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**Conclusions of the report pursuant to Article 25
of Regulation (EEC) No 4253/88
on ESF assistance in 1991**

(presented by the Commission)

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1991 was the third year since the reform of the structural Funds. In 1989 most of the Community Support Frameworks were established for Objectives 1 and 2, and also for Objectives 3 and 4. ESF activities in 1990 were marked by three main aspects: adoption of the CSFs for the rural areas covered by Objective 5b, approval of most applications under the CSFs for Objective 1 (promotion of development and restructuring of the regions whose development was lagging behind), Objective 2 (conversion of regions seriously affected by industrial decline, and Objectives 3 (measures to combat long-term unemployment) and 4 (facilitating the occupational integration of young people). In 1990 the Commission also decided to launch three Community initiatives promoting a transnational approach to human resources in the Community (Now, Horizon and Euroform).

As far as the ESF is concerned, 1991 saw the following activities:

- adoption of the Community Support Framework and processing of applications for assistance for the five new German Länder and Eastern Berlin;
- preparation of new Community Support Frameworks for regions seriously affected by industrial decline (i.e. Objective 2 regions) for 1992 and 1993;
- implementation of the Community initiatives Now, Horizon and Euroform;
- approval of a number of measures which had not been approved by the end of 1990, particularly those for Objective 5b (encouragement of development in rural regions), implementation of which had fallen behind schedule owing to the delay in adopting the corresponding CSFs;
- implementation of a budget of ECU 4 516.6 million in commitments and ECU 4 030 million in payments, not including the appropriations committed and paid in favour of the new German Länder and eastern Berlin (ECU 270 million in commitments and ECU 156 million in payments);
- more detailed evaluation, checks and monitoring in respect of ESF assistance.

Preparation of Community Support Frameworks

Preparation of the CSF for the new German Länder and Eastern Berlin

Following unification of Germany, the Community decided in December 1990 to extend the arrangements governing the structural Funds to the new Länder and Eastern Berlin.

The measures planned by the three structural Funds in favour of these territories were the subject of a CSF (adopted on 13 March 1991) and operational programmes (approved on 17 May 1991), which make provision for a high level of financial investment (ECU 3 000 million, including ECU 900 million from the ESF, for the period 1991-93).

ESF activities in the new Länder were concentrated on the most urgent matters in the field of vocational training and employment (qualifications for the unemployed, persons threatened with unemployment, persons employed in SMEs, help for groups at a disadvantage on the job market, training of instructors, etc.). Community technical assistance helped to counterbalance the lack of experience in the new Länder of the workings of the structural Funds in general and the ESF in particular. Both commitment and payment appropriations for these regions were fully utilised (100%).

Renegotiation of CSFs for Objective 2 for the period 1992-1993

The CSFs for the Objective 2 regions, involving ESF assistance to the amount of ECU 983 million, were negotiated in 1989 for an initial period up to 1991.

54 new draft CSFs were prepared in 1991 for the two years 1992 and 1993. They were adopted at the end of the year, following favourable opinions from the Advisory Committee on the Development and Conversion of Regions and the Article 124 Committee (ESF Committee).

These CSFs provide for Community assistance to the amount of ECU 3 296 million to be distributed among the Objective 2 regions during 1992 and 1993.

23% of the total budget (i.e. ECU 775 million) will come from the ESF. The measures in the field of human resources are mainly designed to support the development of new economic activities based on the endogenous potential of the regions concerned, promotion of tourism, improvement of the environment, support for small and medium-sized businesses, improvement of infrastructure, and cross-border cooperation.

II Approval of applications

Most of the operational programmes and global grants for Objectives 1, 2, 3 and 4 involving the ESF were approved in 1990. Another 217 applications involving the ESF were approved in 1991, for a total amount of ECU 1.9 billion. These relate mainly to the following regions or areas:

- the new German Länder and Eastern Berlin, for which seven operational programmes were approved;
- Objective 5b, for which 56 applications were approved;
- the Community initiatives, for which 109 applications (operational programmes and global grants) were approved;
- technical assistance, the subject of a number of Commission decisions in 1991;
- a number of other operational programmes and global grants for the Objective 1 regions, which had not been approved by the end of 1990, were approved in 1991.

