal employment opportunities for women ("Employment-NOW");
 - b. to improve the employment prospects of the disabled, and other disadvantaged groups ("Employment-HORIZON");
 - c. to promote labour market integration of young people, in particular those without basic qualifications or training ("Employment-YOUTHSTART").

5. Positive benefits will accrue right across the initiative from the active cross-fertilisation of ideas and experiences promoted within each strand. A coordinated response is called for in submitting requests for support under this initiative. Member States should ensure that the overall package of proposals is a well-balanced set of measures related to each of the strands of the initiative. The proposals should also ensure coherence of action between the three strands.

The Commission, in partnership with Member States, will aim to ensure complementarity between measures assisted under this initiative and those supported under other Community programmes, in particular in the field of vocational training.

II. Priorities

6. Over and above the measures taken by Member States themselves and the other activities supported by the European Social Fund, this initiative is intended to serve as a catalyst for Community-wide innovation as well as for the organised transfer of expertise and the dissemination of good practice between Member States.

In order to achieve higher added value for the Community, Member States' proposals should, in particular :

- a. demonstrate an overall transnational dimension, giving priority to transnational exchange, cooperation and dissemination of information, in particular involving partners in Objective 1 regions;
- b. consist of measures and actions which are innovative;
- c. give priority to improving the efficiency of training and employment systems and services;
- d. actively encourage a more pro-active and co-ordinated approach at local level to obtain a greater employment impact, involving all relevant actors, including local and regional authorities, economic and social partners and voluntary bodies;
- e. reinforce Community policies as well as Community programmes especially in the field of human resources and labour market integration;
- f. provide for the necessary flexibility to accommodate needs which cannot be foreseen at the first planning stage, and which call for a special effort from the Community.

III. Regional eligibility and concentration

7. This initiative is applicable to the whole of the territory of the Union. However, particular emphasis will to be placed on the needs of the less favoured regions. A number of measures will therefore apply only to priority regions (Objectives 1, 2 and 5b).

IV. Eligible measures

8. The list of measures which follows presents all eligible measures which may be financed under this initiative. When preparing their proposals for operational programmes or for global grants, Member States are invited to select, in cooperation with the Commission, a more limited list of measures per strand on which to concentrate financial assistance.
9. **"Employment-NOW "(equal employment opportunities for women).**

This strand aims to help to reduce unemployment among women and to improve the position of those already in the workforce, through the promotion of equal employment opportunities. It will support the development of innovative strategies to respond to changes in the organisation of work and changing job requirements.

The transnational dimension of the initiative will permit a comparison of different experiences, as well as the transfer of know-how and experience and cooperation. It will also reinforce the development of innovatory actions in favour of women, especially in Objective 1 areas and in sectors where such actions are at present less developed. To ensure a maximum multiplier effect, particular attention will be given to the development of the training of trainers as well as the structure of training programmes, methodologies and tools.

The first NOW Initiative demonstrated the need to develop strong and active partnerships at local, national and transnational level. These should involve enterprises, public and private bodies responsible for training and employment, bodies responsible for equality issues, regional and local authorities, non-governmental organisations and women's organisations, in such a way that best practice is gradually taken up and incorporated into mainstream training and employment systems. Priority should be given to actions in which Social Partners are actively involved at all levels.

Within this strand the following measures will be eligible for assistance:

a) the development, in particular through transnational cooperation, of appropriate training, guidance, counselling and employment systems, including:

- development of cooperation and networking between public training bodies in order to promote equality of opportunities for women in the labour market, with particular emphasis on improving access to and promoting women's progress in, rapidly developing sectors and new areas of work, and to their access to management responsibilities;
- the strengthening of links between training bodies, higher educational establishments and enterprises to improve the professional integration of women (Objective 1 regions only);
- support to educational establishments for the development of innovatory educational material which improves equality of opportunity for women in the labour market (Objective 1 regions only);
- support for the creation of guidance/counselling and pretraining services for women
- support at local level for advisory services to facilitate the start-up of SMEs and cooperatives;
- support for the creation of relevant care services infrastructure, where they are less developed (Objective 1 regions only);

b) the delivery, in particular on a transnational basis, of training, including:

- the provision of a comprehensive package of flexible training and other accompanying measures, including information, guidance, counselling, pre-training, personal development, upgrading of basic skills and qualifying training, re-training, job-search assistance, business traineeships and in-job support. Particular attention should be given to new job requirements, new qualifications and skills, notably in the area of RTD and innovative technologies .
- vocational training measures, including preparatory training, geared specifically to the needs of running businesses or cooperatives;
- training for trainers, for those responsible for personnel or for negotiating training matters within enterprises, in order to make them more aware of and active in equality issues;
- training in equality of opportunities for those responsible for personnel in the public

sector, for educational personnel and for equality advisors in educational establishments (Objective 1 regions only);

- the development of innovatory assessment methods to integrate within career structures all the experiences and activities carried out by women, including those that are not formally recognised, in order to promote accreditation of prior learning;
 - initial and continuing training especially in SMEs and in sectors subject to industrial change, to adapt the female workforce to the changing labour market and to improve their career development;
 - initial and continuing training for appropriate care services personnel with a view to improving the quality of these services.
- c) job creation and support, particularly through transnational cooperation, for the start up of small businesses and cooperatives by women, including:
- development of networking and cooperation on local employment initiatives, aimed at mobilising the capacities of women to build on local resources, in particular in areas such as tourism, culture, environment, care and for job creation in rural areas;
 - aid for the creation of self-employed activities, small enterprises and cooperatives including recruitment aid;
 - aid for the setting up of financial support instruments for enterprise creation by women;

Within the framework of measures provided under a), b) and c), the Commission will support the operating costs of care services for dependants in order to facilitate participation in training and employment of women with children and/or other dependants.

- d) information dissemination and awareness actions, particularly through transnational cooperation, including:
- measures directed in particular at the Social Partners, personnel of education, training and employment services, local and regional authorities and the general public to heighten awareness about the need to act in favour of equal opportunities between men and women in the labour market;
 - the setting-up of networks, creation or improvement of data bases and the carrying out of studies linked with the objectives of this strand and the dissemination of the results of best practice;
 - gender-related monitoring and assessment of vocational training and employment actions.

10. **"Employment -HORIZON" (improving the employment prospects of the disabled and other disadvantaged groups).**

This strand will promote, with an important emphasis on the transnational dimension, measures to improve access to the labour market for those who find themselves excluded from it or those at the risk of being excluded. It is aimed at those people who are not merely unemployed but who face severe obstacles to their integration due to the degree of their marginalisation. This group includes, on the one hand, the disabled, and, on the other hand, the disadvantaged, in particular, people at high-risk, including drug addicts and marginalized persons, immigrants, refugees, itinerants, isolated people, single-parent families, the homeless, prisoners and ex-prisoners. Increasingly some of the long-term unemployed will also fall into this group.

Overcoming the problems of these groups has to be tackled through two main types of action. The first is the improvement of the quality of training especially the development of new employment skills and qualifications. The second includes job creation actions, in particular through new forms of work organisation, through employment aids and support for work in the open labour market and through developments in relation to sheltered employment. Emphasis should be placed on a bottom-up approach.

The strand will reinforce in particular measures under Objective 3 of the Structural Funds to facilitate the occupational integration of those exposed to exclusion from the labour market. There will be a particular focus on the disabled and other disadvantaged groups. It will also draw on the previous experiences of relevant Community programmes and particularly on the lessons of the first Horizon programme.

The partners involved at national and transnational level will include enterprises, public and private bodies responsible for training and employment, universities and research institutes, regional and local authorities, and non-governmental organisations. Priority should be given to actions in which the Social Partners are actively involved at all levels.

Within the scope of this strand, the following measures will be eligible for assistance;

a) the development, in particular through transnational cooperation, of appropriate training, guidance, counselling and employment systems, including:

- support for the creation or development of tailored advisory services and local development agencies to help to create jobs for disabled and disadvantaged people particularly in the sectors where potential employment growth appears high, (Objective 1, 2 and 5b only) ;
- the adaptation of the work place, in particular through the introduction of new technologies, and the development of conditions for distance work;
- support for the implementation of flexible training and learning systems such as

distance and interactive computer learning;

- the improvement of access to training and work-related services through the adaptation of buildings and transport systems, (Objective 1 regions only);
- the occupational integration of disadvantaged people within urban communities with the help of community infrastructure, information, advice and development of services, (Objective 1, 2 and 5b regions only);
- setting up reception/guidance and employment centres, including places of transit, for multiple use, for the initial integration of refugees, (Objective 1 regions only);

b) the delivery, in particular through transnational cooperation, of training, including:

- training for qualifications and skills related to the use by disabled people of technologies in the work or training place;
- training of disabled and disadvantaged people, in new skills and qualifications especially for sectors where employment growth appears high and in the areas of RTD and innovative technologies
- development of Community-recognized qualifications and accreditation of prior learning;
- training of disabled and disadvantaged people (functional, psychological and social rehabilitation, pre-training, upgrading of basic skills, retraining) preceded and accompanied by on-going assessment and counselling. This will include inter alia "on the job" training modules linked to special courses for specific target groups to improve integration into the labour market;
- training schemes for experts and for human resources personnel in the field of reorganisation of work and adaptation of the workplace;
- training or upgrading of skills and qualifications of advisers, local development agents, trainers, social workers, representatives of the Social Partners and those responsible for personnel in the private sector in order to improve their understanding and awareness in matters concerning the integration of the disabled and disadvantaged and into sectors where employment growth appears high;

c) job creation and support, particularly on a transnational basis, for the start-up of enterprises, cooperatives and public-private partnerships, including:

- job creation measures designed to exploit local potential for developing new types of employment based on innovative approaches to work organisation. Introduction of such approaches into enterprises in order to prevent job loss of disabled workers;
- innovative approaches to reducing the labour costs for employers of groups with lower productivity in the labour market;
- development of supported employment places and new employment schemes (through, for example, sheltered employment and cooperatives);
- job creation actions to facilitate integration into the labour market and to offset possible loss of benefits in the transition from a protected environment;
- support to local employment initiatives including public-private partnerships and involving local communities in particular in sectors where employment intensive growth appears high.

d) information dissemination and awareness actions, including:

- support for wide dissemination of information on employment and training opportunities in a format accessible to disabled and disadvantaged groups.
- actions to raise the awareness of the general public, the Social Partners and education, training and employment services personnel with regard to the employment potential of disabled and disadvantaged people, in particular through the publication of codes of good practice.
- support for information services and support structures such as networks for the dissemination of this information.

11. **"Employment-YOUTHSTART" (promoting labour market integration of young people).**

One of the main conclusions of the White Paper on Growth, Competitiveness and Employment is that more effort is required to enable young people to participate effectively in the labour market. Young people who have left education without a qualification face particular problems of integration. They often cannot compete effectively in an already difficult labour market, and they face the danger of long-term unemployment and potential alienation from society.

In order to address this fundamental problem the Commission proposed in its White Paper, endorsed by the Heads of State and Government in December, a scheme called YOUTHSTART. The aim of the scheme is to stimulate actions by Member States leading progressively in the longer term to the provision of a youth guarantee throughout the Union. The idea is that every young person under the age of 20 would eventually be guaranteed access either to full-time employment or to a recognized form of education or training, including apprenticeship or other forms of linked work and training. Special efforts would be targeted at young people leaving school with no diploma or basic qualifications. As far as possible, work experience would be industry or service based. However, the huge scope for employment in the fields of environment, urban regeneration and the care sector would also be exploited. YOUTHSTART would guarantee each of its citizens a stake in the development of the Union. At the same time it would guarantee the Union the development of its greatest resource, namely its young people who all too often and all too quickly can drift into unemployment, often long-term, and eventually exclusion.

The basis of YOUTHSTART would be 12 national programmes tailored to the requirements of each Member State receiving where appropriate support through the Community Support Frameworks. More limited but carefully targeted resources will be channelled through Employment-YOUTHSTART mainly for pilot actions. The Community initiative dimension will act as a catalyst for the scheme as a whole. It will ensure the development of the innovative and transnational dimension of YOUTHSTART. Employment-YOUTHSTART will assert the development of structured networks of projects and programmes in order to ensure the exchange of good practice and experience.

To maximize the value of YOUTHSTART, it will be linked to the establishment of agreed standards and targets. These standards and targets, to which the initiative would make an essential contribution, would include: a coherent link with the labour market; minimum training/qualification standards; independent counselling; adequate post-activity placement; remuneration; a full range of "soft infrastructure" support (childcare, literacy etc); role of social security and planned, structured transnational exchange opportunities.

