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FIFTH ANNUAL REPORT
ON THE IMPLEMENTATION OF THE REFORM
OF THE STRUCTURAL FUNDS
1993

FOREWORD

This fifth annual report on the implementation of the reform of the Structural Funds has been compiled pursuant to Article 16 of Regulation (EEC) No. 2052/88, as amended, as amplified by Article 31 of Regulation (EEC) No. 4253/88, as amended. It presents the activities of the Structural Funds and the use of their budgetary resources, together with their contributions to achieving the priority objectives of the reform of 1988.

The year 1993 was the last year of the five-year planning period laid down by the regulations of 1988. In the course of the year, on 20 July 1993, all the regulations relating to the Structural Funds were revised by the Council, the revisions applying to the new programming period which runs from 1 January 1994 to 31 December 1999.

In view of the closure of the first programming period, it seemed appropriate to compile an initial assessment - a provisional one, as yet - of the implementation of the reform of the Structural Funds.

Chapter I therefore presents the first results available for the first period of the reform (1989-1993), with special attention being paid to the implementation of the principles of operation of the Funds in the course of that period.

Chapter II presents an assessment of the activities of the Funds, for each Objective and country, endeavouring to summarize those activities both for the period 1989-1993 as a whole and for the year 1993.

Chapter III is devoted to budget execution and the contribution made by the other financial instruments to the operations of the Structural Funds. It draws attention to the controls carried out in the Member States under Article 23 of Regulation (EEC) No. 4253/88.

Chapter IV deals more directly with the requirements of Article 31 of Regulation (EEC) No. 4253/88, as amended. It thus considers the evaluation of the major productive investment projects implemented in the period 1989-1993, and the compatibility of Structural Fund assistance with the other Community policies; it presents the further action taken in response to opinions of the European Parliament, the Economic and Social Committee and the Committees of the Funds, and the participation of the social partners in the course of the period 1989-1993.

Finally, Chapter V gives a presentation of the revised regulations for the period 1994-1999, and the initial application of them in the course of the year 1993.

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CHAPTER I: Initial results of the reform of the Structural Funds

1. The financial execution of the first period of the reform of the Structural Funds (1989-1993)

The end of 1993 was the deadline for implementation of the budget commitments for the first five-year period (1989-1993) of the reform of the Structural Funds initiated in 1988.

This reform represented the practical implementation of the political commitment of 1988 to devote ECU 60.3 billion (at 1989 prices) to the structural policy being conducted by the Community, with the aid of its Funds, in order to strengthen its economic and social cohesion. To this total was subsequently added ECU 3,1 billion (1991 prices) to contribute to reconstruction between 1991 and 1993 in the new German Länder and east Berlin following German unification.

1.1. In terms of budget commitments

Measured in terms of budget commitments, the execution of all these appropriations can be regarded as entirely satisfactory. The Community was able to commit, during this five-year programming period, all the appropriations provided. Details by type of assistance, by Fund and by Objective are shown in Chapter II.

The allocation of these appropriations was as follows: about 89% to schemes of the Member States a little less than 9% to Community initiatives and slightly more than 2% to transitional and innovative measures. The overall distribution between the Funds was not very different from that envisaged at the time the CSFs and Community initiatives were set up. The final figures were: ERDF 46.7%, ESF 35%, EAGGF (agriculture) 18%, EAGGF (fisheries) 0.3%.

The commitments thus entered into made it possible to comply fully with the guidelines contained in the regulations, which prescribed the doubling of the Structural Funds in real terms in 1993 by comparison with 1987. Following a slight delay which was apparent during the first years of the reform, the level of commitments was progressively speeded up until it reached, in 1993, a level well above double the 1987 figure (ECU 15,600 million as against the envisaged ECU 14,500 million at 1988 prices). Similarly, the doubling in real terms of the appropriations allocated for Objective 1 in 1992, relative to 1987, by a continuous progression was achieved (ECU 8,800 million as against the envisaged ECU 8,200 million at 1988 prices), as was already shown in the previous report.

The concentration of the Fund appropriations, under the CSFs, in favour of the Objective 1 regions (not counting the new Länder) finally amounted to 64.8% for the period as a whole, as against 11.4% in favour of declining industrial regions (Objective 2), 13.3% devoted to the pursuit of Objectives 3 and 4 (long-term unemployment and unemployment among the young), 5.9% for the adjustment of agricultural structures (Objective 5 (a)) and 4.6% in favour of rural areas.

As regards the Community programmes and initiatives, the concentration of commitments under Objective 1 reached 72%. The allocation to the other Objectives was more diversified, and appropriations were allocated to operations which served a number of objectives (for example, cross-border cooperation within the Interreg initiative).

1.2. In terms of payments

Budget execution in the matter of payment appropriations was also proving encouraging. It should first be recalled here that the way in which the Structural Funds operate envisages that although commitments - and hence the institution of actions and operations - have to take place before the end of the programming period (in principle, before 31 December 1993), the implementation of these actions - and payment for them by the promoters - can generally be staggered over a further one or two years, depending on the nature of the operations (that is to say, in general terms, until 31 December 1995). Consequently, payment of the final balances by the Community will take place early in 1996. At this stage, the payments made over the entire period and until the end of 1993 (including, of course, the advances paid) represent nearly 84% under the CSFs and a little over 70% under the Community initiatives. This latter ratio is lower, since the assistance relating to the Community initiatives was initiated throughout the period, including the final years, while that relating to the CSFs was defined early in the five-year period (essentially in 1989 or in 1990).

These few summarized data, which fail to reflect the sometimes substantial variations observed by Fund or by Objective or by Member State or region, nevertheless demonstrate that the budget execution of the Funds during the period 1989-1993 followed quite closely the broad political and budgetary outlines planned at the start of the five-year period. The ex post evaluations, which cannot be undertaken until all operations are complete, will show whether these expenditures have had the expected impact. The initial intermediate results available in this respect are given in section 3 of the present chapter.

2. The implementation of the operating principles of the Funds

The year 1993 marks both the end of the first period of the reform and the beginning of a new and even more ambitious period. It was, therefore, time to see what lessons could be learned from the operating methods of Community structural policy. The aim of this section is to present the application of the structural policies by broad areas of assistance, and to assess the operational value of the methods and instruments established by the reform of the Funds.

The Commission, in the "mid-term review" drawn up early in 1992, gave a first assessment of the application of the new methods of assistance established for the Funds in 1988. This assessment underlined the positive results obtained, but also indicated the main problems encountered with the application of the new principles. Experience since then, and especially the evaluation studies, confirm these initial analyses.

2.1. The concentration of the Funds on a few limited areas

By their very nature, the activities of the Funds are highly selective with regard to the fields eligible for assistance. Generally, they relate to productive investments, infrastructures or human resources development programmes, whose contribution to economic development is indisputable. It must be recalled that cyclical events in recent years have submitted the general framework of structural policy to a severe test. The policy has been applied in the context of recession which has resulted in a slowing-down of the process of economic and social cohesion. Consequently, there are a number of disparities between the ambitions on which the reform was based and the results achieved.

Nevertheless, the structural policy cannot be judged without reference to the scope of the challenges with which it is confronted. Cohesion is a long-term objective, the achievement of which depends on the continuity and reinforcement of the effort made.

In its contribution to the five structural Objectives of economic and social cohesion, the Community structural campaign over the period 1989-1993 took place in the following areas:

- a long-term structural effort undertaken to upgrade basic infrastructures in the sectors of transport, energy, telecommunications and the environment. The effects in terms of development are clearly structural, but slower to bear fruit in terms of growth and employment.
- measures in the area of training and employment, and measures directly associated with production activities (in the form of investment aid, for example), including the agriculture and fisheries sectors, producing short- and medium-term economic effects, especially in terms of employment.

In the context of recession and growing unemployment, the development of human resources required special attention. The policy applied, jointly with the Member States, was based on the idea that human potential is one of the decisive forces in the process of cohesion. Hence the need to promote to priority status investment intended to develop human resources.

2.2. The concentration of structural assistance on the Objectives and priorities

In order to achieve better concentration of Community assistance, a limited number of priorities was adopted for the implementation of each of the cohesion Objectives.

2.2.1. In the Objective I regions

The various priorities made it possible to respond to the wide variety of problems with which these regions are confronted.

Improved access, primarily involving the upgrading of basic infrastructures, has remained a major priority of Community structural action in volume terms (about 30% of operations). Transport facilities accounted for the major portion of this effort. A significant proportion of this finance was used to assist the development of the trans-European networks. The next chapter illustrates the main access improvements for each Member State.

In terms of importance, the development of human resources was the second priority for the Objective 1 operations, accounting for more than 20% of the Community aid. The primary aim was to narrow the gaps existing in vocational training between the Objective 1 regions and the best endowed regions in the Community. In order to initiate a genuine narrowing of these gaps, it was first necessary to confront the chronic problem of insufficient capacity in the education/training sector. Thanks to the allocation of about 50% of the ESF appropriations in favour of these regions, a significant increase in the proportion of GDP devoted to human resources was observed there.

The production sector (industry, crafts and tourism) also received more than 20% of the total funding. The main objective in this area was to increase the competitiveness of enterprises through measures of direct support for production investment in favour of industry, crafts and services. This category also comprises improving tourist infrastructures, aid systems for services to enterprises and measures to promote research, technological development and innovation. The environment of enterprises was improved by the establishment of numerous support infrastructures for economic activities.

The development of agricultural and fishery resources received about 18% of the available appropriations. The problems with the development of rural areas, particularly acute in some Objective 1 regions, were alleviated by measures to encourage the enhancement of agricultural resources, actions to promote rural development, and horizontal measures under Objective 5 (a). Operations to promote rural tourism and vocational training for the benefit of agricultural workers made it possible to speed up the diversification of economic activity in these regions.

A more detailed analysis of these groups of operations for the various eligible regions is presented in Chapter II.

The structural needs of the Objective 1 regions in the various fields covered by the structural action policy remain substantial nevertheless. In the new period, these efforts will have to be continued and consolidated on a wide front.

2.2.2. In the Objective 2 regions

Community operations were concentrated on a number of priorities directly associated with job creation and compensation for the high cost of redevelopment. The jointly financed measures primarily related to:

- improving opportunities for the creation and development of production activities (rehabilitation of derelict industrial sites, provision of manufacturing premises, etc);
- the development of new enterprises, especially SMEs, utilizing local potential (training and employment schemes, operations encouraging recourse to new technologies, etc.);
- improving the environment and attractiveness of these former industrial areas by way of creating a new public image;
- in some regions, tourism as a new sector of activity;
- the acquisition of new know-how through research and technological development, including vocational training;
- transport infrastructures, which are regarded as essential in some areas with weak infrastructures, to assist the subsequent development of economic activities and tourism.

The lessons that can be learned from this experience, from the standpoint of the implementation of future strategies, can be summarized as follows:

- favour negotiated solutions in the setting-up of policies of redevelopment and adaptation to industrial change, involving all the partners concerned: regional authorities, social partners, local agents;
- take preventive action by developing the professionalism of economic agents and progressively modifying the "brand image" of the regions under redevelopment;
- promote the redeployment of workers within the enterprises undergoing restructuring by means of retraining schemes and the occupational mobility of persons made redundant, by virtue of operations to promote the diversification of economic activities.

2.2.3. Under Objectives 3 and 4

The campaign against long-term unemployment and the promotion of the vocational integration of young people (Objectives 3 and 4) have proved to be goals which are difficult to achieve, in view of the unfavourable economic context.

The structural operations, and especially those undertaken by the ESF, took place under unfavourable conditions resulting from the decline in levels of employment and the growth of massive unemployment whose main victims are the groups least able to compete in the job market.

Compared with the scale of the recession, the ESF was only able to mobilize relatively modest resources.

However, what has been accomplished is worthy of particular mention, both for the direct effects on unemployment and for the multiplier effects on national policies for combating long-term unemployment and unemployment among the young.

In endeavouring to make the best of this situation, the ESF operations aimed at strengthening active policies in comparison with the merely passive policies of guaranteeing income; good practices with regard to socio-occupational integration of the disadvantaged groups were also disseminated through the partnerships and networks which were set up.

The difficulty of pursuing these Objectives has made it necessary to redefine them for the new programming period of the Funds.

2.2.4. In the sector of rural development

Support for efforts to develop, diversify and revitalize the rural economy in the regions most affected by the reform of the common agricultural policy has been the major aim of Community structural operations. The priority areas for these operations related to:

- the development of the primary sector (agriculture, forestry and fisheries) in order to help agriculture adapt to the reform of the CAP;
- the development of alternative activities, especially through the development of SMEs;
- the development and promotion of tourist activities;
- respect for the environment;
- the creation of training programmes to supplement economic development schemes.

The quest for integrated solutions to the development problems of these regions, together with the commitment of the many local actors and partners, were features of the implementation of Objective 5 (b).

The experience acquired has shown how difficult it was to mobilize the local potentials of isolated rural regions, hence the importance of the structural operations which contributed to promotional activities and the acquisition of new skills and qualifications to facilitate the diversification of economic activities in the rural areas.

2.3. The implementation of programming

The technique of multi-year programming presupposes a strategic approach to development such as to give greater consistency and selectivity to the operations part-financed by the Community. It must be acknowledged that this requirement was not always honoured in 1989-93. The development plans submitted, the CSFs and the operational programmes did not always sufficiently specify and quantify the objectives to be achieved. Hence the difficulty in forming an entirely satisfactory assessment of operations and, consequently, the occasional recourse to a form of management more based on the a priori allocation of resources or simply on the eligibility of measures.

In the least advanced regions, most of the difficulties can be attributed to the shortcomings or weaknesses of the structures responsible for the tasks of identifying, planning and piloting the structural operations.

Moreover, the inadequacies in the implementation of programming are largely attributable to problems such as excessive centralization or, by contrast, excessive dispersion of responsibilities, or alternatively the lack of coordination between the national and regional authorities.

These difficulties should not, however, minimize the significance of the progress made in this area. The programming approach gave rise to genuine synergistic effects both in terms of planning and in terms of the execution of structural operations. The application of new working methods (indicator system - evaluation - monitoring committees), supported by the gradual establishment of professional, qualified management committees with the support of the economic partners directly concerned, represented the best response, and significant advances were thus recorded.

In order to see the programming exercise through to a satisfactory conclusion, the Commission concerned itself as a matter of priority with the aspects of institutional reinforcement, with a view to assisting the weakest regions or actors to become capable of undertaking for themselves the tasks of designing, monitoring and evaluating the part-financed programmes.

The organizational mechanisms were thus strengthened and back-up structures were created thanks to the support of technical assistance or implementation of specific programmes relating to administrative modernization or training structures.

A further improvement in programming is one of the major challenges of the new period.

2.4. The role of partnership

The institutionalization of consultation practices in the structural policies represents one of the most valuable effects of the reform of the Funds.

The practices adopted were not in all cases equal to the ambitions of the reform. The economic actors at local level should have been more involved in Community structural operations, especially in those areas of particular interest to them. There remains, in fact, much administrative inflexibility and reluctance to share powers.

However, it should be accepted that the main factor which created the dynamic of reform was a real redistribution of roles in the planning and management of the Community structural operations.

As regards the regional development objectives, it is important to ensure, through partnership, the involvement of the regional and local actors. The latter, familiar with the strengths or weaknesses of their regions, can provide effective assistance in defining certain parameters for the implementation of better targeted operations, which increases their success and the multiplier effect downstream. While the involvement of the regional authorities has become gradually more generalized, participation by the local authorities and other local actors has proved less common, with the possible exception of the regional Objectives 2 and 5 (b), and should continue to be encouraged.

As regards Objectives 3 and 4, the partnership principle became particularly important to the extent that the ESF operations helped to establish it as part of the working methods - which implies coordination, especially at local level, of the various missions responsible for the training and employment problems; this principle has helped to strengthen mutual awareness of the developers on the ground.

The public area created by the established partnerships needs to benefit from much more active involvement on the part of the social partners. Their role has already been important in the field of Objective 3 and 4 assistance. By adding depth to the social dialogue, these representatives of the occupational organizations must assume new responsibilities and undertake initiatives in the formulation of the general lines of the policies to be followed, especially in the field of initial and continuous training and of employment. Their involvement in the structural assistance between 1989 and 1993 is described in more detail in Chapter IV below.

2.5. Respect for the principle of additionality

The Commission also experienced a number of difficulties during the period 1989-1993 in ensuring the application of the principle of additionality. Although verification took place under acceptable conditions in some Member States where transfers had been substantial, the same did not apply to a number of other Member States where the availability of information was unsatisfactory and, very often, too incomplete for one to be confident that the Structural Funds have really increased the overall development effort.

Verification of respect for the principle of additionality was the subject of extensive discussion on the occasion of the previous report (1992). The reader is therefore invited to refer to that report in connection with the theoretical aspects of the exercise.

As regards the results of the verification as such, it is important to emphasize that, to the extent that additionality is measured against the average expenditure incurred during the programming period 1989-1993, it would now be necessary to form a definitive judgement as to whether or not this regulatory provision has been complied with.

In the absence of major adjustments, it seems that additionality has been respected in all the Objective 1 regions with the exception of Northern Ireland and the French Overseas Departments, in respect of which the information supplied to the Commission is as yet insufficient for verification to be carried out.

As regards Objectives 2, 3, 4 and 5 (b), although progress was made in 1993 in updating their evaluation, it has not yet been possible to establish definitive data for the year 1993. This can be explained by the statistical difficulties associated with the collection of data relating to the expenditure allocated to small geographical areas. As regards Objectives 3 and 4, a new method has been perfected in order to facilitate the collection of the information and to make this information more reliable. Under this method, a sample of the main paying bodies which channel ESF aid is used to calculate the data relating to the total eligible expenditure. The size of the sample is such that at least 70% of the ESF aid and the eligible expenditure form the basis for the evaluation. Having a representative sample allows conclusions to be drawn on whether or not additionality is being respected in the countries in question.

2.6. The combination of grants and loans

Although the direct involvement of the EIB was envisaged in the majority of cases, and although the Bank took very significant action in the disadvantaged regions to finance operations which in most cases conformed to the objectives set in the CSFs, functional inflexibility existed both among the Community instruments (because of the "project" approach used by the Community loans and the "programme" approach of the Community subsidies) and among the national partners. On the basis of the new Article 198E of the Treaty, the philosophy governing the activity of the EIB and the forms taken by its assistance (for example, through the financing of investment programmes) should, in future, fit more comfortably into a loan programming process which is coordinated with the activities of the Structural Funds.

3. A first ex post evaluation of Community operations for the period 1989-1993

The fundamental aim of the Structural Funds is to create favourable conditions which enable the countries and regions concerned to make up their lost ground in terms of development and compensate for the adverse effects of the internal market on the outlying regions of the Community. In addition, the Cohesion Fund was set up to alleviate the burdens which transition to EMU will impose on the least prosperous Member States.

The revision of the regulations in 1993 provided for greater autonomy in the use of the Structural Funds; as a counterweight, it increased the importance of ex ante appraisal and ex post evaluation designed to permit comparison between the impact of the CSFs and their objectives, having regard to the macro-economic climate in which the financing activity takes place. These two aims are to be achieved within the framework of the partnership between the Member States and the Commission. A number of studies commissioned by the Member States have already appeared, and the RDPs for the period 1994-1999 mention some of their conclusions. Since, however, these studies adopt different approaches, the results obtained for each Member State cannot easily be compared.

3.1. The four most affected Member States

The Commission has undertaken an analysis of the impact of the CSFs for the period 1989-1993 on the four most affected Member States (Spain, Greece, Ireland and Portugal). Although the impact of the Structural Funds on the other Member States is not unimportant, the surface area of the regions directly affected is generally too small (except in the case of Italy, where the whole of the Mezzogiorno is eligible under Objective 1) for the effects to be validly analysed at national level by simulations carried out with the aid of a macro-economic model.

It must first be noted that the short- to medium-term increase in the GDP cannot be the only yardstick for assessing the impact of the Structural Funds. A low rate of growth may in itself be the consequence of the problems of adjustment confronting the economy since the opening-up of the internal market and the obligations laid down by the Maastricht Treaty, and for that very reason it could be put forward to justify the allocation of Funds. From the point of view of the supply side, the period 1989-1993 is too short for the positive effects of the increase in the Structural Funds to become firmly established. The most interesting question is the extent to which the resources of the Structural Funds paid out during the period 1989-1993 contributed to economic growth, having regard to the burdens on the economy. In order to estimate the significance of these contributions, it is necessary to measure the indirect and dynamic effects of the granting of the Structural Funds.

The annual increase, in real terms, of the Community GDP averaged 1.7% over the period 1989-1993. The average GDP growth rates in Spain and Portugal, at 2.1% and 2.3% respectively, were higher than the Community mean. In Ireland, the growth in the GDP during the same period was considerably higher again, at nearly 5% per year. In Greece and Italy, the rate of growth of GDP was below the Community mean, despite the increase in the structural Funds.

If we analyse the situation in each of the four cohesion states, it can be estimated that the Community assistance contributed 0.3% to the growth of Spanish GDP, and that the Spanish counterpart contribution was 0.1%, which implies that, without the Structural Funds, the Spanish GDP would have recorded a rate of growth virtually identical to the Community mean.

In Portugal, the Structural Funds seem to have been responsible for an increase in GDP in excess of the Community mean. The CSFs made a 1.2% contribution to the average annual increase in the GDP, two-thirds of which is attributable to the Community assistance.

The Structural Funds did not enable Greece to make up its lost ground in terms of economic growth. The increase in the Greek GDP was still at least 1% below the Community mean, despite an estimated 0.5% contribution from the CSFs.

As for Ireland, it seems to have enjoyed a GDP growth rate at least 2% above the Community mean, even without the structural expenditures which were partly financed by the Community, but without the CSFs the increase in employment would have been low. Despite this positive impact of the CSFs on employment, unemployment has increased significantly since 1990, and at the end of the period 1989-1993 the unemployment rate was actually higher than at the start. Although this situation may be partly attributable to the return of migrant workers employed in the United Kingdom, it is an example of the overall difficulty of boosting employment at the same time as economic growth in the Community.

The problem of the increase in unemployment is not, indeed, specific to Ireland. Unemployment increased by more than 2% of the working population in the Community (excluding the new German Länder) between 1990 and 1993. For the majority of the Member States, the recession brought an abrupt return to the unemployment levels that prevailed in the mid-1980s. It is interesting to note that this is not true of Portugal, where unemployment in 1993 was still 3.6% lower than in 1985. It seems that the jobs created thanks to the Structural Funds moderated the increase in unemployment in Portugal by nearly 3% over the period 1989-1993. In Spain and in Greece, the level of unemployment has moved back closer to the 1985 levels. In Spain, where the rate of unemployment is higher than that in Ireland, the presumed alleviating effect of the Structural Funds on the difference in level between 1985 and 1993 appears nevertheless to be 0.5%. In Greece, registered unemployment, for which the alleviating effect of the Funds is estimated at 2%, has undergone less wide variations than in the other Member States in the course of this 10 year period.

Table 1: Impact of the CSFs on economic growth for the period 1989-1993

(1)	Com- munity mean (2)	Greece		Spain		Ireland		Portugal	
		exclu- ding CSFs	inclu- ding CSFs	exclu- ding CSFs	inclu- ding CSFs	exclu- ding CSFs	inclu- ding CSFs	exclu- ding CSFs	inclu- ding CSFs
Real GDP, incl.	1.7	0.8	1.3	1.7	2.1	4.1	5.0	1.1	2.3
Private consum- ption (3)	1.9	1.4	2.1	2.1	2.3	1.5	2.8	2.6	3.7
Private invest- ment (4)	4.0	-0.9	-0.1	-2.5	-1.5	1.9	2.2	-1.0	1.6
Employ- ment	0.2	-0.4	0.0	0.3	0.4	0.3	1.0	-0.6	0.0

Source: Commission, Quest simulations.

- 1) Mean annual growth rate in 1989-1993.
- 2) Excluding new Länder.
- 3) Adjusted to the average consumer price index.
- 4) Adjusted by approximation of the appropriate index, not available.

3.2 Training and employment

Over the period 1989-1993 as a whole, considerable sums were committed by the ESF to promote training and employment in the Community: ECU 25,300 million at 1993 prices. One third of the structural interventions over the period were allocated to human resources in the Community.

60% of the ESF's resources were allocated to the development of human resources in the regions. The regions lagging behind in development having, for their part, received half of the appropriations committed by the ESF (46.7% for the Objective 1 regions and 3.8% for the new Länder). 7.8% of the ESF appropriations went to Objective 2 and 1.7% to Objective 5 (b).

One third of the ESF's operational resources over the period was devoted to the campaign against long-term unemployment and to the occupational integration of young people outside the Objective 1 regions (34.3%, or ECU 8,600 million at 1993 prices).

If the operations undertaken in connection with Objectives 3 and 4 in the Objective 1 regions, which involved 39% of the CSFs of the regions lagging behind in development, are taken into account, ECU 13,000 million have been directly allocated to combating unemployment in the Community.

The remainder of the ESF resources has been used in the Community initiatives (3.8%) and for transitional or innovative operations (1.9%).

The efforts made by the various partners enabled all the available resources to be committed before the end of 1993.

Between 3 and 3.5 million people each year benefited from an operation co-financed by the ESF during the years 1989 to 1993. However, the impact on employment is difficult to assess. Co-financed programmes, because of their medium- and long-term effects on employment, can only be assessed after a certain lapse of time.

The effects of structural policy are however already visible in a number of fields. In the objective 1 regions, the ESF has been broadened to support a diverse range of interventions. These include not only support for continuing training in every vocational field and initial training (secondary education, apprenticeship, high level qualification training for young people), but also support for the strengthening of education and training services.

In those Member States wholly covered by Objective 1, there has been an improvement in the level of scholarisation in the 15-19 and 20-24 year age groups and, amongst all objective 1 regions, there has been a strengthening of continuing training measures enabling a large proportion of the active population to take part in life-long learning.

As regards Objectives 3 and 4, their relevance has been confirmed by the socio-economic changes of recent years. In a period of high unemployment and budgetary restrictions, the Community has actively contributed to the establishment of socio-professional reinsertion policies in favour of disadvantaged groups, including long-term unemployed people, young people without qualifications, migrants and the disabled.

In the Objective 1 countries, the impact of the Community has been clear in quantitative as well as qualitative terms : the ESF has enabled the implementation of policies to combat long-term unemployment.

Outside of Objective 1 regions, the Community contribution of Objectives 3 and 4 represents between 3 and 15% of public interventions led by Member States to promote employment and combat unemployment. However, the tendency to spread the Community contribution of Objectives 3 and 4 thinly across a large number of disparate measures has, in the past, hindered the real impact of the Community contribution and the visibility and added value of the Community.

This is the reason why concentrating financing on a more limited number of themes or important priorities for human resource development and the improvement of the workings of the labour market has been a key element of the recent reform of the ESF regulation and will be one of the important areas for discussion with Member States for the next programming period.

Overall, the broadening of partnership and particularly the greater involvement of local and regional authorities in the fight against unemployment and in the development of an integrated and individualised approach to meet the diverse needs of the target groups experiencing the greatest difficulties reintegrating into the labour market, are among the most important lessons learned from the period 1989-1993 as far as Objectives 3 and 4 are concerned.

In Objective 2 regions, many ESF co-financed projects have had a multiplier effect which goes well beyond the specific aims of the projects themselves.

A number of lessons can be learned from this experience which are valuable for future implementation strategies, in particular :

- the need to encourage negotiated solutions, in the establishment of policies for adaptation to industrial change, involving all the relevant partners (regional authorities, social partners, local actors),
- the need to take preventative action to develop the skills and attitudes required to effectively manage structural change
- the need to promote the redeployment of workers within firms undergoing restructuring through retraining measures as well as support the occupational mobility of those made redundant through actions to promote the diversification of economic activity.

In rural areas (Objective 5b) the ESF has stimulated initiatives aimed at bringing integrated solutions to the development problems of these regions.

Experience has shown how difficult it is to mobilise local potential in isolated regions undergoing structural change. Training measures have therefore taken on a special importance and have contributed to the acquisition of new skills likely to promote the diversification of economic activity in rural areas.

However, substantial work has been done in the field of assessment as regards training and employment over the years 1989 to 1993. This work has related to:

- the ex ante appraisal of the CSFs of Objectives 3 and 4 (1990);
- thematic assessments carried out on co-financed operations to benefit the long-term unemployed, women and the handicapped, or on recruitment assistance in the CSFs of Objectives 3 and 4 (1991);

- assessment of the operations carried out to benefit human resources in the Objective 1 regions (1992 and 1993);
- preparation of the ex post evaluation, the results of which will be available in 1994.
- evaluation of the Human resource Community Initiatives and the Euroqualification programme
- furthermore, during the course of 1993, evaluations of plans and or single programming documents for the next programming period (1994-1999), mainly of Objective 1 plans.

Several Member States set up working parties or monitoring committees which in general enabled national governments to be made aware of the problems of evaluation, and made it easier to integrate the latter into the programming of measures relating to employment and training. These initial results encouraged the Commission to pursue its work of promotion and coordination in order to reinforce the idea of a systematic approach to evaluation within the Member States.

The work undertaken since 1989 in the field of evaluation has had visible results at several levels:

- it has resulted in greater attention being paid by the Member States to evaluation in the field of training and employment;
- it has made it possible to draw conclusions which were taken into account in the revision of the regulations applicable to the ESF. This was especially so with regard to the merging of Objectives 3 and 4 for the period 1994-1999, the necessity for concentrating operations on the most important needs and the most effective measures, the quest for greater flexibility with a broadening of eligible expenses and measures, and the more flexible definition of long-term unemployment taken into account in Objective 3;
- it also made recommendations which were implemented, in part, in the execution of the CSFs during the period 1989-1993, and will be again during the period 1994-1999. As regards the campaign against long-term unemployment and for the occupational integration of the young, the value of integrational courses, the need for promoting schemes combining training and work, and work experience have thus been recognized and reinforced.

As regards the development of human resources in the Objective 1 regions, the evaluations have defined a number of quantified indicators which will be used to monitor the next programming period.

In general terms, the evaluation work has emphasized the need to improve employment and training systems, including the training of instructors in all Objectives, and, as regards the Objective 1 regions, reinforcing the educational structures and strengthening the links between universities and business, with a greater involvement of enterprises in training matters.

3.3. Rural development

The evaluation work on the rural development programmes (Objectives 1 and 5 (b)) related essentially to the preparation of the ex ante work for the next programmes (1994-1999) and the ex post evaluations of the 1989-1993 OPs.

An evaluation table has been drawn up, specifying the main points to which the work must relate: assessment of the preceding programme, analysis of the region's needs, strengths and weaknesses and of the consistency and quantification of the objectives, definition of the performance indicators and assessment in terms of cost effectiveness and, finally, compatibility with Community measures.

As regards Objective 5 (a) Regulation (EEC) No. 2328/91, especially the titles relating to investment on farms, the establishment of young farmers and compensatory allowances, and also Regulation (EEC) No. 866/90, as regards indicators relating to the agri-foodstuffs industry, are subject to continuous monitoring by means of a questionnaire presented to the Member States pursuant to Article 26 of Regulation (EEC) No. 4253/88.

Within the framework of Objective 5 (b), and following the public invitation to tender launched in July 1993, assessors have been commissioned with ex post studies for 21 Objective 5 (b) regions selected from among the various Member States, in accordance with a single methodology compiled jointly with the CEAS at Wye College, which is responsible for coordinating the work. The reports will be submitted in October 1994.

The primary aim of this evaluation is to analyse the impact of the Community schemes, and the progress achieved in the regions concerned, and to demonstrate which schemes were the most beneficial. The assessors will carry out a survey of the beneficiaries, covering the most important measures.

Various ex post evaluation studies have also been undertaken by the monitoring committees, and some have already been completed. They show the necessity for integrated territorial approaches, appropriate professional training and technical assistance with implementation.