III Implementation of the budget in 1991

The figures reflecting implementation of the ESF budget in 1991 are very good, in terms of both commitment appropriations and payment appropriations, and represent a marked improvement over previous years. This improvement is a result of the efforts of the various partners to make full use of the budget available, and also of the programming potential.

The resources available for commitments in 1991 amounted to ECU 4 529.8 million (against ECU 4 100 million in 1989), and commitments entered into amounted to ECU 4 516.6 million, a sharp increase over the figure for 1990 (ECU 3 504.9 million).

The percentage of commitment appropriations utilised went up from 85% in 1990 to 99.7% in 1991. This is explained by the rapid implementation of certain CSFs, allowing some of the 1992 tranches of certain operational programmes to be committed earlier.

Payment appropriations available for 1991 amounted to ECU 4 059 million (compared with ECU 3 233.9 million in 1990, giving an increase of 25.5%). The level of utilisation of appropriations was very satisfactory (ECU 4 030 million, or 99.3%).

Commitments and payments for the five new German Länder and Eastern Berlin in 1991, though supported by the three structural Funds, are shown separately from the budgets for the Funds. ESF commitments and payments in 1991 amounted to ECU 270 million and ECU 156 million respectively.

Since the financial systems affect the implementation of the budget, the reduction of payment times is one of the priorities of the Commission's current efforts directed at improving the procedures for implementing the reform of the structural Funds.

IV Implementation of CSFs since 1989

The volume of commitment appropriations utilised for ESF assistance in the Community as a whole and for all Objectives over the three financial years 1989, 1990 and 1991 corresponds to the total amount of commitments according to the CSFs for those three years (at 1989 prices).

Financial implementation in respect of Objective 5b was less satisfactory, owing to the delay affecting this Objective.

The high level of resource utilisation reflects the efforts of the partners to implement the CSFs and make full use of the available budgets, and is also a result of the financial and programming mechanisms, which made it possible to bring forward to 1991 financing of the 1992 CSF tranches, which were thus implemented earlier than planned.

Cumulative budget utilisation as of the end of 1992 (for the years 1989-1992) should constitute a more faithful reflection of the practical implementation of the measures financed, as commitments for 1992, given the rules currently applicable to the ESF, will be effected on the basis of final claim reports for 1990 (and certificates of implementation for 1991).

V Implementation of the Community initiatives Now, Horizon and Euroform

Following the Commission's decision on these three initiatives in December 1990, 1991 was a year of implementation and learning. The support structures essential to the preparation and implementation of measures were introduced, aid applications were submitted by the Member States and approved by the Commission, and the first financial tranches were committed at the end of 1991 and beginning of 1992.

These initiatives brought with them a large volume of administrative work, but they also seek to add value to the measures contained in the CSFs.

This added value is first of all quantitative, the three initiatives adding a total of ECU 545 million to the financial aid available to the Member States. The initiatives should also generate qualitative benefits resulting from the transnational dimension of the projects financed, with each one involving a transfer of experience to an Objective 1 region.

VI More detailed evaluation

Monitoring and evaluation activities, a priority as far as the ESF is concerned, were extended in 1991.

Apart from analyses of Community assistance in the field of training and employment for certain categories of persons (e.g. women, the disabled and long-term unemployed) and assistance for certain types of measures (e.g. recruitment subsidies), evaluation exercises included the preparation of methods to be used for "ex-post" assessment of Community assistance.

This type of assessment should provide a better picture of the impact and effectiveness of part-financed measures (in respect of CSFs and forms of intervention), together with a basis for the preparation of subsequent Community assistance for vocational training and employment. In order to organise evaluation of this type, never before undertaken at Community level, it was necessary for the Member States and the Commission to agree on the approach to be adopted, as the various partners' were not all equally familiar with the subject.

In the Objective 1 regions, evaluation exercises also covered the impact of measures in the field of human resources. These exercises should provide a more accurate analysis of training and employment policies and structures in the regions and Member States concerned, as well as contributing to the development of indicators for use in preparing and evaluating subsequent CSFs.

All these evaluation exercises involve close cooperation between the Commission and the national authorities. Three joint institutions were created in 1991, namely the Technical Support Group, the Working Party of the ESF Committee, and partnership meetings on evaluation.

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The report was presented to the European Social Fund Committee. Following the submission and insertion of modifications regarding points of detail, the opinion of the Committee was positive and was obtained on 23.12.1992.