Within this strand of the initiative the following measures, designed to complement the introduction or development of appropriate measures within national programmes, will be eligible for assistance :

a) the development, in the context of assuring the necessary complementarity with other related actions of the ESF and those supported under the LEONARDO programme and in particular on a transnational basis, of appropriate training, guidance, counselling and employment systems, in the public and private sectors as appropriate, including

:

- the setting of targets and standards in regard to careers guidance, pre-training, vocational training, apprenticeships, placement activity, supporting measures and evaluation;
- identification, adaptation and transfer of existing good practice models relating to labour market integration of young people;
- the conception, development and delivery of innovatory approaches to labour market integration of young people especially through distance learning;
- facilitating a more active interaction between education, vocational training and the labour market to enhance job opportunities generally.

b) the provision, where appropriate on a transnational basis, mainly by building on pilot actions and experience gained in related Community programmes, especially under the proposed LEONARDO programme, of training and placement, including:

- structured training and placement programmes for young people, with a particular emphasis on enhancing and reinforcing vocational, personal, entrepreneurial and linguistic skills, to be co-ordinated effectively with local programmed training and placement activity;
- the training of trainers and placement personnel particularly those designing and delivering services at local level, in order to improve labour market integration of young people;
- facilitating special training and placement experience, particularly in the fields of the arts, cultural heritage, environmental protection, urban regeneration and care services;
- the application of innovatory models which can support and enhance local activity.

- c) assisting job creation, in particular through transnational cooperation, including :
- measures aimed at young people wishing to become self employed with particular emphasis on developing relationships with young entrepreneurs in other Member States, transnational trading agencies, and self help networks ;
 - transnational exchanges between local development agencies in order to identify and apply innovative support and development models ;
 - support for local employment initiatives aimed at the integration of young people, particularly in the fields of the arts, cultural heritage, environmental protection, urban regeneration and the care sector;
- d) information dissemination and awareness actions, in particular on a transnational basis, including :
- measures aimed at raising awareness, especially among the Social Partners and of agencies concerned, of the particular integration problems facing young people and of possible responses;
 - support for related information services at national, regional and local level;
 - information activities aimed at promoting the Employment-YOUTHSTART programme among young people.

V. Technical Assistance

12. Technical assistance will be available at the initiative of the Member States or of the Commission and will be supported during both the stage of preparation of proposals and the subsequent stage of implementation. Technical assistance may include:
- the dissemination of information and other awareness actions;
 - the provision of consultancy and expert services;
 - the organisation of bilateral or multilateral meetings between Member States to facilitate cooperation;
 - the development and sharing of databases on training and employment services and other aspects of labour market organisation;
 - the carrying out of studies regarding innovative methods and the results of training, training of trainers and vocational guidance activities;
 - assistance on evaluation procedures and practices;
 - the creation or development of Community-wide networks to facilitate innovation and transnational cooperation.

VI. Community financing

13. The actions covered by this initiative shall be jointly financed by the Member States, the Community and by enterprises and other bodies where appropriate. Where employees of companies take part in the various operations, the enterprises concerned shall finance an appropriate part of their cost.
14. The total contribution from the Structural Funds for the period 1994-1999 is estimated at 1.4 billion ECU of which 0.8 billion ECU will be allocated to Objective 1 regions.
15. The distribution of resources between Member States under this initiative will be based on the relative severity of structural problems, including in particular relevant unemployment levels, as well as the quality of the proposals submitted for operational programmes and global grants.

16. Amounts will be allocated to each strand as follows:
- | | |
|-------------------------|------|
| | MECU |
| "Employment-NOW" | 370 |
| "Employment-HORIZON " | 730 |
| "Employment-YOUTHSTART" | 300 |
17. Rates of assistance will respect the provisions of the Structural Funds regulations. Under the Technical Assistance provisions, a maximum rate of assistance may be accorded for transnational actions.

VII. Implementation

18. Member States are invited to present proposals for support in the form of operational programmes or of global grants within four months of the date of publication of this communication. In the latter case, Community assistance may be granted directly to decentralised organisations responsible for implementation, including organisations responsible for managing transnational actions and designated by the Member State concerned.
19. During the preparation of proposals, Member States are invited to discuss with the Commission the main priorities and eligible measures and the mechanisms of implementation.
20. Use can be made of the provisions for transnational operational programmes whereby two or more Member States may, on their own initiative or at the invitation of the Commission, present a single application for assistance. In response to these applications the Commission may, in consultation with the Member States concerned, take a single decision granting financial support.
21. Within the context of operational programmes or global grants measures should be identified by the main Objectives of the Structural Funds. The proposals must include a general appreciation of the situation indicating the objectives to be attained and should include a timetable, criteria and procedures for implementation, monitoring and assessment.
22. A single Monitoring Committee within each Member State will be responsible for the initiative as a whole.
23. It is proposed to develop special support structures under the various strands of the initiative. Cooperation with other Community action programmes concerned will also be reinforced in terms of guidelines, technical assistance, joint operations and networks, follow-up of projects, evaluation, research and dissemination of information. National representatives of related Community action programmes will be involved in the selection of projects at national level.

24. The Commission will require Member States to formulate and implement programmes so as to optimise the conditions for transnational cooperation.
25. The Commission will set up a high-level advisory committee made up of representatives of non-governmental organisations and of experts nominated by Member States in agreement with the Commission. This committee will be asked to advise the Commission and the Member States on the overall implementation of the initiative and on the promotion of transnational actions.
26. Correspondence concerning this communication should be sent to:

Mr. H.C. Jones
Acting Director-General
Directorate-General for Employment, Industrial Relations and Social Affairs,
Commission of the European Communities
Rue de la Loi 200
B - 1049 Brussels

PROPOSAL FOR A

COMMUNITY INITIATIVE ON
ADAPTATION OF THE WORKFORCE TO INDUSTRIAL CHANGE
(ADAPT)

Explanatory Memorandum

Introduction

This initiative aims at implementing a major transnational action programme linked to the new Objective 4 of the Structural Funds and takes also as a basic point of reference the White Paper on Growth, Employment and Competitiveness which was endorsed by the Heads of Government of the Union at their meeting in Brussels on 10/11 December 1993.

As the White Paper makes clear, reducing the risk of unemployment, the maintenance and creation of jobs, at a time of high and rising unemployment, is amongst the greatest challenges facing the Union as it moves in an increasingly competitive environment towards the 21st century. Meeting this challenge is not only dependent on higher rates of investment and better macroeconomic conditions to achieve faster growth, it also requires a world-class workforce capable of adapting to economic and technological change and developing the Union's competitive edge. It will also require at the same time the creation of new job opportunities through more employment-intensive activities and more flexible work practices. In this way it will be possible to ensure that economic activity and employment adapt to the changing needs resulting from increased competition and, at the same time, to improve employment prospects for persons affected by changes in work content, organisation and methods, reconversion and restructuring, which represent a threat to an increasing number of workers lacking suitable transferable skills.

This initiative represents a significant part of the Community's response to the challenge set out in the White Paper. The measures which the Community will support under this initiative are designed to encourage Member States to initiate the reforms prescribed in the White Paper. The initiative is about stimulating and supporting change.

The Green Paper published by the Commission in June 1993, advanced a package of ideas on the future of Community initiatives to be introduced under the Structural Funds regulations for the period 1994/1999. In the context of its proposals on employment and

development of human resources, special emphasis was put on the adaptation of the workforce to industrial change. This emphasis was widely welcomed in the responses to the Green Paper.

The detailed proposals for an initiative on "Adaptation of the workforce to Industrial Change (ADAPT)" now put forward by the Commission follow from the ideas outlined last June and take into account the submissions subsequently received. In view of the complementarity between this initiative and that for Employment and the development of Human Resources, their planning and implementation will be closely coordinated.

The four interrelated objectives of this initiative are to :

- assist workers, especially those threatened with unemployment as consequence of industrial change, to adapt to increasingly rapid changes in the organisation and structure of employment;
- help enterprises increase their competitiveness, mainly by encouraging organisational adaptation and non-physical investment.
- prevent unemployment by improving qualifications of the workforce;
- to facilitate the development of new jobs and new activities.

These objectives will require major efforts to develop and to implement adequate training schemes, to identify and develop new skills and qualifications, to upgrade the level of existing skills and improve the ability of the workforce to acquire new skills, to develop and support innovative approaches focused on networking between enterprises, and to promote the diffusion of R&D results.

A Community-wide approach to these issues, allowing cross-fertilisation between enterprise strategies, research and development and training provision, is an essential condition for bringing about a European response to these problems which affect in principle all Member States, and which are not limited to particular industries and services.

At the same time, this initiative should contribute to the diversification of the local economy by improving the qualifications and skills of the workforce. This should be achieved across the Community in all economic sectors and regions where the need to change appears to be crucial for the promotion of the competitiveness of industries, services and commerce.

In principle, actions under this initiative will be horizontal, covering the economy as a whole without reference a priori to specific sectors. In practice, there will be a concentration of measures along different axes depending on the priorities agreed between the Commission and the Member States. Priority axes for concentration might include:

- the sectors which are confronted with common difficulties as a result of the industrial changes throughout the Community (multisectoral and transnational approach) ;
- the companies in regions strongly affected by similar requirements of transformation (multisectoral, regional and transnational approach);
- the networks subcontractors and SMEs strongly dependent on the structural adjustments of large firms (multisectoral, cooperational and transnational approach);
- the themes related to new production technologies, new production methods, total quality, the organization of work, means of communication, systems of marketing and of distribution (thematic, multisectoral and transnational approach).

Distinguishing characteristics of the initiative

In presenting its proposals for this initiative, the Commission wishes to stress that, while it shares with Community Support Frameworks the primary objective of maintaining and increasing employment in the Community, it is quite distinct in its underlying rationale, aims and methodologies. The distinguishing features, which seek to achieve a special added value for the Community, can be summarised as follows:

Transnationality : of its nature the challenge of adapting the Communities workforce is transnational. The initiative will place particular emphasis on the transfer of know-how, especially to the least advanced regions of the Community and on the undoubted advantages of cooperation. In this context, the initiative will draw on the experience gained in transnational cooperation through the existing Community initiatives on Human Resources, the Community Support Frameworks and also within the framework of Community programmes for vocational training, especially FORCE, COMETT and LEONARDO. The creation of new networks of cooperation and the further development of existing ones at regional, national and Community level will play an important role in pooling resources on a Community-wide basis.

Innovation : the initiative will provide an incentive for carrying out innovative operations requiring extra developmental work and managerial support.

A "bottom-up" approach : the initiative will enable the Community to identify and act promptly on local, regional and multisectoral problems and needs which are common across the Community. The initiative aims, in particular, to mobilise the expertise and experience of private sector actors, as well as economic and social partners, research institutes, chambers of commerce and industry and training organisations in delivering targeted advice and training to people who are affected by different aspects of the transformation process.

Reinforcing Community policies and programmes : the initiative will promote and support closer interaction between different aspects of Community policy on Employment, Labour Market and Human Resources, in particular the vocational training policy. The reinforcement of other Community initiatives related to industrial change - in particular the SMEs initiative - and Community action programmes and networks in the field of vocational training and employment will be an important feature of the initiative. Common policy guidelines, joint transnational measures and networks and common research and evaluation will be amongst the principal means of ensuring a coordinated and coherent approach.

Technical Assistance

The main guiding principles which will shape the content of operational programmes or global grants supported under this initiative are that they should have a strong transnational dimension, be concerned with effecting change through innovation in the operations of the labour market and stimulate a more active "bottom-up" involvement. Experience of the current Community initiatives in the field of human resources suggests that these key principles are sometimes difficult to apply in practice. The Commission therefore wishes to strengthen substantially the technical assistance effort at Community, national and decentralised level in order to assist public authorities, private bodies and other interests concerned in the formulation and subsequent implementation of programmes. This technical assistance will take various forms including support for consultancy and expert services to advise and assist in the preparation of programmes, as well as the organisation of an intensive programme of information both during the preparatory and the implementation phases. In this context also, a determined effort will be made to involve the Social Partners in the policy formulation process and in the subsequent implementation of agreed measures.

Evaluation

In keeping with the stronger commitment to evaluation made during the negotiations on the new Structural Funds regulations, the Commission will require Member States to specify, in quantifiable terms, the targets it seeks to achieve within the operational programmes submitted under the initiative. These targets will be used as the main benchmark against which to assess progress during, and at the end of, the planning period.