CHAPTER II: Assessment of the activities of the Funds by Objective, Community initiatives, innovative measures, local development measures, accompanying measures and information and publicity measures

1. Assessment of the activities of the Funds by Objective

1.1. Objective 1 and the new Länder

1.1.1. Greece

The Greek CSF for the period 1989-1993, excluding Community loans, represented a total public investment of more than ECU 13,000 million¹, to which can be added private investment of about ECU 1,500 million, Community subsidies under the auspices of the Structural Funds amounting to nearly ECU 7,500 million.

Six major development priorities were adopted, affecting virtually all the economic sectors of the country, the major part of the finance (50.3%) having however been mobilized by development operations in the thirteen regions or endogenous development operations, while many projects and programmes were also devoted to basic infrastructures and to improving human resources and the production system.

Implementation of the CSF in the course of 1993

At the end of 1993, the record in terms of absorption of appropriations can be considered very satisfactory, since 93% of the total CSF funding had been spent on the ground, leaving only a small balance of expenditure to be paid in 1994.

The favourable situation as regards execution is reflected in the level of Community commitments and payments implemented. At the end of 1993, all the commitments under the Structural Funds provided for by the Greek CSF had been completed. Payments made during the period represent 84% of all the CSF commitments.

Thus, all the other ERDF programmes having been entirely committed in previous years, only the major Achéloos project, provided for in the CSF, remained unapproved in 1993 by virtue of technical difficulties specific to that project. It will be reexamined in the context of the CSF for the period 1994-1999. The last two OPs relating to the Community Retex and Konver initiatives were adopted in the course of the year.

A special effort was also made by all those involved to ensure that the implementation of the ongoing training and employment programmes also conformed to what was programmed, especially the "Training structures" and "Modernization of the public administration" OPs, which thus reached their cruising speed in 1993.

¹ The figures given in the remainder of this report are in current 1993 prices unless otherwise stated.

Nevertheless, for a number of the ESF programmes, an extension into 1994 was deemed necessary.

In 1993, greater importance was attached to the education and basic training system and its links with the working and business world, and to improving the continuing training system:

- In the field of education and basic training, the creation of a network of Vocational Training Institutes run by the Ministry of Education (IEK) made it possible to strengthen the basic training apparatus.
These institutes, which receive support from the ESF within the framework of the "Training Structures and Secondary Education" Operational Programme, seek to provide training and qualifications for young people completing their secondary education. The training offered by these institutes covers a wide range of specializations to meet the immediate needs of the labour market, and the instructors come from the working world.
- Within the framework of the "Industry" Operational Programme, a number of measures were taken in 1993 to encourage links between universities and enterprises.

These schemes, costing a total of ECU 13 million in 1993, of which ECU 11.11 million came from the ESF, made it possible to strengthen the links between post-graduate education and the business world in Greece. They began in November 1992, and four types of operation were set up:

- the creation of careers offices: 20 careers offices were set up at university and polytechnic institutions to collect all the necessary information regarding the possibilities of employment, regionally and locally;
- practical training in business: 900 students attended such a training course, lasting an average of 4 months;
- 50 case studies suggested by businesses were undertaken by groups of students;
- 21 joint research projects between enterprises and universities were carried out.

More "traditional" vocational training schemes were naturally continued in many areas. By way of example, in the agricultural sector, training operations made it possible to develop the exploitation of local flora in Crete, or to promote know-how exchanges. Thus, the College of Agriculture and Technology in Thessaloniki organized, during 1993, seminars, conferences and fairs in various prefectures in Thrace, Macedonia and Epirus to make people working in agriculture more aware of various problems such as the rehabilitation of the countryside, agri-tourism, organic farming and animal husbandry.

Vocational training schemes were also continued in fields covered by Objectives 3 and 4. Under this heading, mention may be made of the setting-up of a training centre in the field of printing at the Koridalos prison in Athens, to assist the integration of offenders into the labour

market after their release. The implementation of this scheme was satisfactory, and the Greek authorities are considering replicating this example in other penal institutions.

Similarly, vocational integration schemes were also carried out in the agricultural sector. On Rhodes, for example, a scheme designed for people suffering from mental problems was set up in the sector of horticulture and silviculture, run by Rhodes hospital, private sector psychiatrists and the Municipal Health Organization. Accompanying measures were arranged, with the training of instructors specializing in the vocational integration of people suffering from special handicaps.

As regards the EAGGF, the forecast formulated in 1992 with regard to the possible exceeding of the EAGGF budget for the IMPs was confirmed. This also confirmed their optimum completion in terms of physical and financial implementation, particularly as regards operations such as crop conversion and water-supply projects.

As regards the three structural schemes (citrus fruits, vineyards and olive groves), the commitments and the payments in 1993 amounted to ECU 5 million.

The specific operation relating to the agricultural development of certain less favoured regions, already virtually completed in 1989, has exhausted all the allocated appropriations (ECU 69.25 million at current prices), the physical objectives being achieved to varying degrees.

The schemes implemented under the sectoral OPs (apricots and phylloxera) allowed the grubbing-up of about 2,200 ha of apricot trees and 4,200 ha of vineyards, the latter also being replanted in accordance with the forecasts.

Furthermore, as regards the operations undertaken in connection with the agricultural structure OPs, by the end of 1993 virtually all the irrigation projects were at an advanced stage, while some 6,000 farmers had taken advantage of early retirement, enabling the active farmers who took over these operations to double, approximately, the land area worked.

It is also worth noting that, within the EAGGF sector of the regional MOPs, schemes for the delocalization of holdings, the processing of animal wastes and the minor irrigation projects were particularly successful.

Assessment of the operations decided upon over the whole period 1989-1993

The main objectives on which the 1989-1993 CSF was based were the updating of basic infrastructures, the development of agricultural structures, the competitiveness of enterprises, the balanced development of tourism, the development of human resources and a reduction in regional disparities.

As has been mentioned, the part-financing undertaken by the Structural Funds and by the special budget line for the IMPs over the period as a whole was substantial, generating public and private investment in the region of ECU 15,000 million, while the Community initiatives represented ECU 730 million of participation by the Structural Funds, and generated a total investment in excess of ECU 1,000 million.

At the end of 1993 it can be said that, in the short term, the impact of the CSF on various economic indicators is substantial, since:

- Community assistance represented about 2.5% of GDP in 1989 and 3.3% in 1993, and advances have been made in structural terms and with the modernization of the economy. However, the macro economic imbalances and the structural problems of the Greek economy have militated against the hoped-for progress in bringing the country closer to the Community average.
- The CSF maintained the acceleration of economic growth at about 0.5% per year, which means that the Greek GDP reached, by the end of the programming period, a level 2.5% higher than would have been achieved without Community assistance, thus restricting the divergence of the Greek economy.
- About 50,000 new jobs were created and the retention of 80,000 others was also linked to the implementation of the CSF, which enabled the rate of unemployment in Greece to remain at 7.6% in 1993, below the Community mean of 10.9%.
- Finally, the CSF represented 70% of total public investment, and its contribution to the gross fixed capital formation (GFCF) of the Greek economy amounted to 20%.

As regards the medium- and long-term impact, an evaluation is in progress, but it can be estimated that the structural effects of the CSF will be felt over the next decade, through the medium of additional growth of the Greek GDP induced by the part-financed investments.

More specifically, it is possible to state that:

- the reinforcement and acceleration of the regional programmes have brought significant advances in the sector of basic infrastructures at regional level (roads, water supplies and mains drainage), mobilizing local initiatives and, in some cases, stimulating research and technology (Thessaloniki and Heraklion), and the establishment of support agencies for SMEs (Patras);
- the IMPs have greatly contributed to the development of the infrastructure and have supported SMEs and local and rural development;
- major infrastructure projects have also been implemented within the framework of the CSF, such as the Athens metro, the natural gas project, and the conversion of the Athens-Thessaloniki and Athens-Corinth highways to motorways. Nevertheless, such complex projects as these have often run into management problems, resulting in significant delays in their completion, both physically and financially;
- as regards industry, the aid system which has been set up has not benefited the competitiveness of enterprises to the hoped-for extent and has not brought any simplification of the complex procedures for potential investors;

- the effort made in terms of R&D and environmental protection has been fairly poor in terms of financial volume. Nevertheless, the results can be regarded as satisfactory, both with respect to the rate of achievement of the planned schemes and as regards their effect on the ground, especially in increasing the awareness of the agents involved in environmental protection.

To remedy the delay which has occurred in some sectors, and over and above the transfers to the regional programmes, substantial transfers of funds took place in order to finance additional schemes, such as the "Crash programme" adopted in 1992 for telecommunications development, which has had a significant impact on improving telecommunications standards in Greece, although these remain rather low.

In the sector of human resources, considerable advances were made during the period 1989-1993. The efforts made related to both the quantitative and the qualitative aspects of human resources.

Substantial initiatives have been launched with a view to reducing existing disparities, improving the quality of the supply of labour and encouraging demand through the provision of aid to enterprises and to job development initiatives.

Confronted with the chronic problem of under-investment in human resources, Community aid has helped to increase by an average of 0.22% the percentage of GDP devoted to education, and has enabled expenditure on active measures in the sector of the labour market to be significantly increased.

The most significant achievements are as follows:

- the introduction of computers into secondary education;
- the strengthening of technico-occupational subjects in secondary education and the adaptation of curricula, especially as regards language teaching;
- the modernization of post-graduate institutes of technology;
- the training of teachers from academic establishments and training centre instructors at national centres set up by the National Ministry for Education;
- the creation of a national vocational training body, OEEK (Vocational Training and Education Authority) intended to develop new initial training subjects at post-secondary level through a national network of 35 training institutions;
- the creation of an Institute of Labour, under the auspices of the Ministry for Employment, designed especially to contribute to the conception and coordination of the vocational training policy in Greece;
- the adaptation of the occupied workforce to the specific needs of the various economic activities, through retraining schemes;
- improving the qualifications and promoting the employability of the unemployed by means of training schemes, especially accelerated schemes, and aids to employment and the creation of self-employed activities.

As regards the EAGGF, the initial appropriation of ECU 1,46 million (including the top-ups received over the period) has to be compared with the ECU 1,538 million of commitments. However, the increase in expenditure has been unevenly distributed over the course of time, and it was only after a long and difficult start-up early in the period (1989-1991) that the EAGGF made up ground in the last two years, exceeding the initial forecasts. This bears

witness to uneven administrative preparation of the programmes, some forms of assistance often being not very innovative and too attached to conventional development models.

The use of the appropriations under Objective 1 (specific and regional agricultural and rural development operations) can be broken down, in terms of aid granted, under the following headings:

Irrigation and water resources management (35%), crop restructuring and conversion (23%), forestry sector (16%), rural infrastructures (roads, electricity, water supply) (7%), investments in the primary production sector linked to nature conservation (5%), early retirement (4%), extension and advisory work (3%), technical infrastructures and support schemes (2%), others (5%).

These broad subjects and sectors represent 45% of the appropriations committed under the CSF for the period 1989-1993.

As regards the appropriations used for Objective 5 (a), schemes associated with the effectiveness of agricultural structures absorbed about 38% of all the EAGGF appropriations committed under the CSF, while measures connected with the processing and marketing of agricultural and forestry products represented 17% of the total.

Despite the delay in their adoption, the state of progress of the Community initiatives can also be regarded as satisfactory, since 75% of the sums allocated to the CIs had been spent on the ground by the end of 1993. The Stride, Telematique, Envireg and Regen programmes reinforced the effort made by the national programmes in the sectors of R&D, telecommunications, the environment and energy, respectively. The Interreg programme has strengthened infrastructures in the frontier regions and cross-border cooperation initiatives. The success of the Leader and Prisma programmes is more dubious, despite the efforts made by the Greek authorities and the Commission to take corrective action, which should improve the situation in 1994.

1.1.2. Spain

The 1989-1993 CSF decided upon for the Spanish Objective 1 regions represented, discounting Community loans, a total investment cost of more than ECU 18,400 million (1989 prices), of which 53% was made up of Community subsidies, 37% of national public expenditure and the remaining 10% of private sector investment.

Community aid, amounting to ECU 1,430 million in 1987 for the whole of the Spanish territory; increased, for the Objective 1 regions alone, from ECU 1,600 million in 1989 to ECU 2,600 million in 1993.

Most of the planned operations concerned eight development priorities including, apart from numerous major projects, more than thirty operational assistance packages relating to the country's economic sectors as a whole and distributed over the three major fields of activity: basic infrastructure (41%), improvement of the production system (26%), human resources and improved quality of life (33%).

The implementation of the CSF in 1993

A considerable number of schemes were decided upon during 1993, entailing more than ECU 423 million of exclusively ERDF commitments, and apportioned between:

- the Huelva OP (ECU 37 million), intended to improve the provincial road and telecommunications networks, to assist productive investment in favour of the SMEs, and to undertake operations of vital importance to the province such as water distribution and the correction of environmental impacts;
- the Doñana OP (ECU 7.07 million), to seek to put into practice the conclusions of the Expert Committee set up by the Spanish authorities and the Commission regarding schemes to make it possible to solve the road network problems, promote investment in tourism, improve water extraction and distribution and the environment, and provide aid to enterprises through the setting-up of an advisory office;
- and a number of major projects such as the reconstruction of the accesses to the city of El Ferrol and improvement of the environment in the surrounding area (currently occupied by industrial and military installations), local development schemes at La Coruña, the building of a hospital at Santiago de Compostela, and other projects such as the River Park at Córdoba, the Villas Turísticas in Andalusia, the "Sierra Nevada 95", the Jerez/Algeciras road, the Free Zone of Cádiz-I and II, the Mediterranean Seville-Granada Baza, Adra-Parador and Extremadura motorways, and the section of road between Caudete and Requena.

A number of measures were also decided upon under Article 7 of Regulation (EEC) No. 4254/88, such as cooperative ventures between the technology parks of Louvain-la-Neuve and Bordeaux in order to support development of the Boecillo park (Valladolid) or the pilot support scheme for the development of the Comarca of Lake Sanabria (Zamora).

Moreover, in order to adjust the yearly instalments of the programmes to their actual implementation and to allocate the sums derived from the indexing procedure, the global grants, most of the programmes and a few projects have been reprogrammed.

1993 was also a cruising-speed year for the ESF assistance, where nearly 60 OPs were implemented. However, the majority of the resources was concentrated on eight multiregional OPs run by the Ministry of Labour (INEM) and the "Vocational modules" OP run by the Ministry for Education and Culture.

Financial execution was satisfactory. However, in order to utilize all the Community support, it was decided in December 1993 that an extension should be granted until the end of 1994 for the ongoing training and employment Operational Programmes.

Substantial funds were transferred from recruitment aid schemes to reinforce two types of vocational training scheme: first the "Escuelas Talleres" (training courses for young people who have not completed their primary education, in heritage rehabilitation, environmental protection and crafts), and secondly the "Vocational modules".

These modules became particularly important in 1993, after being set up on an experimental basis in 1991. They relate to technological instruction, and make good a weakness of the former system which made it impossible to provide the average qualifications needed. This scheme opens the way to the upgrading of technological instruction and a reduction in academic failures.

Two modules have been set up: the first is open to young people aged 14 or over who encounter academic difficulties at a very early stage, and the second to young people from 16 to 18. A degree of flexibility is built in, to enable those who so wish to move from one module to the other and even to rejoin the normal academic system.

The accent has been placed on the content of the schemes financed (1000 to 1800 hours per trainee), which combine training and work experience. The short-term results (placement of trainees) are encouraging. In the medium term, this scheme will certainly be a major factor in Spain's new educational system.

Another highlight of 1993 related to the reform of the in-service training system. Henceforth, the social partners (employers and workers) will be responsible for managing vocational training for those in work. Hitherto, in-service training was provided by private enterprises or agencies, essentially in the form of short courses (200 to 400 hours) in accordance with the schemes drawn up by the INEM or the regional authorities.

Other measures relate to tighter controls on the quality of the training offered by the sub-contractors, the role of the "Trades Observatory" (which identifies the demand for qualifications in the labour market), and the establishment of a teacher training programme.

As regards the EAGGF, the common action programme for the promotion of agricultural development in some regions of Spain ended on 23 November 1993. Its execution was highly successful, both as regards the proposed measures (electrification, drinking water supplies, rural highways, irrigation, re-parcelling, improvements to agricultural land, forestry improvements, erosion control or rehabilitation of dwellings) and as regards meeting forecasts; these were met in their entirety.

A specific OP was also adopted in 1993 within the framework of "Poseican" for the structural improvement of the banana sector in the Canary Islands, with EAGGF Guidance Section assistance of ECU 12 million.

The implementation of the 32 OPs (new regional schemes) in 1993 also gave rise to commitment appropriations of ECU 117.4 million, representing 102% of the initial forecast.

In the second part of the year, and following the decisions taken by the monitoring committees concerned, the financing plans of several OPs had to be adjusted in order to take account of the execution of the programmes on the ground.

Two Community initiative programmes were approved in 1993, one under Konver and the other under Retex, worth respectively ECU 4.81 and 9.44 million in commitments.

Assessment of the operations decided upon over the whole period 1989-1993

The main aims of the 1989-1993 CSF were to prepare the Spanish Objective 1 regions for the Single Market and to reduce the existing discrepancies (in economic and social development), both as regards the other regions of the Community and as between the various Spanish regions.

During this period, Spain was granted a total sum of ECU 11 million, or 27% of the total Community structural resources available for the Objective 1 regions, integrated into a public investment expenditure effort of ECU 16,500 million, which made an average 1.4% contribution to the gross added value in the Spanish Objective 1 regions, or 0.7% of the national total, while investment associated with the CSF, averaged over the year and at constant prices, represented 5.7% of the GFCF expenditure of the Spanish economy in 1987.

The total public expenditure part-financed by the Structural Funds was made up of 67% of investments part-financed by the ERDF, 19% of expenditure part-financed by the ESF and 14% by the EAGGF Guidance Section, the CSF priorities for their part relating to improved access (33% of total resources), improvements in levels of training and quality of life (32.9% of resources), the production system (26.3% of resources) and basic water and energy supply infrastructure (7.8% of resources).

All these operations have helped to slow the fall in employment in Spain, and although the results depend on the method of calculation selected, it can be said that the overall finance invested has resulted in the creation of nearly 500,000 jobs, the reference base being the national total, since it is very difficult to determine whether the jobs created or safeguarded originated in regions more developed than the Objective 1 regions.

The following facts should be emphasized:

- in the transport sector, the operations part-financed by the Structural Funds made a significant contribution to improving the accessibility of the regions and the internal connections within their territory, with 1100 km of new motorways, 2000 km of new roads, 3000 km of remade and improved roads, 130 km of new high-speed rail tracks, 255 km of renovated, electrified or doubled track, 24 railway stations modernized, and 290 km of train-to-base radio communications systems;
- in the telecommunications sector, the telephone network has been substantially extended (552,330 additional lines, 3914 km of optical fibre installed) and the new advanced telecommunications services have been reinforced, the effort made in rural regions being very significant;
- in the production sector, nearly 8000 projects were part-financed, generating an investment of about ECU 4 million and some 50,000 jobs;

- activities carried out resulted in significant progress in the areas of quality of life, water resources, water treatment, pollution control and environmental protection;
- the regional development of R&D and the financing of operations in some 20 universities, in many centres of the Consejo Superior de Investigaciones Cientificas and in various technology parks (Málaga, Galicia, Canary Islands, Cartuja 93, Valencia and Valladolid Technology Parks, etc.).

From a regional analysis of the total funds employed, it is clear that, having regard to their demographic weighting or greater divergence from the Community mean, a number of regions have received a more substantial concentration of assistance. Thus, Andalusia absorbed almost 30% of the ERDF contribution, Castilla-La Mancha 13%, Castilla y León 12%, Galicia and Valencia 9%, Canaries and Extremadura 8%, Asturias 6% and Murcia 3%.

Over the period 1989-1993, assistance from the ESF has supported all the institutional changes brought about in Spain to improve in-service training. It was in this context that the Employment Observatory was set up under the control of the INEM: this observatory, responsible both for determining the demand for qualifications so as to enable the training offered by the INEM to be better planned and for assessing these training courses, represents the basis of the central administration's planning system, and can also be used to analyse employment situations by those autonomous communities which still lack the machinery in this area.

The total appropriations allocated to the EAGGF Guidance Section in the 1983-1993 CSF amounted to ECU 1,232 million (1989 prices). After top-ups and replenishments of appropriations, the global figure reached ECU 1,480 million. At the end of the period, the appropriations committed (ECU 1,466 million) represented 98.4% of the total funding.

Apart from Objective 5 (a) measures, the EAGGF appropriations allocated for rural development schemes amounted to ECU 755 million.

Moreover, the appropriations allocated to measures relating to Objective 5 (a) (ECU 477 million) having proved insufficient, primarily because of the high level of demand for measures associated with the processing and marketing of agricultural produce, it was necessary to increase the total commitment by 18%, bringing it to ECU 564 million or about 43% of the total EAGGF commitments of the CSF.

The breakdown of the appropriations is as follows:

- measures other than Objective 5 (a) (57%), infrastructures: rural roads, electrification (14.3%), improvements to irrigation systems (12.5%), forestry improvements (12%), reparacling (8%), antierosion action and soil improvement (4%), reorientation of crop production (2.3%), reorientation of livestock production (2.3%), nature conservation (1.6%);
- measures covered by Objective 5 (a) (43%).

The level of execution of the various OPs has not been uniform. In general, programmes relating to investments in the fields of rural infrastructures and agri-food industries have been totally successful, exceeding estimates by a substantial margin. On the other hand, programmes aimed at reorientating agricultural production have had difficulty in reaching the estimates.

1.1.3. France

Between 1989 and 1993, the five French CSFs for the Objective 1 regions (Corsica, Guadeloupe, French Guiana, Martinique and Réunion) gave rise to expenditure of ECU 1,790 million, including ECU 1,020 million of Community grants, the impact of which on the aided sectors of these regions has been substantial.

The implementation of the CSFs in 1993

In 1993, the Commission continued with the implementation of the 1989 CSFs and committed all the appropriations within the set periods, amounting to ECU 252.17 million, including the allocations to the Community initiatives.

- In Guadeloupe, all the measures were committed to a level of 100%. This was the result of intense activity by the monitoring committee, which did not hesitate to change the scope of certain schemes, defer others or add new ones (creation of a guarantee fund, provision of a drainage system on the Ile des Saintes, etc.).
- In French Guiana, the operations decided upon were also committed to the level of 100%. Execution proved rather satisfactory, bearing in mind the structural handicaps of the region. However, the difficulties with setting up ERDF assistance relating to the production sector resulted in a shift of emphasis towards infrastructural appropriations (drainage, water resources).
- In Réunion, the implementation of the programmes went ahead smoothly; thanks to a slight modification of the ERDF financial schedule of due dates, to take account of the slow start-up of major operations, all the appropriations were committed.
- In Martinique, the results are favourable in respect of the ERDF. In June 1993, however, 20% of the assistance was redeployed, several measures were substantially modified, and some operations were postponed.
- In Corsica, the implementation of the programmes was satisfactory and, following the monitoring committee's reprogramming, all the appropriations were committed.

For the ESF, the broad trends already apparent in previous years were confirmed in 1993, with:

- the success of the "adapted military service" scheme, enabling young people of 18-22 years of age with a very low level of qualifications to benefit from vocational training during their military service in the overseas departments: more than 3000 trainees a year thus acquire a practical knowledge of local activities, with a very high rate of success, especially in French Guiana and Réunion.
The success of this scheme is due to the matching of the training given with the needs of the local labour market, and the constant updating of training equipment and methods;
- relations with metropolitan France: the mechanisms designed to allow closer links with metropolitan France produced good results. This was particularly the case in 1993 with regard to the vocational training operations organized in Réunion to help young agricultural workers set themselves up as self-employed operators. In some cases, the period of training can be completed by a study trip to metropolitan France, enabling the trainees to see in practice what they have learnt in theory;
- the importance attached to schemes tailored to the special features of the overseas departments, such as the "Individualized Training Credit" (ITC) scheme set up nationally which enables young people who left the school system without the necessary basic knowledge to undergo vocational training and obtain a primary qualification as a first step towards stable employment. The ITC takes the form of an individual course of training with a special accent on the induction and assessment phases.
Community support has already made it possible to give a larger number of young people better opportunities of integration. But one third of people under the age of 25 in the overseas departments have no qualifications, which should suggest increased assistance in this area.

As regards the EAGGF, the year 1993 was an important period in the management of the programmes applicable to the overseas departments and Corsica. In order to allow the total implementation of the commitments on the ground, adjustments were considered and, for the most part, accepted. In addition, as far as the overseas departments are concerned, a specific programme to a value of ECU 17.5 million was adopted for the sectors of bananas and the cane-sugar-rum industry.

In Réunion, the danger that the development dynamic in the agricultural sector would be interrupted has been eliminated by an addition of ECU 20 million, since this region has always suffered from the low level of the initial EAGGF appropriation.

At the end of 1993 agreement was obtained from the Commission, by way of an exception, for extensions of nine and six months in the date of the local commitments of the specific OPs (adopted in October 1993), of the agricultural parts of the French Guiana and Martinique OPs and of the Regis PCI.

Assessment of the operations decided upon over the whole period 1989-1993

Over the period 1989-1993, an average of one quarter of the ERDF aid was devoted to direct assistance to investments in production (aid schemes, investments in tourism, industrial and craft zones), whilst three quarters was allocated to major infrastructures.

This breakdown reflects the low provision of basic facilities in these regions and the handicaps caused by distance from main centres.

- In Corsica, as a logical extension of the IMP, the CSF put a heavy emphasis on infrastructures for improving access, both for shipping and aircraft. As regards SMEs, industry and services, the CSF enabled 250 jobs to be created or safeguarded, while aid to industry and crafts provided support for the industrial development of more than 50 regional enterprises, consultancy aid having been used to carry out 65 assorted studies (market research, quality studies, strategic studies, etc.). Overall, between 1986 and 1993, 56 hectares of land were developed as industrial and craft zones, corresponding to about a thousand jobs, one third of which were new jobs. Aid to tourist investment was concentrated on three sites, Asco, Val d'Ese and Coscione, and was extended to include upgrading of historical, heritage, cultural and archaeological attractions. Notable advances have been achieved in the field of drainage, where the plant provided is sufficient to treat the pollution caused by the equivalent of 150,000 inhabitants, though treatment for a further 400,000 is still needed. On the other hand, the situation has been much less favourable as regards solid waste disposal, largely because of the inability of the local authorities to prepare their projects in time;
- in Guadeloupe, the 1989-1993 CSF had a clear impact on the development of the region. Without the support of the Community assistance for access improvement and drainage operations, economic development, tourism and assistance to teaching and research, the general effort made to close the development gap in the Guadeloupe archipelago could not have been so extensive. In addition, the support provided by the Community subsidies has undeniably accelerated the feasibility of the projects and increased their scope and ambition;
- in French Guiana, the ERDF Funds have paved the way, in particular, for improving the infrastructures necessary for access improvement and for training (building of two technical colleges). The quality of life has been improved by the development of the drainage and water supply networks, and a start has been made on regional cooperation in areas associated with scientific research and specific to the equatorial region;
- in Martinique, it is important to emphasize that more than two thirds of the proposed measures have been implemented in accordance with the initial forecasts, without major modifications, thus confirming the relevance of the objectives assigned to the various programmes: access improvements, upgrading of the economy and tourism, environmental protection and energy management;

- in Réunion, more than nine tenths of the planned measures have been implemented in accordance with the CSF without important modifications, these relating primarily to access improvements (harbour, airport and telecommunications), support infrastructures (waste water disposal, St Denis urban motorway, building of two apprentice training centres and a "Science and technology centre"), financing of investment in industrial enterprises and aid to the modernization of farms.

As regards the management of the ERDF funds, significant efforts were made at local level to ensure the administration and monitoring of the Community programmes.

In two regions (Réunion and Martinique) tripartite committees have been set up and have encouraged the involvement of the local authorities. Consideration should be given to reinforcing these measures for the next period, especially as regards the promotion of schemes to provide assistance to the production sectors. The technical assistance appropriations could be increased for this purpose. Greater attention should also be paid to evaluation and quantification.

Over the whole period 1989-1993, one of the positive aspects of the operations part-financed by the ESF has been the strengthening of the teamwork between the institutional agents at all levels, which has given rise to greater analysis of vocational training needs in the overseas departments (via a partnership between the Regional Council, INSEE and the Ministry of Labour) and the establishment of "forward training plans". However, improvements are still needed in some areas, especially the training of instructors and teachers, whose professional skills are sometimes lower than in metropolitan France according to the assessments carried out, and in the area of training business staff.

It is not easy to form a global assessment of the operations supported by the EAGGF over the period as a whole, having regard to the specific features of each region. It may however be noted that the schemes to benefit the banana and sugar-cane sectors represent a major share of the appropriations allocated to these regions by the EAGGF, but that major efforts have been undertaken to diversify production (crops and livestock), especially on Réunion.

As a general rule, the programmes made satisfactory progress, with variations from region to region. For example, it was found that whereas in the case of Réunion the experience and efficiency of those in charge meant that the operations carried out exceeded the scope of the funding provided by the EAGGF section, in the case of Martinique, by contrast, the programme was considerably delayed, resulting in frequent adjustments to the content of the schemes and a deferment of the date of on-site commitments.

Because of the low total of the appropriations, the Community initiative programmes (Regis, Stride, Envireg, Prisma and Telematique) were the subject of a single programme for each of the overseas departments.

In the case of Corsica the procedure was identical, with the exception that Corsica does not qualify for the Regis programme.

The delay in implementing some operations resulted in the replanning of several Regis-Envireg-Stride PCIs.

As regards Interreg in Corsica and Sardinia, a transfer of ECU 1.77 million from Interreg to Envireg (Corsica) was arranged, since the improvements to the harbours of Bonifacio and Propriano were unable to start by the end of 1993. The start-up difficulties experienced by this Community initiative were, however, overcome for the most part during the 1993 execution.

1.1.4. Ireland

The implementation of the Irish CSF (1989-1993) achieved its goal at the end of 1993. Disregarding the Community loans, it mobilized a total investment of about ECU 10,580 million, of which Community grants made up ECU 4,160 million, or nearly 45%; the balance was split between national public sector spending (about 60%) and private sector spending (40%).

Four major assistance priorities were identified: measures relating to agriculture, fisheries, forestry and tourism, which received 18.8% of the aid granted by the Structural Funds to Ireland over the period; assistance to industry and services, with close to 15%; assistance intended to compensate for the effects of Ireland's peripheral situation by developing its transport infrastructures, accounting for more than 16% of the total aid; and human resources development, which received more than one third of the Community expenditures.

The implementation of the CSF in 1993

At the end of 1993, the situation relating to the various aspects of the CSF was as follows:

- the funds relating to the Industry OP were fully committed by the end of the year. The scheme introduced in 1992 to support R&D continued to be a success, as did the measures to support acquisitions of holdings, which are aimed at creating seed capital and broadening the coverage of the business innovation centres. A number of major production investments received assistance, with a particular accent on the development of the competitive advantage enjoyed by Ireland in the sectors of pharmaceuticals and processing of foodstuffs. In addition, a separate evaluation unit was set up specifically for this Industry OP, and in order to supplement the activities of the external assessor.
- the Tourism OP was also fully committed by the end of the year and was even able to absorb an additional ECU 4 million which were available in the course of the year. Despite the general slackening of activity in the tourism sector, it continued to grow in Ireland, at a higher rate than the Community average, to the extent that the jobs generated by tourism represented 7.6% of total employment in 1993 as against 6.3% in 1988. Over the period as a whole, income from foreign tourists was significantly higher than expenditure by Irish tourists travelling abroad (average ratio of 1.5 to 1), thus making a positive contribution to Ireland's balance of payments. As regards the Water and sanitary services O.P., an additional ECU 7.15 million were granted by the CSF monitoring committee, thus bringing the total aid available for the period 1989-1993 to ECU 142.56 million. The expenditures within the framework of this programme were successfully concluded at the end of the year. Although much remains to be done in this infrastructure sector, action by the Cohesion Fund to help

Ireland in the matter of investments and to comply with the European Union directives in the environment sector should mean that ERDF aid here in the next programming period (1994-1999) is lower than that granted during the first CSF.

