

MISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 23 April 1991

CONCLUSIONS OF THE REPORT

in accordance with Article 25 of Regulation (EEC) No 4253/88

ERDF - 1989

(presented by the Commission)

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ERDF - 1989

The Commission, in its communication "Making a success of the Single Act" (February 1987), described the new lines of the Community's structural policy. The first practical effect was a commitment by the European Council, in February 1988, to double by 1993 the total financial resources committed to the structural Funds, to which had been attached a limited number of priority objectives. In June and December 1988 the Council of the European Communities approved the various Regulations¹ which constitute the legal basis governing future financial assistance from the Funds together with such assistance in combination with other Community financial instruments.

The present document has been prepared pursuant to Article 25 of Regulation (EEC) No 4253/88 which stipulates that the Commission shall annually present a report to the Committee on the Development and Conversion of Regions concerning progress achieved in the implementation of ERDF assistance.

This first report, which deals with 1989 and thus with a transitional year, cannot complete in full the purpose assigned to it under the new rules because, insofar as the majority of the CSFs had been drawn up only by the end of that year and very few decisions have been taken on the basis of the CSFs, it was impossible to provide information in the 1989 report on the utilization of the appropriations taking account of information provided in the Community support frameworks.

This report therefore reflects, as does ERDF activity in 1989, a definite dualism:

- on the one hand, the principal stages of implementation of the reform of the structural Funds, and
- on the other, the budgetary implementation in 1989, effected principally in accordance with the former operating rules of the Fund as provided for under Article 15 of Regulation No 2052/88.

¹ Regulation No 2052/88 - framework Regulation
Regulation No 4253/88 - coordination Regulation
Regulation No 4254/88 - ERDF Regulation

Lastly, this document supplements the report adopted by the Commission on 24 October (pursuant to Article 16 of Regulation (EEC) No 2052/88) concerning the activity of the three Funds (ERDF, ESF, EAGGF), which fulfils the more political role of analysing the implementation of the basic principles guiding the reform of the structural Funds.

IMPLEMENTATION OF THE REFORM

For the ERDF, 1989 was chiefly marked by the implementation of the reform. At the beginning of the year the Commission took decisions drawing up the initial lists of eligible regions and areas under Objectives 2 and 5b of the reform and fixing the indicative apportionment between the Member States of 85% of the ERDF appropriations. It also approved guidance on assistance in the regions covered by Objectives 1 and 2 outlining, for the benefit of the Commission's partners, the guiding principles and priorities during the different stages of programming.

However, the greatest challenge with which the Commission was confronted was the preparation and adoption of the Community Support Frameworks (CSF) for Objectives 1 and 2. The Commission, in this context, fulfilled its task. On the basis of the plans submitted by the Member States and as a result of a successful partnership, the Commission was able, in fact, to adopt these CSFs within the required time limits.

At the end of 1989 and on the basis of the priorities identified in these CSFs, the first operational programmes and a number of projects were adopted. In addition to this, a whole range of other decisions were taken to ensure continuity of ERDF activity during this transitional year, as well as Community initiatives and measures approved under Articles 7 and 10 of the Regulation.

The Commission has thus had to ensure, throughout the year, a smooth transition between the old and new rules.

The Community Support Frameworks for the Objective 1 regions

The CSFs in respect of Objective 1 concern 7 Member States between which a total of ECU 36.2 billion was distributed for the period 1989-93. These CSFs, with the exception of the Greek CSF, were adopted by the Commission on 31 October 1989, following endorsement by the Committee on the Development and Conversion of Regions at its meeting on 17-18 October 1989.

The Community Support Frameworks for Objective 2 regions

The CSFs in respect of Objective 2 were adopted by the Commission on 20.12.1989, having received the Committee's endorsement. They concern 60 regions in 9 Member States comprising a total population of 53.2 million, i.e. approximately 15% of the Community population. They account for a sum of a little over ECU 3.24 billion.

ERDF BUDGETARY IMPLEMENTATION IN 1989

During this transitional year, even though the financial activity of the Funds derived largely from applications made under the former rules, the Commission stressed to the Member States that as from 1989 the first applications for assistance be made in the context of the reform.

With regard to ERDF assistance, the resources available for commitments in 1989 totalled ECU 4 710.42 million.

The commitments made during this year amounted to ECU 4 666 million, i.e. 99% of the available appropriations.

78% of these funds were channelled to Objective 1 regions and 16% to Objective 2 regions, the remainder being apportioned between areas no longer eligible under the reform (ECU 144 million) and innovative measures (ECU 19.7 million).

The national and Community programmes of initiatives as a whole represented 58% of assistance from the Fund, with 41% spent on projects.

The national initiatives concerned the former NPCIs still in progress and the initial operational programmes adopted under the reform, whereas the Community initiatives concern the extension of the former non-quota measures and the real Community initiatives instituted under the reform. With regard to the latter, within its earmarked budget (15%), the Commission decided on 22 November 1989 to allocate an overall sum of ECU 2.1 billion to an initial set of 5 new Community initiatives:

RECHAR - ECU 300 million, ENVIREG - ECU 500 million, STRIDE - ECU 400 million, INTERREG - ECU 700 million and REGIS - ECU 200 million.

OPINION OF THE COMMITTEE ON THE DEVELOPMENT AND CONVERSION OF REGIONS

At its meeting on 28 November 1990 the Committee unanimously approved these conclusions.