Finance

Employment stability and creation of new employment opportunities are now at the top of the agenda of the European Union. This initiative is a major part of the Community's initial response to the challenge for action set down in the White Paper. In line with the broad thrust of policy proposed in the White Paper, which was endorsed by the Heads of Government in Brussels during December 1993, it seeks to shift the focus in Community initiatives as a whole and to place more emphasis on investment in human resources. The Commission therefore proposes that, of the total resources available for Community initiatives, 1.4 billion ECU should be allocated to this initiative.

This initiative will draw mainly from the European Social Fund for resources. [It will also be funded in part from the European Regional Development Fund to support, where appropriate, complementary investment in infrastructure and business support services].

It will apply throughout the whole territory of the Union but, in accordance with the social and economic cohesion objective, it will place special emphasis on less-favoured regions.

Draft

Communication to the Member States laying down guidelines for operational programmes or global grants which Member States are invited to propose within the framework of the Community initiative, Adaptation of the Workforce to Industrial Change (ADAPT), aimed at promoting employment and the adaptation of the workforce to industrial change.

1. At the meeting of the Commission of the European Communities decided to introduce an initiative on and "Adaptation of the Workforce to Industrial Change (ADAPT)" in the context of Article 11 of the Council Regulation (EEC) n° 4253/88 as modified by the Council Regulation 2082/93.
2. Within the framework of this initiative the Community may grant subsidies for measures which satisfy the guidelines laid down in this communication and which are included in proposals for operational programmes or global grants submitted by the Member States and approved by the European Commission. In addition, other Community financial instruments may make an appropriate contribution to this initiative.

I. Objectives

3. This initiative aims to contribute to the adaptation of the workforce to industrial change, and to improve the workings of the labour market with a view to growth, employment and the competitiveness of companies in the European Union. As such, it is a direct follow-up to the Commission's White Paper on Growth, Competitiveness and Employment presented to the European Council in December 1993.
4. The initiative has four inter-related objectives :
 - a. to accelerate the adaptation of the workforce to industrial change;
 - b. to increase the competitiveness of industry, services and commerce;
 - c. to prevent unemployment by developing the workforce through improving qualifications and their internal and external flexibility and ensuring greater occupational mobility;
 - d. to anticipate and accelerate the development of new jobs and new activities, particularly labour intensive ones; this includes exploiting the potential of SMEs.

5. Positive benefits will accrue right across the initiative from the active cross-fertilisation of ideas and experiences. In submitting requests for support under this initiative. Member States should ensure that the overall package of proposals contains a well-balanced set of actions related to each of the main categories of eligible measures listed in paragraph 7 of this Communication.

The Commission, in partnership with Member States, will aim to ensure complementarity between measures assisted under this initiative and introduced under the Employment and Development of Human Resources initiative, as well as those supported under other Community programmes, in particular in the field of vocational training.

II. Priorities

6. Over and above the measures taken by Member States themselves and the other activities supported by the European Social Fund, this initiative is intended to serve as a catalyst for Community-wide innovation as well as for the organised transfer of expertise and the dissemination of good practice between Member States.

In order to achieve higher added value for the Community, Member States' proposals should aim, in particular :

- a) to facilitate the adaptation of the workforce at risk through vocational training and retraining, guidance and counselling actions, especially for workers confronted with evolving job requirements related especially to changes in particular:
 - new technological production systems;
 - new production procedures;
 - management and organisation of work (strategies of total quality);
 - use of modern communication and information systems;
 - increasing of environmental requirements;
 - rational use of energy;
 - design of products;
 - changing in marketing strategies.

- b) to promote partnership and cooperation between research centres, enterprises, training bodies and public authorities, in particular :
 - to stimulate enterprises to train their employees in order to allow for rapid application of research and development results which respond to the concrete needs of enterprises especially as regards the application of new technologies;

- to improve the capacity of training providers to deliver the necessary training in this regard.
- c) to develop networks and cooperation between producers, suppliers and customers; this will involve both large companies and suppliers as well as SMEs. In this context, the aim is in particular :
- to stimulate the transfer of relevant know-how and good practice in order to improve ability of firms to train their workforce;
 - to ensure the essential synergy of interrelated business and training plans.
 - to promote the development of competitive cluster activities and the participation of SMEs in enterprise networks;

This list of priorities is not exhaustive and may need to be adapted in the light of the changing industrial situation.

III. Eligible measures

7. The list of measures which follows presents all actions which may be financed under this initiative. When preparing their proposals for operational programmes or for global grants, Member States are invited to select, in cooperation with the Commission, a more limited list of measures on which to concentrate financial assistance.

The eligible measures should have some specific features :

- a. demonstrate an overall transnational dimension, giving priority to transnational exchange, cooperation and dissemination of information, involving partners in Objective 1 regions;
- b. be innovative;
- c. give priority to improving the efficiency of training and employment systems and services;
- d. actively encourage a more pro-active and co-ordinated approach at local level to obtain a greater employment impact, involving all relevant actors, including local and regional authorities, economic and social partners and training bodies;
- e. reinforce Community policies as well as Community programmes especially in the field of employment, human resources and labour market integration;

- f. provide for the necessary flexibility to accommodate needs which cannot be foreseen at the first planning stage, and which call for a special effort from the Community.

The following measures will be eligible :

(1) Supply of Training, Counselling and Guidance, including :

- support in the form of expertise for groups of firms designed to help them to identify the implications of changes to the industrial environment and to define and set up business plans and to implement the corresponding training plans and actions;
- support for the development and supply of training schemes related to new qualifications and skills of the workforce in firms concerned linked to change in production systems, by developing cooperation between training institutes, research centres, economic development agencies and firms;
- development and supply of guidance and counselling systems for workers affected by industrial change in different economic sectors, in particular those threatened by unemployment and those working within SMEs.
- assistance to SMEs for the setting-up and implementation of internal and external ongoing training programmes;
- training actions aimed at improving the capacity of entrepreneurs and managers to adapt to change and to design the relevant business plans; particular attention will need to be paid to improving management quality in SMEs;

(2) Anticipation, promotion of networking and new employment opportunities including:

- anticipation of labour market trends and skill/qualification needs relating to the changing environment of industry and services through the creation or development at European level, of sectoral and regional networks set up to analyse trends in : markets, production systems, enterprise organization, industrial relations, employment and related qualifications and the local development support structures and services offered to firms; these networks should work in close association with the economic and social partners, training providers and employment services;
- encouragement for cooperation and training in new fields of economic activities with a view to the creation of new employment opportunities;

- support for local employment development initiatives including public-private partnerships to combine economic development strategies with training activities for the affected workforce.

(3) Adaptation of support structures and systems including :

- promotion of cooperation and exchange between companies and research in the field of technology transfer to local labour markets and economic sectors most affected by change in employment and training to firms and vocational training bodies;
- support for the development of schemes for the training of trainers of adaptation of workers to industrial change and change in production systems outlined for this initiative;
- support to actions promoting regional, inter-regional and transnational cooperation between enterprises; in particular training for the setting up of shared service provision (eg research, design, marketing);

(4) Information, dissemination and awareness actions including :

- development of databases on employment and adaptation actions geared towards the adaptation of workers to change, and interlinkage with databases on continuous training;
- promotion of the diffusion of best practice and exchange of experience based on an inter-regional and transnational approach stimulating the application of adequate training schemes and to enhance the multiplier effect;
- studies related to industrial change with particular reference to management, organisation, technological innovation, new production systems and procedures, communication and information systems, environmental factors and their impact on occupation and skill/qualifications of the workforce interlinked with the methods and results of training, training of trainers and vocational guidance activities;
- actions to raise awareness of the different economic sectors, training and employment services, research institutes, chambers of commerce and industry, employers and workers organisations and the public authorities, amongst other relevant actors in particular through specific exchange seminars and publication of examples of good practice; support for information services and support structures such as networks for the dissemination of this information.

IV. Regional eligibility and concentration

8. This initiative is applicable to the whole of the territory of the Union. However, particular emphasis will be placed on the needs and of the less favoured regions.

V. Technical Assistance

9. Technical assistance will be available at the initiative of the Member States or of the Commission and will be supported during both the stage of preparation of proposals and the subsequent stage of implementation. Technical assistance may include:
 - dissemination of information and other awareness actions;
 - provision of consultancy and expert services;
 - organisation of bilateral or multilateral meetings between Member States and acting organisations to facilitate cooperation;
 - development and sharing of databases on labour market, employment training and employment services and other aspects of labour market organisation;
 - carrying out of studies regarding innovative methods and the results of training, training of trainers and vocational guidance activities;
 - assistance on evaluation procedures and practices;
 - creation or development of Community-wide networks to facilitate innovation and transnational cooperation.

VI. Community financing

10. The actions covered by this initiative shall be jointly financed by the Member States, the Community and by enterprises and other bodies where appropriate. Where employees of companies take part in the various operations, the enterprises concerned shall finance an appropriate part of their cost.

11. The total contribution from the Structural Funds for the period 1994-1999 is estimated at 1.4 billion ECU of which 0.4 billion ECU will be allocated to Objective 1 regions.
12. The distribution of resources between Member States under this initiative will be based on the relative severity of structural problems, including in particular relevant unemployment levels, as well as the quality of the proposals submitted for operational programmes and global grants.
13. Rates of assistance will respect the provisions of the Structural Funds regulations. Under the Technical Assistance provisions, a maximum rate of assistance may be accorded for the transnational actions.

VII. Implementation

14. Member States are invited to present proposals for support in the form of operational programmes or of global grants within four months of the date of publication of this communication. In the latter case, Community assistance may be granted directly to decentralised organisations responsible for implementation, including organisations responsible for managing transnational actions and designated by the Member State concerned.
15. During the preparation of proposals, Member States are invited to discuss with the Commission the main priorities and eligible measures and the mechanisms of implementation.
16. Use can be made of the provisions for transnational operational programmes whereby two or more Member States may, on their own initiative or at the invitation of the Commission, present a single application for assistance. In response to these applications the Commission may, in consultation with the Member States concerned, take a single decision granting financial support.
17. Within the context of operational programmes or global grants measures should be identified by the main Objectives of the Structural Funds. The proposals must include a general appreciation of the situation indicating the objectives to be attained and should include a timetable, criteria and procedures for implementation, monitoring and assessment.

18. A single Monitoring Committee in each Member State will be responsible for this initiative.
19. It is proposed to develop special support structures for the initiative. Cooperation with other Community initiatives in the context of human resources and of industrial change, in particular the regional reconversion initiatives and the SMEs initiative, and Community action programmes concerned, in particular the action programmes of vocational training, will also be reinforced in terms of guidelines, technical assistance, joint operations and networks, follow-up of projects, evaluation, research and dissemination of information. National representatives of related Community action programmes will be involved in the selection of projects at national level.
20. The Commission will require Member States to formulate and implement programmes so as to optimise the conditions for transnational cooperation.
21. The Commission will set up a high-level advisory committee made up of representatives of non-governmental organisations, economic and social partners and of experts nominated by Member States in agreement with the Commission. This committee will be asked to advise the Commission and the Member States on the overall implementation of the initiative and on the promotion of transnational actions.
22. Correspondence concerning this communication should be sent to:

Mr. H.C. Jones
Acting Director-General
Directorate-General for Employment, Industrial Relations and Social Affairs,
Commission of the European Communities
Rue de la Loi 200
B - 1049 Brussels

Explanatory memorandum

Rechar II initiative

1. The Rechar Community initiative was introduced by the Commission in December 1989 to help accelerate the process of economic conversion in the areas hardest hit by the rapid decline in the coal-mining industry and most exposed to the resulting difficulties.

The aim was to promote the creation of alternative commercial activities, in particular by supporting the development of small and medium-sized businesses, financing vocational training for miners made redundant or under threat of becoming unemployed, improving the environmental surroundings of areas affected by mining operations, contributing to the renewal of infrastructures and generally supporting all measures likely to assist in the economic conversion of the areas in question.

2. All of the 26 areas eligible under Rechar, covering a total population of around 14 million, have benefited from an operational programme. Most of these areas are also in areas eligible under Objective 1 or Objective 2. However, some were added to Objective 2 specifically for the purpose.

The total value of the Rechar programmes came to ECU 970 million at 1992 prices, of which ECU 313 million was provided by the ERDF and ECU 56 million by the ESF. The assistance from the Structural Funds was augmented by a contribution from the ECSC (redeployment aid under Article 56 ECSC, interest subsidies). The EIB also granted loans.

The allocation of the Rechar budget among the 26 areas was based on the number of coal-mining jobs lost, included losses announced and jobs at risk.