The various Community initiatives also progressed as planned, and at the end of the year 1993 all had been the subject of full commitments with the exception of Prisma and Regen, which were granted a six-month extension. A Commission decision was also adopted for a Retex programme in June and the Konver programme in December.

Among the operations part-financed by the ESF (ECU 354.28 million for the year 1993 alone), the following must also be emphasized:

- the change made to the apprenticeship system in 1993, placing the emphasis on qualification criteria, flexibility on a case-by-case basis in periods of theoretical training (within the Department of Education and the FAS) and periods of work experience in business, and also on certification, provided jointly by the Department of Education and the FAS.
- the results of the operational programme devoted to local development: the need to deal with problems of exclusion from the labour market from a local angle had led to the approval, in late 1992, of a global grant, with support from the ESF, of ECU 3,630,000. Within this framework, twelve pilot projects were included in this global subsidy in 1993, but other promoters, especially non-governmental associations and various groups working in the field of integration at local level, were added in 1993.
The support of the ESF for this type of measure could be reinforced during the next programming period (1994-1999);
- the reinforcement of the evaluation unit specific to the ESF, which enabled supplementary evaluation studies to be launched in 1993. The value is in being able to carry out more thematic studies alongside the studies conducted on a programme-by-programme basis. In 1993 a number of thematic studies were carried out: a survey of the attitude of Irish employers towards the development of human resources and training, one on the problem of certification, one on the training of instructors, one on the place of women in vocational training and one on impact indicators;
- two decisions were also approved in 1993 for innovative operations. One of them combines (for a total of ECU 5.41 million outside the CSF) a range of mechanisms under the control of the public education and training organizations, non-governmental associations and the social partners, the Community having elected to supply, within the framework of this programme, technical assistance appropriations for the control and monitoring of the operations undertaken.
The other decision, relating to a total of ECU 2.8 million outside the CSF, is more specifically intended to develop training schemes in the field of languages. These schemes are being implemented at the universities.

Finally, as regards the EAGGF, the forestry schemes, excluding finance from the EAGGF Guarantee Section, were continued to a point at which the available appropriations were exhausted, and, in 1993, ECU 1.65 million were committed, while payments amounted to ECU 9,400,000.

The Agricultural Pollution OP gave rise to ECU 10.82 million of commitments, while payments amounted to ECU 8,660,000.

The Rural Development OP experienced a high level of demand for certain agricultural diversification schemes, and supplementary resources were allocated to it. All the financial resources allocated have been used, amounting to ECU 10.29 million of commitments and ECU 10.16 million of payment appropriations.

Supplementary resources of the order of ECU 20 million were allocated to the Objective 5 (a) schemes. The compensatory allowances paid in less favoured regions were particularly responsible for the overrun of the initial estimates. In 1993, ECU 137.50 million were committed and ECU 144.90 million were paid, of which about 84% was intended for measures relating to the improvement of agricultural structures (Regulation (EEC) No. 2328/91).

Assessment of the operations decided upon over the whole period 1989-1993

It is impossible to measure accurately the ultimate economic effects of all the investments which received support within the framework of the first CSF, so soon after its completion. However, it is already apparent that, as far as their synergistic effects are concerned, they will make a substantial difference to the Irish economy.

A preliminary analysis suggests that, from the end of the year 1993, the Irish GDP was 2.5% higher than it would have been without the expenditures within the framework of the CSF, and that it had made it possible to employ an additional 30 000 people. In the context of the national accounts, it has been calculated that the debt/GDP ratio is more than 11% lower than it would have been in the absence of a CSF. The evaluations also indicate that, even between now and the year 2 000, the 1989-1993 CSF will have a not insignificant impact on the Irish economy, and that 1% of that year's GDP will be attributable to it. This represents a rate of return of between 7 and 8% in real terms.

The consequences of Ireland's peripheral position have been reduced, as regards both the infrastructures relating to transport and those relating to energy. Between 1989 and 1993, completed and ongoing projects resulted in the remaking or renewal of 457 km of trunk roads (more than 17% of the total); 34 km of motorway were built, and another 51 km were under construction at the end of the period; 38 km of dual carriageway have also been built and work has begun on another 39 km. Work on enlarging two national airports has also been completed. As regards energy, the most notable achievement was the completion of the gas pipeline under the Irish Sea.

some increase in the level of overall employment, the high rate of unemployment (18% in 1993), especially long-term unemployment, nevertheless remains a worrying factor for the future, although it can be explained by the entry of large numbers of young people into the labour market and the slowing of Irish emigration.

As far as agriculture is concerned, although compensatory payments have remained the most important element of aid, agricultural diversification has benefited from an encouraging level of aid, and there is no doubt that the programme to combat agricultural pollution has achieved its objectives.

Community aid has enabled Irish industry to achieve results which are relatively better than those of other countries. Employment in the processing sector grew by 1% per year between 1989 and 1992, whereas in the other Member States of the Community it fell by an average of 2% per year. In 1992, results in Ireland slackened off, though remaining higher than the Community average. However, although the objective of 20,000 gross new jobs per year in industry and services has largely been achieved, especially in the early years of the CSF, it must be acknowledged that net job creation has fallen in recent years.

Operations associated with the development of human resources have been successfully concluded, not only thanks to the specific ESF programmes but also within the framework of programmes applicable to industry, agriculture, tourism and the global appropriation in favour of local development.

Over the entire period 1989-1993, and despite a relatively unfavourable macro economic context notable for a high rate of long-term unemployment, the assistance provided by the ESF has made for an improved human resources situation in a number of fields:

- the support provided to the continuing training scheme for employed workers. The support programme for on-the-job training developed in the 1989-1993 CSF made it possible to provide financial support to small industrial enterprises in order to encourage them to set up a training plan for their personnel. The assistance provided by the ESF (ECU 16 million for the period 1989-1993) allowed 70,000 workers to receive training;
- training courses in the tourism sector (ECU 43 million) recorded placement rates of over 80% for unemployed persons;
- support for post-graduate training in the regional Technical Colleges (ECU 189 million), the "Middle Level Technician" scheme which covered widely varying fields of activity: computer technology, electronics, the chemical and pharmaceutical industries, construction, marketing, etc.;
- the part played by the Department of Education in setting up training operations within secondary and tertiary level education, such as the "Vocational Preparation Training measure" (VPT) and the "Vocational Training Opportunities Scheme" (VTOS);
- the emphasis placed on the training of instructors and the quality of training, with a specific OP devoted to training teachers and improving mechanisms (VTOS-VPT).

All the ESF assistance having been committed at the end of 1993, no extension of the 10 OPs was necessary.

Following the reinforcement of its appropriations, the EAGGF committed a total sum of ECU 775 million (1989 prices) for the implementation of its part of the CSF. The compensatory payments in less-favoured agricultural regions, in particular, needed additional financial resources.

The appropriations granted can be broken down as follows:

- Objective 5 (a) measures (including fisheries) (70.9%),
- Operational Programmes (21.9%), including agricultural pollution, forestry, rural development, diversification,
- existing regional measures (7.2%).

The CSF benefited from enthusiastic implementation of the OPs, the Irish authorities proving very efficient in meeting the operational needs of the programmes.

The total sum committed under Objective 5 (a) for the period as a whole was ECU 549.4 million including fisheries.

1.1.5. Italy

The Italian Objective 1 CSF for the period 1989-1993 provided for a total expenditure of ECU 17,600 million. Community grants under the Structural Funds were ECU 8,431 million. The sum effectively allocated at the end of 1993 amounted to ECU 8,449 million.

45% of the finance was mobilized for the regional programmes. Among the multiregional programmes (55% of the total investments), the most important priorities were industry and crafts, and also infrastructures to support the economy.

The implementation of the CSF in 1993

The implementation of the Italian CSF in 1993 encountered the same difficulties as in previous years in terms of payments, the problems arising particularly from the programmes run by regional bodies.

The activities of the ERDF in 1993 took the form of the approval of thirteen new global grants applying to such varied fields as marketing, telematics, technological innovation, guarantee funds, start-up and seed capital, and major projects to the sum of ECU 273 million.

The global grants cover most of the regions of the Mezzogiorno (one in each of the regions Abruzzi, Basilicata, Calabria and Sardinia, 3 in Sicily, 5 in Campania, and 1 multiregional) and comprise aid exclusively provided by the ERDF, amounting to nearly ECU 95 million and expected to generate total investment of the order of ECU 190 million.

One of the new global grants decided upon by the Commission corresponds to a modification of the previously approved Telematique PCI. The Commission also approved two other PCIs in the course of the year, one under Retex and the other under Konver, for a total sum of about ECU 57 million of ERDF aid, which was expected to generate global investment of the

order of ECU 117 million, the 1993 commitments amounting to ECU 12, 7.9 and 10.25 million respectively.

Given the persistence of the problems encountered with the use of the appropriations available from the three Funds, especially as regards assistance which comes under the responsibility of regional bodies and following decisions taken by the monitoring committees, the Commission, in agreement with the Italian authorities, made several modifications to the programmes in order to avoid the non-use of Community resources made available to the Italian authorities for the period 1989-1993.

This operation involved changes to financing schedules, a reduction of Community aid to several regional OPs, and reinforcement of multiregional OPs which offered guarantees of more rapid utilization of resources, such as the Industry and Services OP, specifically the part-financing of national aid schemes for investments in SMEs, and the Basic Telephony OP.

Among the changes made to various regional sub-CSFs, the following should be noted:

- in Sicily, a new section of the Palermo-Messina motorway, which now forms part of the trans-European road network;
- in Apulia, the Adduzione del Sifone dello Staina project and work relating to the use in irrigation of treated water from the Bari south-east treatment plant;
- in Campania, the Circumvesuviana (railway) project, the automation and control of resources system in Valle Sele, Colore and Montestella, the reconstruction of the main canal and the completion of the water supply for the coastal zone of Salerno.

From a financial standpoint, the ESF assistance situation improved in 1993 with ECU 868.48 million of commitments.

Although it appears from the data supplied by the Italian authorities that the number of registered unemployed in the Mezzogiorno stabilized in 1993 by comparison with the previous year (there were 2.86 million registered unemployed in 1992 and 2.84 million in 1993), these regions are still characterized by a very high rate of long-term unemployment (20.4% as compared with 11.5% in Italy as a whole).

The Italian Government, becoming aware of how slowly appropriations were being used in some regions of the Mezzogiorno and the risk of losing considerable sums, suggested to the Commission in May that some regional programmes should be reduced and the unused funds transferred to other programmes.

This reprogramming took place in two phases: first, ECU 23 million (from the Abruzzi), ECU 86 million (from Campania), ECU 60 million (from Apulia), ECU 52 million (from Calabria), ECU 15 million (from Basilicata) and ECU 28 million from multiregional programmes were transferred to horizontal programmes covering all Objective 1 regions and run centrally from Rome; three regional programmes were moreover reduced by ECU 75 million in order to increase the financial resources for the training of the unemployed and vocational mobility.

The improvement in the financial utilization of the ESF assistance enabled more attention to be paid to the content of the part-financed measures in 1993 and a number of early results to be achieved in the training of women (Apulia), management for tourism (Sardinia, Calabria, Campania, Molise) and environmental protection (Sicily).

In addition, training and retraining schemes for qualified unemployed people suitable for recruitment into industry have been conducted in the Abruzzi and in Basilicata. In Basilicata, for example, the regional department responsible planned a training operation combining 60 training schemes throughout the regional territory and involving nearly 1200 unemployed people.

The high level of demand for skilled personnel for the AGIP (petroleum) facilities at the port of Ortona (Abruzzi) has also resulted in the implementation of training courses for welders. Various activities have been undertaken in the field of SMEs. The courses offered relate primarily to the administrative management of the programmes and to national and Community legislation, and are aimed at the regional officials responsible for Community OPs, the intended aim being to facilitate access by SMEs to funds provided by the Community.

Recruitment aid was also utilized in 1993, and operations were carried out on systems analysis and restructuring of the programming apparatus. These operations related to the management and verification of accounts.

As regards the EAGGF, a very substantial effort was made to commit, for the 12 OPs, the ECU 206.9 million of EAGGF appropriations available for the 1993 tranche, and thus to arrive at a commitment rate of 100% of the initial estimates. In the majority of cases, the financing plans had to be revised in order to make them consistent with the actual level of expenditure and take account of the devaluation of the lira against the ecu.

The level of realization varied greatly among the 8 regions of southern Italy, but the new measures provided by the OPs have generally brought an encouraging response. Problems of an administrative nature remain, nevertheless, and work on monitoring the definitive realization of the measures remains to be undertaken during the next two years.

At the multiregional level, the financial strengthening of the OPs "Development of the Agricultural Advisory Service" and "Enhancement of Production Operations in the Mezzogiorno" have produced good results. In the case of the "Improvement of Typical Production Operations and Development of Alternative Crops" OP, by contrast, the EAGGF contribution has had to be reduced because of difficulties with implementation.

In 1993, ECU 90.7 million (1990 prices) of EAGGF contributions were granted under Objective 5 (a), representing a considerable advance, especially as regards the marketing and processing schemes.

The IMPs were also terminated, thanks to a commitment of ECU 17 million devoted to work on rural infrastructures and reforestation.

Assessment of the operations decided upon over the whole period 1989-1993

Over the period 1989-1993 as a whole, all the available appropriations were committed, amounting - taking all Funds together - to ECU 8,449 million: ECU 5,507 million from the EFDF, ECU 2,022 million from the ESF and ECU 920 million from the EAGGF.

The outstanding balance of the ERDF appropriations available at the start of the year, ECU 2,031 million, was also committed before the end of the year 1993, and as at 31 December 1993 the Italian authorities had received ECU 4,196 million in payment appropriations, this being 76.2% of the total resources committed by this Fund during the period 1989-1993.

Although the entirety of the ESF appropriations was committed, payments made correspond approximately to 2/3 of the commitments at the end of 1993, but it should be emphasized that the national and regional authorities may undertake expenditures relating to operations included within the CSF until 31 December 1995. Overall, although the support of the ESF enabled the OP planning and monitoring mechanisms to be improved, great efforts still have to be made in order to improve the quality of the statistical data.

The ECU 920 million in EAGGF appropriations, distributed as follows:

- Objective 5 (a) measures (43%);
- Objective 1 measures (39%), reorientation of typical production operations (7.5%), traditional crop production (6.8%), structures and infrastructures (5.3%), agri-tourism and income supplement activities (4.2%), agricultural advisory service (3.6%), forestry production (3.5%), traditional livestock products (2.7%), research and experimentation (2.2%), environmental protection (1.5%), promotion and enhancement of production operations (1.1%), new production operations (0.6%);
- the IMPs and existing regional measures (18%).

The situation of the programmes and other forms of intervention at regional level is similar to that of the multiregional programmes with an average execution rate (expenditure/programming ratio) of 43%.

As regards global grants, the problem of the fiduciary guarantee which the intermediary bodies have to give the Italian Treasury was only resolved during the year 1993. Consequently, a considerable number of planned activities made a late start, which explains why the level of national expenditure is still limited.

As regards the 15 Italian IMPs, all the programmed commitments were implemented, while the ERDF payments and those of the former budget line 551 represented 67.5% of commitments as at 31 December 1993.

The total commitments of the Funds at the end of the period 1989-1993 amounted to 100% of the initial estimates. However, where payments are concerned, the rate of absorption recorded was more modest (below the Community mean), especially because of the delay that had built up in the implementation of the CSF during the first two years.

During the period 1989-1993, 17 multifund programmes (including 8 IMPs), 20 single-fund programmes (of which 8 related to Objectives 3 and 4), 23 global grants, 12 major infrastructure projects and 33 individual projects thus benefited from Community aid, as did the 8 non-quota programmes and the 2 CIPs, Star and Valoren, decided upon before 1989.

With a total planned expenditure of ECU 17,590 million (Structural Funds and public, national and private contributions), the CSF represented an important source of finance, accounting for about 6.2% of the total investment undertaken in the Mezzogiorno region.

This, of course, is still a preliminary and incomplete evaluation, since a considerable proportion of the financial resources and programmed assistance are still in the course of utilization and realization.

The financial transfers from the Structural Funds accounted for nearly 1% of the GDP of the Mezzogiorno (annual average), the majority of these transfers (about 89%) being used to finance the process of capital formation (production and infrastructure investments), and the remainder for current expenditures (especially on vocational training).

In macro economic terms, the expected growth (3%) was considerably reduced by the poor economic climate in Italy, especially in the south. However, this difference between the expected development rate and the rate actually achieved resulted in an increase in the amount of Community aid and the national contribution, which consequently played an important compensating role.

Evaluations on the assumption of the total cancellation of Community aid for a given year, or which estimate the proportion of the rate of development generated by Community aid, attribute a primary role to Community regional policy. The total CSF expenditure has had a substantial impact on the production system of the southern regions.

In the course of the period under review (1989-1993), the cumulative impacts are thus estimated at:

- an increase in added value for the Objective 1 regions equal to ECU 910.4 million per year, with a contribution of 0.5% of the total added value produced each year in the Mezzogiorno;
- a supplementary flow of jobs equal to 40,000 full-time labour units, making a contribution of 0.6% to total employment in the Mezzogiorno.

Although the level of implementation of the CSF remains below the forecasts, it has nevertheless represented an important aid to the development of the Italian Objective 1 regions. The lag in GDP per inhabitant as compared with the regions of the Centre and North was reduced from 40.5% in 1989 to 39.8% in 1993, one of the significant features of this reduction being that it represents a reversal of the growth of this gap which had characterized the 1980s.

The effects produced outside the Mezzogiorno regions are also sizeable, since a structural analysis has revealed that about 26% of investments undertaken within the framework of the CSF have been converted into demand for goods and services in Central and Northern Italy.

1.1.6. Portugal

Apart from Community loans, the Portuguese CSF provided for a total investment of ECU 18,000 million (1989 prices) over the period 1989-1993, made up of 40% of Community assistance, 36% of national contribution and 24% of private sector investment, the financial allocation to the CSF corresponding, according to estimates, to nearly 27% of the country's total investment and increasing from ECU 896 million in 1987 to ECU 1,150 million in 1989 and ECU 1,980 million in 1993.

Six priorities were chosen and more than sixty operations have been carried out, concentrated on three major fields: basic infrastructures (34%), production activities (34%) and human resources (30%).

The implementation of the CSF in 1993

In general terms, 1993 proved to be a year of intense activity in the execution of all the operations provided for in the CSF. The available financial data (in terms of commitments and payments) for Community aid confirm that all the sums available were absorbed by the end of 1993, and that execution on the ground has gone ahead in accordance with the estimates initially programmed.

Attention should also be drawn to the very satisfactory operation of the management units and monitoring committees, which made a number of positive adjustments both as regards increasing certain rates of participation in the Funds and correcting the financial timetables of the programmes, and as regards reallocation of the financial resources between programmes and Funds, and enabled a final operation of redistribution and reprogramming to be carried out so as to maximize utilization of the available resources.

The Pedraa (Azores) and Popram (Madeira) programmes thus benefited from an increase in finance from the ERDF and ESF; the Prodac (transport) programme was reinforced by ECU 40 million, so as to include within it the financing of the Lisbon metro; the Pniciap (industry) programme was reduced by ECU 43 million to take account of the delay in work on the Ford/VW works.

The regional programmes were also reinforced and, within the framework of the Protede (energy) programme, a new measure was introduced in order to finance energy production from renewable sources.

Two new PCIs were also approved in 1993 under Retex and Konver, giving rise respectively to ECU 30 million and ECU 1.81 million of commitments.

The Envireg initiative was reinforced by ECU 12.5 million from the ERDF, which allowed the financing of new operations aimed at reducing pollution in the water and solid waste sectors and the protection of additional coastal regions. The Interreg programme has made good progress despite a few problems with execution, especially as regards the agricultural

aspects and services for business, which required reprogramming, though this had no effect on the total sums involved in the programme.

The Regis initiative was also reprogrammed, and two new measures were added to it: road infrastructures and maritime infrastructures.

The Regen programme was modified following a reduction of ECU 25.5 million in the Community financing, having regard to the delay during the start-up of the project for introducing natural gas to Portugal, and the change in the choice of gas supply source by the national authorities.

The Valoren and Star CIPs were finally closed.

14 OPs relating exclusively to employment and training, together with regional programmes focusing on various fields of activity with a strong human resources component ("Pedip" for industry, "Prodep" for education, "Ciencia" for research and development and "Profap" for public administration) mobilized the ESF contribution for the year 1993, amounting to ECU 595 million at 1993 prices.

Thanks largely to the Prodep programme, which had already received additional finance in 1992 to support technico-vocational training, significant results were obtained in 1993 with regard to links between industry and universities, and the training of managers and administrators for the compulsory education system. The reinforcement of the ESF section of the Prodep programme enabled more than 70,000 teachers to receive training in 1993, and also permitted more than 8,000 young holders of higher education diplomas to undergo training courses in firms. In addition, 2,700 young people gained post-secondary level diplomas in specialized subjects.

In the field of vocational training, the "Apprenticeship" OP (combining theoretical training and work experience) enabled both the intake capacity (56,000 beneficiaries) and the quality of the training to be increased, while the majority of the Pedip OP's contribution was channelled towards the technical colleges, universities and university/industry networks.

Nor was continuing training neglected, a programme connected with information technologies being set up. The latest evaluation surveys conducted by the DEMESS institute in 1993 underlined the positive impact of the ESF's assistance in this field, while stressing the need to increase the involvement of enterprises in the continuing training operations.

In addition, two new technical assistance OPs, which were approved in 1993 but of relatively minor importance, served mainly to enable statistical surveys on the labour market to be carried out, and the training operations to be subjected to controls and audits, along with campaigns providing information and publicity on the ESF's assistance in Portugal.

Financial execution has improved considerably since 1991, and suggests a satisfactory result, in line with the initial estimates, payment appropriations hitherto representing nearly 91.4% of the sums committed.

As Objective 5 (a) is essentially concentrated on the implementation of Regulations (EEC) No. 2328/91 and No. 866/90, seven new OPs were approved within the framework of the latter. The Commission also approved the OP entitled "Enhancing the competitiveness of the sectors processing and marketing agriculture and forest products", with an EAGGF contribution of ECU 1.19 million.

In the interests of sound financial management and with a view to carrying out an adjustment of the EAGGF contributions, it was also decided in 1993 that 7 OPs should be reprogrammed.

Assessment of the operations decided upon over the whole period 1989-1993

It can already be said that the 1989-1993 CSF encountered no implementation problems; its physical and financial execution can be described as very satisfactory.

The financial transfers from the Community Funds (of the order of ECU 7,300 million) were estimated at 3% of Portuguese GDP, based on an annual average.

The CSF has played an important part in the structural transformation and modernization of the country. Its implementation has been reflected by an increase in convergence, in real terms, of 3% relative to the mean Community GDP, a reduction of 0.25% in the annual public deficit and a reduction of 14% in the burden of public debt on the GDP.

Part-financed expenditure has also allowed the creation of some 80,000 jobs.

In the long term, it is estimated that the structural effects of the CSF will be felt over the next 20 years, by virtue of an additional annual increase in Portuguese GDP brought about by the part-financed investments.

A number of comments can be made on the major infrastructures:

- in the transport sector, roads were given the highest priority (60% of the Funds allocated to this sector) in order to improve access to towns and pursue the implementation of the national road-building plan;
- as regards telecommunications, particular note should be taken of the introduction and rapid development of new advanced services which must take credit for increased productivity of enterprises;
- in the energy sector, mention should be made of the projects involving diversification of energy sources and the development of the process for utilizing regional energy resources, which have enabled the heavy dependence of the Portuguese economy on petroleum products to be reduced.

The implementation of the CSF has also made it possible to raise the average qualification level of the human resources, and a major effort has been made to decentralize educational infrastructures, with the setting-up of new university establishments and polytechnic insti-

tutes in the interior of the country. The transfer of technological research and development activities away from Lisbon, and the encouragement given to enterprises to carry out such activities, should also be emphasized.

With regard to vocational training, more than one million people have been trained in schemes part-financed by the ESF. Over the period 1989-1993, Community support played an effective part in structural changes, especially in technico-vocational instruction. It promoted the development of soundly based organizations capable of offering suitable training in numerous regions.

Following reinforcements and replenishments of appropriations, the sum total of the EAGGF appropriations reached ECU 1,344 million over the period as a whole. These appropriations were totally committed as follows: Objective 5 (a) measures (50%), Pedap, including operations associated with irrigation, electrification, rural roads and forestry schemes (35%), rural development, reorientation of production, reparable and drought relief (11.5%), wine-sector structures (3.5%).

In general, all the OPs made good progress, though the start-up period was difficult in some cases, especially in the case of the "Restructuring of vineyards" programme. The level of execution of the OP concerned with reparable remained below the forecast, and particular mention should also be made of the approval of an OP to deal with the serious drought situation which arose in Portugal in 1992.

1.1.7. United Kingdom

The implementation of the CSF in 1993

In 1993, take-up of the contribution by the Structural Funds made available to the Northern Ireland CSF speeded up, and all the funds were entirely committed in December. This process was possible thanks to the finalization of a number of major infrastructure projects covered by the Tourism and Transport OPs, and the additional aid of ECU 10 million for implementing other, smaller-scale projects.

Additional resources were also allocated to the "Physical and Social Environment" OP, a very popular programme, the total allocation amounting to ECU 52 million or an increase of nearly 40%.

These reallocations were considered when it became apparent that the "Agricultural development" OP would be unable to absorb the budget allocated to it.

In addition, since a number of programmes financed by the ESF failed to function satisfactorily, resources were transferred to an apprenticeship programme which had not previously been receiving any aid, and to Objective 4 training programmes, the not very large balance going to ERDF OPs which were running well.

The programme relating to the "Physical and social environment" continued to attract applications from within the region, and was able to absorb an additional ECU 12.6 million in

1993. These resources were essentially used for new inter-community contacts, the community relations council, and projects undertaken on the initiative of the Laganside Development Corporation for improvements to the Belfast docks area.

In the transport sector, 1993 also saw the completion of major infrastructure works on the ports and airports of Northern Ireland, such as the new port of Lisahally in County Londonderry, while renewal work began on the Belfast-Dublin railway line.

In June 1993 the Commission approved the inclusion of the "Northern Ireland-Scotland Gas Interconnector" project, with a total investment cost of 260 MECU, for which the 1989-1993 CSF made a preliminary financial contribution of 4.5 MECU in aid. The project will also be financed in the future Single Programme Document, Community aid representing 35% of the total investment cost.

The industrial development programme made satisfactory progress in the course of 1993, and was completed by the planned deadline. The strategy aimed at targeting Community aid on regions with obvious weaknesses seems to have been a success.

Apart from Envireg, the Community initiatives were slow to get off the ground. However, they were fully committed by the end of 1993, expenditures improved in the course of the year, and the carry-over to 1994 will ultimately be no more than modest. As regards Envireg, it was feared that commitments would have to be reduced by ECU 5 million. However, the problem was settled by reallocating this sum to a major water treatment installation on Belfast Lough. A decision under Retex was also adopted in June 1994.

A number of facts emerge from the 1993 implementation of the OPs supported by the ESF:

- the majority of the finance intended for the vocational integration of young people was concentrated in the "Youth Training Programme" (YTP), which offers full-time training to young people of 16 or 17 years of age who have left the school system. According to the latest figures, 60% of participants have found jobs, and 6% of them have elected to move on to further training.
- the results of the "Job Training Programme" (JTP) for young people under the age of 25 who have been unemployed for more than 6 months, and long-term unemployed people over the age of 25, provide a good illustration of the difficulty of reintegrating people in these categories; even with personalized support, only 27% of the trainees acquired skills enabling them to obtain a recognized qualification;
- following an increase in its resources (transfers from other programmes), the "Apprenticeship" programme was able to benefit a greatly increased number of people;

- As regards the human resources sub-programme of the "Tourism" OP, it has seen an improvement in its financial execution and encouraging results, with a placement rate of 36%: thanks to Community aid the national authorities decided in 1993 to set up a supplementary project, administered by the Ministry of Education, which will offer trainees the opportunity to acquire skills, particularly in the area of foreign languages.

For the EAGGF, various measures already provided for in the regional development programme under Regulation (EEC) No. 1942/81 were also included in the new Agricultural Development OP.

However, in view of the delays with the application of this new OP, caused by adverse investment conditions during the period, it was decided in 1993 to transfer the unutilized appropriations (ECU 3.65 million) to the other CSF schemes. In 1993 the Commission committed ECU 2.56 million and paid ECU 14.19 million (cumulative total including the previous year).

The horizontal Objective 5 (a) measures are still being applied. However, it has been decided that the sum of ECU 5.81 million should be reallocated to the other CSF schemes. In 1993, the Commission increased the participation rate to 65% of the public costs under Regulation (EEC) No. 2328/91 (improvement of agricultural structures). The EAGGF committed ECU 23.78 million for these measures, with payment of ECU 22.92 million, which represents about 73% of the total payments for the horizontal measures.

Assessment of the operations decided upon over the whole period 1989-1993

Although no full evaluation of the impact of the 1989-1993 CSF on the Northern Irish economy is yet available, it is nevertheless possible to say that investments in harbours, airports and railways supported by ERDF assistance have helped to develop the infrastructures associated with exports. Tourism is now benefiting from a number of pilot centres. Less ambitious aid projects, such as the trans-European networks, have enabled numerous organizations to make contact with those in other regions.

A conference organized in December 1992 with a view to initiating public discussions on the content of the plan for the period 1994-1999 demonstrated quite widespread awareness of the advantages of Community finance for the region, especially as regards a number of Community initiatives such as Stride, Leader and Interreg. This process of consultation continued throughout 1993, resulting in the presentation of the Northern Ireland RDP to the Commission on 3 November 1993.

Over the whole period 1989-1993, the execution of the CSF has demonstrated the need to step up efforts to assist the most disadvantaged groups in society. In this area, the non-governmental associations and charitable associations traditionally play a very important intermediary role, especially in the case of basic vocational training operations, while trying to avoid so far as possible confining trainees to very low-qualified and hence very low-paid jobs.

The implementation of the CSF has also demonstrated the need to bring greater dynamism to continuing training operations in areas where needs exist, especially management, and to

reorientate the mechanisms for encouraging the setting-up of businesses in sectors where growth potential exists: the aim of the scheme intended to promote competitiveness of local enterprises, part-financed by the CSF, is to cover 500 enterprises in the medium term (1995) as compared with 125 in 1993.

As regards the EAGGF, the somewhat slow start-up of the CSF led, in the Agricultural Development OP, to the need to transfer appropriations to other schemes. By contrast, the Objective 5 (a) schemes enjoyed more balanced progress, and a total of ECU 136 million was ultimately committed for this CSF.

Over the period as a whole, the Rural Development OP absorbed 32.5% of the total committed for the CSF. Objective 5 (a) absorbed the rest of the total commitments (67.5%), primarily for the purpose of schemes relating to the efficiency of agricultural structures (55.8%).

1.1.8. New Länder and East Berlin

Shortly after unification, the Community decided (Regulation (EEC) No. 3575/90) to grant structural aid of ECU 3 million for the period 1991-1993 to the new Länder and to the eastern part of Berlin.

After a laborious start-up (1991), the Community funds were utilized more quickly than expected, and, as mentioned in the previous report, the allocation of payment appropriations for 1992 had to be increased by ECU 560 million in order to enable the Länder to meet their payment requirements.

Overall, the utilization of the Community funds can be considered as satisfactory. At the end of 1993, commitments amounted to ECU 3,140 million and payments to ECU 2,673 million.

The contribution of the Structural Funds was spread over a number of integrated development priorities, and ECU 90 million were reserved for technical assistance.

The ERDF supported 826 "production infrastructure" projects, 5,829 "production investment" projects, 212 "human resources" projects and 598 "development of rural areas" projects.

Numerous production infrastructure projects related to the upgrading of new industrial sites (waste-water treatment and waste disposal, water supply) and the construction or modernization of tourist facilities. Human resources development projects comprised the construction or enlargement of basic training, advanced training and retraining establishments.

The rate of occupation of the subsidized industrial sites is estimated at 57% in Brandenburg and 85% in Thuringia.