3. In terms of economic impact, most of the Rechar projects involved investment in infrastructure (56% of the total), the promotion of new activities (27%) and training and retraining (17%). The bulk of the investment in infrastructure related to the environment in areas which had become run-down as a result of the declining mining industry, which is essential if these areas are to become attractive again to live and work in.

Out of the ECU 369 million from the Structural Funds for Rechar, the main beneficiaries were the United Kingdom (ECU 175 million), Germany (ECU 87 million), France (ECU 52 million), Spain (ECU 26 million), and Belgium (ECU 25 million). The use made of these funds varied among the Member States: France, Belgium and the United Kingdom concentrated on infrastructures, while Germany and to a lesser extent Spain tended to stress the promotion of new activities and of training.

4. The impact of the decline in coal-mining on the regions concerned will continue over the longer term: rising unemployment, loss of earnings in the local economy, declining private and public services and loss of vitality in the areas affected. It is thought that the mining industry, while continuing to restructure itself, will see further large job losses between now and 1995 in the order of 90 000 jobs or 41.5% of 1992 employment levels.

Given the special powers of the Commission in this field under the ECSC Treaty, and taking into account the effect on the coal industry of the liberalization of energy markets which is going on at present, it is desirable to propose continuing the Rechar initiative for another four years (1994-97).

5. Areas previously eligible for Rechar may continue so provided they are still eligible under Objectives 1, 2 or 5(b) of the Structural Funds. Furthermore, the Member States may propose adding to the list of Rechar areas any other areas eligible for one of the Objectives and meeting the criterion of a minimum number of job losses in the activities concerned from the reference date of 1990.

It is also proposed that account be taken under Rechar of areas affected by the decline in lignite (brown coal) extraction, on the same criteria. These areas are mainly in eastern Germany, but there are some also in Greece, Spain and France.

6. It is further proposed that the types of scheme supported continue to be the same as during the previous period. None the less, in the forthcoming operational programmes it would be desirable to place more emphasis on supporting non-physical investment projects designed to improve the integration of small and medium-sized businesses into their local commercial environment, especially as regards innovation and technology transfer. Likewise, it would be desirable to reinforce technical assistance and exchanges of experience.

Draft

Notice to the Member States laying down guidelines for
operational programmes or global grants
which they are invited to establish in the framework
of a Community initiative concerning the economic conversion
of coal-mining areas

1. At its meeting on _____ 1994, the Commission of the European Communities decided to extend over the period 1994-97 the Community initiative concerning the economic conversion of coal-mining areas (hereinafter referred to as 'Rechar'), within the meaning of the Article 11 of Regulation (EEC) No 4253/88, as amended by Council Regulation (EEC) No 2082/93⁽¹⁾, and Article 3(2) of Regulation (EEC) No 4254/88, as amended by Council Regulation (EEC) No 2083/93⁽²⁾.
2. In the context of Rechar, Community assistance in the form of loans and grants is made available for measures and in areas which respect the guidelines laid down in this notice, and which are included in operational programmes or requests for global grants submitted by the Member States and approved by the Commission of the European Communities.

I. Development aims

3. The Commission has taken this decision because many coal-mining areas are amongst the areas of the Community which have been or are likely to be hardest hit by problems of industrial restructuring, and because they have special difficulties in adjusting rapidly to changing economic circumstances. Thus, the Community initiative is designed to help resolve problems common to certain categories of region (Article 3(2) of Regulation (EEC) No 4254/88).
4. The Community initiative is intended to accelerate economic conversion concentrating on the most seriously affected coal-mining areas, by means of an effort which is additional to that foreseen in Community support frameworks drawn up in accordance with Article 8 of Regulation (EEC) No 4253/88. Priority will be given to improving the environment, to promoting new economic activities and to the development of human resources. Regional and local authorities and the social partners should be involved in the preparation and implementation of operational programmes in the manner appropriate to each Member State.

(1) OJ No L 193, 31.7.1993, p.24.

(2) OJ No L 193, 31.7.1993, p.36.

II. Definition of eligible areas for the purpose of Rechar

5. Assistance from the European Regional Development Fund (ERDF), from the European Social Fund (ESF), from the European Coal and Steel Community (ECSC) and from the European Investment Bank (EIB) may be made available in areas which figure on the existing list of areas eligible under Rechar⁽³⁾, provided these areas are still eligible under Objectives 1, 2 or 5(b), as defined pursuant to Regulation (EEC) No 2052/88, as amended by Regulation (EEC) No 2081/93⁽⁴⁾.

Member States may propose to the Commission the addition of other areas to this list, provided these areas:

- (a) are eligible under Objective 1, 2 or 5(b), as defined pursuant to Regulation (EEC) No 2052/88, as amended by Regulation (EEC) No 2081/93⁽⁴⁾;
- (b) meet the following criteria set out in paragraph 6 below.

In accordance with paragraph 11 of this Notice, the Commission shall determine and publish the areas that it is intended to add to the existing list of eligible areas.

6. Eligible areas added to the list of areas already eligible for Rechar from 1994 onwards will be delineated in terms of small spatial units, below administrative level III of the Nomenclature of Territorial Statistical Units (NUTS), or geographically contiguous groups of such units, which:

- 1. contain coal-mining activities defined as the extraction from deep or open-cast mines of hard coal or black lignite (coal-mining activities as defined under the ECSC Treaty), as well as the extraction of brown lignite;
- 2. and satisfy one of the following conditions:
 - they have lost at least 1 000 coal-mining jobs (all workers employed by any undertaking engaged in coal-mining activities such as defined above, referred to hereafter as coal-mining jobs) since 1 January 1990,
 - the total number of coal-mining jobs lost since that date and future coal-mining job losses publicly announced equals or exceeds 1 000 jobs,
 - the total number of coal-mining jobs lost since 1 January 1990 and the number of such jobs at risk equals or exceeds 1 000. As regards the number of coal-mining jobs at risk, only those jobs will be taken into account which the Commission and the Member State jointly accept to be at risk, in particular because of the high cost of coal production relative to the Community average or the geological conditions which the coal-mining industry is facing in the area concerned. These conditions must be demonstrated by the Member State concerned with the necessary supporting information.

(3) OJ No C 177, 18.7.1990, p.2.

(4) OJ No L 193, 31.7.1993, p.7.

III. Eligible measures

7. Community assistance, in the form of loans or grants in aid as appropriate, may be made available within the framework of the Rechar programme, in favour of the following measures:
- (a) environmental improvement of areas seriously damaged by coal-mining activity, including coal-tip reclamation, the cleaning-up and conversion of disused coal-mining buildings and their surroundings, the modernization of such premises for small and medium-sized enterprises, landscaping, works to overcome the problem of subsidence, minor works for improving the appearance of buildings and their surroundings, and roads giving access to new activities;
 - (b) renovation and modernization of social and economic infrastructure (community facilities, roads, water and electricity supplies) in mining villages provided that such operations are demonstrated to be an integral and essential element of a strategy for the economic regeneration of the areas concerned;
 - (c) construction of new advance factory units and workshop premises;
 - (d) promotion of alternative economic activities, and in particular the creation or development of small and medium-sized enterprises, in particular by means of:
 - the provision of assistance for productive investment,
 - better access to venture capital,
 - the establishment or development of common services,
 - assisting the carrying-out of market research and studies, and the establishment and operation of business networks,
 - promotion of cooperation between companies and research centres, universities, centres of technology transfer and training centres,
 - assisting the promotion of innovation in industry and services, by means of the collection of information relating to product or process innovation and its dissemination and by means of aids to the commercial application of innovations in small and medium-sized enterprises;
 - (e) assisting the promotion of tourist activities, especially those based on industrial heritage;
 - (f) assisting the creation or increased activity of economic conversion bodies and regional development teams;

- (g) assisting vocational training and employment measures for any person, especially the unemployed, persons threatened with unemployment and persons employed in small and medium-sized enterprises, and especially those involved in an operation which is essential for the achievement of the development and conversion aims of the Rechar initiative; the construction of new facilities for vocational training of all kinds in coal-mining areas;
- (h) interest rebates on ECSC loans for investments in small and medium-sized enterprises (ECSC definition), and for the reclamation of sites for industrial use;
- (i) redeployment aids available under Article 56 of the ECSC Treaty, in particular assistance for the provision of vocational training designed to provide miners or unemployed ex-miners with skills relevant to market requirements and to assist their integration within a changing economy;
- (j) any other measure which contributes to the economic conversion of the area concerned and for which loans from the European Investment Bank (EIB) can be approved.

IV. The Community's contribution to the financing of Rechar

8. The Rechar programmes will be the subject of joint financing by the Member State and the Community. In coal-mining areas eligible for Rechar, the total contribution by the ERDF and ESF during the period 1994 to 1997 is estimated at ECU 400 million.

In addition to this, the ECSC could provide interest rebates on loans and supplementary redeployment aids under Article 56 of the ECSC Treaty, to be determined in the light of the availability of resources. Loans from EIB and ECSC resources may also be made available.

9. The Commission's decision on the amount of the Community's budget contribution to individual operational programmes will reflect the quality of the programme and the economic and social conditions and development needs of the area at the time of the decision as well as future job losses. The rates of assistance will be decided in conformity with the regulations governing the Structural Funds and take account of the financing capacity of the national and regional authorities concerned. In evaluating the quality of the programmes, the Commission will take into account, in particular, the following elements:
- the presence of a coherent regional strategy with a clear statement of the development and conversion aims into which the aims of the operational programmes for coal-mining areas have been properly integrated,
 - the likely development impact of the proposed measures and in particular their contribution to the achievement of the aims of the operational programme,

- a demonstration of the additional character of the resources requested from the Community as well as those made available by the national and regional authorities in support of the operational programme,
- the likely effectiveness of the mechanisms for implementation, monitoring and evaluation,
- the extent to which an optimal combination is made of loans and grants.

V. Implementation

10. Member States wishing to propose areas to benefit from Rechar not already included in the list published in OJ No C 177 of 18 July 1990 should submit to the Commission their proposals in conformity with the criteria and thresholds given in Section II of this Notice within one month of the date of publication of this Notice in the Official Journal of the European Communities. Proposals received after this date need not to be taken into consideration by the Commission.
11. The Commission will, after consulting the Member States concerned, determine and publish a revised list of eligible coal-mining areas for the purpose of Rechar in the Official Journal of the European Communities within two months of the latest date for the receipt of the above proposals from Member States. The Commission may extend this list subsequently.
12. Member States wishing to benefit from Rechar having eligible coal-mining areas in the revised list published by the Commission are invited to present detailed proposals for new operational programmes or global grants, or amendments to an existing operational programme specific to Rechar or to a decision in application of a Community support framework, within four months of the date of publication of this notice. Proposals for operational programmes and global grants received after this date need not to be taken into consideration by the Commission.
13. Cooperation between beneficiaries will be encouraged both within and between Member States, to foster the exchange of experience, the dissemination of best practice, joint operations and comparative evaluations. The Commission urges Member States to take account of this aim when preparing and subsequently when managing the programmes.
14. All correspondence related to this Notice should be addressed to:

Mr E. Landaburu,
Director-General,
Directorate-General for Regional Policy,
Commission of the European Communities,
200, rue de la Loi,
B-1049 Brussels

Explanatory memorandum

Resider II Initiative

1. The Resider Community programme decided on by the Council in February 1988 under the rules governing the ERDF before the reform of the Structural Funds had as its objective to contribute to the socio-economic conversion of the steel-producing areas of the Community.

The aim was to promote the creation of alternative economic activities, mainly by encouraging the development of small and medium-sized businesses, cleaning up run-down industrial areas and making them suitable for other purposes, contributing to the renovation of infrastructures and, in general, supporting any measure which was likely to contribute to the economic conversion of the areas in question.

2. The Commission classed 18 areas in eight Member States as eligible under Resider. Most of these were located wholly or in part in areas eligible under Objective 2. However, two were situated in Objective 1 regions, one in an area partially eligible under Objective 5(b) and two in areas not eligible under a geographical Objective.

The total value of the Resider programmes came to ECU 1 395 million, of which ECU 272 million (at current prices) was from the ERDF. ERDF assistance to the various Resider areas was based on the number of jobs lost or expected to be lost in the steel industry over the four-year period 1986-89.

Besides ERDF funding, assistance was also received from the ECSC (redeployment aids under Article 56 of the ECSC Treaty and interest subsidies) and the EIB.

3. In terms of economic impact, most of the operations financed by Resider concerned investment in infrastructure (54% of the ERDF contribution), the improvement of know-how in small businesses (24%) and aid for investment (22%). The bulk of the investment in infrastructure related to the environment and facilities in areas which had become run-down as a result of the declining steel industry, which is essential if these areas are to become attractive again to live and work in.

The ERDF contributed ECU 90 million to Germany, ECU 58 million to France, ECU 52 million to Spain, ECU 28 million to Belgium and ECU 24 million to Italy with the remaining ECU 19 million being shared by Luxembourg, Portugal and the United Kingdom.

The use made of these funds varied from one Member State to another. France, Spain, Belgium and, to a still greater extent, Luxembourg and Portugal, concentrated on infrastructure while Germany, Italy and the United Kingdom sought rather to encourage the development of productive activity through technical assistance to small and medium sized firms and aid to investment.

4. It must be acknowledged that, despite the considerable efforts to restructure the steel industry made over a period of more than a decade, problems of over-capacity are still far from being resolved. Estimates under the general objectives for steel for 1995 show that about 30 million tonnes more raw steel capacity has still to be lost in 1993-95. This will entail a direct loss of about 70 000 more jobs, a substantial figure. This is in addition to the 40 000 jobs already lost between 1990 and 1992, in the former GDR and elsewhere.

This trend will severely undermine the socio-economic position of regions heavily dependent on the steel industry, and particularly those areas whose economic weakness has already been acknowledged by their eligibility under Objectives 1, 2 or 5(b).

5. Given the special powers of the Commission in this field under the ECSC Treaty, it is desirable to propose continuing Resider in accordance with the legislation in force for a further four years (1994-97) in order to assist the work of regional conversion in the areas most affected by the restructuring of the steel industry.

In accordance with the principle of regional concentration, it is proposed to select only those steel areas eligible under one of Objectives 1, 2 or 5(b) and qualifying in terms of the number of jobs lost in this sector from the reference date of 1990.

6. The measures proposed for Resider II are along the lines of those for initiatives with similar aims, such as Rechar. In the future operational programmes, it would be desirable to place greater stress on support for intangible investment to improve the integration of small and medium-sized firms into their economic environment, principally through innovation and the transfer of technology. It would also be desirable to make greater provision for technical assistance and the exchange of experience. Measures to clean up polluted industrial sites should also be continued.

Draft

Notice to the Member States laying down guidelines
for operational programmes or global grants
which they are invited to establish
in the framework of a Community initiative
concerning the economic conversion of steel areas

1. At its meeting on 1994, the Commission of the European Communities decided to establish over the period 1994-97 a Community initiative concerning the economic conversion of steel areas (hereinafter referred to as 'Resider II'), within the meaning of Article 11 of Regulation (EEC) No 4253/88, as amended by Council Regulation (EEC) No 2082/93⁽¹⁾, and Article 3(2) of Regulation (EEC) No 4254/88, as amended by Council Regulation (EEC) No 2083/93⁽²⁾. This initiative will extend measures supported by the Community Resider programme adopted on 2 February 1988⁽³⁾.
2. In the context of Resider II, Community assistance in the form of loans and grants is made available for measures and in areas which respect the guidelines laid down in this notice, and which are included in operational programmes or requests for global grants submitted by the Member States and approved by the Commission of the European Communities.

I. Development aims

3. The Commission has taken this decision because many steel areas are amongst the areas of the Community which have been or are likely to be hardest hit by problems of industrial restructuring, and because they have special difficulties in adjusting rapidly to changing economic circumstances. Thus, the Community initiative is designed to help resolve problems common to certain categories of region (Article 3(2) of Regulation (EEC) No 4254/88).
4. The Community initiative is intended to accelerate economic conversion concentrating on the most seriously affected steel areas, by means of an effort which is additional to that foreseen in Community support frameworks drawn up in accordance with Article 8 of Regulation (EEC) No 4253/88. Priority will be given to improving the environment, to promoting new economic activities and to the development of human resources. Regional and local authorities and the social partners should be involved in the preparation and implementation of operational programmes in the manner appropriate to each Member State.

(1) OJ N° L 193, 31.7.1993, p.24.

(2) OJ N° L 193, 31.7.1993, p. 36.

(3) OJ N° L 33, 5.2.1988, pp. 1 to 5.

II. Definition of eligible areas for the purpose of Resider

5. Assistance from the European Regional Development Fund (ERDF), from the European Social Fund (ESF), from the European Coal and Steel Community (ECSC) and from the European Investment Bank (EIB) may be made available in steel areas eligible under Objectives 1, 2 or 5(b), as defined pursuant to Regulation (EEC) No 2052/88, as amended by Regulation (EEC) No 2081/93⁽⁴⁾, and which meet the criteria set out in paragraph 6 below.

In accordance with paragraph 11 of this notice, the Commission will determine and publish a list of qualifying areas.

6. Eligible areas for Resider will be delineated in terms of small spatial units, below administrative level III of the Nomenclature of Territorial Statistical Units (NUTS), or geographically contiguous groups of such units, which:

1. contain steel production activities as defined under the ECSC Treaty;

2. and satisfy one of the following conditions:

- they have lost at least 1 000 steel jobs (all workers employed by any undertaking engaged in steel production activities within the meaning of the ECSC Treaty, referred to hereinafter as steel jobs), since 1 January 1990,
- the total number of steel jobs lost since that date and future steel job losses publicly announced equals or exceeds 1 000 jobs,
- the total number of steel jobs lost since 1 January 1990 and the number of such jobs at risk equals or exceeds 1 000. As regards the number of steel jobs at risk, only those jobs will be taken into account which the Commission and the Member State jointly accept to be at risk. This must be demonstrated by the Member State concerned with the necessary supporting information.

III. Eligible measures

7. Community assistance, in the form of loans or grants in aid as appropriate, may be made available within the framework of the Resider programme, in favour of the following measures:

- (a) environmental improvement of areas seriously damaged by steel production, the cleaning-up and conversion of disused steel industrial buildings and their surroundings, the modernization of such premises for small and medium-sized enterprises, landscaping, minor works for improving the appearance of buildings and their surroundings, and roads giving access to new activities;

- (b) renovation and modernization of social and economic infrastructure (community facilities, roads, water and electricity supplies) in steel areas provided that such operations are demonstrated to be an integral and essential element of a strategy for the economic regeneration of the areas concerned;
- (c) construction of new advance factory units and workshop premises;
- (d) promotion of alternative economic activities, and especially the creation or development of small and medium-sized enterprises, in particular by means of:
 - the provision of assistance for productive investment,
 - better access to venture capital,
 - the establishment or development of common services,
 - assisting the carrying-out of market research and studies, and the establishment and operation of business networks,
 - promotion of cooperation between companies and research centres, universities, centers of technology transfers and training centers.
 - assisting the promotion of innovation in industry and services, by means of the collection of information relating to product or process innovation and its dissemination and by means of aids to the commercial application of innovations in small and medium-sized enterprises;
- (e) assisting the promotion of tourist activities, especially those based on industrial heritage;
- (f) assisting the creation or increased activity of economic conversion bodies and regional development teams;
- (g) assisting vocational training and employment measures for any person, especially the unemployed, persons threatened with unemployment and persons employed in small and medium-sized enterprises, and especially those involved in an operation which is essential for the achievement of the development and conversion aims of the Resider initiative; the construction of new facilities for vocational training of all kinds in steel areas;
- (h) interest rebates on ECSC loans for investments in small and medium-sized enterprises (ECSC definition), and for the reclamation of sites for industrial use;

- (i) redeployment aids available under Article 56 of the ECSC Treaty, in particular assistance for the provision of vocational training designed to provide steel workers or unemployed ex-steel workers with skills relevant to market requirements and to assist their integration within a changing economy;
- (j) any other measure which contributes to the economic conversion of the area concerned and for which loans from the European Investment Bank (EIB) can be approved.

IV. The Community's contribution to the financing of Resider

8. The Resider programmes will be jointly financed by the Member State and the Community. In steel areas eligible for Resider, the total contribution by the ERDF and ESF during the period 1994 to 1997 is estimated at ECU 500 million.

In addition to this, the ECSC could provide interest rebates on loans and supplementary redeployment aids under Article 56 of the ECSC Treaty, to be determined in the light of the availability of resources. Loans from ECSC and EIB resources may also be made available.

9. The Commission's decision on the amount of the Community's budget contribution to individual operational programmes will reflect the quality of the programme and the economic and social conditions and development needs of the area at the time of the decision as well as future job losses. The rates of assistance will be decided in conformity with the regulations governing the Structural Funds and take account of the financing capacity of the national and regional authorities concerned. In evaluating the quality of the programmes, the Commission will take into account, in particular, the following elements:
- the presence of a coherent regional strategy with a clear statement of the development and conversion aims into which the aims of the operational programmes for steel areas have been properly integrated,
 - the likely development impact of the proposed measures and in particular their contribution to the achievement of the aims of the operational programme,
 - a demonstration of the additional character of the resources requested from the Community as well as those made available by the national and regional authorities in support of the operational programme,
 - the likely effectiveness of the mechanisms for implementation, monitoring and evaluation,
 - the extent to which an optimal combination is made of loans and grants.

V. Implementation

10. Member States wishing to propose areas to benefit from Resider should submit to the Commission their proposals in conformity with the criteria and thresholds given in Section II of this notice within one month of the date of publication of this notice in the Official Journal of the European Communities. Proposals received after this date need not to be taken into consideration by the Commission.
11. The Commission will, after consulting the Member States concerned, determine and publish a list of eligible steel areas for the purpose of Resider in the Official Journal of the European Communities within two months of the latest date for the receipt of the above proposals from Member States.
12. Member States wishing to benefit from Resider having eligible steel areas in the list published by the Commission are invited to present detailed proposals for operational programmes or global grants, within four months of the date of publication of this notice. Proposals for operational programmes or global grants received after this date need not to be taken into consideration by the Commission.
13. Cooperation between beneficiaries will be encouraged both within and between Member States, to foster the exchange of experience, the dissemination of best practice, joint operations and comparative evaluations. The Commission urges Member States to take account of this aim when preparing and subsequently when managing the programmes.
14. All correspondence related to this notice should be addressed to:

Mr E. Landaburu,
Director-General,
Directorate-General for Regional Policy,
Commission of the European Communities,
200, rue de la Loi,
1049 Brussels
Belgium.

Explanatory Memorandum

KONVER Initiative

1. As a result of the new international situation created by the end of the Cold War and the ensuing significant reduction in the defence budgets of virtually all the Member States, the European Parliament took the initiative of adopting appropriations for the Perifra I and II special measures in 1991 and 1992. With a total funding of ECU 90 million, the measures allowed for some ECU 50 million of Community assistance for the part-financing of demonstration pilot projects in the field of defence conversion. The remaining ECU 40 million was allocated to other pilot projects in line with the budget remarks approved by the European Parliament.

The Konver programme, also on the initiative of Parliament, was created in 1993 with ECU 130 million of Community initiative funding. It, too, was intended to provide regional and social measures to support defence conversion. In order to dovetail it in with the new programming period for the Structural Funds (1994-99) it was decided to implement Konver in 1993 as an annual programme using simplified procedures.

The purpose of the initiative is to promote the diversification of economic activities in the regions most heavily dependent on the defence sector or military bases by creating complementary economic activities, including encouraging the development of small and medium-sized businesses, financing vocational training or retraining of those being made redundant from the defence sector, preserving the technological potential of the regions concerned, contributing to the environmental regeneration of military sites and bases and the reuse of infrastructure for civilian purposes, promoting the conversion of military activities to civilian purposes and, in general terms, supporting any measure likely to help economic conversion in the areas in question.

2. Since many industrial sites or military bases are located outside the areas eligible for Objective 1, 2 or 5(b) assistance, Member States were given a large amount of discretion in the use of 1993 Konver appropriations outside such areas by virtue of the geographical flexibility for Community initiatives introduced by the amended Structural Fund Regulations.

Of the total ECU 130 million available, almost ECU 100 million was provided by the ERDF and a little over ECU 30 million by the ESF. The appropriations were allocated among the Member States according to an existing key which took account of the total volume of this type of employment in each of them. The main beneficiaries were: Germany (ECU 38.2 million), France (ECU 32.63 million), the United Kingdom (ECU 23.15 million) and Italy (ECU 17.88 million).

In view of the differing ways in which the various Member States approached defence conversion, Konver appropriations were used mainly to convert military bases and installations (Germany) or mainly to convert regions dependent on the industrial sector (France, the United Kingdom and Italy), without, however, neglecting the other aspect entirely. Since not all the projects which will be part-financed by the Community have been completely identified, it is too early yet to indicate the precise allocation of appropriations by type of measure.