The ECU 1,567 million allocated by the ERDF and Germany to production investments brought in their wake private investment of the order of ECU 7,500 million, allowing the creation of some 122,000 jobs and the preservation of 102,000 others.

Among other objectives, the 1991-1993 CSF was to lay the groundwork for the establishment of competitive SMEs. It is clear from the analysis of the sizes of enterprises assisted in 1991 and 1992 by the body which supplies the national counterpart to the ERDF contribution that a sustained effort was made to promote SMEs. In 1991 and 1992, enterprises employing fewer than 200 people represented, respectively, 50.7% and 88.7% of commitments, 47.7% and 86.1% of investment and 38.9% and 76.9% of jobs created or preserved.

The setting-up of new administrations in the new Länder coincided with the first phase of the ERDF programmes (late March 1991). This may explain various lacunae observed in the initial stage of the Community measures and the application of the financial control requirements.

Monitoring and continuous evaluation of Community financing were operational. The data relating to job creation were also regularly collected. However, the functioning of the computerized information and evaluation system, part-financed by technical assistance, still leaves something to be desired, which is impeding the continuous evaluation of the ERDF programmes and comparisons of the aggregate data between the various Länder.

The Commission approved the granting by the ERDF of financial aid to 60 major production investment projects in the course of the period 1991-1993. These projects represented a total investment of some ECU 1,625 million, and received a contribution of ECU 175 million. They should create nearly 23,000 jobs.

As the situation for each Land has not been the subject of a presentation in the previous reports, it seems desirable to summarize the initial results for the period 1991-1993. These can be shown as follows:

- East Berlin: now that the ERDF OP has been fully committed - with payments amounting to ECU 59 million (48.6%) at 31 December - the total investment represents about ECU 770 million (ECU 231 million in 1993), and has enabled 9,700 jobs to be created and 14,300 to be preserved. The ERDF contributions have been devoted to 24 infrastructure schemes and aid to production investment has been granted to 558 private enterprises (198 in 1993).

As regards human resources development, 30 projects (9 in 1993) for retraining or advanced training facilities, directly meeting the skilled labour requirements of commercial and industrial enterprises in the region, have been approved. As in the case of the other Länder, the grants have been paid to the public institutions. A project to improve living and working conditions in rural areas was also approved in 1993.

- Thuringia: the ERDF OP was fully committed, with ECU 206.3 million (80.8%) paid. The total investment in the region represents about ECU 1,600 million (ECU 603 million in 1993) and has made it possible to create 17,500 jobs. The ERDF contributions to infrastructures were spread over 106 measures, and aid to production investment was shared by 221 private enterprises (64 in 1993).

92 projects (91 in 1993) relating to human resources development and 22 projects (12 in 1993) for improving living and working conditions and the environment in rural areas have been adopted.

Brandenburg: the ERDF OP was virtually fully committed at year-end, and ECU 147.5 million (60%) has been paid, while an investment of about ECU 1,800 million has enabled 20,149 jobs to be created and 10,934 to be preserved.

52 measures directed at infrastructures were approved by 31 December 1993 (9 in 1993), and aid to production investment was granted to 548 private enterprises (340 in 1993).

As regards human resources development, 18 projects were approved. 143 projects (110 in 1993) for improving living and working conditions and the environment in the rural areas have been implemented.

The Community Interreg initiative was not applicable in the new Länder in 1991-1993, so that no cross-border project between Brandenburg and Poland could be aided. Financial aid was granted for studies and for the preparation of the "Pro Europa Viadrina" and "Spree-Neisse-Bober" *Euro regio*s by way of technical assistance.

- Mecklenburg-Vorpommern: the ERDF OP, which was 100% committed, gave rise to ECU 156.6 million (86%) in payments and stimulated investment of about ECU 1,200 million (ECU 295.7 million in 1993), enabling 10,100 jobs to be created and 17,800 to be preserved.

A total of 105 schemes (43 in 1993) associated with infrastructures were adopted, together with aid to production investment affecting 721 private enterprises (321 in 1993).

13 projects relating to human resources and 248 (105 in 1993) projects for improving living and working conditions and the environment in rural areas were approved.

No cross-border project between Mecklenburg-Vorpommern and Poland could be aided. However, financial aid for studies and the preparation of the "Pomerania" *Euro regio* was granted in the form of technical assistance.

- Saxony: the ERDF OP recorded a total of ECU 464.1 million committed and ECU 408.6 million (89.5%) paid. The assistance provided to 3,080 schemes (1,139 in 1993) resulted in investment of the order of ECU 3,345 million, which enabled 40,000 jobs to be created and 42,300 to be preserved.

348 infrastructure schemes (25 in 1993) were approved and aids to production investment granted to 2,598 private enterprises (792 in 1993).

50 projects linked with human resources and 84 (64 in 1993) projects for improving living and working conditions and the environment in rural areas were launched.

No cross-border project between Saxony, the Czech Republic and Poland could be aided. However, the technical assistance resources were utilized for studies and the preparation of the "Neisse", "Elbe/Labe", "Erzgebirge" and "Egrensis" *Euro regio*s.

- Saxony-Anhalt: the ERDF OP gave rise to a total of ECU 280.3 million of commitments and ECU 273 million (97.4%) of payments. The contributions supported an investment of about ECU 2,000 million, which enabled 23,900 jobs to be created and 16,100 to be preserved. A total of 191 infrastructure schemes (32 in 1993) and production investment aid to 1,183 private enterprises (537 in 1993) were approved, together with 9 human

resources development projects and 100 (15 in 1993) projects to improve living and working conditions and the environment in rural areas.

As regards ESF assistance, 7 OPs were implemented, with Community support in the human resources sector of ECU 944 million for the period as a whole: one for each Land, one for Berlin (western part) and one covering the entire territory and run by the Bundesanstalt für Arbeit.

In 1993 alone, more than 42,000 people received assistance from the ESF in Saxony, more than 18,000 people in Berlin (eastern part), about 31,000 in Brandenburg, 22,000 in Saxony-Anhalt and nearly 25,000 in Thuringia. In addition, 18,000 benefited from the horizontal programme.

The resources were utilized in accordance with the forecast programme. They supplemented the measures set up at federal level, but also reinforced the active labour market policies conducted by the Länder and Berlin.

It is estimated that the ESF contribution represented about 20 to 30% of the Länder's financial resources in this area.

The measures part-financed by the ESF cover all types of training: apart from apprenticeship, results were recorded in the sectors of continuing training in the social services, environmental enhancement activities and the training of instructors in enterprises.

Other measures recorded in 1993 included strengthening the creation of vocational training structures and the improvement of training within enterprises, enabling the latter to improve their management of structural changes.

Over the whole of the period (1991-1993), nearly 450,000 people benefited from a vocational training scheme part-financed by the ESF. Interventions by the Fund helped to maintain and develop qualifications, to increase opportunities for finding a job (by virtue of recruitment aid or the establishment of self-employed activities), to persuade enterprises to invest more, and to stabilize the situation of marginalized groups or groups at risk of marginalization (especially the unemployed young and the long-term unemployed).

Women have always made up 60% of the beneficiaries. The support of the ESF has enabled the participation rate of women in training courses to be increased, with a particular view to acquiring new qualifications in the vocations of the future or improving their knowledge in management areas.

Within the framework of priority 6 of the CSF for the new Länder, the policy on agricultural structures and marketing and processing agricultural produce was set up in 1993. Despite investment problems, which entailed the transfer of ECU 51.6 million from priority 6 to priorities 7/8 (rural development and environment) of the CSF, the intervention of the EAGGF Guidance Section achieved an undoubted success. The setting-up of an agri-business sector demonstrated the progress made in comparison with other industrial sectors.

The share of the Objective 5 (a) schemes for the period 1991-1993 is clearly declining, dropping from 61.6 to 53.3% of total contributions.

Eleven OPs under Regulation (EEC) No. 866/90 (assistance with processing and marketing) have been extended.

The assistance provided by the EAGGF Guidance Section for improving the quality of life and working conditions in rural areas, and assistance to agriculture, forestry and the rural environment, represented a very important contribution in 1993. The main effort as regards the development of rural areas was concentrated on village renewal, absorbing more than 50% of the EAGGF Guidance Section commitments for regional schemes. According to a study arranged by the Commission, the multiplier effect is very high and, consequently, very valuable to the local and regional economy because the assistance is provided close to the inhabitants, and the rural population is significantly mobilized.

The 6 OP's (each Land has its own) were 100% committed, payments reaching 90%.

1.2. Objective 2

At the end of 1993, all the operations of the first (1989-1991) and second (1992-1993) programming phases of the eligible Objective 2 regions were 100% committed.

However, the situation as at 31 December 1993 with regard to payments likely to be made over the next two or more years suggested very substantial differences in execution as between the Member States, ranging from 46.7% in the case of Luxembourg to more than 81% in the case of Spain, as the table below shows.

Execution, for the period 1989-1993, of payments relating to the commitments made with regard to the CSFs adopted for 1989-1991 and 1992-1993:

Belgium	70.9%
Denmark	75.5%
Germany	70.7%
Spain	81.3%
France	77.2%
Italy	59.6%
Luxembourg	46.7%
Netherlands	61.9%
United Kingdom	73.2%
Objective 2 total	74%

1.2.1. Belgium

The OPs of the first period (1989-1991) for Liège, Charleroi and Centre, and Aubange/EDP are virtually complete, payments amounting to between 88% and 90% of total commitments.

Those of the second phase (1992-1993) are equally well advanced, the commitments being complete and the payments representing between 23% and 30% of the total commitments.

However, some difficulties exist: the Liège OP has suffered from poor preparation by the monitoring committees and underconsumption of the ERDF appropriations (ECU 1.75 million); although several projects for the renovation of industrial sites whose use has been changed are in progress, there has been no spending on the promotion of the economy in the Charleroi and Centre OP.

As regards the Community initiatives and programmes:

- the Liège and Hainaut Resider CIPs are reaching the end of execution, with payments close to 65% and 82% of commitments;
- the Rechar PCI for the canton of Chatelet (45.5% paid) and the Stride PCI for Wallonia (45% paid) are progressing normally;
- however, the Interreg/EDP PCI payments amount to only 17.8% of total commitments, and modifications have been proposed in order to avoid the loss of ERDF appropriations.
The second phase of the regional redevelopment strategy of the EDP (1990-1995) is in progress, and the effects to date are much greater than would have been possible with a mere juxtaposition of independent national initiatives;
- the Konver PCI, 100% committed, is 50% paid.

The Limbourg and Turnhout OPs are at the stage of finalization as regards the first period, the payments being between 80 and 89% of commitments.

The financing plans of the two OPs for 1992-1993 were modified in the course of the year in order to allow commitment of the appropriations, payments have been made to the extent of 25% and 23% of commitments, and no particular difficulty has been encountered.

The Community initiatives have also been implemented as planned, the payments made at the end of 1993 representing respectively 24.3%, 50% and 80% of the Rechar, Stride (Turnhout) and Stride (Limbourg) commitments.

Measures under the two Interreg PCIs, *Euregio* Scheldermond and *Euregio* Middengebied, are progressing normally although the deadline for commitments in the second case has been extended until 31 March 1994.

Payments under the Renaval CIP had reached 50% of commitments at 31 December.

As regards the ESF, all the sums planned have been committed. Although operations have differed as a function of the situation of each of the regions, the five OPs have all supported training operations for the benefit of SMEs, and specific training courses of a technological nature:

- in the Turnhout region, the emphasis has been on supporting fairly low-level jobs, while the "Plato" project has enabled SMEs to participate in the large enterprises' training programmes;
- as Limbourg has elected to give preference to the integration of unemployed people affected by mine closures, a team very close to local level has been appointed to monitor the activities. Training projects in new technology (such as audiovisual technology) have also been implemented by Diepenbeek University;

- in the Liège area, the ESF, in 1993, supported vocational training operations implemented by the training centre for small firms and traders and the IRI (Institute for Innovation and Industrial Reconversion), in order to assist the development of SMEs. These are of two types: long-term operations (two or three years) providing the necessary basis for the management of an SME, and short-term operations (one day), and offer the opportunity for vocational retraining or refresher training in various fields.
In addition, a centre for training in robotics in the sectors of engineering and iron/steel, "Technifutur", receives the support of the Walloon region, the French community, the ERDF and the ESF. The training operations are run by workers' and employers' representatives and by the University of Liège. Industrial companies supply the centre with the necessary equipment free of charge;
- in the Charleroi employment area, specific aeronautics training schemes have been supported, conducted by the CEFAE (Aeronautics Training Centre);
- in the municipality of Aubange, the European College of Technology is still producing good results. 90% of the training operations supported benefit people in work;
- in the French speaking community, the "inter-enterprise" training operations, where enterprises design and organize the training courses they need, are absorbing about 25% of the financial envelope provided for the ESF.

1.2.2. Denmark

All the OPs for the 1989-1991 period were fully paid at the end of the year 1993, with the exception of the West Lolland OP, for which a six-month extension was requested.

Independent experts undertook ongoing assessments and ex post evaluations for all the OPs, which were examined by the monitoring committee, their conclusions generally indicating good utilization of resources. The results of these evaluations were extensively used in the preparation of the new 1994-1996 OPs.

The OPs for the second programming phase (1992-1993) were all committed at the end of the year. In autumn 1993, more than 50% of the resources provided for the projects assisted by the ERDF had already been paid to the final beneficiaries. These OPs are extensively based on experience from the first period and are giving good results.

As regards the ESF, 1993 was devoted to the execution of the two OPs (ECU 1.15 million) focused on improving qualifications and creating jobs in fields which offer potential for growth.

For the period 1990-1991, the evaluation carried out by the national authorities in the North Jutland region showed that:

- 2000 unemployed people benefited from training operations supported by the ESF, 32% of these training courses relating to the operation of computers. The most important element is job experience, which sometimes goes hand in hand with the theoretical training courses: 50% of those who found jobs at the end of their training have been employed by the enterprise which accepted them during the in-service training period, whereas most of those who received only theoretical training were unsuccessful in gaining access to the job market. However, even in these cases, training sustains motivation, since more than half of those involved opted to take another course. Another effective measure was replacement of a member of the workforce who was himself undergoing training: this scheme, however, was implemented only in the largest enterprises.
- 5000 employees of 70 enterprises benefited from various training courses (languages, database, quality development, technology development). While the rate of satisfaction expressed is generally high, the desire exists among the trainees - and among the enterprises, especially those employing from 3 to 50 people - to see the sphere of activity of the courses extended to include less technical fields, such as understanding of the general mechanisms of the economy.

The PCIs have also gone ahead with no problems:

- The Stride PCI was fully committed at the end of 1993, and the links between local industry and the research institutions have been strengthened in North Jutland.
- The Konver PCI (ECU 0.8 million), approved in November 1993, was extended by 6 months, until the end of June 1994, and was concerned solely with regions not eligible for Objectives 2 and 5(b). It is still too early to assess its impact.
- The Interreg Bornholm and Denmark/Germany PCIs were also fully committed at the end of 1993.

1.2.3. Germany

The appropriations relating to the seven OPs of the second programming phase were fully committed at the end of 1993. Six of the seven programmes have also been implemented, both physically and financially. However, the implementation of the North Rhine-Westphalia OP had to be extended until 30 June 1994, because of the delay suffered by two specific projects.

Despite this delay, the implementation of the OPs and the national schemes, such as the environmental measures of the Land of Berlin or the IBA Emscher Park initiative north of the Ruhr, is generally satisfactory.

Over the period 1989-1993 as a whole the major modifications related to the North Rhine-Westphalia programmes (extension of measures relating to infrastructures and transfer of ECU 11.5 million from the ESF to the ERDF, for a vocational training centre). In the case of Berlin, an important modification was adopted in 1990, after unification (modernization of an underground railway line). In the case of Bremen, the modifications resulted in an increase in investment aid for the SMEs and tourist infrastructures.

The following major projects were also implemented: two private investment projects in the Aachen region (electronics and fibreglass), a private recycling centre at Castrop-Rauxel, a vocational training centre in Dortmund and the rehabilitation of a major industrial site at Oberhausen. As far as Berlin is concerned, three major infrastructure projects have been subsidized: enlargement of exhibition halls, reconstruction of an underground line and the creation of a industrial estate intended for SMEs.

Evaluation work continued in 1993. North Rhine-Westphalia submitted a draft final version of its main assessment study of the Objective 2 measures. Exhaustive data are currently available on the effects of the Community schemes, especially in the case of private investments. Nevertheless, it is not always possible to form a detailed assessment of the measures relating to infrastructures and software development, because of the considerable time-lags typical of this type of project. Within the framework of the North Rhine-Westphalia programmes, several operations related to the subsidizing of private investment. In the context of the national programme for regional economic structures, aid of ECU 22.9 million (Community and national government contributions) triggered total investments of ECU 323.4 million and created 1,030 jobs. The BFP interest-rate subsidy programme comprised appropriations of ECU 45 million, which benefited 1,065 enterprises and generated investments of the order of ECU 230 million and the creation of 2,560 jobs. With regard to the 1992-1993 phase, the only reliable assessment results available relate to the private investments committed before the end of 1992, most of the other measures still being at the stage of physical implementation. At the end of 1992, measures forming part of the national programme for regional economic structures covered 8 projects receiving official aid amounting to ECU 0.41 million, which had prompted total investments of ECU 6 million and created 48 jobs.

The assessment of the programme for Berlin has focused on the environmental improvement programme. During the first phase, the volume of assistance from the ERDF and the state amounted to ECU 55 million, the assisted projects numbering 150 and the jobs created around 600. The assessment clearly shows that the environmental improvement programme has been a completely successful initiative.

In the case of Bremen, the establishment of a mesoeconomic assessment model shows that, from 1990, the negative trend of the economy was checked and that Bremen's share of the country's overall employment has increased. About 13,000 jobs were created in 1991.

In Saarland, during the 1989-1991 phase, 62 investment projects received assistance which enabled 690 jobs to be created and 340 others to be preserved. In addition, assistance equivalent to a financial volume of ECU 150,000 was channelled to 44 enterprises, triggering total investments of ECU 3.2 million and the creation of 44 jobs.

Moreover, 7 OPs mobilized the available financial resources coming from the ESF. All the appropriations provided for in the CSF were committed by the end of 1993, but the execution of several programmes will be continued into 1995. This applies particularly to the vocational training schemes directed at the young, where schemes aimed at obtaining recognized qualifications can last as long as 3 years.

Over the period 1990-1993 as a whole, two elements can be noted:

- the importance of technical assistance: the support of the ESF made it possible to set up management committees combining the Chambers of Commerce, the social partners and various associations acting on an intermediate level between the Land authorities and the local level;
- the national authorities, like the authorities of the Länder, have very clearly given vocational training in the strict sense priority over spending on aid to recruitment, partly because of certain inflexibilities in the regulations but also because the partners at national and regional level felt that recruitment aid must primarily be utilized for Objectives 3 and 4. Very little use, incidentally, was made of the recruitment aid included in the programming for the 1990-1991 period, which was the subject of substantial transfers to vocational training operations. The CSF for the years 1992-1993 very significantly reduced the proportion of such operations within the overall support supplied by the ESF.

Advances have also been made in the field of Community initiatives. 16 Konver CIPs (1 per Land) have been decided upon, mobilizing ECU 24.98 million from the ERDF, 2 million of it under Objective 2.

The resources relating to all the other CIPs, Stride and Interreg, with the exception of the Retex programme for North Rhine-Westphalia (1993-1996 period), have been fully committed.

The Stride CIPs were linked to the OPs and strengthened the applications of advanced technology: information on laser technology in Berlin, the Berlin technology agency, the Bremen innovation agency.

The Interreg programmes have made a major contribution to closer contacts with projects to set up or enlarge the cross-border information centres at Lauterbourg, Kehl and Huningue in Alsace, and close to Basle; to bring the Strasbourg incinerators into line with European standards on the environment; to landscape the cross-border ecology park at Rheinauen in the Pamina region; to implement a number of tourism initiatives; and to carry out studies on economic cooperation and town and country planning. As regards the external frontier covered by the INTERREG-Haut-Rhin programme, close and effective cooperation with the Swiss partners should be noted.

1.2.4. Spain

As regards the ERDF assistance within the 1992-1993 CSF, approval of the Cantabria OP in January 1993 enabled the implementation of this Community framework to be completed. In addition, the 1993 tranches of the six Aragon, Cantabria, Catalonia, Madrid, Navarre and Basque Country OPs have been committed; the seventh region - Rioja - having received a single commitment in 1992 for the entire period.

The Commission departments concerned having also decided to lift the suspensory clauses affecting various measures in the Madrid and Basque Country OPs and to approve assistance in Rioja (ECU 0.3 million) due to the index-linking of the CSF, the total appropriations envisaged for the 1992-1993 OPs have been committed, amounting to ECU 566.23 million from the ERDF.

Out of this total, at the end of the year 1993, ECU 433.18 million had been paid (76% of commitments). The balance remaining to be paid is thus only ECU 133.05 million (24% of the total appropriation), which payment should be made before the end of 1995.

At the end of the year, the Aragon, Cantabria and Madrid OPs were granted a three-month extension applicable to the commitments (which thus allows minor changes to be made to some schemes, and national commitments arranged for some operations).

The measures implemented during the period 1992-93 were very similar to those for the years 1989-1991, though greater attention was paid to the development of production activities and to support for research and advanced training.

Finally, the commitments have also been completed for the two Basque Country CPs: ECU 19.38 million for Resider and ECU 14.85 million for Renaval, the payments amounting respectively to ECU 15.5 and 11.88 million (80% of commitments).

As regards the ESF assistance within the 1992-93 CSF, the financial execution in 1993 of 7 OPs can be considered satisfactory. In order to achieve their execution on the ground, these OPs were granted an extension until 31 December 1994. They all include a regional section, run by the regional bodies, and another multiregional section involving national bodies such as the Instituto Nacional de Empleo, the Comisión Interministerial de Ciencia y Tecnología, the Instituto Nacional de Industria and the Telefónica company.

Among all the operations supported under Objective 2 (training in the environment, telecommunications and R & D operations and new production and/or management techniques), those which were more specifically aimed at the retraining and further training of workers in SMEs attracted attention in 1993. They were, primarily:

- training courses within enterprises, in fields such as risk prevention and problems associated with health and safety at the workplace and with the environment. A training operation run by the Instituto Nacional de Industria, in the aircraft industry, enabled the employees of an enterprise which was spread over a number of different locations to follow by correspondence vocational training courses on risk prevention ;
- the Sistema Madrileño de Información Laboral (SIMIL), which was established in the Madrid region in 1992 and takes the form of an instrument to improve knowledge and forecasting of the Madrid labour market, intended to assist people in the region who are looking for jobs while at the same time acting as a service centre for enterprises. SIMIL distributes to job seekers the information available on job offers received from enterprises and from programmes run by the Autonomous Community of Madrid; or

any other Autonomous Communities, and makes several videos available to job seekers dealing with job hunting, the setting-up of businesses and starting work.

As regards the ERDF assistance under the 1989-91 CSF, out of the total of ECU 600 million committed for national initiatives and Community programmes, payments at the end of 1993 amounted to ECU 542.89 million (90.44% of commitments).

The remaining balance to be paid was ECU 42.95 million for the 6 OPs, ECU 4.04 million for the projects not yet finalized which were approved in December 1989 under the transitional provisions, ECU 2.4 million earmarked for two major projects in Catalonia and ECU 7.97 million for a major environment project in Cantabria. This was also granted a further extension until 30 June 1994 for payments to be made; it is certainly the ERDF's most problematical assistance project for the whole period 1989-91.

As regards the ESF assistance under the 1989-91 CSF, this was completely finalized before the end of 1993 (ECU 138 million for all the 1990-91 operational programmes, plus ECU 29 million for the projects approved in March 1989 under the transitional provisions).

Considered overall, during the period 1989-93, the two successive CSFs preserved the same philosophy and the same priorities. As a consequence, the most important operations were initiated in the first phase and continued in the second, which allowed some fairly wide-ranging schemes to be implemented, comprising: the provision of facilities and infrastructures for the technology parks of Zamudio in the Basque Country and Vallès in Catalonia, the metropolitan railway at Bilbao, Barcelona airport, and ambitious programmes for assisting SMEs and equipping research centres in all the Objective 2 regions.

As regards assessment, two studies dealt with the Basque Country and Catalonia during the years 1989-91, while at the end of the year 1993, three studies were undertaken on assistance in Madrid, the Basque Country and Catalonia.

1.2.5. France.

The payments relating to the CSFs of the first phase (1989-1991) have been completed for a limited number of programmes, the other OPs having been given an extension for payments until June or September 1994. For the majority of programmes, therefore, the physical implementation phase has not been completed, and a project in Nord-Pas-de-Calais was adopted in September 1993 (ERDF contribution of ECU 6.9 million).

One of the major contributions, however, was the monitoring committees' realization of the importance of the assessment process, which benefited from the technical assistance appropriations. These studies, initiated for each case of assistance or each theme (robotics programme, urban policy etc.), allowed a better impression of the value added in accordance with the priorities of the regions concerned. The conclusions reached in these studies were presented and discussed in the course of recent meetings of the monitoring committees and made a useful contribution to the 1992-1993 programming.

The financial commitments relating to the 1992-1993 programmes were fully completed before the end of the year.

It should be emphasized that the economic climate has been unfavourable to measures associated with economic development, with enterprises adopting a wait-and-see attitude and avoiding the risk of new investments. Financial adjustments between measures took place within every programme, and exceptionally, in the case of Lorraine, a transfer of appropriations took place between OPs. Other measures were reinforced, the main beneficiaries being training structures and those intended to improve the attractiveness of the regions.

One of the major advances of the second programming phase lies in the setting-up of integrated programmes which, in addition to substantially reducing the number of programmes, have enabled the emphasis to be placed on human resources in the conversion process, and investments in the fields of research and advanced training to be stepped up.

As regards the ESF, the financial execution of the 20 Objective 2 OPs was considerably improved in 1992 and 1993.

8 OPs asked for a relatively brief deferment of the termination date (3 months), which represents a clear advance over the first phase (where virtually all the Objective 2 regions asked for a deferment of 6 months or even 1 year). The transfers to the ERDF, planned from 1992 and carried out in 1993, were relatively marginal (a total of ECU 1.6 million).

The great majority of the operations supported by the ESF in 1993 relate to vocational training (middle and higher level qualifications for the most part), together with a few accompanying operations, recruitment aid being virtually non-existent.

In 1993, as in 1992, the vocational training operations with a more innovative content were implemented in fields such as training in new occupations, training of instructors and training courses for creators of new enterprises.

In general terms, in 1992 and 1993, smaller-scale schemes were implemented alongside the major national training projects which had represented a clear majority during the first phase. By way of example, the ESF supported the setting-up of "employment and training centres" which combine various reception and consultation services, and make it possible to compile a record of the trainees' skills before they begin the training courses. The ERDF, for its part, provided support for the development of the infrastructures of these employment centres. In some cases, when they have been set up in difficult areas, these centres are contributing to urban policy.

Over the period 1990-1993, attention should be drawn to the clear advances achieved during the second phase in the implementation of programmes (by comparison with 1990-1991, when the execution rate averaged only 84%), and the ever-increasing mobilization of the partners in the course of these four years. Aware of the need to improve mechanisms for controlling and monitoring ESF assistance, some regions, most of them very successfully (Basse-Normandie, Nord-Pas-de-Calais, Lorraine, Brittany, Rhône-Alpes, etc.), set up management teams for the Community programmes (in 1991 or, more frequently, 1992).

These technical assistance teams have made it possible to improve the quality of relations between the Member State and the various regions, and to present studies (assessment and

evaluation) relating to the management and execution of programmes. In Brittany, the team, in view of the results of the evaluation, has already provided a working programme for the next programming period (1994-1999).

At the same time, a discussion process has been carried out in the various regions with a view to setting up groups capable of providing multifund monitoring when two or three Funds are involved in a given employment catchment area.

As these new structures become established, consideration should be given to the further extension of monitoring to cover methodological and instructional questions.

Two new CIPs were adopted in 1993:

- a Retex CIP, with an appropriation of ECU 4 million for the first year, and
- a Konver CIP, with an appropriation of ECU 33 million (ERDF 28, ESF 5) serving 23 catchment areas, some of which are outside the regions eligible for Objectives 2 and 5 (b). It has been granted a commitment extension of six months.

Although their application is regional, the two programmes have been implemented at national level. However, the lack of concentration of the appropriations and the very short time limits allowed to the regions have damaged the quality of the proposals made.

The Stride and Interreg CIPs were fully committed before the end of the year. They have aroused keen interest and a high degree of mobilization of local actors.

1.2.6. Italy

The implementation of the 9 ERDF OPs of the first period, 1989-1991, is well advanced. Payments have reached virtually 80% of total commitments, and will be made before the end of June 1994.

The satisfactory financial execution is largely linked to good implementation of the operations. The annual reports and the monitoring committee's scrutiny have emphasized the mobilization of SMEs and the craft and tourism sectors, along with encouraging results in terms of the rehabilitation of run-down industrial sites.

On the other hand, as regards aid to investment in the SMEs, there have been delays with the setting up of national projects. The support infrastructures for economic activities have also suffered from recent changes in public tendering procedures.

The 9 OPs of the second phase (1992-1993) have been committed as planned in the case of the ERDF, although three regions (Marche, Tuscany and Veneto) have obtained a 3 month deferment (until March 1994) for the national commitments. They correspond to a total investment of ECU 1,040 million, while the average multiplier effect generated by the Community funds on total expenditure is of the order of 6.

The financial plans of some OPs, however, had to be rearranged in order to take account of the implementation of the individual measures.

The delay in the presentation of the OPs to the Commission, and their late adoption (autumn 1992), have had repercussions on the start of operations. In addition, some regions made use in 1993 of residual resources from the programmes of the first two years (1990-1991), for which the average utilization rate overall was 83.29%.

Thus, in Liguria, Lombardy and Lazio, the training activities planned for 1992-1993 did not start until 1993.

At the start of the year, some regions had announced execution rates close to 100%. Some enterprises having backed out during the year, the authorities responsible for managing the OPs had problems in submitting replacement projects, and the execution rates reflected this.

The vocational training activities in the fields of tourism and the environment have in most cases been used less than prior estimates suggested, especially during the first phase (1990-1991). The in-service training of technicians specializing in the environment sector, however, improved considerably at the end of the period.

Despite this, all the OPs complied with the deadline of 31 December 1993 for the expenditure commitments.

At the monitoring committee meetings, all the regions stressed that they were too busy with routine management and were thus unable to concentrate as they would have wished on more qualitative problems. They gave a favourable reception to a Commission proposal that technical assistance should be used to recruit additional personnel responsible for ensuring continuity of monitoring and collecting more exhaustive data.

As regards the operations part-financed by the ESF, a number of mechanisms can be singled out for 1993:

- the retraining courses organized by the Consorzio Aziende Metalmeccaniche Piemontesi, a body made up of the Piedmontese enterprises in the metalworking and mechanical engineering sector, which suffered severely from the recession in the motor industry: the retraining of personnel (executives and managing directors) is thus a strategic element for recovery and greater competitiveness.
Two vocational training schemes in the field of "total quality" and courses focused on environmental problems have been organized.
- the assistance organized in Veneto by SICC (Società Italiana Costruzione Caldaie), working in the field of water heating machinery to familiarize a group of executives with the concept of a "quality system".
- the use of technical assistance to improve the quality or suitability of the types of training available and the implementation of the OPs.

In Liguria, a study identified the training needs of enterprises in the hotel and tourism sector and prepared a schedule of training activities which were part-financed in 1993 as part of the OPs under the "Tourism" priority of the CSF: the operations related to training in accommodation and catering services, business tourism, the development of managerial skills and network strategy development capabilities, but also to the development of a culture of "total quality", and to the diversification of qualifications which would enable tourist activities to be established in the remoter areas.

In Lazio, technical assistance also provided better understanding of the Structural Funds' programming mechanisms.

The experience acquired in the second phase, 1992-1993, has been used to improve the preparation of training strategies in the context of the new 1994-1996 programming.