3. The number of jobs in the defence sector and military bases will without doubt continue to decline towards 2000, given the forecast reduction in defence budgets. As a 1992 Commission study demonstrated⁽¹⁾, the regional effects of this resealing will be significant, particularly on certain regions which had been selected as military sites for strategic reasons, because of their remote nature. This will also be the case for regions where dependence on defence activities is high and which possess limited opportunities for creating alternative employment.

Because of the extent of the current decline in military activities, which is sudden and quite rapid, and the need to preserve a technological and high-level R&D potential to ensure the future competitiveness of the regions concerned, the Konver measure established in 1993 as an annual programme should be developed as a multi-annual Community initiative lasting to the end of 1997.

Responses received by the Commission as part of the consultation process on the White Paper on the future of Community initiatives, and the Parliamentary Resolution on the subject, have clearly underlined the value of continuing Community action in the field targeted by Konver.

(1) The economic and social impact of reductions in defence spending and military forces on the regions of the Community. Regional Development studies No. 5. Commission of the European Communities.

4. The proposed measures are broadly similar to those proposed under other Community initiatives which are also aimed at helping the conversion process in regions economically dependent on industries in crisis. There is a further accent on technology transfer, on R&D cooperation networks and on exchanges of experience. Naturally, the regeneration of sites and the training and retraining of staff have not been neglected.
5. In order to avoid spreading appropriations too thinly over too many sites, as was the case in 1993 in some countries, the Commission proposes to ask Member States to submit a list of zones likely to be assisted under Konver as a function of the job loss criteria it has established.
6. For the above reasons, up to 50% of Konver appropriations will be available to areas which are not eligible for assistance under Objectives 1, 2 or 5(b). This ceiling will have to be respected by the Union as a whole. To arrive at it, the Commission will undertake the necessary adjustments in the Member States' proposals, taking account of the relative ability of the regions in question to absorb the job losses and its assessment of the relative quality of the proposed programmes.

Draft

Notice to the Member States laying down guidelines
for operational programmes or global grants
which Member States are invited to establish in the
framework of a Community initiative concerning defence
conversion (Konver).

1. At its meeting on _____, the Commission of the European Communities decided to establish a Community initiative for regions heavily dependent on defence activities (hereinafter referred to as Konver), within the meaning of Article 11 of Council Regulation (EEC) No 4253/88, as amended by Council Regulation (EEC) No 2082/93⁽¹⁾, and Article 3(2) of Regulation (EEC) No 4254/88, as amended by Council Regulation (EEC) No 2083/93⁽²⁾.
2. In the context of Konver, Community assistance in the form of loans and grants is made available for measures and in areas which respect the guidelines laid down in this notice, and which are included in operational programmes or requests for global grants submitted by the Member States and approved by the Commission of the European Communities.

I. Development aims

3. The purpose of the Community initiative is to accelerate the diversification of economic activities in regions heavily dependent on the defence sector, including by the conversion of economic activities linked to this sector, so as to render them less dependent on this sector and encourage the adjustment of commercially viable businesses in all sectors of industrial activity.

II. Eligible measures

4. Measures are intended to assist all sectors of industrial activity in regions eligible under Konver. In areas eligible for assistance under Objectives 1, 2 and 5(b), the qualifying measures will complement the schemes to assist industry, which include assistance for investment in production equipment, contained in the relevant Community Support Framework.

(1) OJ No L 193, 31.7.1993, p.24

(2) OJ No L 193, 31.7.1993, p.36.

Programmes submitted by Member States should consist of a balanced set of measures.

Assistance should not be given to activities which could have either a dual application, civilian and military, or a purely military application.

The measures may include:

- (a) improving know-how by providing businesses with aid to pay for advisory services and the equipment (excluding production machinery) to put the advice into practice, in the fields of design, quality control, computer-aided manufacturing and planning, marketing and internal business organization, and the health and safety of the workforce;
- (b) aid for the formation of local associations of businesses and other cooperation schemes for the purpose of:
 - improving know-how in the areas described under (a) above;
 - accelerating the spread of innovative production methods and new forms of business organization;
 - cooperation between companies and research centres, universities, technology transfer centres and training centres;
 - marketing and diversification of products;
 - strengthening links between firms and their suppliers and customers in order to meet new requirements for flexibility and quality;
 - improving information on market trends in association with schemes to support design, quality and marketing;
 - creating networks of contacts elsewhere in the same Member State and the rest of the Community in connection with the above measures;
- (c) the setting up of a team to provide ideas and advice coordinated with aid schemes (particularly those listed under (a) and (b) above) to sectors which comprise large numbers of small and medium-sized businesses in the form of internal audits of firms, awareness of their changing environment, and counselling when defining and implementing their modernization plans;
- (d) temporary contributions towards paying engineers, technical staff and managers who are recruited to help in implementing modernization plans drawn up with the assistance of outside experts, particularly the team referred to in (c);

- (e) vocational training schemes for staff of businesses, associations of businesses and providers of joint services based in the regions concerned, and for staff in firms or in military installations faced with redundancy or already unemployed;
- (f) environmental improvements and regeneration of military sites and areas seriously damaged by military activity, the cleaning-up and conversion of disused military buildings and their surroundings, the modernization of such premises for small and medium-sized enterprises, landscaping, minor works for improving the appearance of the built environment, and roads giving access to new activities;
- (g) improving access to venture capital and loans;
- (h) feasibility studies and conversion strategies;
- (i) renovation and modernization of social and economic infrastructures (community facilities, roads, water and electricity supplies) in defence areas provided that such operations are demonstrated to be an integral and essential element of a strategy for the economic regeneration of the areas concerned;
- (j) assisting the promotion of tourism.

III. Eligible areas

5. Eligible areas for Konver will be delineated in terms of small spatial units, at administrative level III of the Nomenclature of Territorial Statistical Units (NUTS), or below when relevant (travel-to-work areas level), or geographically contiguous groups of such units. To become eligible under Konver, the areas should meet one of the following criteria:
- they have lost at least 1 000 jobs in defence activities⁽³⁾ since 1 January 1990,
 - the total number of jobs lost in defence activities since that date and future job losses publicly announced in defence activities equals or exceeds 1 000 jobs,
 - the total number of jobs lost in defence activities since 1 January 1990 and the number of such jobs at risk equals or exceeds 1 000. In assessing the number of such jobs at risk, only those jobs which the Commission and the Member State jointly accept to be at risk will be taken into account. This condition must be demonstrated by the Member State concerned with the necessary supporting information.

(3) For the purpose of this initiative, defence employment is defined as:

- military personnel, including foreign forces;
- civilian personnel employed in military bases;
- employment in companies which are primarily involved in the production of defence equipment.

6. Member States wishing to propose areas to benefit from Konver should submit to the Commission a list of such areas and the employment statistics relating to them, in conformity with the above criteria and thresholds. In their proposals, they should clearly distinguish areas eligible under Objectives 1, 2 and 5(b) from the others. The submissions should be made within one month of the date of publication of this notice in the Official Journal of the European Communities. Proposals received after this date need not be taken into consideration by the Commission.
7. The Commission will, after consultations with the Member States concerned, determine and publish a list of eligible areas for the purpose of Konver in the Official Journal of the European Communities within two months of the latest date for the receipt of the above proposals from Member States. In determining the list of eligible areas for the purpose of Konver, the Commission will have regard to paragraph 8 below, and to the capacity of the economy of the regions in which eligible areas are proposed to absorb the impact of job losses.
8. Pursuant to Article 11(2) of Council Regulation (EEC) No 4253/88, referred to above, a maximum of 50% of the total Community contribution which is made available under Konver can be spent in areas which are not eligible for assistance under Objectives 1, 2 or 5(b) of the Structural Funds.

IV. The Community's contribution to financing the Konver initiative

9. Operational programmes under KONVER are jointly financed by the Member States and the Community. The financial requirement up to the end of 1997 for the Community contribution to Konver is estimated at ECU 500 million (1994 prices). Loans from EIB resources may also be made available.
10. The apportionment among Member States of the Community assistance made available under Konver will depend on the agreed estimate of job losses and jobs at risk in the same activities, in accordance with paragraph 5 above.
11. The Commission's decision on the amount of the Community's budget contribution to individual operational programmes will reflect the quality of the programme and the economic and social conditions and development needs of the area at the time of the decision, as well as job losses. The operational programme should be part of a coherent regional strategy with a clear statement of the overall development and conversion aims into which the aims of the programmes have been integrated.

V. IMPLEMENTATION

12. Member States wishing to benefit from Konver having eligible defence areas in the list published by the Commission are invited to present operational programmes or applications for global grants within four months of the date of publication of the list of eligible areas by the Commission.

The Commission will offer the necessary technical assistance during the preparation of proposals.

Regional and local authorities and the social partners should be involved in the preparation and implementation of operational programmes in the manner appropriate to each Member State.

13. Cooperation between beneficiaries will be encouraged both within and between Member States, to foster joint operation, comparative evaluations, the exchange of experience and the dissemination of best practice. The Commission urges Member States to take account of this aim when preparing and subsequently when managing the programmes.
14. All correspondence relating to this notice should be addressed to:

Mr E. Landaburu,
Director-General,
Directorate-General for Regional Policy,
Commission of the European Communities,
200, rue de la Loi,
1049 Brussels,
Belgium.

Explanatory Memorandum

Updating of the Retex initiative

The Commission's guidelines concerning the Retex initiative, decided on 13 May 1992 and published in Official Journal No C 142 of 4 June 1992, state:

"From 1 January 1994 onwards, zones heavily dependent on the textile and clothing sector becoming eligible under Objectives 1, 2 and 5(b), can become eligible to Retex. This possibility may also be extended to a limited extent to other areas heavily dependent on the textile and clothing sector if the flexibility for Community initiatives to include such areas is established in the amended legislation governing the Structural Funds."

The guidelines also state that: "To the extent that additional zones become eligible for Retex from 1 January 1994 onwards, the Commission reserves the right to review the amount of the Community contribution to Retex."

The draft notice attached confirms the eligibility, from 1 January 1994, of zones heavily dependent on the textile and clothing sector within the five Länder in eastern Germany and of the new Objective 1, 2 or 5(b) areas. The Commission takes the view, however, that, since the area eligible under Objectives 1, 2 and 5(b) has become considerably larger, there is no need for Retex to apply to zones not eligible under those Objectives, with the exception of those zones which were eligible under those Objectives prior to 1994 and which had benefited from Retex in 1993.

The financial resources required to pursue up to the end of 1997 the Retex initiative in the zones eligible in 1993 amount to ECU 430 million (1994 prices). The requirement for the new eligible areas, based on comparable treatment, is of the order of ECU 70 million.

Draft notice to the Member States
laying down guidelines for the
Retex initiative⁽¹⁾

1. At its meeting of ..., the Commission of the European Community clarified certain details for the continued application of the Retex initiative, the guidelines for which were published in the Official Journal of the European Communities on 4 June 1992.
2. The fifth subparagraph of paragraph 4 of the guidelines states that, from 1 January 1994 onwards, zones heavily dependent on the textile and clothing sector within the five East German Länder, and other zones heavily dependent on the textile and clothing sector which have become eligible under Objectives 1, 2 or 5(b), are eligible to Retex. However, with the exception of those selected as eligible under Retex in 1993, areas which are not eligible for Community assistance under Objectives 1, 2 and 5(b) are not eligible to Retex either.
3. The amount required for the implementation of Retex over the period 1994-97 is estimated at ECU 500 million.
4. Member States wishing to propose new areas qualifying under the criteria set out in paragraph 6 of the guidelines for Retex, and which, from the beginning of 1994, become eligible for Community assistance under Objectives 1, 2 or 5(b), should forward to the Commission a list of those areas and the statistics of employment relating thereto within one month of the date of publication of this notice in the Official Journal of the European Communities.
5. Member States wishing to benefit from Retex in this form are invited to present operational programmes within four months of the publication of this notice.

(1) OJ No L 142, 4.6.1992, p. 5.

Explanatory memorandum

SMEs initiative

1. This new Community initiative is intended to help small and medium-sized enterprises, particularly those in Objective 1 regions, benefit from the dynamic of the internal market. This involves strengthening their capacity to participate in the economy and promoting their involvement at international level. It targets both industrial SMEs and those involved in the provision of merchant services, with particular emphasis on small firms, which the development of production processes makes increasingly interdependent while the distinction between these two types of activity is becoming blurred. In accordance with the guidelines set out in the White Paper, in order to ensure the continued development of SMEs and, in particular, to guarantee their full adjustment to the internal market, the existing range of measures should be extended by others to stimulate them, to promote innovation and to strengthen their capacity for action.