A number of new CIPs were approved in the course of 1993, in connection with the Retex initiative, with about ECU 4 million distributed over 6 regions (Piedmont, Veneto, Tuscany, Umbria, Marche and Lazio) and Konver, with ECU 24 million (ERDF 18 and ESF 6, approved at the end of the year and extended till June 1994 for four regions: Aquila and Naples (Objective 1), Genoa (Objective 2), Colleferro (Rome).

The Stride CIPs were fully committed at the end of 1993.

However, the expectations associated with these three initiatives were not fulfilled, because of the low level of resources allocated to the Objective 2 regions.

The France-Italy Interreg CIP was very successful, and all commitments were completed on schedule. A modification to the Switzerland-Italy CIP was necessary at the end of the year, while the deadline for the commitments under the Italy-Slovenia CIP has been put back to 31 March 1994 to enable all the resources to be taken up.

1.2.7. Luxembourg

The CSF adopted for the period 1992-1993 still covers the two cantons of Esch-sur-Alzette and Capellen. The selected priorities focus on improving the development conditions of SMEs, the rehabilitation of derelict industrial sites, environmental protection and vocational training schemes.

The integrated OP is based on single commitments for the ERDF (ECU 10.38 million) and the ESF (ECU 0.43 million). It includes an ERDF sum of ECU 4 million, which corresponds to the Resider sum not used during the first CSF Objective 2 1989-1991.

As at 31 December 1993, the programme was 100% committed and the ERDF payments had reached 30% of commitment.

In priority 1, the EDP project is very much behind on the planned budget, because of the deterioration of the international economic climate and the shortage of available sites. Consequently, the number of jobs created is below what had been planned.

In priority 2, a study has been commissioned on the conversion of the former slaughterhouses in the town of Esch.

In priority 3, the "treatment plant" and "treatment system and prototype" projects have been transferred from the Resider programme.

It will be recalled that the CSF for the period 1991-1992 did not provide for any assistance from the ESF. For 1992-1993, all the appropriations planned for the ESF have been committed. Needs having been targeted upstream, the placement rates are very good (100% in some cases) for the 525 trainees numbered over the two years. The operations set up relate to the acquisition of practical knowledge in the industrial sector (machine operation, for the most part) and in some cases are benefiting trainees whose level of qualifications is very low (primary school level). It should be noted that one of the two OPs comes under Interreg and is intended to support economic and social cooperation in the cross-border regions, in the field of human resources.

At the end of year, the Resider CIP had been 100% committed, but payments amounted to only 11.58% of commitments, whereas in the case of the Stride CIP - also 100% committed - payments reached 80%. An agency for technology and innovation transfer was set up, but demand by the enterprises for technological assistance proved less than expected, so that the proportion reserved for awareness activities was increased.

1.2.8. Netherlands

For the first programming period, the OPs for the regions of Groningen Zuidoost Drenthe, Twente and Zuid Limburg are virtually complete, payments being greater than or equal to 80% of commitments.

For these same regions, the OPs of the second phase (1992-1993), which included a Community contribution of ECU 98 million (70.74 million for the ERDF and 27.66 million for the ESF) were mostly committed at the end of 1993, after a few modifications, while payments amounted respectively to 20.93%, 50.77% and 47.25% of commitments.

The main focuses of effort were:

- reduction of unemployment, cross-border cooperation and the environment in the region of Groningen Zuidoost Drenthe;
- improving the socio-economic environment of SMEs, links between research and work and the development of tourism potential in the Twente region;
- organisation of industrial zones, revitalization of town centres and vocational training of both employed and unemployed people.

At the request of the Minister for Economic Affairs, consultants have been appointed to assess the programmes for each region.

The commitments for the 3 ESF OPs approved in 1992 were executed on time. The ESF assistance permitted better training of workers and better quality of production in sectors such as printing, assembly, chemical plants, furniture and financial services.

A typical example is the operation undertaken to benefit 81 people in a paper and board factory (out of a total workforce of 200) where the level of qualifications was not keeping pace with the development of technology. To guarantee an advance in productivity and safeguard jobs, a staff qualification enhancement programme was carried out at all levels of production, the award of the international quality certificate (ISO) being very important for a company which exports 75% of its production.

In some cases, the authorities responsible for implementing the ESF assistance encourage enterprises, while a member of their workforce is undergoing training, to fill his job temporarily with an unemployed person. The system is relatively undeveloped as yet, but should be encouraged.

For the period 1990-1993 as a whole the promoters, while very glad to be receiving support from the ESF in the Objective 2 regions, called attention to the problems of implementation associated with the relatively small size of the Objective 2 regions within a single province. Some partners, such as the business associations, wanted to conduct vocational training operations on a geographical scale which would include some beneficiaries eligible for Objective 2 and others eligible for Objective 3 and/or Objective 4.

A Konver CIP part-financed by the ERDF (ECU 2.33 million) and the ESF (ECU 1.25 million) was adopted in August 1993, covering some regions which were eligible under Objective 2 (Twente and oostelijk Zuid-Limburg) and some which were not (Kop van Noord-Holland and Veluwe).

1.2.9. United Kingdom

The delayed start-up of the 1989-1991 OPs had repercussions on the specific progress of a number of projects, with the result that in many cases 1991 was the first complete year of application. Ten programmes therefore had to be extended until 31 December 1993 in order to guarantee full utilization of the Funds.

The programmes of the second period (1992-1993) substantially comprised continuations of operations undertaken during the first phase. However, the implementation of the CSFs underwent a qualitative leap after the agreement concluded in February 1992 between the Commission and the United Kingdom authorities on the treatment of ERDF sums within the national public expenditure system.

Up until this date, UK government restrictions brought into question the proper application of the principle of additionality by limiting the access of local authorities and sponsorship bodies to national finance to supplement that from the ERDF.

Thanks to this agreement, the UK authorities now permit local authorities receiving a subsidy from the ERDF to obtain supplementary appropriations (loans from exceptional counterpart funds). They also allow new partners, such as higher education establishments, charity organizations, regional development bodies and the "Urban Development Corporations", to have full access to ERDF assistance. The social partners, however, are still refused access to the programme monitoring committees.

As the agreement did not come fully into force until April 1993, project applications from numerous sponsorship bodies were delayed, compelling the Commission to change the financial profiles of 19 programmes. In the absence of paying agencies able to supply counterpart funds in mid-Yorkshire, the resources of the OPs and the Rechar programme for the region were suspended and transferred to other programmes relating to East England. However, all the funds forming part of the 1992-93 CSFs were allocated by the end of 1993.

The additionality of expenditure was also called into question by the Commission in 1993. In particular, under the 1993 transitional provisions, supplementary government assistance to transport was deemed to be non-additional when it was linked to an ERDF grant. The Commission therefore withdrew its assistance from a number of road-building programmes

which had been adopted under the ERDF. Until the end of 1993, approval of ERDF assistance for a number of other projects was delayed by uncertainty regarding the availability of cover by national public expenditure.

Two programmes of a one-year duration were adopted in the course of 1993: the Bradford MOP and the Strathclyde MOP.

A number of regions drew on the technical assistance provided in the 1992-93 CSFs to part-finance regional development strategies and inform the national government of plans relating to eligible regions in the next phase.

West Scotland became the first region to make use of technical assistance to defray the operating costs of its independent secretariat.

The ESF assistance was implemented in 15 OPs, execution of payments being estimated at 81% of the CSF forecasts.

Three pilot projects were supported by the ESF in favour of SMEs in the West Midlands, Durham and Cleveland and West Cumbria regions. The evaluation carried out in 1993 emphasized the success of the West Midlands project, and the involvement of the private sector for the first time. These results prompted the UK authorities to propose the future continuation of this type in all the Objective 2 regions.

Intermediate assessments relating to some OPs of the 1989-1991 phase have been carried out. However, given a relatively short period of application and the financial completion of the programmes, these analyses did not permit any conclusions to be drawn regarding the impact of the assistance provided by the Structural Funds in these regions. A number of general observations nevertheless became apparent: it is important to define a clear strategy for the implementation of the programme, as well as specific operational objectives and a clear methodology for project selection.

Although the monitoring committees provide continuous assessment of the OPs in relation to the objectives, it is still too soon to assess the overall impact of the five-year period. Financial completion of the 1992-1993 programmes will not take place before the end of December 1995.

As regards the Community initiatives, and discounting the 11 Rechar programmes which were delayed pending a solution to the problem of additionality mentioned above, the other CIPs have progressed well. In the case of Rechar, with the exception of the Mid-Yorkshire programme, and although the financial profiles of the programmes have been changed (an additional ECU 4.5 million was allocated to three programmes - North Warwickshire, South Yorkshire and South Wales - in order to allow for job losses which had occurred between the presentation and the approval of the programmes), all the appropriations were allocated before the end of 1993.

Resider ended on 31 December 1992, and the intermediate assessment of the impact of the programme indicates that all the objectives have been achieved, though difficulties were encountered in attempts to promote greater involvement by the private sector, because of the

adverse effects of the recession. The projects financed under Resider are thought to have created 1300 jobs (1900 when all the projects are complete) and generated private sector investment of ECU 14.8 million (increasing to ECU 19.6 million at the conclusion of all the projects).

The Stride (approved in 1992) and Retex (approved in 1993) programmes ended in December 1993, whereas the Konver programme (approved in 1993) has been extended until March 1994. All the available funds have been fully committed.

The three programmes were implemented on a national rather than a regional basis, although each of them included an indicative regional allocation of the aid. The Konver programme was the first to be extended to regions other than Objective 1, 2 and 5(b) regions, 46% of the total United Kingdom allocation being devoted to non-Objective areas.

1.3. Objectives 3 and 4

For 1993, 9 CSFs were established at the end of 1992 for Objectives 3 and 4, in regions situated outside Objective 1⁽¹⁾, the first CSFs for these two objectives having initially been set up only for a period of 3 years, from 1990 to 1992.

The 9 CSFs provide for a total of ECU 2.117 million for 1993 and are common to Objectives 3 and 4.

Under the two Objectives, 4 major types of operation are envisaged: basic training, training in technological vocations, recruitment aid, and measures addressed to sectors of the population experiencing special difficulties in the job market (migrants, handicapped persons, women in vulnerable situations, and the very long-term unemployed).

Although the 1993 CSFs are characterized by their continuity in relation to those of the 1990-1992 period, a number of shifts of emphasis have been introduced by comparison with the first period:

- the relative weighting of Objectives 3 and 4 has been modified, changing from 45% and 55% respectively during the period 1990-1992 to 51% and 49% in 1993. In the context of the worsening long-term or very long-term unemployment figures, assistance earmarked for Objective 3 has been increased in all cases;
- greater flexibility in the matter of long-term unemployment: in 1992 the Commission adopted a decision which, in 1993, would allow assistance under Objective 3 for persons who had been unemployed for less than 12 months but were encountering major difficulties in the job market because of their age, handicaps, inadequate vocational qualifications or their situation in an unfavourable geographical or economic environment.

(1) It is recalled that actions on long-term unemployment and the integration of young people into the job market in the regions lagging behind in development were included in the Objective 1 CSFs for five years in 1989.

It was also decided that customs agents and brokers who had lost their jobs as a consequence of the completion of the single market should be treated as equivalent to long-term unemployed with effect from 1 January 1993.

Many of the applications for aid incorporated in these new CSFs were approved as far back as 1992: 35 OPs for a total of ECU 1,466 million. The remaining forms of assistance were approved in 1993.

All the sums provided for in CSFs were committed in the course of the year 1993.

The 1989-1993 programming period was characterized by the deterioration of the labour market, significantly with effect from 1992, the recurrence of the problem of long-term unemployment which now represents 50% of total unemployment, the appearance of very long-term unemployment, and an unemployment rate which for young people is still twice the average unemployment rate.

All the resources programmed under these two objectives outside the Objective 1 regions (ECU 8,100 million) were committed. This sum represents, outside the Objective 1 regions, between 3 and 15% of the public assistance supplied by the Member States for the benefit of employment and the campaign against unemployment.

The execution of the CSFs over the period as a whole reveals several characteristics:

- the increasing importance attached to the individualization of training and the multiplication of integration programmes. The first evaluation studies emphasized the need to establish, for those most isolated from the job market, a package of activities comprising identification and reception (where a first socio-occupational assessment of the trainee is drawn up), guidance (carried out on the basis of the assessment), monitoring and social support, training and return to work.
This approach has gradually become established in most of the Member States, and the Commission intends to continue along this route for the next programming period;
- the sustained interest shown in mechanisms which place emphasis on work experience and schemes combining training and work, but also on people threatened with exclusion from the job market, the social economy and enterprises providing transition jobs. The support given to these mechanisms has been strengthened over the course of the period;
- the gradual emergence of sectors with a strong employment potential, especially in the environment and culture sectors.
As regards preservation of the cultural heritage and nature conservation (renovation of parks, the residential environment and historic buildings) the vocational training schemes have produced good results, especially in Spain.
In the field of culture, very broadly diversified vocational training schemes have been conducted successfully, covering occupations in publishing, the theatre (costumes, lighting), the cinema, music and museums.

1.3.1. Belgium

The last OPs allowing the commitment of all the Funds provided for in the CSF drawn up for 1993 were approved in the course of the year.

These were a technical assistance programme for the Walloon region, and an OP for the Brussels region which is aimed at a group of people whose qualifications do not correspond to the needs of the job market and who might be able to find jobs with the assistance of a transitional mechanism of schemes combining training and work.

In addition, an OP of ECU 68,000 was approved to allow the setting-up of a "food bank" to benefit those encountering very serious problems with integration into the job market. This programme aims at learning basic habits (patterns of behaviour, hygiene, diet) to enable the persons concerned to rediscover a degree of motivation in order to embark in due course on a phase of integration into the job market. A preparatory study had previously collected information, partners and methods suitable for the implementation of this operation.

In 1993, there was a more clearly noticeable tendency to support operations designed to combat exclusion and linked to the social economy and to "halfway-house" enterprises (see box).

For recipients of the minimex (minimum subsistence allowance), the operations combining training and work experience implemented under the auspices of the Public Social Assistance Centres (CPAS) continued to benefit from the increased support of the ESF under Objective 3, and also under Objective 4, in a variety of fields: building restoration, industrial maintenance, warehousing, etc.

In order to provide better integration and orientation of the long-term unemployed, a mechanism was launched in 1993 under Objective 3, as part of the innovative operations, to strengthen the skills of supervisory personnel and instructors, especially in the psychological field: ability to listen and identify the psychological problems of the sectors of the population in question.

In the case of Objective 4, schemes combining training and work have given good results, especially in the centres set up for alternating education and training, whose function is to accommodate young people over the age of 15 who are required to attend school on a part-time basis. These centres organize courses and occupational experience which may be in the form of "school courses", "job/training agreements", industrial apprenticeship contracts and part-time contracts of employment.

The "halfway-house enterprises" and the social economy in Belgium

In the French speaking community, the "occupational apprenticeship enterprises" (EAP) or integrated development operations (AID) for people in difficulties resemble enterprises in the sense that they require full-time work from those they take on, but differ from enterprises in that the activities place emphasis on "training" through work.

As a general rule, courses last 18 months, during which time the young people undergoing training are paid. At the end of this period they must be taken on by the non-profit organisation as workers or find employment in the commercial sector.

The ESF provides assistance to the extent of 31% of the total financing of these mechanisms, which offer genuine job creation.

For 42% of beneficiaries, these enterprises have produced a favourable result: 33% have been able to find a job and 9% a training place leading to qualifications.

According to various studies, these enterprises could create a net gain of between 1800 and 3800 jobs in Belgium in 10 years.

In the Flemish community, three types of integration enterprise are supported by the ESF:

- the "leerwerkplaatsen", a workshop for learning through work, resembling the French community's EAP and AID;
- the "sociale werkplaatsen" (social workshops) which offer the possibility of remaining in the workshop until the beneficiaries are ready to be integrated into the conventional job market. These social workshops are primarily designed for a severely disadvantaged group, for which they often represent a last chance of integration;
- the "sociale economie en invoegbedrijven" (social economy and integration enterprises), start-up enterprises where work takes priority over profit and management is run on democratic lines. These enterprises endeavour to create jobs of indeterminate duration. They receive a subsidy for 3 years and are then required to pay a wage to their employees without assistance.

1.3.2. Denmark

The year 1993 was devoted to the implementation of the 2 OPs approved at the end of 1992, for which all the planned commitments were made in full.

Like those in the other Member States, the Danish authorities elected to replenish the resources allocated to the campaign against long-term unemployment. Among the new vocational training operations set up in 1993 under Objective 3, some are directed at people with university degrees, a group which is experiencing a relatively high rate of unemployment in Denmark. In particular, operations have been conducted in the tourism sector, which may offer new employment opportunities for this group, while enabling it to use its skills - languages, for example - in a more commercial context, oriented towards marketing, in order to develop the tourist potential of a given region.

The city of Copenhagen launched an operation of this type, with a rate of placement in stable employment of 26% and work experience of variable duration for all participants. Preparatory work for events connected with the operation entitled "Copenhagen, European City of Culture 1996" should further increase the prospects of recruiting personnel qualified in this area.

As regards Objective 4, a number of vocational training schemes directed at young people have been carried out in fields relating to the environment or associated with ecology.

Over the period 1990-1993 as a whole, about 18,000 people per year benefited from a vocational training scheme part-financed by the Community under Objectives 3 and 4. The operations carried out lasted an average of 5 months.

Surveys carried out 6 or 12 months after the end of the training operations showed that 20% of participants have found jobs, 7% have gained entry to other training schemes, and 24% are benefiting from a job market scheme. The remaining beneficiaries consider that the training improved their self-confidence and increased their job prospects.

Note should be taken, especially in the context of Objective 3, of the value of the "job rotation" scheme, which enables enterprises to give a temporary position to an unemployed person in a job usually occupied by a member of their workforce who is undergoing training.

In general terms, the current priorities adopted by the Danish national authorities match up with the Community's concerns as regards the campaign against long-term unemployment: a preventive approach to avoid the drift into long-term unemployment, a degree of flexibility, the importance attached to the regional and local approach in selection, and implementation of measures intended to combat unemployment.

An innovative project in Denmark: the Ecological Produce Sales School

On the basis of a study carried out with the aid of the Community, the regional authorities and the Ministry for Agriculture, this project offered young unemployed people between the ages of 20 and 25 a course of training in the selling of health-food products. The training comprises a theoretical phase, lasting 10 months, and a one-month practical phase in supermarkets and health-food shops. The courses are made up of general modules (training in economics and general accounting, selling and purchasing techniques, marketing, management, etc.) and modules focused on ecological and organic issues (standards in force, etc.).

In order to sustain a high level of quality, the promoters draw their ideas from the latest results in this field and involve expert specialists in their work.

This operation has achieved a placement rate of 83%. The promoters are now seeking to involve other commercial partners in Germany, Belgium, the Netherlands and Italy.

1.3.3. Germany

The last OPs of the Objectives 3 and 4 CSFs for Germany were approved in 1993. They are an OP common to Objectives 3 and 4 for Bavaria, for a total of ECU 10.36 million, and 3 technical assistance OPs, for an overall total of ECU 0.33 million, which in most cases will allow the part-financing of information activities.

The course of operations was disrupted in 1993 by problems of part-financing, some Länder having frozen their regional budget expenditure towards the end of 1993, preventing all the planned sums from being spent.

The operations supported by the ESF are reinforcing either the schemes implemented at federal government level by the Bundesanstalt für Arbeit or the schemes carried out by the Länder. Nearly 50% of the assistance under the 1993 CSF is going to those experiencing the greatest difficulties: migrants, the handicapped and women in vulnerable situations.

The assistance financed has been marked by a more and more global approach to integration, and by the multiplication of the implementation of integration courses for the groups confronting the greatest difficulties, whether they be long-term unemployed or young people (cf. box).

Over the period 1990-1993, assistance by the ESF enabled the integration courses to become more general and the Länder to have more influence in implementing vocational training schemes relating to Objectives 3 and 4, the mechanisms provided by the Länder generally supplementing national operations from a qualitative standpoint.

It may be noted that the concept of "integration courses" has been incorporated as a guiding principle into the Objective 3 CSF for 1994-1999.

The adaptation of vocational training operations to the needs of the most disadvantaged groups

In Germany, integration courses, combining phases of counselling, training, work experience and placement have tended to multiply.

The implementation in different phases improves opportunities of reintegration for the disadvantaged groups, by comparison with vocational training courses in isolation.

Several Länder, with the support of the ESF, have set up pilot projects to adapt the various schemes to the individual needs of the beneficiaries.

Among the latter, one example which may be mentioned is Berlin's "501/301" programme, the objective of which is to supply 501 jobs in the western part of Berlin and 301 in the eastern part to disadvantaged young people confronted with serious difficulties of integration into the job market.

This programme, based on innovative methods, offers young people three years' employment in a job of their choice, combined with a form of training which suits their needs, and with counselling and advice phases.

In the implementation of these operations, care is attached to improving monitoring, involving various desirable partners, and identifying the necessary back-up measures for the long-term unemployed.

Thus, the Vocational Training Foundation in Hamburg, which offers training courses aimed at the long-term unemployed, and also work experience, has set up a special monitoring system which enables each trainee's results (rates of success in examinations and returns to the job market) to be compared with the results obtained by other vocational training operations in the same region.

70% of participants who completed their training cycle at this Foundation were able to find new jobs within a period of 2 months.

These results are also being achieved by virtue of the cooperation between vocational training promoters and local actors in the labour market (Chamber of Commerce and Industry and numerous medium-size enterprises).

1.3.4. Spain

In 1993, 9 forms of assistance (8 OPs and one global grant) were approved in order to implement the Spanish CSF, for a total of ECU 288.7 million.

The range of types of assistance under the ESF is still very diversified and includes, for the benefit of young people and the long-term unemployed, basic vocational training schemes, training in new production and organizational technologies, and also innovative schemes and specific schemes to integrate women in occupations where they are underrepresented, or to integrate handicapped people and migrants.

The changes of emphasis introduced in 1993 by comparison with previous years are intended to: concentrate further the available resources on the long-term unemployed; implement new vocational training schemes adapted to the needs of the production system and to the new qualifications in the fields of new technologies and new services to enterprises; supplement the vocational integration schemes by measures to support employment policy.

In 1993, as in previous years, note should be taken of the consistent importance attached to the Escuelas-Talleres (cf. box).

Over the period 1990-1993, all the operational programmes were properly executed.

The Escuelas-Talleres (workshop schools) and the "Casas de Oficios" (trades centres)

The Escuelas-Talleres and the Casas de Oficios are public programmes run by the National Institute of Employment. The schemes are directed at young people who have not completed their primary education cycle, which prevents them from undergoing vocational training.

The training courses alternate theoretical learning with work experience, and also involve consultation and orientation phases.

For 1 to 3 years, pupils receive training in public projects and in fields which have been identified by the White Paper on growth, competitiveness and employment as having the potential to provide jobs, such as the rehabilitation of the artistic, historic, cultural and urban heritage, preservation of the environment (garden maintenance) and the learning of craft skills.

In some cases the public bodies involved in these programmes recruit the workers who have attended these workshop schools or trades centres for the works or services under their management.

This type of programme is already being implemented in other Member States under another name, and could be applied throughout the Community.

1.3.5. France

France elected, in 1993, to target the CSFs of Objectives 3 and 4 on people at risk from exclusion, the very long-term unemployed and unqualified young people.

Thus, some of the ESF assistance in 1993 was used to part-finance mechanisms of integration into non-merchant services.

As regards the occupational integration of young people (Objective 4), which in 1993 received 52% of the total finance for Objectives 3 and 4, Community financing also made it possible to finance particular operations for categories at risk from social marginalization, such as guidance, training and integration schemes intended to prepare the return to working life of young offenders held in penal institutions.

This approach represents a change of emphasis by comparison with the previous programming period, during which the training schemes supported for the benefit of young people were generally intended to raise qualification levels, especially in new technologies (for example, the schemes run by various national promoters - AFPA, the Vocational Training Delegation, and the Chambers of Commerce and Industry).

Over the period 1990-1993, there was a noticeable change in the activities supported. At the start of the programming period, and very specifically in the context of Objective 3, the great majority of ESF assistance (about 90%), was made up of vocational training schemes whose purpose was to raise the level of the trainees' qualifications.

From 1992 onwards, especially in 1993, the emphasis was shifted to mechanisms focused on work experience and schemes combining training and work, while particular attention was paid to individualized integration: the concept of integration courses became established quite rapidly in France. Most of the schemes implemented can be associated with basic training.

In 1993, the French partners at all levels (prefectures, regional councils) made considerable efforts in the field of information and advertising to promote the vocational training campaigns and programmes part-financed by the ESF. The ESF mission in Paris also organized, from the 2nd half of 1993 onwards, a large-scale campaign in all the regions to publicize the ESF and increase regional involvement in the operations part-financed by the ESF.

This campaign included information on the new possible forms of assistance from the ESF offered by the regulations adopted in July 1993, and increased the number of meetings at the end of the year with the participation of the Commission's departments. The assessment of this approach is very favourable (steady interest by all participants) and it should be renewed in the future.

In France, the operations carried out by the General Council of the Territory of Belfort in partnership with the European Social Fund...

From 1986, the General Council of the Territory of Belfort, with financial assistance from the State, set up a minimum integration income scheme (referred to as a personalized autonomous resources contract) and developed its integration policy on the concept of "integration courses", in which social back-up, training and work experience are closely combined.

The partnership which it set up from 1988 onwards with the ESF, as specific operations of an innovative character, enabled the Territory of Belfort to experiment with and validate a mechanism for vocational integration by stages, which was flexible and ranged from the preparation of a vocational project to preparation for employment and training, in line with changing trends in the job market. The General Council pursued this operation by setting up a Permanent Monitoring and Vocational Project Centre (C.P.S.P), the keystone of the integration apparatus, which was part-financed by the ESF from 1991 onwards under Objectives 3 and 4.

... and the occupational integration of young artists

The "European nurseries" offer young artists the means for carrying out their research and creative work over a period of from 3 to 9 months.

In addition to material facilities made available to them by the host town, the artists receive a grant from the "nursery" association to see their projects through to completion and enable them to move towards occupational and cultural integration through their artistic activities.

In addition, artists in a single discipline but of

different nationalities exchange experiences, and various public encounter schemes are organized around the works produced (exhibitions, catalogues, articles, performances).

In 1993, the ESF supported this scheme encouraging the vocational integration of young creative artists.

1.3.6. Italy

The 18 OPs relating to the 1993 CSF for the Centre North regions were all approved in the course of the year.

Thirteen of them are regional OPs (for a total of ECU 199 million), and 5 are multiregional OPs (for a total of ECU 100 million). ECU 11.31 million are earmarked for innovative operations.

An OP run by the Ministry of Labour supports vocational training mechanisms in the context of a global approach to integration, for the benefit of workers who have been released by their enterprises and are at risk of drifting into long-term unemployment. These are people registered on the mobility lists maintained under National Law 223, the

great majority of whom are of very low academic standard, the most common occupational category being that of labourer.

A number of adjustments have been made. Six OPs which are encountering problems with the absorption of resources have been reduced by ECU 45.36 million, those in question being 5 regional programmes (Lazio, Lombardy, Friuli, Tuscany and Marche) and one horizontal programme run by the "Enti Pubblici".

This sum has been reallocated to two new OPs run by the Ministry of Labour, the first for migrant workers (nearly ECU 3 million) and the second for mobile workers (ECU 42.38 million).

In the 1993 CSF, young people continued to benefit from most of the assistance (more than 75% of the CSF). The emphasis was otherwise on training in new technologies, on the management of enterprises (especially SMEs) and on training of a cultural variety or in craft techniques which are at risk of disappearing. Half of the 1993 CSF funding is devoted to these operations.

Thus, under Objective 4, a number of assistance measures aimed to facilitate the entry into the job market, especially in SMEs, of qualified young people: for example, the management and business economics courses organized in the Marche region enabled young university graduates to make their way into business. According to the evaluation carried out, all those who received training found jobs in local or national enterprises or in international industrial groups, the experience acquired also being designed to enable them to set up an SME in Marche.

The training undertaken in the field of new qualifications relates to Objective 3 as well as to Objective 4, in other words young people under the age of 25 or unemployed people over the age of 25. These operations are generally organized in relatively small groups (from 30 to 50 people), having regard to the specific nature of the qualifications provided.

In Lazio, for example, a course for experts was organized for 31 students between the ages of 18 and 25, following an analysis undertaken by the ASI (Agenzia Spaziale Italiana), which identified the need to train personnel in the field of aerospace technology. After the training course, provided by experts from aerospace and computer enterprises, 26 young people passed the tests and received on-the-job training.

The third field of activity which should be pointed out is the opportunities offered to numerous young people in the cultural field (cf. box).

Over the period 1990-1993, the majority of the assistance provided by the ESF was focused on young people, who benefited from 83% of the CSF total for 1990-1992 and 78% of the CSF total for 1993, the operations generally featuring high- or medium-level training courses.

At the end of the period, thought was given to the conditions necessary to improve the quality and effectiveness of the training schemes, an area where substantial differences exist in Italy from region to region.

In the future, under the new Objective 3, technical assistance could be requested with a view to know-how transfer.

Training schemes in the field of the historical and artistic heritage in Italy

Operations of this type have multiplied in various regions of Italy, especially in 1993. Many young people have a qualification in the arts, but have difficulty in becoming integrated into the working world. The training operations set up favour an economic and productive approach to artistic occupations and relate to various fields (publishing, museums, music, architectural restoration, etc.). The cultural aspect has a beneficial and motivating effect on the trainees.

The following may be mentioned among the initiatives that have received support:

- in Umbria, a course in restoring old books and training for operators working in museums. The placement rate appears to be close to 100%;
- in Tuscany and in Emilia-Romagna, a range of training courses relating to music, music restoration (soundtracks of old films) and theatre. The placement rate is thought to be 80% in Tuscany;
- finally, in Veneto, where there is much to be done in the preservation of the artistic heritage, courses for technicians in architectural restoration. The placement rate appears to be 80%.

In most cases, participants in the abovementioned training courses have found jobs either with public enterprises or in private companies which had arranged courses or, most frequently, in cooperatives.

1.3.7. Luxembourg

In 1993, 2 OPs were approved under the CSF for Luxembourg. One of them (for a sum of ECU 1 million) is reserved for the vocational training of the handicapped. The other (for a sum of ECU 2.5 million) combines the various types of assistance (employment aid, training in new technologies, transnational operations, technical assistance) provided in 4 OPs during the period 1990-1992.

The operations supported by the ESF are notable for their continuity. Employment aid, exclusively designed for young people, comprises initiation courses, with the emphasis on the concept of work experience and on the practical part of training. According to the latest available results, 229 young people out of the 285 participants have been able to obtain a permanent job.

The other forms of assistance have benefited both young people and the long-term unemployed. Some of these operations are inventive, such as the "Cycling in town" project, directed at young people, often long-term unemployed persons without qualifications, which is producing good results in terms of motivation and personal development. Thanks to intensive socio-didactic integration and a varied course of training incorporating, for example, running a hire business in reconditioned bicycles, 10 of the 14 people who have undergone this training have found employment.

Over the period 1990-1993, the support of the ESF has largely benefited the handicapped. Mechanisms for integration into an "ordinary" working environment, such as the horticultural sector, have also been replenished in financial terms.

Overall, all the Objective 3 and 4 assistance in Luxembourg has been typified by substantial concern for individualization and improved monitoring.

1.3.8. Netherlands

In order to improve the level of take-up of the appropriations included in the two forms of assistance supported by the ESF under Objectives 3 and 4, the national authorities replenished, during 1993, the sums allocated to basic training, the resources devoted to training in new technologies having been overestimated at the programming stage and not corresponding to needs on the ground.

As in other Member States, the national authorities again elected, in 1993, to favour individualized training courses aimed at the most disadvantaged groups, former delinquents and migrants.

Among the mechanisms supported, training in boatbuilding carried out under the responsibility of the Sneek Employment Project Foundation has produced good results. This scheme, originally designed to enable young travellers to set up an independent enterprise in boatbuilding and boat hire, has been extended to include unemployed people. It is a scheme combining training and work, involving a series of phases (reception, guidance, retraining or training), combined with work experience.