The objective is to help SMEs face the challenge of "growth, competitiveness and employment", since full participation in the international economy is obviously more difficult and relatively more expensive for them than it is for large companies, whether because of administrative and legislative constraints or because of the problems involved in incorporating innovation, obtaining financing, mastering the complexities of business management or developing strategies. This challenge is of crucial importance for the whole Community and nowhere more so than in Objective 1 regions, where the overwhelming majority of businesses are SMEs. This challenge cannot be faced by individual firms alone. The current trend towards more scientifically based production systems requires a search for fresh balances between competition and cooperation between firms and between public aid and private initiatives.

There are seven priority areas for increasing the competitiveness of SMEs and increasing their international involvement:

- the improvement of the production systems and organization of SMEs (total quality, innovation, advanced telecommunications services);
- taking account of the environment and the rational use of energy;
- the strengthening of cooperation between SMEs and research centres;
- facilitating access to new markets, including public contracts and foreign markets;
- developing cooperation between SMEs and with suppliers, subcontractors and customers;
- making available to SMEs appropriate instruments to improve access to finance and credit;
- the improvement of vocational qualifications in these six areas.

2. In the period of the first Community initiatives, the Commission took steps in this direction through Stride, Prisma and Telematique. Stride, which aimed to strengthen the capacity of assisted regions for research, technological development and innovation, was adopted in July 1990 with a budget of ECU 460 million (at 1992 prices), including ECU 438 million from the ERDF. Prisma was intended to improve services to enterprises in preparation for the completion of the single market and was adopted in January 1991 with a budget of ECU 114 million (at 1992 prices) from the ERDF. Finally, Telematique, devoted to advanced telecommunications services (ATS), also adopted in January 1991, had a budget of ECU 233 million (1992 prices) from the ERDF.

Under Stride, 80% of aid was reserved for Objective 1 regions and 20% for Objective 2. The other two initiatives were both limited to the Objective 1 regions.

The Stride programme essentially aimed to develop links between firms and research centres (54% of the total) and to provide financing for actual research and development (43%) in Objective 1 regions. The principal beneficiaries of the Community contribution to the programme were Spain (34%), Italy (21%), Greece (13%) and Portugal (12%). The aim of Prisma was to develop quality policy (68% of the total) and facilitate access to public contracts (18%) and to services to SMEs (13%). The main beneficiaries of Community funding were Spain (28%), Italy (21%), Greece (20%), Portugal (15%) and Ireland (9%). Altogether, 47% of the funding for the Telematique programme was devoted to the development of and experimentation with ATS in SMEs, 41% to ATS applications in the public sector and 11% to the development of ATS networks. The principal beneficiaries of Community funding were Spain (32%), Italy (27%) and Greece and Portugal (15% each).

3. The overall results of these initial measures were satisfactory in that a number of high-quality projects were supported and developed. However, particularly in the Objective 1 regions, they revealed insufficient emphasis on cooperation, the weakness of the measures to promote the exchange of experiences between SMEs and the bodies responsible for helping them, excessive concentration on infrastructure, inadequate targeting and the lack of an overall strategy.

During consultation on the Green Paper on the future of Community initiatives, the Commission received only a limited number of views on these particular questions. Those that were received, however, agreed that the priorities adopted for Stride, Prisma and Telematique were relevant and the projects supported useful.

The advances made during this first period must therefore be consolidated, extended and generalized using a global, integrated and specific approach. Previous experience suggests that there would be an advantage in bringing these priorities together in a single initiative which would probably be more effective than widely dispersed measures addressing only particular aspects of the problems.

4. In numerous areas, for example, quality policy, the supply of services is still inadequate, both qualitatively and quantitatively. The Prisma initiative, in particular, enabled a start to be made on such a policy in certain countries. However, as the Commission indicated in its 1991 explanatory memorandum, establishing an effective organization is a long-term task. In order to consolidate the advances already made, help must be given to the Member States to continue their efforts to develop the supply of quality services to SMEs, placing the accent on:
 - promoting the use by SMEs of existing services as well as those under development whilst making access easier and less costly;
 - improving the supply of services in those areas where it has not yet reached a satisfactory level.

Strengthening both the supply of and demand for services requires the development of cooperation between providers of services in such a way as to ensure that the good practices which exist in certain regions can be adopted in those Objective 1 regions which have less experience of service structures.

5. In addition to pursuing some of the aims of previous Community initiatives, as stated above, a series of new measures is required. As shown in the White Paper, competitiveness is now no longer determined simply by the relative level of the direct cost of the various factors of production, but rather by intangible factors such as the quality of education and training, the efficiency of industrial organization, effective management of inter-company relations, the capacity to make constant improvements to production processes, the level of research and development and its industrial exploitation, the availability of competitive service infrastructures, product quality and the extent to which company strategy takes account of new developments in society such as the increased emphasis placed on improving the environment. Responding to these new developments, made more difficult by the completion of the internal market, poses special problems for SMEs.

6. It is therefore proposed to implement an initiative intended specifically for SMEs, principally those in Objective 1 regions, as an initial step towards the adjustments these firms must make, covering the seven priority areas referred to above. The initial budget for the period 1994-99 will be ECU 1 000 million. Priority should be given to intangible investments, rather than to infrastructure, and to developing cooperation. Adequate consideration should be given to achieving the correct balance between the different measures on the basis of the concrete situation existing on the ground. The choice of measures presented by each Member State should take account of the measures provided for under the CSFs and other Community initiatives, particularly in the area of human resources. However, this initiative should be seen as an opportunity to try out new methods, profiting from experiments carried out elsewhere, particularly in the most developed regions.

The initiative could be implemented through global grants paid directly to approved intermediaries on the basis of predetermined specifications. This type of assistance could be particularly suited to funding inter-regional and trans-national cooperation and where new modes of partnership between the public and private sectors are planned.

Furthermore, in coordination with the Member States, the Commission could contribute directly to the funding of networks to permit cooperation and the exchange of experience.

**Draft notice to Member States
laying down guidelines for operational programmes
or global grants which they are invited
to establish the framework of a Community initiative
concerning the adaptation of small and medium-sized enterprises
to the single market**

SMEs Initiative

1. At its meeting on, the Commission of the European Communities decided to establish a Community initiative concerning the adaptation of small and medium-sized enterprises (SMEs) within the meaning of Article 11 of Council Regulation (EEC) No 4253/88, as amended by Council Regulation (EEC) No 2082/93⁽¹⁾, and Article 3(2) of Council Regulation (EEC) No 4254/88, as amended by Council Regulation (EEC) No 2083/93⁽²⁾.

2. Under this initiative, Community assistance in the form of loans and grants is made available for measures and in areas which respect the guidelines laid down in this notice, and which are included in operational programmes or requests for global grants submitted by the Member States and approved by the Commission of the European Communities.

I Development aims

3. This initiative aims to assist small and medium-sized enterprises (SMEs), particularly in the less developed regions, to adapt to the single market, and to ensure that they become internationally competitive. The role of small firms will be taken into account.

(1) OJ No L 193, 31.7.1993, p.24.

(2) OJ No L 193, 31.7.1993, p.36.

II Priorities

4. The seven priorities

Effectiveness requires a concentration of financial resources on the following limited number of priorities:

- a) Improving the production systems and the organization of SMEs primarily by intangible investments concerning:
 - adoption of a strategy of total quality;
 - promotion of technological innovations;
 - management and organization;
 - use of modern communications and information systems.
- b) Taking into account the environment and the rational use of energy.
- c) Encouraging cooperation between research centres and SMEs, so that research carried out in the regions becomes more responsive to local needs, so that SMEs can meet a greater part of their requirements for assistance relating to the transfer and application of technology from local facilities and so that SMEs are encouraged to innovate and to employ highly qualified personnel;
- d) Facilitating access to new markets, including public markets within the single market and markets in non-member countries.
- e) Developing cooperation and networks between suppliers of services to the SMEs, between lead firms and SME subcontractors, between the SMEs themselves, and between producers, suppliers and customers.
- f) Strengthening vocational qualifications within SMEs related to the other priority topics.
- g) Improving access by SMEs to finance and credit.

III Eligible Measures

5. The list which follows presents all the measures which can be financed under this initiative. When preparing their operational programmes, Member States should select a more limited and balanced list of measures on which to concentrate assistance. This choice should be determined with regard to the priorities referred to in paragraph 4 above, and be coherent with the measures included in the Community Support Frameworks in relation to which this initiative is intended to be complementary.

6. Measures to improve the business know-how of SMEs
- 6.1 Grants to SMEs for external expertise intended to help them identify the implications of changes in their industrial environment and to define and implement business strategy plans covering some or all of the priorities listed in paragraph 4. These plans may, where appropriate, be established through cooperation between a large firm and their SME partners and subcontractors.
- 6.2 Grants to SMEs for preparation of their business strategy plan, including start-ups and the launching of new products, limited to the financing of intangible investments (e.g. patents, certification of quality, research, development, software) and temporary hiring of experts.
- 6.3 Demonstration measures related to the adoption of total quality systems, the development of clean technologies and clean production, the use of services linked to advanced telecommunications systems and the use in companies of data processing in production processes, for example the introduction of robots and CAD-CAM systems.
- 6.4 Grants for the promotion of regional, inter-regional and trans-national cooperation between SMEs including the establishment of common services (e.g. research, design, marketing and data telecommunication networks) where appropriate with a view to establishing or reinforcing clusters of inter-related activities. These measures include support for contractual relations in the framework of cooperation agreements.
- 6.5 Promotion of cooperation in RTD between SMEs and between SMEs and research centres, technology transfer centres, universities and training centres through:
- (a) the setting up and operation of consortia and other bodies which foster cooperative links among education and research bodies and between them and SMEs;
 - (b) establishing or supporting aid schemes for SMEs in the following fields where expenditure results from a joint research project carried out by more than one SME or by a SME and a research centre, university or other appropriate body:
 - assistance for the purchase of equipment and know-how for applied research, experimental development, pilot projects and the introduction of innovation into products and processes, and research related to quality control,
 - approved research projects undertaken by SMEs,

- expert studies for the technical and financial evaluation of research or innovation plans.

- 6.6 Grants to improve the use by SMEs of advanced telecommunication service networks, in particular for communications between suppliers, producers and customers.
- 6.7 Grants for the costs incurred by SMEs in the field of public procurement and relating to advice, technical assistance, training and specifications.
- 6.8 Grants to SMEs for the adoption of continuing training programmes within SMEs, carried out with the aid of other companies or of external agencies and for training activities aiming to improve the skills of entrepreneurs, managers and supervisory staff. This may include the short-term secondment of such staff from SMEs located in eligible regions to research centres, firms or agencies providing services related to the seven priorities in other regions of the Community. These measures are carried out in the context of a business strategy plan established by the company and will be conducted in synergy with those under Objective 4.
- 6.9 Interest subsidies linked to EIB loans including EIF facilities; grants to SMEs for implementing their business strategy plan and for improving their access to venture capital, in particular by the development of equity participation funds and other innovative financial engineering instruments such as loan guarantee funds.
7. Measures to improve the business environment for SMEs
 - 7.1 Promotion of cooperation between SMEs, the research community and public administrations to assess technology requirements and to audit local capabilities and potential, by including the creation and operation of regional networks for the exchange of experiences and best practice and the dissemination of R&D results.
 - 7.2 Development and networking of local teams designed for example to make the SMEs more aware of changes in their industrial environment, to carry out audits intended to identify their problems, and to direct them towards specialized service suppliers, or to cooperation adapted to their needs.
 - 7.3 Development of service suppliers for SMEs, specialized in the priorities under paragraph 4 above (e.g. metrology and calibration laboratories, testing laboratories, research centres and centres for technology diffusion; agencies specialising in audits and advice as regards product quality and certification, design, organization and marketing, the environment and efficient energy use) and of the quality of services offered by these organisations, by cooperation

with organizations in other regions of the Community (e.g. personnel exchanges, secondment for training, cooperation on expert appraisals, identification of partners).

This may include measures to help qualifying areas make better use of data communications services offered elsewhere in the Union.

7.4 Development and networking of service suppliers in the field of public procurement which make available specialized information adapted to the needs and capacities of the regional SMEs in order to facilitate their entry to public sector markets in the region, the Member State or in other countries. These services should, in particular

- promote the association of SMEs from different regions or Member States in order to facilitate their participation in public contracts on a basis of reciprocity as between countries and regions,
- set up systems for assessing the capacity of SMEs to compete in specific public sector markets,
- improve the information available,
- provide technical, legal and linguistic assistance to SMEs for the preparation and follow-up of tenders and admission to the pre-qualification lists of awarding authorities,
- provide specialized training in the field of public procurement.