Over the period 1990-1993, more than 250 people have been trained in one of the three sectors covered (wood-metal-paintwork), and about 76% of them have found jobs or continued their training at a vocational training centre.

It will be noted that this project is supported, in terms of infrastructure, by the ERDF under Objective 5 (b).

The execution of the CSF over the period 1989-1993 has been marked by the stepping up of basic training operations.

1.3.9. United Kingdom

As in previous years, the majority of the appropriations devoted to Objectives 3 and 4 served to provide basic vocational training both to the adult long-term unemployed and to the young, especially in sectors suffering from a shortage of qualified labour or offering potential for growth in employment.

New programmes to benefit the adult long-term unemployed were implemented in 1993: "Training for work" (which replaced "Employment Training" and "Employment Action") and "Community Action". These programmes focused, respectively, on the acquisition of a suitable training background and on occupational experience and activity which are useful to the local communities, combined with job-search assistance.

"Youth training", which is aimed at providing participants with a form of training that paves the way to vocational qualifications, was again the main initiative aimed at young people.

The Objective 3 programmes have seen a continuous increase both in the number of participants and in appropriations. Estimates suggest that participants in the Objective 4 programmes amounted to nearly 60,000 in 1993. The main reason for this increase was the growing participation of young people with specific needs.

Involvement of women in the programmes varied from just under 19% in the "basic training for the long-term unemployed" programme to 53% in the "disadvantaged youth" programme. It averaged 36%.

In the 8 OPs set up in 1993, the emphasis was on vocational training operations for the benefit of people confronted by particular difficulties in the labour market, including the handicapped, women returning to work after a long absence, refugees and ethnic minorities.

In terms of employment access, the most successful OP is the programme which offered young people higher level vocational training and enabled 70% of participants to find jobs or set up their own businesses. The other OPs recorded an average employment access rate of 35%, to which can be added 21% of people engaged in training.

Most of the participants in the vocational training programmes acquired a qualification. On average, 41% of the qualifications acquired were at basic level, 19% at intermediate level and 19% at higher level. As regards those confronted with special difficulties in the job market, about 60% of women and handicapped people acquired at least a basic qualification.

Appropriations to assist vocational guidance and consultancy services more than doubled in 1993 by comparison with 1992, but are still very restricted in comparison with the general budget. The greatest successes achieved by these programmes have been the reintegration of young school drop-outs into the educational system and the assistance provided to women wishing to return to work.

Blyth dramatic arts centre: upgrading the talents of the long-term unemployed

The object of the project was to create an innovative concept combining practical training and a very detailed individual assessment, offering the opportunity to meet specific needs effectively by combining training and an operation designed to neutralize the effects of long-term unemployment. The intention was to provide those concerned with the basic skills they lacked, to allow them ultimately to pursue some other form of training.

The organizers of the project took on people over the age of 25 who had been unemployed for more than 17 months and the specific nature of whose training needs had been recognized. In the context of this training, they were called upon to participate in a general interest group activity, in this case the preparation of a theatrical performance, which was intended to develop their self-confidence, motivation and spirit of initiative, to perfect skills previously acquired and to stimulate new ones. The participants compiled files in the course of their training, in line with procedures adapted to their own needs, and the files were then submitted for the approval of the Royal Society of Arts (RSA).

1.4. Objective 5 (a)

Objective 5 (a) assistance relating to measures concerned with agricultural structures and the operations aimed at improving processing and marketing conditions for agricultural and forestry products underwent no significant changes in 1993. Commitments under the various systems, which seemed to have reached their cruising speed in 1992, increased again in 1993. The Member States which benefited most from the schemes to adapt agricultural structures and from the compensatory allowances were France and Germany, followed by Ireland, Italy, Greece and Portugal. The main beneficiaries of the measures connected with the processing and marketing of agricultural and forest products were Spain and Italy, followed by Germany and France.

The total EAGGF Guidance Section commitments for these schemes came to more than ECU 1,500 million in 1993, of which nearly ECU 1,060 million was for the measures to improve agricultural structures and ECU 493 million for processing and marketing measures. This represents an increase of ECU 220 million over the previous year.

As regards the schemes intended to improve processing and marketing conditions for fishery and aquaculture products, the funds available were not sufficient to meet all the applications for aid, either in 1993 or over the period as a whole. Nevertheless, the OPs which were adopted focused on a number of very specific measures which were the best calculated to promote the modernization of the sector.

1.4.1. The implementation of structural measures in favour of farms

The structural measures designed to improve the efficiency of agricultural structures⁽¹⁾ relate to:

- compensatory allowances, intended to offset the natural handicaps of farms situated in disadvantaged regions;
- aid to investment in farms, providing finance for improvement schemes to diversify activities, reduce production costs and take account of market needs;
- the start-up premiums for young farmers, designed to provide farm management by young people capable of adapting to the new agricultural realities;
- assistance with the introduction of accounting into farms and the start-up of management, replacement and mutual assistance services between farms set up by associations of farmers;
- and, finally, assistance with the adaptation of vocational training (courses and in-service training) to the needs of modern agriculture.

In 1993, the commitments of the EAGGF Guidance Section reached ECU 1,059 million, or an increase of 21.4% over the year 1992 (ECU 872.8 million). The table below gives a more detailed analysis of the schemes:

Schemes	1993 commit- ments (ECU million)	% of total	Change from 1992- 1993 (%)
Compensatory allowance	518.8	49.0	+22.2
Aid to individual investment	270.1	25.5	+13.6
Aid to young farmers	183.0	17.3	+20.5
Others	87.4	8.2	+49.7

An analysis by country also indicates that the three main schemes, mobilizing the greater part of the financial resources, are applied in all the Member States. However, the compensatory allowance is not applied in Denmark and the setting-up premium for young farmers is not applied in the Netherlands or the United Kingdom.

As regards the compensatory allowances (specific aid to farmers in upland and disadvantaged regions), these alone account for half of the expenditure under Regulation (EEC) No. 2328/91, the table below showing the application league table in descending order:

⁽¹⁾ Regulation (EEC) No.2328/91: OJ No.L 278 of 6 August 1991, page 1

Country	1993	1992	Average 1989-1991 (million ECU)
France	131.3	69.3	62.1
Ireland	103.5	86.6	48.1
Germany ⁽¹⁾	80.7	88.1	86.2
United Kingdom	44.5	39.6	41.4
Italy	44.5	31.9	21.8
Portugal	39.1	29.2	36.1
Spain	38.5	39.8	48.7
Greece	29.3	35.1	52.0
Luxembourg	4.6	2.5	2.2
Belgium	2.5	2.4	2.3
Netherlands	0.3	0.2	0.2
Total	518.8	424.7	400.8

- (1) Only the old Länder are included, so that the series of figures are comparable. If the advances granted to the new Länder during the year 1993 (ECU 66.09 million) were taken into account, Germany would occupy first place with ECU 146.79 million.

The upward trend of commitments for compensatory allowances is confirmed in 1993. The Member States are aware of the importance of these allowances in providing support for agricultural activity and the population in the uplands and disadvantaged agricultural regions. At present, more than 1.2 million farms benefit from them.

As the Council adopted on 19 July 1993 a Directive modifying the list of disadvantaged regions in Greece, the total area of the disadvantaged agricultural regions now represents 55% of the agricultural land area in the Community.

In budgetary terms, the second measure under Regulation (EEC) No. 2328/91 is investment aid, which in 1993 represented 25.5% of the budget under this Regulation. Although the number of improvement schemes (about 41,000) is falling, the overall total granted for this measure increases every year:

Country	1993	1992	Average 1989-1991 (million ECU)
Spain	64.2	56.3	30.8
Portugal	46.9	40.8	29.0
Greece	43.1	38.4	24.9
France	42.5	33.5	23.2
Italy	23.8	20.9	10.2
Ireland	14.7	16.4	10.0
Germany	13.5	12.0	8.9
Belgium	6.8	4.9	2.9
Denmark	6.0	4.5	2.3
United Kingdom	5.2	6.5	10.2
Luxembourg	1.8	2.3	1.2
Netherlands	1.6	1.2	0.4
Total	270.1	237.7	154.0

This investment aid has been progressively subjected to restrictions in order to combat agricultural market surpluses. The emphasis now is on plans aimed at improving competitiveness (reducing production costs, economical use of energy, product quality), improving production conditions (working conditions, safety, hygiene, animal welfare and environmental protection) and diversification of activities (tourism, crafts, processing and farmsales).

The setting-up assistance for young farmers, which seemed to have reached a ceiling in terms of overall commitments, again increased substantially in 1993 as is shown by the table below, which shows the expenditure of the EAGGF Guidance section on setting-up assistance and supplements to investment aid:

Country	1993	1992	Average 1989-1991 (million ECU)
France	91.1	86.4	69.9
Spain	21.7	10.4	3.9
Germany	19.8	13.7	11.8
Portugal	17.2	13.9	10.3
Belgium	11.0	4.7	4.8
Italy	9.5	8.2	7.5
Denmark	4.2	4.2	3.3
Greece	3.1	2.1	1.0
Ireland	2.4	2.5	2.5
Netherlands ⁽¹⁾	1.8	4.4	0.4
Luxembourg	1.1	1.3	0.9
United Kingdom	0.1	0.1	0.2
Total	183.0	151.9	116.5

(1) The Netherlands have not received setting-up assistance since 1993.

This aid is essential in order to encourage a reduction in the average age of the agricultural population and provide replacements for farmers taking retirement.

1.4.2. Operations to improve processing and marketing conditions for agricultural and forest products

These operations are intended to:

- organize the placing of products on the market and encourage the establishment of producer groups;
- rationalize and modernize processing and marketing installations without increasing their capacities;
- improve product quality and the efficiency of distribution networks.

The EAGGF Guidance Section appropriations covered by the Commission decision (assistance granted) and associated with the processing and marketing of agricultural and forest products amounted to:

- ECU 335.2 million in 1990-1991,
- ECU 398.5 million in 1992 (1992 prices),
- ECU 492.9 million in 1993.

The years 1990 and 1991 are combined as a result of the transition from the former Regulation (EEC) No. 355/77⁽¹⁾ to the new Regulations (EEC) Nos. 866/90⁽²⁾ and 867/90⁽³⁾. These years thus represent transition periods between the two systems. The new system reached its cruising speed in 1992, with a slight increase in 1993.

(1) OJ No. L 51 of 23 February 1977, page 1.

(2) OJ No. L 91 of 6 April 1990, page 1.

(3) OJ No. L 91 of 6 April 1990, page 7.

Country	(million ECU)	
	1993	1990-1993
Italy	146.34	230.96
Spain	101.92	201.13
Greece	51.46	141.82
Portugal	63.80	136.01
France	52.62	128.41
Ireland	16.11	76.19
Germany (old Länder)	23.08	74.36
United Kingdom	22.28	64.19
Netherlands	7.57	20.71
Belgium	5.04	22.63
Denmark	2.48	17.19
Luxembourg	0.28	1.32
Total	492.98	1,114.92
Germany (new Länder)	111.89	288.64

The main sectors which have benefited from this system, and the Member State receiving the largest EAGGF contribution in each of the sectors, are shown in the Table below in decreasing order.

Sector	Percentage of aid granted	Largest amount of aid Cumulative 1990-1993 (million ECU)	Member State
Meat	28.6%	69.0	Italy
Fruit and vegetables	22.1%	83.2	Italy
Milk and milkproducts	13.6%	33.1	Greece
Wines and spirits	9.8%	39.7	Portugal
Cereals	6.2%	26.2	Greece
Eggs and poultry	3.9%	10.5	France
Potatoes	3.9%	26.9	Germany
Oilseeds	3.1%	18.0	Spain
Forest products	2.1%	6.0	Italy

All the appropriations available for 1993 have been taken up. It should be noted, however, that a significant number of OPs could not be approved for lack of appropriations.

1.4.3. Implementation of operations to improve processing and marketing conditions for fishery and aquaculture products

In 1993, under the partnership arrangements, the Commission monitored the implementation of the OPs by the Member States, but the available financial resources were not sufficient fully to meet the existing needs, which were exacerbated by the fisheries crisis. Several OPs submitted to the Commission by the Member States had to be reduced.

In total, 19 OPs and programme modifications were adopted, reflecting the priorities shown below:

as regards processing, assistance related mainly to:

- the rationalization and modernization of processing units, intended both to increase productivity and to improve health and hygiene conditions;
- acquisition of equipment intended to improve product quality control;
- the promotion of technological innovation, the development of product lines and new forms of packaging;
- encouraging the restructuring of the sector through investments designed to promote collaboration and cooperation between enterprises, especially those involving financial efforts in the area of R & D;
- upgrading the products of marine and continental aquaculture and improving their quality;
- broadening the range of products available in order to develop new types;
- creating systems for recovering and reprocessing by-products and wastes;

in the area of marketing, operations focused on:

- the rationalization, modernization and equipping of auctions and of seafood primary processing facilities for freezing, hygiene and management;
- improving techniques of handling and processing of the fish on landing;
- building or renovating refrigerated storage facilities for frozen fish;
- modernizing shipping installations, including those for shellfish farming produce; the creation or development of storage and cleaning tanks;
- the construction and modernization of wholesale markets.

For the period 1991-1993 as a whole, the amount allotted to the CSFs for the improvement of processing and marketing conditions for fishery and aquaculture products, initially set at ECU 156.3 million in March 1991, was raised to ECU 207.5 million in the course of the period. Supplements were granted by the budgetary authority in 1991 and 1992, while sums were also transferred to fisheries from other headings within the Objective 1 CSFs of some Member States (Portugal, Greece) at their request and with the agreement of the Commission. Finally, appropriations from prior to the 1991-1993 period were reconstituted.

Despite these supplementary resources, however, it was not possible to find solutions for all needs or to meet the numerous applications by the Member States, so that several OPs had to be cut back.

In total, about 40 OPs were approved by the Commission during the period 1991-1993. For the very great majority of them, commitments were closed at 31 December 1993, investments amounting to a total of ECU 880 million.

For this period, four major fields gave rise to assistance:

- the restructuring and modernization of the outmoded sectors of the industry, avoiding so far as possible the risk of creating surplus production capacity;
- the harmonization of enterprises and infrastructures with the new Community standards on hygiene and public health adopted by the Council in July 1991;
- enhancement of product quality;
- development of aquaculture products.

The implementation of the programmes was often laborious, because of the difficulty of combining the constraints of the financial application provisions of the horizontal rules of the Structural Funds with the "fisheries" Regulation, based on a system of individual projects. In addition to these management problems, which were difficult to resolve with national administrations which were often poorly equipped, there were also programming problems which were specific to the sector, where the investment projects originated from SMEs confronted by the many uncertainties of the changing situation with fishery product supplies and markets.

Overall, however, after a running-in period, the system proved quite effective and functional. The partnership operated well within the monitoring committees which brought together, generally, twice a year and in each Member State, representatives of the Commission and the national authorities and, in some cases, representatives of the regional authorities and of the profession.

1.5. Objective 5 (b)

1.5.1. Objective 5 (b) policy

Objective 5 (b) has proved to be an essential tool of the Community's rural development policy, which has been made more flexible and regionalized to enable it to provide a better response to the worsening socio-economic situation in the rural regions. Objective 5 (b) plays an important part not only by allowing the affected regions to adapt better to the changes resulting from the reform of the common agricultural policy, but also as a factor which strengthens economic and social cohesion in the Community. The role of the Community in rural development was enshrined in Article 130a of the Treaty as amended by the Treaty on European Union, where the rural regions are mentioned explicitly for the first time.

The Objective 5 (b) areas are typified, in particular, by an often high rate of emigration, job losses, declining agriculture and the disappearance of enterprises and public services. At the same time, they can be seen to be increasingly dependent on outside sources for supplies and the development of products and services, and they are often the scene of serious damage to the environment. The complex interdependence of these factors called for a global approach. The integrated approach adopted in the Objective 5 (b)

programmes has encouraged a concentration of effort on the revitalization of rural economies and the stabilization of the local population.

The essential component parts of the integrated approach have been:

- 1) cooperation between the three Funds, EAGGF, ERDF and ESF, in the form of multifund operations;
- 2) the active involvement of all the partners - beneficiary groups, local, regional and national bodies and authorities and the Commission - in the process of development;
- 3) the concentration of available financial resources on priorities, with the emphasis on exploiting and developing existing potential.

The multifund approach, encouraged wherever possible, has allowed the individual operations carried out under each Fund to be stepped up, in the sense that operations undertaken within the framework of one Fund trigger complementary operations within the framework of another, thus generating a multiplier effect.

The partnership principle has stimulated the interest of development actors, and the concentration of resources upon particular priorities has enabled efforts to be targeted on the most urgent problems.

The priorities, and the approximate percentage of the resources allocated to each of them, have been as follows:

- | | | |
|----|---|-----|
| 1. | diversification of the primary sector including alternative activities benefiting farmers (agritourism, rural crafts) | 36% |
| 2. | development of the non-agricultural sectors, especially support infrastructures and SMEs | 24% |
| 3. | development of tourism | 10% |
| 4. | conservation and enhancement of the natural environment | 12% |
| 5. | development of human resources | 18% |

The combined effect of concentrating resources on key priorities, applying the partnership principle and resorting to a multifund approach has proved positive. At the end of 1993, financial execution in terms of commitments under Objective 5 (b) was 100% for all programmes. To judge from the available monitoring reports, execution as such conformed correctly to the initial objectives.

1.5.2. Structure and implementation of the Objective 5(b) programmes in 1989-1993

During the first programming period covering the years 1989-93 the areas eligible under Objective 5(b) represented 16.6 million inhabitants and 403 000km², i.e. 5% of the Community's population and 18% of its territory, divided into 50 NUTS level II regions. Implementation took place through 44 Community Support Frameworks followed by 73 operational programmes, most of which received assistance from more than one Fund.

For the period 1989-93, the financial allocation for Objective 5(b) was ECU 2 978 million at current prices, corresponding to an average of some ECU 67 million per CSF over five years. At present all the resources allocated have been committed at Community, national and regional level. On closing the programmes, the monitoring committees gave their views on the necessary final modifications, and at the end of 1993 the Commission adopted decisions adjusting the total assistance for 27 CSFs. In addition, it adopted 71 decisions to modify OPs, most of them relating to transfers between Funds.

Ex post evaluations of the programmes for the period 1989-93 are now under way and the results are expected in late 1994. Despite the modesty of the resources allocated, Objective 5(b) can at this stage be considered to have been an acknowledged success and to have given a fresh impetus to development in vulnerable rural areas. In a number of Member States it is precisely these programmes that have heralded the launch of a genuine and multisectoral rural development policy, bringing together all the partners concerned in capitalizing on the potential of the rural areas.

From the reports drawn up regularly for the monitoring committees and from the *ex post* evaluation data required in the new programming documents, the number of projects in all areas of assistance from the Funds financed under the 1989-93 programmes can be put at close to 100 000. The large number of operations must not be taken to mean a dispersal of resources but is a reflection primarily of the specific characteristics of vulnerable rural areas (with no major urban centre and with a scattered population) that have resulted in the assistance being focused on a multiplicity of small and medium-sized projects, as a rule forming part of consistent sectoral strategies (farm diversification, tourism development, modernization of SMEs, the craft sector, etc.). At the same time, the large number and diversity of projects have undoubtedly contributed to the popularity of Objective 5(b).

Nevertheless, a number of shortcomings have come to light which should be remedied, where possible, during the 1994-99 programming period. To start with, most of the OPs were only approved in 1991 with the result that the majority of the development operations as such began in 1992. Consequently, more than 50% of the resources allocated to Objective 5(b) were not committed until 1993. On the more qualitative level, in the area of assistance for businesses, greater emphasis should be placed on innovative measures (such as new communication techniques and financial engineering), on measures to strengthen SMEs in the context of the single market and on better targeting of operations to stimulate commerce and rural crafts at properly identified growth poles.

1.5.3. The implementation of the CSFs for each country during the period 1989-1993

Belgium

In Belgium, two distinct areas were eligible: Hageland in Flanders and the "South East" in Wallonia. The execution rates varied considerably, depending on the priorities. The development of SMEs was a success, and a high execution rate was recorded. The creation of rural infrastructures, activities to promote tourism and agricultural diversification projects got off to a difficult start but made satisfactory progress by the end of 1993. The financial resources allocated to schemes to benefit the Walloon forests, however, could not be used and were transferred to the measures to promote agricultural diversification. The human resources development schemes were executed according to the programme. At the end of 1993, 100% of the appropriations allocated to Belgium had been committed, and 57.8% of these commitments had been the subject of payments.

As regards operations conducted by the ESF, the French speaking community submitted an application for modification which led the Commission to adopt a supplementary decision increasing the ESF contribution for the whole period 1989-1993 to ECU 3.99 million, thus using up the appropriations available for the Walloon region. The assistance financed relates to the management of agricultural holdings, allowance for environmental considerations in production methods, the forestry sector, support for SMEs and the tourism sector.

Over the whole period 1989-1993, the Subregional Committees for Employment and Training (CSEF), and the involvement of small local operators, played an important part in developing sustained vocational training operations in the Namur and Luxembourg regions.

Denmark

Eligible areas under Objective 5 (b) covered 33 islands, 27 of them very small. The development of SMEs was particularly successful, and a high level of applications for aid was recorded throughout the planning period. The "Agriculture" programme made a late start which, combined with a relatively slack demand for projects under the heading of diversification, explains the lower execution rate recorded in 1992. In the course of the year 1993, however, the programme reached a satisfactory level of execution. The development of human resources, which had experienced various difficulties in the utilization of resources at the start of the programme, was reaching its full level of implementation at the end of 1993. At that time, 100% of the appropriations allocated to the Danish programme were committed, and 76.4% of these commitments had been the subject of payments.

Among the schemes supported by the ESF in 1993, the experiment with correspondance training organized for residents of 10 very small islands opened up training opportunities

for the residents in less accessible regions. The operation, prepared by the Institute of Theoretical and Practical Informatics, brought together 30 trainees who have acquired the necessary basic skills to handle the computer together with competences within the tourism sector.

Over the period as a whole, and apart from this effort to adapt training to the special geographical conditions of the Danish regions, the responsible authorities endeavoured to utilize local development potential, such as in the marketing of medicinal herbs.

Germany

In Germany, eight Länder were classified among the Objective 5 (b) areas and 8 CSFs have been implemented. Apart from a few start-up difficulties with the programmes, operations in the agriculture sector have been carried out successfully. Village renewal has been a particularly important element, comprising activities ranging from the improvement of farms to the development of small infrastructures and of crafts. In order to heighten the impact on development, the village renewal scheme has gone hand in hand with reparcelling of neighbouring crop-farming areas and improved conditions in the ecology and forestry sectors. The development of non-agricultural activities, including SMEs and tourism, has been successful. The "Environment" priority has successfully encouraged operations to protect the countryside, reduce pollution caused by chemical fertilizers and pesticides, and create networks of biotopes. After a few initial difficulties, operations to develop human resources became an important factor and integral part of the Objective 5 (b) programmes. At the end of 1993, 100% of the allocated appropriations had been committed, and 77.9% of these commitments had been the subject of payments.

At the end of 1993, all the ESF appropriations (ECU 78 million) had been committed, payments amounting to ECU 48 million and two programmes being granted a 6-month extension of the commitment deadline.

In Bavaria, the evaluation showed that rural development groups can also play the part of promoters in the implementation of training schemes. It will be possible to make use of their experience in the course of the next programming period.

Generally, the financial support of the ESF enables the Länder to supplement operations implemented at federal level by adapting them to local needs, especially in the field of languages and new technologies.

Over the entire period, however, it must be pointed out that it was difficult to mobilize public part-financing for training operations conducted by the private sector.

Spain

Most of the 8 eligible areas are situated in the North-East of the country and in the Ebro valley. These regions have been the subject of a single CSF and 10 OPs. Demand for aid relating to SME investment was quite low at the start of the programme, but increased rapidly towards the completion date in 1993. Aid schemes to provide investment for projects relating to small infrastructures were particularly successful: reparcelling of agricultural holdings combined with ancillary works, rural road building and irrigation. Agricultural diversification projects encountered some difficulties, largely due to a

degree of reluctance among the rural population to invest in new forms of production in a period of recession and general uncertainty. Nevertheless, some regions successfully implemented agricultural diversification projects, especially in the fields of quality improvement and product marketing.

As regards tourism and the environment, execution levels were satisfactory. Projects relating to the environment involved the development of nature reserves, the protection of forest areas and the campaign against erosion. There were some difficulties with the integration into the general programme of schemes to develop human resources. However, the overall execution rate improved considerably during the last year of the programme. At the end of 1993, 100% of the appropriations allocated to Spain had been committed, and 83.7% of these commitments had been the subject of payments.

ESF assistance (ECU 44 million) was committed in accordance with the estimates, but the national authorities were granted extensions to complete ongoing operations: the period involved is one year for a single multiregional programme which accounts for 70% of the ESF assistance, and 6 months for the other OPs.

Vocational training operations, initially concentrated in the agricultural sector, have been gradually diversified with more emphasis on innovation.

France

17 of the 22 French administrative regions are eligible under Objective 5 (b), and were the subject of 17 CSFs and 32 OPs. Diversification operations in the agricultural sector have been successful: they were concerned with improving the quality of products and assisting the development of agricultural holdings. Operations relating to the development of SMEs achieved the targets set for the creation of jobs and enterprises, and numerous applications for assistance for this type of project were recorded. These operations, establishing new forms of production, particularly in the agricultural sector, were often very innovative. The development of tourism has also been successful, especially as regards infrastructures. The development of human resources encountered a few practical problems, because of delays in approving the OPs and launching vocational training operations, but also because of the relatively low population density of the regions in question, which have too few inhabitants to generate a consistent demand for training or, in most cases, the necessary training structures. However, the training activities have been continuously encouraged, and integrated into many programmes. The regions which have produced the best results are those which have training infrastructures, and where there is close consultation between the authorities responsible for vocational training and those responsible for development planning.

In order to improve execution, the Ministry of Labour offered the Objective 5 (b) regions the opportunity of calling in experts, financed by Community technical assistance, to assemble projects and prepare proposals.

The operations supported are varied, and relate to the creation of activities in tourism (Poitou-Charentes), the development of catering occupations (Burgundy), retraining schemes by way of preparation for taking over an agricultural holding (Limousin), and also training in the sectors of the environment and cultural heritage implemented locally by inter-area development structures (associations, enterprise clubs, etc).

In 1993, two new programmes were adopted, thanks to the availability of additional resources arising from the index-linking of the IMPs, for which none of the operations to be undertaken could overrun the date of 31 December 1992. One of these new operations is taking place in Aquitaine, with an ECU 2.22 million ERDF programme covering the specialization of tourist products and sites; and the other, in Languedoc-Roussillon, involves a programme to strengthen timber processing enterprises and forestry investments, which is receiving ECU 1.2 million jointly from the EAGGF (ECU 0.95 million) and the ERDF (ECU 0.25 million).

At the end of 1993, 99.5% of the initial appropriations had been committed, and 75.8% of these commitments had been the subject of payments.

Italy

In Italy, the Objective 5 (b) areas for the period 1989-1993 comprised eight of the thirteen autonomous provinces/regions not covered by Objective 1. Among the agricultural diversification initiatives, particularly satisfactory results were recorded with the introduction of new crops (soft fruit) and livestock farming (game). Infrastructures intended to improve the quality of life for the agricultural population have been provided in mountain regions.

The development of non-agricultural activities focused on the systems for assisting SMEs, which were particularly well received in most regions. Schemes to promote rural tourism, often of a cultural nature, have developed the natural tourist potential of these regions.

Generally, the implementation of the OPs - after a difficult start, largely associated with the political instability of some regional governments - made satisfactory progress in 1993. In the other regions, only some of the lost ground could be made up, resulting in a redefinition of the CSFs and transfers of resources between regions at OP level. These transfers amounted to a total of ECU 33.71 million (at 1989 prices), or about 8.5% of the total resources.

At the end of 1993, however, all the Community appropriations had been committed and payments amounted to 61,4% of commitments.

As regards the ESF, all the partners took energetic action to speed up the rate of financial execution (ECU 23.26 million of commitments in 1993, or 53,5% of the 1989-1993 assistance). Given the cumulative arrears at the start of the period and the sums committed in 1993, the implementation of operations on the ground was extended into 1994.

Assistance relates to management and accounting techniques (Veneto, Umbria), planting, processing and marketing of wood, the environment and also SMEs and crafts in order to diversify local economies.

Luxembourg

In Luxembourg, the area eligible under Objective 5 (b) covered 7 municipalities in the north-west of the country. The intensity of aid per inhabitant there was the highest of any programme under Objective 5 (b), but the take-up rate was quite low, because of the relatively small number of people benefiting from projects. Problems arose, especially with the implementation of the operations planned in the agricultural sector. Resources were therefore transferred from this priority to the tourism and environment sectors, where project execution reached a satisfactory level. The projects planned in the field of human resources development were implemented. At the end of 1993, 100% of the allocated appropriations had been committed, but only 38.4% of these commitments had been the subject of payments, since many of the appropriations planned for the whole period were committed at the end of the year.

Over the period 1989-1993, the training operations part-financed by the ESF, which related to forestry, the agricultural sector and rural tourism, benefited 120 people.

Netherlands

70% of Friesland was eligible under Objective 5 (b), with agricultural diversification projects mainly based on research, information services and training. A significant proportion of the resources was used to create a rural engineering centre, while execution of operations concerned with the economic development of other sectors reached a satisfactory level. Investment aid was granted to projects aimed at reducing production costs, improving product quality and encouraging job creation. As tourism plays a key role in Friesland, there was strong demand for assistance in this sector, and the level of execution is expected to be high. Implementation of the human resources development projects reached a satisfactory level. At the end of 1993, 100% of the allocated appropriations had been committed, and 72.6% of these commitments had been the subject of payments.

Financial execution of the ESF contributions proved entirely satisfactory, so that no extension of operations was necessary. The ESF assistance in 1993, however, was provided against a background of increasing unemployment, especially in some regions and sectors.

The regional employment offices (RBA) endeavoured to establish a better balance between supply and demand in the labour market, by means such as the "Wereldfrucht" project, which trains young farmers in berry cultivation with a view to creating seasonal jobs and providing alternatives to traditional agriculture. Tourism and SMEs, too, occupied an important position.

Over the period 1989-1993 as a whole, the presence of an ESF coordinator within the regional employment services played an important part in the management and monitoring of operations and in the provision of information.

United Kingdom

Four regions were eligible: the Highlands and Islands, Galloway, Cornwall and Devon, and the rural areas of Wales. However, the United Kingdom programmes were complicated by operations dating from before the reform of the Structural Funds, corresponding to about 80% of the resources for the planning period. These operations had a considerable impact on both the form and the content of the Objective 5 (b) programmes, the integration of resources and transfer from the old programmes to the new ones having left little room for manoeuvre for the implementation of the programmes.

Financial aid to agricultural diversification and the development of human resources was under-utilized throughout the United Kingdom, because of an under-estimation of the value of the programmes in pounds sterling caused by exchange rate fluctuations and the slow recovery of the economy as a whole. The unused resources were therefore transferred to other priorities. Despite these difficulties, more than 800 farms were able to receive support. Investment in rural infrastructures, tourism and the development of SMEs was successfully implemented in all regions except Devon and Cornwall, where the appropriations were not fully spent. At the end of 1993, all the Structural Fund appropriations allocated to the United Kingdom had been committed, and 79.5% of these commitments had been the subject of payments.

The ESF commitments were for ECU 8.2 million, implemented within 4 OPs. Among these, mention should be made of the notable success of the vocational training operations set up to accompany the process of restructuring the tweed industry in the Highlands and Islands. The ERDF also supplied resources, and the Retex Community initiative enabled the creation of a Promotional Council.

2. Community initiatives, innovative measures, local development operations, accompanying measures and information and publicity operations

2.1. Community initiatives

2.1.1. 1993, a year of transition

Since it was the last year of the 1989-1993 programming period, 1993 was a particularly important one in several respects for the Community initiatives.

First, it was necessary to speed up considerably the tempo of execution of the various CIPs, to ensure optimum utilization of the remaining uncommitted appropriations.

Although several programmes did not begin until 1991, or in some cases as late as 1992, it was possible to use all the commitment appropriations allocated for 1989-1993. In order to achieve this objective, there were several instances of reprogramming, either within a single programme, by increasing the resources allocated to particular measures, or - in a few limited cases - by transferring a small proportion of the allocated appropriation from one programme to another. Thus, out of a total of 150 CIPs, 6

benefited from supplementary appropriations transferred from programmes where implementation was running into difficulties.

The Commission also began preliminary work on evaluating the Community initiatives. This work, entrusted to experts outside the Commission, was undertaken in consultation with all the Member States, its purpose being to determine what lessons could be learned for the new series of initiatives for the period 1994-1999, on the basis of the following factors:

- the relevance and conformity of the projects financed by comparison with the guidelines of the initiatives,
- the effects these projects were expected to produce,
- the Community added value,
- methods of implementation,
- the economic impact achieved by the programmes.

The first results of this evaluation, which will be carried out in two stages, are expected in autumn 1994.

In addition, on 16 June 1993, the Commission adopted a Green Paper on the future of the Community initiatives. This initiated an extensive debate on priorities for the next programming period, before decisions were taken regarding changes to the Structural Funds and before the Member States had finalized and submitted their RDPs for the new period. The process of consultation relating to the Green Paper gave rise to a great many contributions from the Member States, regional and local authorities, industrial and commercial federations, the social partners and numerous other bodies. The European Parliament and the Economic and Social Committee adopted formal resolutions and, pending the creation of the Committee of the Regions, the Consultative Council of Regional and Local Authorities also adopted an opinion. Most of the contributions received supported the value of the existing initiatives, while arguing in favour of certain changes and innovations, especially with a view to encouraging a "bottom up" approach. The European Parliament and the informal Council of ministers responsible for regional policy and physical planning suggested, however, that further themes should be added to the 5 initiative themes proposed by the Commission in the Green Paper, one of which would deal with the specific problems of urban areas with high rates of unemployment and the other with areas dependent on fisheries.

Finally, the most important modifications brought in by the revision of the Structural Fund regulations in July 1993, and relating to the Community initiatives, should also be recalled:

- between 1994 and 1999, 9% of the commitment appropriations of the Structural Funds will be devoted to the Community initiatives,
- a limited proportion of the resources for regional initiatives can be spent outside the areas eligible for regional Objectives 1, 2 and 5 (b) (principle of geographical flexibility), and

a Management Committee for Community initiatives, chaired by a representative of the Commission and made up of representatives of the Member States, has been set up.

2.1.2. The start-up of two new initiatives

Konver

In the light of the new international context created by the end of the Cold War, and the resulting significant reduction in the defence budgets of virtually all the Member States of the Community, the European Parliament took the step of introducing into the 1993 budget appropriations for the diversification of economic activities in regions heavily dependent on the defence sector.

Following the model of the special Perifra I and II schemes, adopted in 1991 and 1992, which provided for the part-financing of demonstration-type pilot projects in the field of defence conversion, Konver, too, is intended to provide regional and social back-up for this process. In order to establish a link with the new programming period for the Structural Funds (1994-1999), it was decided to implement Konver in 1993 as a one-year programme, with an allocation of ECU 130 million and on the basis of simplified procedures.

Bearing in mind that many industrial sites and military bases are located outside areas eligible for Objectives 1, 2 or 5 (b), the Member States were given substantial latitude to use the Konver appropriations in 1993 outside such regions, in line with the geographical flexibility introduced for Community initiatives by the amended Structural Fund regulations.

Out of the available total of ECU 130 million, nearly ECU 100 million was supplied by the ERDF and rather more than 30 million by the ESF. The breakdown of appropriations between the Member States was determined in accordance with a formula which made allowance for the total volume of employment involved in defence activities. The main beneficiaries are: Germany (ECU 38.2 million), France (ECU 32.6 million), United Kingdom (ECU 23.2 million) and Italy (ECU 17.9 million).

Because of the different forms taken by military conversion in the various Member States, utilization of the Konver appropriations related mainly either to the redevelopment of military bases and installations (Germany) or to the reconstruction of regions which were dependent on the armaments industry (France, United Kingdom, Italy).

Portuguese textile industry

In December 1993, during discussion of the GATT negotiations, the Council asked the Commission to propose an initiative to benefit the textile industry in Portugal. The Commission, recognizing the specific and vital significance of the textile and clothing sector for Portugal, accepted this task, thus facilitating agreement within the Council on the GATT package.

It was agreed that, for the period 1994-99, ECU 400 million would be provided for this initiative, which fits into the context of industrial change covered in the Green Paper. This exceptional allocation will be designed to modernize the Portuguese textile sector and will supplement the programme presented by Portugal in the CSF for Objective 1. It will also be supplementary to the Retex initiative which runs until 1997.

Although it concerns only one Member State, the initiative is in line with Article 3 of the ERDF Regulations, which stipulates that, among the missions assigned to this Fund, the Commission initiatives aim at "helping to resolve serious problems directly associated with the implementation of other Community policies and affecting the socio-economic situation of one or more regions".

2.1.3. Implementation of the other Community initiatives

As the situation regarding the initiatives adopted since 1989 has been described at some length in the sections dealing with specific countries and Objectives, this section will be confined to covering certain aspects which have not previously been mentioned in the present report.

The Retex initiative, launched in 1992, is intended to speed up the diversification of economic activities in regions which are heavily dependent on the textile and clothing sectors. In 1993, virtually all the programmes for implementing it were approved, thus allowing the commitment of ECU 89 million.

In November 1993, the Commission decided to grant supplementary resources to the Community "human resources" initiatives in the sum of ECU 15.38 million, thus bringing the total available for these initiatives to ECU 756 million.

The programmes which received additional funds also had their period of validity extended until 31 December 1994.

To assist the Commission and the Member States in the management of the Community initiatives, transnational networks were set up in 1993.

Five networks were created: Eurinsert for the handicapped, Integra for the handicapped and disadvantaged, Europsy for the mentally handicapped, Eurinteg for immigrants and Quartiers en Crise for disadvantaged persons.

The function of these networks is to ensure know-how transfer and dissemination at Community level, to exploit the multiplier effect of innovative operations in this field, to distribute information about Community initiatives at Community level, and to participate in the evaluation of the quality of transnational partnerships.

The congress of the Community "human resources" initiatives, held in Dublin, offered a chance to arrive at an initial assessment of the operations carried out in the various Member States.

In the Green Paper on the future of the Community initiatives, two of the five themes proposed relate to employment and training, one being devoted to employment and the development of human resources and the other to the management of industrial change.

The initiative entitled "Employment and development of human resources" will be centred on three topics: equality of opportunity between men and women in the labour market; support for handicapped or seriously disadvantaged people who are confronted by the threat of exclusion from the labour market, and, finally, the support to be given to the training of young people under the age of 20 who have no diploma or qualification ("Youthstart").

In addition, another initiative will focus on the problem of industrial change.

With regard to the Leader initiative, launched at the end of 1991 to finance projects sponsored by "local action groups", implementing a global development strategy within a limited rural area and involving the joint efforts of the local partners, this initiative has already offered an opportunity to test endogenous and often innovative approaches to rural development.

The following examples may be mentioned:

- the creation of new products (such as, in Ireland, the creation of the only Irish "blue" cheese);
- new approaches to rural tourism (in Wales, and in the Cathar region in France where an attempt is being made to promote the identity of the region by developing a coherent marketing policy based on the history of the area and on the capabilities for local response in all economic sectors (cultural tourism, quality agri-food products, etc.);
- active protection of the environment (processing of the liquid waste products of olive oil in Greece and Spain);
- the implementation of new technologies (such as, in France, the establishment of a remote management services centre for SMEs (secretarial services, management, accounts, translation) which, in due course, will permit the creation of some thirty jobs).

The demonstration effect at which the Commission is aiming has already been achieved, to judge by the considerable interest aroused by this initiative both on the ground and in the regional and local authorities, reactions to the Green Paper, and the continuation of the same policy through Leader II in 1994.

The Leader network has been very active: more than 30 seminars were organized in 1993, bringing together 650 participants who were members of local groups. An initial technical file on rural tourism has received very widespread distribution.

The operational implementation of Leader is making satisfactory progress. In view of the late date at which the decisions were taken, it was decided, at the request of several Member States, to extend by a maximum of one year the deadline for the commitments

to be made by the financial beneficiaries (local groups); in Italy and Greece, for example, only 15% of the total allocated had been realized and certified by the end of 1993.

2.2. Innovative measures

2.2.1. Article 10 of the ERDF Regulation

The implementation of Article 10* over the period 1989-1993 took into account the conclusions of the Councils of ministers responsible for regional policy and physical planning at Nantes (1989), Turin (1990), The Hague (1991), Lisbon (1992) and Liège (1993).

Activity in the first five years essentially consisted of launching a series of innovative operations and introducing new concepts based on four major priorities (regional development planning, cross-border cooperation, cooperation between regions and problems associated with urban areas). In all, ECU 326.5 million was committed for projects and studies.

Europe 2000

Over the period 1990-1991, a series of major horizontal studies was undertaken, forming the basis for the document "Europe 2000: prospects for the development of the Community territory". This document, approved by the Commission in October 1991 and submitted to the Council of Ministers at The Hague in November that year, was well received as a first stage in the definition of a framework intended to promote the territorial cohesion of the Community, considered as a whole.

During this same period, work began on the Corine Land Cover Project, using satellite data to compile information on the state of the environment and the changes noted. This project is still continuing.

As was indicated in the 1992 Report, the Council of Ministers at The Hague also set up the informal Spatial Development Committee which, at its second meeting, approved the "Europe 2000" activity programme for the period 1993-1994, which is based on four major priorities.

In 1993, work focused on the implementation of this working programme, and especially on: the publication of impact studies; the launching of a framework contract for new fields of research; support for a network of research institutes in the field of planning; the launching of a contract relating to a research project resulting in the publication of a guide to the Member States' planning systems and policies; and the development of a geographical information system. A small number of studies submitted by the Member States and the regions have also been part-financed.

*Article 10 (1) of Regulation (EEC) No4254/88

Also in 1993, under a special budget item voted by the European Parliament, nine Member States organized workshops, seminars and international conferences on physical planning at Community level.

The Council of ministers responsible for regional policy and physical planning, held informally at Liège in November 1993, requested the Commission, under the guidance of the Spatial Development Committee, to define a number of guidelines which could form a "development perspective for the Community territory". This work was to be undertaken under the auspices of the contract relating to the new fields of research mentioned above.

In November 1993, in cooperation with the Council of Europe, the Commission also organized, at Dresden, a conference on the prospects of development in a wider Europe. At this conference, the Commission proposed three new trans-regional studies covering the countries of the Danube basin, the Black Sea countries neighbouring the Community, and the Baltic regions. Preparatory work on these studies will begin in 1994.

Cross-border cooperation

Since 1990, and given the position occupied by the Interreg initiative in favour of economic development programmes for the border and cross-border regions, the majority of the funds under Article 10 have been used to assist projects in border regions which could not receive Interreg assistance under Objectives 1, 2 and 5 (b).

The total Community contribution for Interreg has been ECU 1,034 million, of which ECU 114 million relate to Article 10 (1992 prices).

Assistance was also granted in 1990 to the Association of European Border Regions for the creation and management of an Observatory for cross-border cooperation - LACE - which supplies technical assistance, information and advice to those working in this sector. In 1993, a second LACE programme, following comparable guidelines, included among other projects plans to help the regions prepare proposals for the future Interreg II initiative.

Inter-regional cooperation

The launch of the Recite programme and its success were covered extensively in the 1992 report.

Established in 1992, the Recite office is intended to assist the functioning of the inter-regional cooperation networks, whose role is to supply technical assistance in the form of monitoring and evaluation. Thanks to the activities of the Recite office and the March 1993 workshop on inter-regional cooperation, the Recite networks have had the opportunity to discuss problems and develop solutions.

With regard to the links established under the Ouverture and Ecos programmes with the cities and regions of Eastern Europe, the Commission has made efforts to encourage

cooperation between the two programmes through the device of shared advertising and tendering procedures. Up to the end of the year 1993, more than 850 local authorities were able to participate in 137 projects in this field. In 1993, as a gesture of recognition of the development and increased geographical coverage of the joint operations undertaken, the Ecos and Ouverture programmes received an additional ECU 7 million, plus ECU 3 million for the extension of Ecos/Ouverture to the countries of the Commonwealth of Independent States (CIS), making a total contribution of ECU 20 million for these two programmes.

The experimental programme exchanges are financed from a separate budget item. Two organizations which represent the regional and local authorities at European level - the Assembly of European Regions and the Council of European Municipalities and Regions - are assisting the Commission in managing these programmes. Between 1989 and 1993, more than 318 networks of towns and regions were part-financed. The Community finance of some ECU 25 million was accompanied by counterpart finance from the participating regions and local authorities.

In December 1993, an evaluation study was launched, its principal objectives being to analyse the execution of the Objectives of the programme, the efficiency of its management, and the various levels of involvement of the local authorities, together with the relations between the programme and other Community initiatives to promote inter-regional cooperation.

Urban pilot projects

The European Community has no specific urban policy. However, substantial Community resources are allocated to urban areas, through the Structural Funds or various programmes, and a broad range of Community policies have a significant impact on the future of urban areas.

In 1993, seven new pilot projects were launched to complete the cycle of projects covering the period 1989-1993 and guarantee a geographical balance over the Community territory as a whole. They related to Antwerp, Dresden, Liège, Bilbao (inner city areas experiencing serious economic problems), Cork and Oporto (historic sections of the city) and Valladolid (exploitation of the city's technological resources). With these projects, Community part-financing of urban pilot projects exceeded ECU 100 million.

Atlantis

Through an amendment to the 1992 Community budget, the European Parliament set up an initiative to promote the ecological and economic development of the Atlantic regions (Atlantis). As there was no budgetary provision for this initiative, it was agreed that it should be financed under Article 10. Aware of the handicaps of the Atlantic regions with regard to training, economic orientation, research and technology and communications infrastructures, the Atlantic Committee of the Conference of the Peripheral Maritime Regions submitted a proposal for a pilot project whose objective would be the part-financing of feasibility studies aimed at technology transfers and the modernization of

tourist and environmental infrastructures and those of sea and air transport. The overall cost of the pilot project is ECU 8 million, and the Community contribution is ECU 4 million.

Miscellaneous

In the course of the period 1989-1993, financing under Article 10 was also used to part-finance a number of horizontal operations, such as the European prizes for town and country planning and a Europartenariat with Poland.

Commitments made under ERDF Article 10

(million ECU)

	1989	1990	1991	1992	1993	Total
Europe 2000	0.2	2.9	1.9	1.0	2.9	8.9
Cross-border m.	19.7	1.9	38.9	64.2	16.0	140.7
Inter-regional m.	-	18.8	39.8	1.6	10.0	70.2
Urban projects	-	34.2	26.3	22.6	18.1	101.2
Atlantis	-	-	-	-	4.0	4.0
Miscellaneous	0.2	0.2	0.7	-	0.4	1.5
Totals	20.1	58.0	107.6	89.4	51.4	326.5

Budget items associated with activities relating to ERDF Article 10

	1989	1990	1991	1992	1993	Total
Cross-border m.	1.9	0.7	0.5	-	0.6	3.7
Exchange of experience	2.0	5.0	6.0	5.7	6.2	24.9
Conservation of European cities	-	-	-	1.5	-	1.5
Physical planning	-	-	-	0.3	0.5	0.8
Totals	3.9	5.7	6.5	7.5	7.3	30.9

2.2.2. Article 1.2 of the ESF Regulation¹

The innovative operations relate to the content, methodology and organization of training courses. They are intended to allow the testing of mechanisms capable of being transposed to other regions.

The Euroqualification programme is the most important operation in financial terms (ECU 67.9 million). This is a cross-sectoral programme. It was set up at the initiative of 13 national adult vocational qualification and training bodies, and approved in 1992. Its purpose is to train 6000 people in three years (young people, the long-term unemployed, employees at risk of losing their job in certain enterprises). About forty occupations, in

⁽¹⁾ Article 1 (2) of Regulation (EEC) No. 4255/88.

twelve vocational fields, are involved. The training provided (600 to 1000 hours) attaches particular importance to linguistic training and the European dimension, with trainees having the opportunity to improve their skills in another Member State.

According to the initial evaluation carried out, Euroqualification makes it easier for the major public bodies participating in it to learn about other vocational training systems and exchange know-how. The value of the approach adopted in the proposed training operations has been emphasized not only in terms of the choice of employment sectors (commerce, office automation, transport, the hotel business, catering, the environment) and the in-service training organized under these operations, but also in terms of the attention paid to the certification and mobility of the trainees throughout the Community.

2.2.3. Article 8 of the EAGGF Regulation⁽¹⁾

In 1993, under the above article, 43 projects were financed for a total sum of about ECU 30 million, equivalent to 98% of the available budget resources (ECU 30.6 million, 1% of EAGGF Guidance Section funding).

The operations arranged under Article 8 are diverse and varied in nature:

- pilot and/or demonstration projects;
- technical assistance and preparatory studies;
- evaluation studies;
- diffusion of results.

Of the 43 projects, 19 are initiatives of Member States and/or government bodies, 6 are Commission initiatives and 18 originate with private institutions, represented primarily by cooperatives, producer associations and para-state bodies.

The main function of the Community assistance has been to promote operations aimed at improving the structures of agricultural undertakings in the context of CAP reform, developing new agri-food and non-food products, exploiting quality local products (country produce), and assessing the impact of the application of the structural measures in regional development plans.

2.3. Local development operations

The emphasis placed, throughout the programming period, on this non-physical aspect of structural policy, based on exploiting the endogenous local potential, has certainly helped to improve the quality of regional development programmes. Over and above the traditional forms of assistance provided by the ERDF (part-financing of infrastructures and aid systems), the aim has been to support and promote local development initiatives and the spirit of enterprise in the regions. Over the period 1989-1993, some 10% of the ERDF's resources were devoted to such operations. The main fields covered have been economic stimulation, integrated local development programmes and enterprise support operations.

⁽¹⁾ Article 8 of Regulation (EEC) No.4256/88

A significant proportion of the assistance has been provided in the form of global development grants: 31 agreements of this type were signed during the period, involving total financing of ECU 687 million (including 14 agreements in 1993, all in favour of enterprises in the Italian Mezzogiorno, for a total of ECU 220 million).

The reform of the Structural Fund regulations, adopted in July 1993, should confirm these trends, especially as regards the increased involvement of the socio-economic partners in regional development operations, and the continuing use of global development subsidies, entrusted to intermediary bodies, for implementing programmes to stimulate the economy and support SMEs.

The success of these local development measures requires, upstream, both the implementation of programmes and pilot operations designed to prepare them and test them as far as their methods are concerned, and networking and exchange of experience between local actors.

The preparation phase resulted in three smooth-running pilot programmes, financed from a general budget item, which enabled:

- the identification and integrated follow-up of innovative industrial projects: 65 BICs/European Business and Innovation Centres are currently operational (7 of them created in 1993) and linked within the EBN network. This instrument has helped to set up some 2700 innovative enterprises over the period, generating more than 15,000 direct jobs;
- the financing of new enterprises with initial venture capital: the "seed capital" plan, combining 24 funds, including a new one created in the new Länder in 1993;
- multi-skill training and the financing of promoters of particularly innovative business projects on a European scale: the Euroleader programme has supported some twenty young businessmen each year since 1992.

The pilot operation concerned with devising a Community methodology for local development, initiated in 1991 with CRIDEL (the Encounter and Initiative Centre for Local Development), ended in 1993 with the production of a report which was widely distributed among local actors and highlighted the added value of this approach, together with means for improving its links to Structural Fund assistance.

The networking and exchange of experience gave rise to:

- a European inter-enterprise cooperation scheme to promote regional development - the Europartenariat operation - which each year offers two events involving 3700 enterprises. These events have enabled 10,000 European SMEs to establish contacts since the programme was launched in 1988;

- transfer of experience and exchanges of information between decision takers and promoters of local development. Under this heading, a local development encounter cycle, organized to benefit the Objective 1 regions, ended in 1993 with Ireland (Galway) and Greece (Athens), this operation having brought together and increased the awareness of some 3000 local actors.

In addition, the Directoria event, organized in Brussels in June 1993, brought together more than 500 regional and local authority managers to work on specific cooperation projects and participate in individual discussions.

2.4. Accompanying measures

Since 1993 was the last year of the first programming period, the number of operations undertaken at the initiative of the Member States under Article 7 of the ERDF Regulation was not very great. Major operations were decided upon only in the Objective 1 regions of Northern Ireland and Italy.

- In Northern Ireland, a number of studies relating to the current CSF and preparation of the 1994-1999 RDP were approved at the start of the year, including an econometric model for the country's economy. However, this programme began at a very late stage, so that the allocation was lower than the sum initially planned: ECU 0.5 million instead of ECU 1 million.
- In Italy, the financing of technical assistance, monitoring, evaluation and publicity activities relating to the implementation of the CSF and the preparation of the 1994-1999 RDP was also approved at mid-year. The operations of monitoring and evaluating the global grants, and the preparation of the RDP, were included in these activities at the request of the Commission, the study relating to the RDP having been the subject of an agreement signed between the Finance Ministry and a research and development company. The cost of all these activities amounted to ECU 2.16 million, of which the ERDF contributed ECU 1.21 million.

The accompanying measures undertaken at the initiative of the Commission in 1993 reached the same level as in 1992: ECU 12.8 million, representing 0.13% of the ERDF's funding, distributed under the following headings: programme management (4.1 million), information seminars (3.7 million), technical assistance (2.9 million), studies (1.3 million), equipment (0.6 million), publications (0.2 million). As in previous years, most of the operations (80%) were adopted in favour of several (or all) Member States, only a minority relating to a single Member State.

Evaluation operations have also been financed, for a total of ECU 11.8 million, and related to all the Objectives of the Structural Funds.

The possibility of launching technical assistance operations at the initiative of the Commission opened the way for the addition of valid and useful elements which were sometimes indispensable for the functioning of the Commission's regional policies. In

this context, the seminars and other information exchange tools (videos, publications), like the general studies and those carried out in the context of the ex ante appraisal and ex post evaluation, have - again - proved their value.

Over the whole of the period 1989-1993, the total sum involved in technical assistance operations under the Objective 1 CSFs amounted to ECU 106 million, to which can be added ECU 147 million committed within the OPs relating to those operations. The Member States did not all elect to introduce a technical assistance programme (Objective 1: GR, IRL, I, P, UK), but some took advantage of the opportunity to launch ad hoc operations. Most of the operations were undertaken from 1991, which might suggest that the Member States intended to use technical assistance primarily for monitoring and evaluating structural operations. The implementation of commitments provided for in the CSFs can be regarded as a success, thanks largely to the accompanying measures provided by technical assistance.

As regards the technical assistance operations undertaken at the initiative of the Commission, the increase between 1989 and 1992 is very obvious. On the other hand, the fact that the total expenditures and the number of projects were more or less the same in 1993 as in 1992 is attributable to the fact that the level of programming had reached the maximum in terms of available budgetary resources. Thanks to the experiments conducted at the start of the 1989-1990 programming period, the technical assistance operations reached their cruising speed in 1991. From that period on, technical assistance played a decisive part in providing back-up for structural operations, especially as regards the evaluation of current programmes and CSFs, forecasts, passing-on of information (meetings, publications, videos), and improvements in the functioning of the services concerned (automation of data transfer, expert exchanges with the Member States, seminars).

As regards the ESF, most of the technical assistance operations were undertaken by the Member States within the OPs and CSFs. They related to the preparation of programmes, the carrying out of studies on the labour market, or monitoring and evaluation mechanisms.

The Member States also took advantage of the opportunities offered by technical assistance to inform the various actors in vocational training at regional and local levels about developments in employment policies and the opportunities offered by the Structural Funds, and to make beneficiaries aware of the part played by the Community. Operations of this type were carried out, for example, in France, Portugal and Germany.

As regards the technical assistance operations undertaken at the initiative of the Commission, several studies have been requested in the field of evaluation.

A number of seminars were financed to allow exchanges of views and transfer of experience in the field of vocational training, like that organized in French Guiana in June 1993 for the administrations of the regions eligible under Objective 1, in the course of which three subjects were dealt with: training structures and training of instructors, the role of enterprises in the training system at regional level, and the role in training of regional development actors.

In each case, presentations were given on specific experiments conducted in various Member States.

For the EAGGF, the experience of the period 1989-1993 showed that technical assistance plays a fundamental part in the success of a programme. To be effective, however, it must be supplied at project level, in every phase of the project - from its formulation to its preparation, monitoring and implementation. It has been particularly important in the form of feasibility and marketing studies.

Most of the programmes comprised a form of technical assistance. Nevertheless, its rate of success was significantly increased where it was regarded as a priority and included from the start (as, for example, in certain French and German programmes).

2.5. Information and publicity operations

The essential provisions relating to information and publicity were contained in Article 32 of Regulation (EEC) No. 4253/88 and Article 12 of Regulation (EEC) No. 4254/88.

The first article stipulated, in particular, "that the body responsible for implementing a measure carried out with financial assistance from the Community shall ensure that adequate publicity is given to the measure, with a view to:

- making potential beneficiaries and trade organizations aware of the opportunities afforded by the measure,
- making the general public aware of the role played by the Community in relation to the measure".

It also provided that the Member States should consult the Commission and inform it of initiatives undertaken for the application of the provision.

The second Article specified that "the provisions on information and publicity referred to in Article 32 of Regulation (EEC) No. 4253/88 concerning ERDF assistance shall be adopted by the Commission and published in the Official Journal of the European Communities". These provisions have been recapitulated and clarified in the standard publicity clause contained in the CSFs.

On the basis of these Articles, the Commission addressed to the Member States a communication regarding the provisions on information and publicity in connection with ERDF assistance⁽¹⁾. It contained detailed provisions to be complied with, especially with regard to hoardings to be erected on-site and the use of the Community emblem. It is clear from these texts that the primary responsibility for operations connected with information and publicity rests with the authorities of the Member States.

An assessment of the operations undertaken during the period from 1989 to 1993 reveals a positive overall result, but one which is uneven and certainly capable of improvement. Although considerable efforts were made in several Member States to give a sufficiently

⁽¹⁾ OJ No. C6 of 10 January 1991.

high profile to assistance provided by the Structural Funds, and especially by the ERDF, it has not yet been possible to give these measures a uniform appearance on a Community scale, nor to manage them systematically within the framework of the monitoring committees.

In order to benefit from the lessons learned as a result of this initial experience, the abovementioned regulatory provisions were adapted at the time of their revision in July 1993. Article 32 of the coordination Regulation was reworded, and Article 12 of the ERDF Regulation was deleted, in order to extend the rule to all the Structural Funds and, at the same time, give greater binding force to the obligations upon the Member States. A decision to this effect by the Commission was prepared.

With more particular reference to the ERDF, Article 7 of Regulation (EEC) No. 4254/88 allowed the Commission to take certain independent action in the context of technical assistance. Thus, a regional index of some 25,000 addresses was compiled, the addressees regularly being sent various types of publication. The budget appropriation under this article also allowed the part-financing of video material of a regional character, participation in important events, the organization of seminars and other specific operations.

Contrary to the former ERDF Regulation, the Regulation relating to the EAGGF Guidance Section, Regulation (EEC) No. 4256/88, contained no provisions relating to information and publicity. The coordination Regulation was therefore directly applicable.

Information and publicity measures aimed at increasing public awareness of the Community's activities and their transparency were the subject of standard clauses added to the decisions to adopt operational programmes drawn up in the context of the objectives of the EAGGF Guidance Section.

Continuous efforts have been made by the monitoring committees to ensure that Community provisions are applied and to give guidance to local initiatives. For some regions, genuine action plans have been drawn up on this basis, providing for a mass of publicity activities targeted either at the general public or at a specific group (such as schools).

CHAPTER III: Budget execution, the contribution of the lending instruments to achieving the priority Objectives, the contribution of the ECSC, controls

1. Budget execution

1.1. The 1993 presentation of the Structural Fund appropriations

The budget classification of the Structural Funds has undergone frequent modification over the period 1989-1993. The purpose of these modifications has been to improve clarity in the management of these expenditures. Thus, whereas the budget years 1989 and 1990 included only a single article regarding the management of each of the Funds, 1991 saw the introduction of one item for each of the Objectives of the reform, and within each Fund (example: Item B2-1200 = Community Support Frameworks for Objective 1 of the ERDF).

It was also in 1991 that the Community initiatives were brought in (as distinct from the national initiatives programmed in the CSFs), and these were broken down by Fund.

1992 saw the introduction of the "transitional measures and innovative operations", again broken down by Fund.

This type of nomenclature (breakdown of the national initiatives by Fund and Objective, breakdown of the Community initiatives and transitional and innovative measures by Fund) was then retained until the end of the programming period.

It should be noted that appropriations in favour of the new German Länder (structural operations under Regulation (EEC) No. 3575/90) are not included in the accounts for the execution of the Structural Funds for the period 1989-1993, since they represent supplementary aid granted subsequent to the 1988 reform. They are thus shown separately in the execution tables.

1.2. Budget execution in 1993

Table 1: Budget excluding in 1993 by type of assistance and by Fund, commitment appropriations

(ECU million)							
	EAGGF Guidance	EAGGF Fisheries	ERDF	ESF	Total	% per Objective	% per type of assistance
CSF excluding Community programmes							
Objective 1	1,535.6	41.9	6,404.7	3,257.6	11,239.8	66.6%	
Objective 2			1,346.8	420.9	1,767.7	10.5%	
Objective 3 and 4				1,779.0	1,779.0	10.5%	
Objective 5a	923.9	32.1			956.0	5.7%	
Objective 5b	507.2		465.7	158.3	1,131.2	6.7%	
CSF Total	2,966.7	74.0	8,217.2	5,615.8	16,873.7	100.0%	88.1%
% per Fund	17.6%	0.4%	48.7%	33.3%	100.0%		
Community programmes and initiatives							
Total	67.5	-	1,642.1	221.7	1,931.3		10.1%
(whereof							
Objective 1)	63.6	-	1,252.3	-	1,315.9	68.1%	
% per Fund	3.5%		85.0%	11.5%	100.0%		
Transitional measures and innovative operations							
Total	59.2	-	173.5	109.9	342.6		
% per Fund	17.3%		50.6%	32.1%	100.0%		1.8%
OVERALL TOTAL	3,093.4	74.0	10,032.8	5,947.4	19,147.6		100.0%
% per Fund	16.1%	0.4%	52.4%	31.1%	100.0%		
New Länder	264.0	1.0	571.7	359.9	1,196.6		
% per Fund	22.1%	0.1%	47.8%	30.1%	100.0%		

The Community initiatives thus represented 10.1% of the 1993 budget execution. The EAGGF Guidance Section devoted 2.2% of its resources to them, the ERDF 16.4% and the ESF 3.7%, while the FIFG did not participate in them.

Table 2: Source and execution of the 1993 commitment appropriations

The commitment appropriations available in the course of the financial year 1993 comprised:

- appropriations entered in the 1993 Budget,
- appropriations carried over from 1992 to 1993,
- reconstituted appropriations.

The appropriations entered in the 1993 budget for the execution of the Structural Funds amounted to ECU 18,995 million. These appropriations were not increased by any amending or supplementary budget. The most significant adjustment in the course of 1993 was a transfer of appropriations from the ESF to the ERDF and the EAGGF Guidance Section, in order to bring

the appropriations entered in the budget into line with the execution of programmes on the ground.

The appropriations carried over from 1992 to 1993 represented ECU 93.7 million. Pursuant to Article 7 of the Financial Regulation, these appropriations related to operations which had been "virtually completed" in 1992 but which had not yet been translated into accounting commitments.