IV Community contribution to the financing of this initiative

8. The operational programmes are to be jointly financed by the Member State and the Community. The total contribution of the Structural Funds for the period 1994-99 is estimated at ECU 1 000 million, of which ECU 800 million will be allocated to Objective 1 regions. EIB loans may also be made available.
9. The amount of the Community's budget contribution to individual operational programmes or for global grants will take account of the relative economic importance of SMEs in the regions concerned and the quality of the proposal. In evaluating the quality of the proposal, the Commission will take into account the following elements in particular:
 - a) the business strategy plans which condition the granting of a part of the aid for SMEs;
 - b) the analysis of business services available in relation to present and possible future requirements, and proposals for the development of networking with services available elsewhere in the Community;

- c) the setting up of structures suitable for encouraging dialogue between social partners, for sharing experience, for the transfer of know-how, as well as for local, interregional and transnational cooperation.

V Implementation

- 10. The Member States wishing to benefit from this initiative are invited to submit requests for support in the form of operational programmes or of global grants within four months of the date of publication of this communication.
- 11. In the preparation stage, the Commission will offer the necessary technical assistance to assist in the identification of measures in relation to the priority topics, and in relation to the definition of the mechanisms of implementation.
- 12. Cooperation between beneficiaries will be encouraged both within and between Member States, to foster the exchange of experience, the dissemination of best practice, joint operations and comparative evaluations. The Commission urges Member States to take account of this aim when preparing and subsequently when managing the programmes.
- 13. Community assistance may be granted either to a central government administration, or in the form of global grants directly to decentralized organisations responsible for implementation, and designated by the Member State concerned, including organizations responsible for managing transnational actions which involve expenditure in several Member States.
- 14. All correspondence relating to this notice should be addressed to:

Mr E. Landaburu
Director-General
Directorate-General for Regional Policies
Commission of the European Communities
Rue de la Loi 200
1049 Brussels
Belgium

COMMUNITY INITIATIVE (CI)

" PESCA "

(explanatory memorandum)

1. The fishing industry has been explicitly mentioned in the "green paper" on CI [COM(92)282, chapter V, "management of industrial changes, para 61] as a "troubled ... sector [which] could ... give rise to problems which might merit targeted regional conversion measures in addition to the assistance which will already be available through the CSFs".

This short reference to the fishing industry in the "green paper" resulted in a specific response from the EP as well as some 20 supportive letters from various socio-economic partners (this figure is a very significant proportion of the 500 responses resulting from the "green paper").

2. The fishing industry is presently facing a very severe structural crisis :
 - . the continuous and widespread overcapacity of the fishing fleets makes it necessary to decommission a significant number of fishing vessels (e.g. according to a Council decision 20% of demersal trawlers should be scrapped by 1996).
 - . enterprises generally suffer from excessive capitalisation and very high levels of debt -which jeopardize their ability to resist the present market crisis. It should be noted that this market crisis has strong structural contents.
 - . severe limitations to some fishing techniques have tremendous consequences for a number of specialized fleets, which are in need of compensation.
 - . the implementation of the EEA and the possible enlargement of the Union will create additional problems to a number of segments of the industry.
3. Moreover many coastal communities suffer from a very fragile socio-economic fabric, particularly those which are highly fishing-dependant. In such areas any reduction of activity in the fishing industry may actually jeopardize the survival of the area itself.

4. The FIG (IFOP) alone cannot solve the problem of fishing-dependent zones and the assistance of the ERDF & ESF is therefore needed.

The fishing industry and the fishermen are usually forgotten in any development action -unless it is a specific, targeted action specially designed for them :

- objective 5a (fisheries) is only able to intervene in the area of major structural issues within the industry, but can provide no socio-economic assistance;
- many fishing dependent coastal communities are now located in assisted areas (areas covered by objectives 1, 2 or 5b); however,
 - . under the previous list of assisted areas 1/4 of fishermen were located out of such zones. The new list has reduced this ratio down to 1/8 -a significant improvement but some 74,000 fishermen are still located out of assisted areas; and
 - . apart from a few very specific situations, it is the zone as a whole which will benefit from the Structural Funds. The fishing industry and the fishermen themselves will not generally be in a position to take advantage of most of the facilities.

5. "PESCA" would have the following aims :

- . to help the fishing industry bear the social and economic consequences of the very serious structural crisis that it now encounters. To enable it to overcome this crisis,
- . to contribute to the diversification of regions concerned through the development of activities creating jobs.

6. "PESCA" should be restricted to a number of specific areas, i.e. it should primarily be implemented in fishing-dependent areas assisted under objectives 1, 2 or 5b. However a very limited part of PESCA would be available outside of these areas.

draft

COMMUNICATION TO THE MEMBER STATES

fixing the guidelines for global grants or
integrated operational programmes for which
Member States are invited to submit aid requests
within the framework of a Community initiative concerning
the restructuring of the fisheries sector

"PESCA"

* * * * *

1. On 1994, the Commission decided to create a Community initiative concerning the restructuring of the fisheries sector, hereafter named "PESCA", within the meaning of Article 11 of Regulation (EEC) N° 4253/88 of the Council, last modified by Council Regulation (EEC) N° 2082/93(1).
2. Under PESCA, Community aid in the form of global grants or of integrated operational programmes can be granted in order to allow the relevant parties of the fisheries sector to implement measures which respect the guidelines fixed in this communication.

I. OBJECTIVES

3. The fishing world⁽²⁾ is engaged in an important change which compels it to seek new directions, new forms of development and new actions between the various partners concerned.
4. The changes in the sector are made necessary by a structural crisis without precedent:
 - the widespread chronic overcapacity of the fleets necessitates the removal of a significant number of fishing vessels (in certain segments of the fleet, a recent Council Decision imposes the permanent withdrawal of 20 % of capacity before the end of 1996);

(1) OJ N° L 192 of 31.7.1993, p.20

(2) the "fishing world" comprises the economic and social actors of the "sector", within the meaning of Council Regulation (EC) N° 3699/93 of 31 December 1993 (OJ N° L 346 of 31.12.1993, p.1

- the over-capitalization and high debt levels of the companies make the market crisis even less bearable;
 - the restrictions brought to certain fishing techniques have serious effects on certain specialized fleets, and require compensations;
 - the implementation of the European economic area and the possible expansion of the union will involve difficulties for certain parts of the sector;
 - the setting of Community standards with regard to hygiene, health, product quality as well as safety on board will involve the disappearance of numerous small companies (offshore fishing, aquaculture companies, transformation workshops), as well as the closure of auctions.
5. Moreover, many coastal regions suffer from a fragile socio-economic fabric, in particular the areas dependent on fishing; in these (if one takes account of the induced activities), fishing is often the principal economic activity, or even the only activity, and any reduction of the activity in the sector may even threaten the survival of the area.
6. Owing to its extreme localised nature, and with the exception of Objective 5a "fisheries", the fisheries sector and the areas dependent on fishing often experience difficulties in benefiting from Community structural interventions. Only a specific targeted action, implemented at the level of the economic actors themselves, can effectively respond to its needs.

The aim of PESCA is to put the fisheries sector in a position to adapt to change and to help it to bear the social and economic consequences of it, as well as to contribute to the diversification of the regions concerned, by the development of creative employment activities.

PESCA is complementary to the structural aid which will be available in the CSF:

- traditional aid for restructuring and for the modernization of the companies of the sector (Objective 5a "Fisheries");
- aid for the socio-economic reconversion of coastal regions (Objectives 1, 2 and 5b);
- aid for the adaptation of industrial changes (Objective 4).

II. MECHANISMS

7. The various forms of intervention envisaged by the Structural Fund regulations can be implemented in the PESCA context.

As an indication, the measures can have one or more of the following characteristics:

- global grants for established organisations in the area;
- direct intervention of the economic and social partners;
- networking of organisations in order to exchange information and experience;
- financing of concrete projects.

III. BENEFICIARIES

8. PESCA applies primarily to areas dependent on fishing located in the regions eligible for Objectives 1, 2 and 5b. However, a maximum of 10 % of the allocated appropriations under PESCA in Objectives 2 and 5b regions could be used outside these and Objective 1 regions.

"Areas dependent on fishing" are understood to refer to an employment area (or a group of communes) where the contribution of the fisheries sector to the activity of the aforementioned area (contribution measured in terms of jobs or in terms of value added) is such that the difficulties of the fisheries sector have involved, or will involve, activity reductions and job losses which seriously affect the socio-economic fabric.

9. Within these geographical limits, PESCA can grant aid to several categories of final recipients:
- collective, public or private actors (for example, communes or groupings of communes, the Chamber of Commerce);
 - individual economic actors able to contribute directly to activity diversification (craft enterprises, SMEs);
 - other collective, public or private actors, directly concerned with changes in the sector (for example, fishing cooperatives, groups of fishing companies or fishermen, non-profit-making associations);
 - fishermen and other workers in the fisheries sector.

IV. ELIGIBLE MEASURES

10. The eligible measures will belong to one or other of the following categories:
- diversification of activities in the eligible areas:
 - . study of the local potential of economic development;
 - . development of fishing ports with a view to attracting new activities, including tourist activities;
 - . development of new cottage industries and SMEs.
 - services to companies:
 - . creation or development of companies or organisations involved in management advice; aid for the management of the restructuring of companies in the sector; aid to bring companies together (including at transnational level);
 - . aid for technology transfer (including at transnational level);
 - . training in marketing, in management and in new technologies.
 - maintenance or job creation:
 - . retraining and vocational training of fishermen;
 - . teachers' training;
 - . improvement of employment services;
 - . aid for geographical mobility;
 - . aid for entry to the labour market (aid at the time of recruitment in newly created jobs of a stable nature);
 - financial engineering:
 - . facilitation of access by SMES and craft enterprises to the capital market, in particular by the granting of guarantees and acquisition of equity holding;
 - . financing of interest rebate regimes.
 - concrete projects of a general and/or transnational nature in the fisheries sector:
 - . common management of shared fisheries;
 - . map-making of obstacles to fishing on sea-beds (unclaimed objects, drill heads, etc);
 - . rationalization of distribution chains of fishery products;
 - . promotion of the fishery products, quality certification ;
 - . studies and research into new markets and new outlets, and facilitation of access to external markets for fishery products.
 - productive investment in the sector:
 - . aid for the improvement of productivity and employment rationalization;
 - . diversification and reconversion of companies in the sector, in particular towards maritime tourism;
 - . adaptation of productive infrastructure to market opportunities.

V. MONITORING - CONTROL - EVALUATION

11. As regards monitoring, each integrated operational programme or global grant will fall within the competence of the Monitoring Committee of the corresponding regional objective (Objectives 1, 2 or 5b).
12. As regards control, the provisions of Article 23 of Regulation (EEC) N° 4253/88 are applicable, the Member State being responsible for all the operations. In view of the decentralization of the management of PESCA, the description of the systems of management and control by the Member State will have to be clarified in the proposals.
13. Each local programme must arrange an ongoing evaluation mechanism for the different projects. The method of operation of this mechanism must be stated in the proposals.

VI. CONTRIBUTION OF THE COMMUNITY TO THE FINANCING OF PESCA

14. PESCA is the subject of joint financing by the Member State, by the Community and by the recipients referred to in item III above.

The total contribution of the Structural Funds to PESCA is 250 millions ecus at 1994 prices for the period 1994-1999.

15. The contribution rates defined by the regulation of the Structural Funds are valid for PESCA.

VII. AID REQUESTS FROM MEMBER STATES

16. Member States should submit aid requests concerning integrated operational programmes or global grants within six months following the publication of this communication. The requests received after this date will be taken into account only in duly justified exceptional cases.

When a request covers areas involving several objectives (1, 2, 5b), expenditure has to be broken down according to each objective.

17. When evaluating the quality of the proposals, the Commission will take particular account of the following elements:

- specific development objectives, on economically viable bases;
- expected impact;
- implementation mechanisms;

- follow-up, control and evaluation methods;
- realization schedule comprising the evaluation deadlines of the impact;
- additionality of the aid requested;
- participation of the economic and social actors in the sector;
- participation of the regional and national authorities;
- appropriate use of the loans and subsidies.

18. Any correspondence pertaining to this communication should be addressed to

Mr J. Almeida Serra, Director-General
Directorate-General for Fisheries
The Commission
Rue de la Loi, 200
B - 1049 Brussels