The reconstituted appropriations amounted to ECU 116.7 million. They relate to operations which had been the subject of decommitments and which had to be granted further appropriations to allow the programmes initially planned to be continued, when implementation of these programmes had finally proved essential.

Table 2 below shows the source of the 1993 appropriations and their execution.

(ECU million)

	EAGGF Guidance	EAGGF Fisheries	ERDF	ESF	Total
CSFs, Community initiatives, transitional and innovative measures					
1993 Budget	3,068.0	70.0	9,808.0	6,049.0	18,995.0
Appropriations carried over from 1992	16.8	-	6.9	70.0	93.7
Reconstituted appropriations	12.6	5.5	7.7	90.9	116.7
Transfers	3.3	-	251.8	-255.1	0.0
Available appropriations	3,100.7	75.5	10,074.4	5,954.8	19,205.4
Execution	3,093.4	74.0	10,032.8	5,947.4	19,147.6
Rate of execution	99.8%	98.0%	99.6%	99.9%	99.7%
Appropriations not executed	7.3	1.5	41.6	7.4	57.8
Appropriations carried over to 1994	2.4	0.6	38.4	5.4	46.8
New Länder					
1993 appropriations	265.4	1.0	571.7	359.9	1,198.0
Execution	263.9	1.0	571.7	359.9	1,196.5
Rate of execution	99.4%	97.2%	100.0%	100.0%	99.9%
Appropriations not executed	1.5	0.0	0.0	0.0	1.5
Appropriations carried over to 1994	-	-	-	-	-

Table 3: Execution of 1993 payment appropriations

The rate of execution of payment appropriations in 1993 is comparable to that for the years 1991 and 1992, amounting respectively to 99.0% and 99.3%. Execution of the payment appropriations under Chapter B2-19 (new Länder) was slower, but 73.4% of the unutilized appropriations were carried over to the 1994 budget.

Table 3 traces the execution of the payment appropriations for each of the Funds.

(ECU million)

	EAGGF Guidance	EAGGF Fisheries	ERDF	ESF	Total
CSFs, Community initiatives, transitional and innovative measures					
Available payment appropriations	2,953.6	95.4	9,564.8	5,470.7	18,084.5
Execution	2,852.7	49.6	9,475.9	5,403.7	17,781.9
Rate of execution	96.6%	52.0%	99.1%	98.8%	98.3%
Appropriations not used	100.9	45.8	88.9	67.0	302.6
Appropriations carried over to 1994	99.9	35.0	83.4	66.5	284.8
New Länder					
Available payment appropriations	289.6	6.9	550.0	341.4	1,187.9
Execution	220.9	1.2	433.2	332.5	987.8
Rate of execution	76.3%	17.4%	78.8%	97.4%	83.2%
Appropriations not used	68.7	5.7	116.9	8.9	200.2
Appropriations carried over to 1994	24.0	-	114.1	8.8	146.9

Table 4: Still to be used

The table below shows the changes in the course of the period 1988-1993 in appropriations still to be used.

Although the gross value of these unused appropriations increases, this growth is always less than that of the commitment appropriations, which reflects an increase in the payment tempo.

(ECU million)

	End 1988	End 1989	End 1990	End 1991	End 1992	End 1993
EAGGF Guidance	1,214.2	1,266.7	1,337.2	1,617.1	1,630.1	1,869.9
EAGGF Fisheries	-	-	-	65.4	82.9	104.2
ERDF	6,878.4	7,529.0	8,071.6	8,479.7	7,999.3	8,243.7
ESF	2,059.8	2,261.6	2,539.5	2,409.4	3,548.5	3,936.4
Total	10,152.4	11,057.3	11,948.3	12,571.6	13,260.8	14,154.2
Annual increase	-	8.9%	8.1%	5.2%	5.5%	6.7%
Increase of commitments appropriations			11.4%	27.8%	23.6%	14.7%
New Länder	-	-	-	450.0	258.0	467.5
Annual increase					-42.7%	81.2%

1.3 Budget execution for the period 1989-1993

Table 5 below traces the execution, in terms of commitments appropriations, of the Structural Funds at 1989 prices. The figures reproduced in the table are taken from the revenue and expenditure accounts relating to operations for the budget years 1989 to 1993.

In order to determine the "net" execution for the period 1989-1993, two corrections were made:

- first, executions of reconstituted appropriations following decommitments relating to the earlier programming period were subtracted (ECU 513.4 million at 1989 prices);
- secondly, the decommitments made in the course of the period 1989-1993 of commitments from 1989 to 1992 were deducted in order to obtain the real execution for the period.

Of course, further decommitments could take place in 1994 or in the course of following financial years of commitments made during the period 1989-1993. They, too, will then have to be deducted from the 1989-1993 execution figures reproduced below.

The sum finally obtained, at 1989 prices, for the period 1989-1993 (ECU 61,400 million) is higher than the ECU 60,300 million planned in 1989. This difference results from the following factors:

- the 60,300 million figure was calculated on the basis of an assumed price inflation of 3.5% by comparison with 1988, whereas this rate is currently estimated at 5.1%;
- the appropriations were several times increased by transfers to later years of appropriations not used in the course of a financial year as envisaged by the inter-institutional agreement, and by revisions of the financial perspectives.

Table 5: 1989-1993 budget execution by type of assistance, by Fund and by Objective for commitment appropriations

(million ECU, 1989 prices)

	EAGGF Guidance	EAGGF Fish- eries	ERDF	ESF	Total	% per Objec- tive	% per type of assist- ance
CSF (1)							
Objective 1	5,778.5	105.9	20,271.7	10,099.7	36,255.8	64.8%	
Objective 2			4,729.1	1,657.4	6,386.5	11.4%	
Objective 3/4				7,436.8	7,436.8	13.3%	
Objective 5a	3,232.7	81.2			3,313.9	5.9%	
Objective 5b	1,084.0		1,113.2	374.5	2,571.7	4.6%	
Total	10,095.2	187.1	26,114.0	19,568.4	55,964.7		88.7%
% per Fund	18.0%	0.3%	46.7%	35.0%	100.0%		
Community initiatives (2)	303.2		4,465.5	827.6	5,596.1		8.9%
whereof							
Objective 1	217.4		3,359.4	454.0	4,030.8	72.0%	
% per Fund	5.4%	0.0%	79.8%	14.8%	100.0%		
Transitional measures and innovative operations	236.6	-	907.6	396.5	1,540.7		2.4%
% per Fund	15.4%	0.0%	58.9%	25.7%	100.0%		
Total	10,634.8	187.1	31,487.1	20,792.5	63,101.5		
% per Fund	16.9%	0.3%	49.9%	32.9%	100.0%		
- execution of appropriations reconstituted over the preceding period					-513.4		
- decommitments of commitments for the period 1989-1992					-1,140.5		
TOTAL EXECUTION 1989-1993					61,447.7		
New Länder (3)	594.1	9.0	1,497.1	900.0	3,000.2		

(1): Not including Community programmes

(2): Including Community programmes

(3): At 1991 prices

Table 6 shows the commitments and payments made over the period 1989-1993 under the CSFs. Details of these data are given in Annex I.

The "planned assistance" column shows the total sums contained in the latest versions of the financing plans connected with the CSFs after the various adjustments made by monitoring committees or by the Commission. The Community initiatives, transitional measures, innovative operations and a large proportion of Objective 5(a) have not been the subject of CSF-type programming.

A comparison between the commitments made and the planned assistance under the CSFs shows that the financial execution of all the programmes at the end of the year 1993 was very satisfactory. For each Objective, virtually all the appropriations allocated under the CSFs had been committed.

The payment/commitment ratios for each Objective are also very satisfactory, with rates of about 85% for Objectives 1, 3 and 4 and for the new German Länder. The rates of 74% for Objective 2 and 75.2% for Objective 5(b) are also satisfactory, bearing in mind specific features of the schedule for implementing the planning for these two Objectives. As regards Objective 2, some of the assistance has been adopted during the last two years, in view of the double programming period. For Objective 5(b), the initial delays in implementing the programming must be borne in mind.

It should be recalled that although commitments - and hence the start of the activities and operations - had to be made before the end of the programming period (in principle before 31 December 1993), the implementation of these activities - and payment for them by the contracting authorities - can be spread over one or two more years, depending on the nature of these operations (meaning, generally, until 31 December 1995). Consequently, payment of the final balances by the Community will be made early in 1996.

Table 6: Comparison between the level of execution and the level of assistance planned in the CSFs for the period 1989-1993

(million ECU)

	Planned assistance	Commitments	% planned sum	of Payments	% of commitments
CSF Objective 1 (1)	40,944.6	41,033.6	100.2	34,979.0	85.2%
thereof: EAGGF	6,269.6	6,385.6	101.8	5,387.0	84.4%
thereof: ERDF	23,473.0	23,473.0	100.0%	20,229.0	86.2%
thereof: ESF	11,202.0	11,175.0	99.8%	9,363.0	83.8%
CSF Objective 2 (1)	7,476.0	7,472.0	99.9%	5,529.0	74.0%
thereof: ERDF	5,618.0	5,618.0	100.0%	4,008.0	71.3%
thereof: ESF	1,858.0	1,854.0	99.8%	1,521.0	82.0%
CSF Objectives 3/4	8,081.0	8,081.0	100.0%	6,937.0	85.8%
Objective 5a	-	3,653.4	-	3,292.1	90.1%
CSF Objective 5b (1)	2,977.6	2,971.6	99.8%	2,233.7	75.2%
thereof: EAGGF	1,244.2	1,244.2	100.0%	914.2	73.5%
thereof: ERDF	1,310.4	1,310.4	100.0%	1,009.5	77.0%
thereof: ESF	423.0	417.0	98.6%	310.0	74.3%
CSF total	-	63,211.6	-	52,970.8	83.8%
New Länder	3,144.0	3,143.0	100.0%	2,673.0	85.0%
thereof: EAGGF	633.0	632.0	99.8%	499.0	79.0%
thereof: ERDF	1,567.0	1,567.0	100.0%	1,321.0	84.3%
thereof: ESF	944.0	944.0	100.0%	853.0	90.4%

(1) Including former "non-quota" programmes and ERDF Community programmes

1.4 Execution of the financial decisions contained in the 1988 Regulations

Article 12(2) of Regulation (EEC) No. 2052/88 ("framework" Regulation) provides that the commitment appropriations of the Structural Funds be doubled in real terms in 1993 relative to 1987, and specifies the path to be followed to arrive at this doubling. Table 7 indicates the way in which this decision has been executed.

Table 7: Doubling of the Structural Funds: commitment appropriations foreseen and executed from 1988 to 1993

(million ECU, 1988 prices (1))

	1987	1988	1989	1990	1991	1992	1993	Total 1988- 93
Foreseen in the Regulation	7.234	7.680	8.980	10.280	11.580	12.900	14.468	65.888
Available appropriations (2)	-	7.690	8.843	10.341	11.867	14.260	15.853	68.854
Net execution (3)	-	7.014	8.146	9.652	11.786	14.034	15.563	66.196

(1) The figures relating to the budget and to the execution have been converted to constant 1988 prices by application of the latest deflators, updated in November 1993.

(2) Commitment appropriations available each year, that is to say the initial budget plus any supplementary or amending budgets, the transfers permitted by the inter-institutional agreement, carry-overs and reconstitutions.

(3) Execution of all the appropriations mentioned under (2), less subsequent decommitments.

It will be noted that the doubling duly took place. In the course of the first years of the reform, execution lagged behind what had been envisaged, because of the time taken to introduce the new programming system. In subsequent years, execution was speeded up, so that in 1993 the level achieved was well above double the 1987 figure.

The cumulative expenditures for the years 1988 to 1993 were also implemented in accordance with the forecasts.

It was impossible to guarantee that execution precisely corresponded to the plans for 1989-1993, principally because of the technique applied to allow for inflation. Each annual budget relating to the Structural Funds as a whole was adopted as a function of the sums provided by the Regulation. The same sums corresponded to the ceilings entered under heading 2 of the financial perspectives. However, the sums adopted at constant 1988 prices were converted to current prices for each year by application of the deflator. Real inflation subsequently proved slightly different. It was ultimately higher than the level expected during the early years of the period, and lower in the later years. No automatic a posteriori correction of this difference was made, since any such system would introduce uncertainty into all decisions relating to Community assistance. Where inflation was higher than the expected level, this was corrected by specific decisions to allocate additional sums in subsequent years. The overestimation of inflation for the years 1992 and 1993 was not corrected in the same way. A comparable procedure was applied for the various CSFs and programmes. These were fixed at constant prices, so that their sum added to the total available budget allocation and the aid sums for each year were converted to the year's current prices.

Table 8: Forecast and execution of the Objective 1 commitment appropriations for the period 1989-1993

Article 12(3) of Regulation (EEC) No 2052/88 laid down that the appropriations allocated to the Objective 1 regions were to double in real terms in 1992 relative to 1987.

Table 8 below traces the execution achieved at 1988 prices. It can be seen that the doubling was easily achieved.

	(million ECU at 1988 prices)						
	1987	1988	1989	1990	1991	1992	1993
Sums foreseen in the Regulation							
- all Objectives together	7,234.0	7,680.0	8,980.0	10,280.0	11,580.0	12,900.0	14,468.0
- thereof Objective 1	4,084.0	4,901.0	5,718.0	6,534.0	7,400.0	8,168.0	(1)
Effective execution of Objective 1			5,838.7	6,084.4	7,607.4	8,822.8	10,363.8

(1) No sum is shown for the 1993 financial year, as regards programming, because the doubling was to take place between the years 1987 and 1992.

Table 9: Objective 1's share of the ERDF aid

Article 12(5) laid down that the ERDF could devote approximately 80% of its appropriations to the Objective 1 regions.

Table 9 below shows the percentage of ERDF appropriations relating to the CSFs or the Community initiatives and allocated to the Objective 1 regions. It does not include the appropriations for transitional measures and innovative operations, which were not subject to a breakdown by Objective.

This table shows that the execution of the ERDF appropriations in Objective 1 regions over the period 1989-1993 is very close to 80%, even without taking account of the transitional measures and innovative operations.

	1988	1993	Period 1989-1993
% of ERDF appropriations executed in Objective 1 regions	65.9%	76.3%	78.6%

Table 10: Increase in Objective 2 expenditure relative to Objectives 2 to 5(b) as a whole

At the time of the introduction of the reform of the Structural Funds, the Commission gave an undertaking that the appropriations for Objective 2 areas should increase in the same proportion as the appropriations allocated to Objectives 2 to 5(b) as a whole. This undertaking was intended to guarantee that aid to areas hit by industrial decline should not be reduced in comparison with the other types of aid granted in areas outside Objective 1.

Table 10 below traces the annual respective increases in the Objective 2 appropriations and the appropriations for Objectives 2 to 5(b), and shows that this undertaking was indeed respected.

	1990	1991	1992	1993	Increase 1989-1993
Annual increase of Objective 2	25.0%	10.7%	12.6%	23.3%	92.2%
Annual increase of total of Objectives 2 to 5(b)	13.8%	20.6%	15.0%	18.6%	86.9%

2. The contribution of the lending instruments to achieving the priority objectives

The contribution made by the European Investment Bank to implementing the reform of the Structural Funds, both in 1993 and for the period 1989-1993 as a whole, can be analysed at several levels (see also the tables in Annex VI).

2.1 Assistance by the EIB under Article 198e of the Treaty

The new Article 198e of the Treaty (former Article 130 of the Treaty) defines the objectives assigned to the Bank, specifying the types of project whose financing it is to facilitate, predominant among which are "projects for developing less-developed regions".

The table below illustrates the position occupied by the loans granted by the Bank for regional development among the total financing dispensed by the EIB within the Community.

EIB financing (in millions of ECU):

	1989	1990	1991	1992	1993	TOTAL
Total activity of the EIB in the EC	10,903	12,174	13,416	16,868	16,754	70,008
Regional development	7,067	7,416	8,430	11,753	12,462	47,128
%	64	61	63	70	74	67

The Bank's lending activity for regional development purposes increased by 6% in 1993 compared with the previous year, and has increased by an average of 16% per year over the period 1989-1993.

Financing has continued to be concentrated on investments located in regional development areas, which now amount to 74% of the total as against 70% in 1992, 63% in 1991, and 67%

averaged over the period 1989-93, which confirms that, overall, economic and social cohesion is indeed the EIB's primary priority.

2.2 Concentration of the EIB's financing on regions eligible for Structural Fund assistance under Objectives 1, 2 and 5(b)

The table below illustrates the proportion of EIB financing allocated to projects situated in regions eligible for Community structural activities.

In the course of the first period of application of the reform of the Structural Funds (1989-1993), EIB financing for regional development represented, in total, ECU 47,000 million, of which 42,000 million went to projects situated in regions which are eligible under Objectives 1, 2 and 5(b).

The latter thus represent 88% of the EIB's funds for regional development, but, as the table below shows, the concentration of the Bank's activity in the regions eligible for the Structural Funds is more and more marked.

**EIB financing for regional development
(in millions of ECU):**

	1989	1990	1991	1992	1993	Total loans 1989-1993
Regional development	7067	7416	8430	11753	12462	47128
Regions ^a eligible for Obj. 1, 2 and 5b)	6049	6266	7355	10885	11407	41962
%	85	84	87	93	92	89

2.3 Priority granted to the regions whose development is lagging behind

In 1993, Bank financing in the Objective 1 regions rose to ECU 7,228 million, the increase over the previous year being 13%.

This activity represents 43% of the EIB's total activity in the Member States, and 58% of its activity in favour of regional development.

Assistance provided in the four Member States which benefit from the Cohesion Fund (Greece, Spain, Ireland and Portugal) amounted in 1993 to ECU 6,412 million, or about 38% of the total financing provided within the Community (as against 31% in 1992).

In the course of the same year, the assistance provided by the Bank in Objective 2 and Objective 5(b) regions amounted to ECU 4,179 million, or 34% of the Bank's activity in favour of regional development. This figure represents a drop of 8% relative to 1992, due entirely to the reduction in allocations to global loans.

With regard to lending, the concentration of the Bank's assistance in the Objective 1 regions was intensified during the first programming period (1989-1993), and, on average, 53% of the Bank's activity was devoted to them.

The breakdown by Member State of the Bank's loans in the Objective 1 regions is illustrated in Table 2, Annex VI.

2.4 Sectoral analysis of EIB finance

In the Objective 1 regions, financing in favour of infrastructures represented 74% of the 1993 assistance (or an increase of 2% over 1992) and an average of 73% for the period 1989-1993.

Assistance in the sectors of energy (18% in 1993 and 19% on average), telecommunications (17% in 1993 and 21% on average) and the environment (9% in 1993 and 6% on average) increased relative to 1992, the transport sector (26% in 1993 and 22% on average) and the other infrastructure sectors having slightly diminished.

In the Objective 2 and 5(b) regions, infrastructures received 70% of the financing in 1993, and the production sector 30%, while for the period 1989-1993 the Bank devoted 63% of its loans to infrastructures as against 27% to the production sector.

The transport sector received the largest increase over 1992, all the other sectors receiving a reduced percentage.

2.5 Synergy between the operations of the Structural Funds and those of the European Investment Bank

In 1993, ECU 4,007 million of financing from the Bank, directed to the eligible regions, was associated with Community grants, the ratio being 35.6% as compared with 26.4% in 1992, 25.7% in 1991 and 9.86% in 1989, which shows the steady progression in the degree of coordination with the activities of the Structural Funds.

As regards the period 1989-1993, if we consider the ECU 42,000 million of financing in regions eligible for the Structural Funds, 25% of the financing (10,700 million) was associated with a Community grant relating to all or part of the project and thus participating directly in the implementation of the OPs (see Table 1, Annex VI).

In the Objective 1 regions, out of the ECU 25,000 million of financing granted, 20,000 million corresponds to the objectives and priorities of the CSFs, a total comparable with the ERDF's commitments in these regions over the same period.

Among the latter, ECU 16,000 million relates to individual loans, a figure to be compared with the 7,800 million of potential financing (1989 prices) which the Bank had identified in the CSF finance plans for the entire period 1989-1993.

Table 3 of Annex VI shows the complementary of the EIB assistance and that of the Structural Funds for each of the Member States.

3. The contribution of the ECSC

The new provisions adopted by the Commission on 19 February 1992 to coordinate ECSC conversion loans with the Structural Funds were presented in detail in the previous report (1992).

At 31 December 1993, new ECSC conversion loans granted by the Commission for 1993 and having received the assent of the Council in May 1994 totalled ECU 147.16 million, including direct and global loans, for the creation of some 10 930 jobs. Some of these jobs will be subsidized as the commitments are undertaken by the beneficiaries under loan contracts.

ECU 114.25 million were committed under the 1993 ECSC budget to interest subsidies on new and current loans. The commitments were made in two tranches.

Several regions or countries drew little on their regional appropriations. The explanation for this lies partly in the fact that certain financial intermediaries had, and in some cases still have, an outstanding balance of an allocation for subsidization from the old system. The surpluses were made available to regions or countries where demand exceeded the 1992-1993 allocation.

During 1993, the Commission disbursed 94 conversion loans: 91 under global loans to promote investments in SMEs, amounting to ECU 324.7 million, and 3 direct loans, amounting to ECU 363.4 million. These loans should enable some 23 000 jobs to be created.

4. Controls

Regulation (EEC) No 4253/88, and in particular Article 23, forms the legal basis for verifications and controls. Provision is made that Member States take the necessary measures to verify, on a regular basis, that the operations financed by the Community have been properly carried out and to recover any amounts lost as a result of an irregularity or negligence.

Without prejudice to the controls carried out by Member States, Commission officials or servants may carry out on-the-spot checks of the operations financed by the Structural Funds and of the systems of management and control.

4.1. The ERDF

In 1993, an average of two to three visits of inspection were made in each Member State, covering both the pre-reform operations and the operations financed under the reformed Structural Funds.

Over the period 1989-1993, a certain improvement is to be seen in regional and local management. This appears in the regions where the pre-reform and post-reform operations were inspected during the same visit, with the main improvements to be found in the strictness of the administration, the relevance of the choice of projects, the coordination and partnership between the various parties involved and the Commission, the precision of the programming and the speed of implementation, as well as in the synergy of efforts, measures and part-financed programmes.

However, the results of the visits of inspection nevertheless identified or raised difficulties which, in certain cases, gave rise to debit notes, recovery orders and decommitments. The three main problems are the following:

- inaccurate certification or declaration of expenditure on the part of beneficiaries or national authorities: ineligible expenditure, certification of interim payments not always corresponding to payments made by the final beneficiaries but only to payments to intermediary bodies, to commitments, intent to pay or calculations on a statistical basis which jeopardize the reliability of the implementation percentage;

- long periods elapsing before disbursement by the national and intermediary authorities to the final beneficiaries, with ERDF funds remaining unproductive for too long or without the interest from them being used for operations coming under the ERDF;
- non-compliance with Community standards and policies in the implementation of the part-financed operations, especially as regards the transparency of administrative and accounting procedures, tenders, invitations to tender and open tender procedures.

These problems linked to Community standards and policies, as well as the retention of ERDF funds at intermediate levels and the irregularities found in the certification of expenditure, reveal weaknesses of the monitoring systems which must be corrected in the second phase of the reform.

4.2. The ESF

The bulk of the auditing and inspection activity concerned current operational programmes (OPs). Under the extended responsibility of the Member States in the administration of operations part-financed by the ESF, activities were concentrated on auditing the systems of administration for these operations, according to the guide prepared by the ESF, supplemented by verification of a sample of representative operations.

During these audits, 75 OPs were analysed, concerning a total amount of ECU 6.5 billion, i.e. nearly a third of the commitment appropriations provided by the ESF for the period 1989-1993. In addition to this, there were also inspections of certain aspects (such as verification of financial channels), the inspection of specific operations (Euroqualification, social dialogue) and verification of additionality for Objectives 3 and 4.

Some inspections relating to commitments entered into prior to 1989 also took place. They focused in particular on the monitoring of cases of fraud which are the subject of legal action.

In total, 54 visits of inspection were carried out in 1993 by the ESF.

Apart from Luxembourg (no audit) and Denmark, where the system seems to offer the necessary guarantees, it emerged that improvements must be made in each country with regard to compliance with Community regulations and transparency (new German Länder, Greece, Spain, the Netherlands, Portugal, the United Kingdom), the time taken by the financial channels (France, Ireland, Italy) and impact analysis (Belgium, United Kingdom).

Other verifications made of bodies coordinating the Euroqualification programme in the Member States contributed to the implementation of the programme and enabled it to be established that the financing rules were not followed by certain participating organizations.

Over the period 1989-1993 as a whole, and more particularly over the period 1991-1993 when audits were more systematic, the situation can be summed up by saying that despite the efforts already made by Member States, the controls they carry out are not as comprehensive as called for by their extended responsibility for the administration of the Community Structural Funds.

In the field of human resources, efforts still need to be made to:

- remedy the lack of transparency in accounting procedures;
- prepare more detailed reports on the administration of OPs and the use of Funds;
- ensure better compliance with the eligibility criteria as regards trainees and expenditure by promoters.

One positive trend should nevertheless be highlighted: the partners of the Community are becoming more aware of the positive aspects of the auditing activities, which allows technical assistance to be

provided, the administration and monitoring system to be improved and better allocation of funds to be achieved.

4.3 The EAGGF

In 1993, the EAGGF Guidance Section organized 17 visits of inspection in six Member States. More specifically, the following were inspected: 11 OPs under Objectives 1 and 5(b); 9 OPs under Regulation (EEC) No 866/90; 2 horizontal indirect measures under Regulations (EEC) No 2328/91 and No 1035/72; 2 regional indirect measures under Regulations (EEC) No 1944/81 and No 3828/85, as well as IMPs; 2 Leader programmes; 6 pilot projects based on Article 8 of Regulation (EEC) No 4256/88.

During these inspections, the implementation of certain projects was evaluated and financial dossiers and supporting documents were checked at all administrative levels (national, regional and local).

The inspections led to recommendations addressed by the Commission to Member States to solve problems such as the deduction of non-eligible expenditure, the request for supplementary documentation and, more generally, stricter compliance with Community regulations.

4.4 Financial Control

In 1993, Financial Control carried out 70 visits of inspection under the Structural Funds, with total controlled expenditure relating to OPs amounting to nearly ECU 6.5 billion.

At the end of 1993, Financial Control had largely completed the programme of visits of inspection which had started in 1992, focusing on the audit of the monitoring and financial control systems. For each Fund, an inspection was carried out in each Member State checking the financial administration from the central level to the final beneficiary, via the regional level. Hence, with a few exceptions, Financial Control has an overview of the central system of each Fund in each Member State. It also has an overview of the system of at least one region of each Member State for each Fund and of the systems of several final beneficiaries of each Member State for each Fund. In addition to describing the systems, the reports from the visits of inspection also present the results of conformity and quality controls of a sample of dossiers. The objective of the conformity controls is to check that the systems are up and running. The quality controls check, on the basis of concrete cases, that the systems give the desired results. The 1992-1993 systems audit programme was the logical continuation of the programme of visits carried out in 1991-1992 to examine the financial channels within both the Commission and the Member States, up to and including the final beneficiary. The system audits showed that, in general, the first two stages of the procedure within the Member State - the receipt of the Community funds at the Ministry of Finance or the Treasury and the subsequent transfer of the funds to the competent ministries - give rise to no particular problems except in cases where they were linked to the national budget. However, it emerges that Community funds often remain too long in the national or regional accounts.

The main problems found in the Member States concern the speed of data collection and the quality of the certification drawn up by the authority designated by the Member State in support of applications for payment or to trigger an annual tranche of Community aid. It emerges from the systems audit that, on the one hand, the monitoring systems do not as a rule ensure sufficiently frequent, computerized data collection and, on the other hand, the designated authority relies on the systems in place at all administrative levels down to the final beneficiary, without itself undertaking

any control of the functioning and reliability of these systems. At certain levels, provision is made for control, but this is not carried out for lack of appropriate staff. The audit showed inappropriate or lack of separation between administrative and control functions, in certain cases, and, in others, systems which were not operational in practice. In two cases, in agreement with the national control body and the designated authority, the Commission had to impose a temporary freeze on Community disbursements pending the introduction of a remedial plan.

The inadequacies of the monitoring and financial control systems in Member States resulted in the expenditure certified to the Commission not always being the expenditure actually incurred by the final beneficiary. In certain cases, it turns out that the certified expenditure is in fact estimated expenditure or amounts disbursed in the form of advances to the final beneficiary. Since the payments system does not provide for the presentation of supporting documents with the applications for payment made to the Commission - even with the applications for final payment - it is only during visits of inspection that the Commission services are able to check the legitimacy of the certification by the designated authority. As mentioned above, following visits of inspection, the Commission has had to suspend final payments for certain Member States or to reduce the following annual tranches.

The audits concentrated on the examination of the systems and it was only possible to carry out quality controls on a limited sample of dossiers from a single region.

Nevertheless, this limited sample revealed the inclusion in certain applications for payment of non-eligible expenditure, such as:

- remuneration of national or regional officials;
- general expenses not applicable to the subsidized services;
- refundable VAT;
- fines, financial penalties, legal costs;
- bank charges and interest payments;
- depreciation counted as expenditure actually incurred;
- national part-financing in kind;
- the purchase of land;
- the performance bond retained by the project promoter.

The inadequacies of the monitoring and control systems of Member States found during the examination of a limited sample stress the need for appropriate coordination of visits of inspection by the Commission services, the national control bodies and the European Court of Auditors. An audit dossier exists at Financial Control for each Fund in each Member State and, from 1994, the visits of inspection should be targeted in accordance with a risk assessment based on the audit of the original systems, together with the visits of inspection which follow, and taking account of the amounts of aid and visits of inspection which have taken place in the region, as well as the programme concerned.

CHAPTER IV: Assessment of major projects, compatibility of the assistance given by the Funds with other Community policies, the role of the social partners, the action taken on the recommendations of the European Parliament and the Economic and Social Committee, the opinions of the committees

1. Assessment of major projects in the period 1989-1993

The 4th annual report on the implementation of the reform of the Structural Funds for the year 1992 gave wide coverage of the results of the interim assessments of Community assistance.

These results will only be completed when the conclusions drawn from the *ex post* evaluations, launched by the Commission at the end of 1993, are available. They should enable a first full assessment to be made of the first stage of the reform.

In the meantime, taking account of the fact that the revised regulations governing the Structural Funds for the period 1994-1999 provide for the inclusion in the annual report of the list, together with a brief assessment, of the major productive investment projects in receipt of aid, the Commission wished to benefit from past experience and undertook a detailed examination of the cost-benefit analyses for all the major projects approved during the period 1989-1993. These analyses carried out by the Member States accompanied their applications for aid for major projects, pursuant to Article 5 of the ERDF Regulation.

The Commission wished:

- to assess the overall quality of the assessment by Member States of the first generation of major projects (1989-1993);
- to compare the methods of cost-benefit analysis used in several proposals by the consultants who contributed to preparing the assessment reports;
- to identify the key points to be improved in the assessment of the second generation of major projects (1994-1999).

The examination carried out by the Commission covers 200 major projects for which assessment data is already available. Some of them come from a standard form which the Commission requires the authors of projects financed by the ERDF to complete, whilst others come from supplementary information supplied at a later stage.

The breakdown by Member State of the projects examined is as follows:

Country	Major projects		Total investment (1)		Mean investment per project
	Number	%	ECU billion	%	ECU million (2)
Spain	54	27.0	2.43	26.0	47
France	11	5.5	0.48	5.1	44
Greece	2	1.0	1.43	15.3	716
Ireland	55	27.5	1.70	18.2	33
Italy	52	26.0	1.90	20.3	38
Portugal	26	13.0	1.40	15.1	64
Total	200	100.0	9.34	100.0	50

(1) Data known for 185 of the 200 projects

(2) Costs expressed in constant ECU at 1993 prices, for the purposes of statistical comparability.

This breakdown by country does not provide an accurate reflection of all the major projects part-financed, but should not diverge too far from it. The sample does not contain any major project for the new Länder, Northern Ireland or Corsica. Nevertheless, these omissions are not very significant, for the part-financing of major projects by the Structural Funds in these regions is fairly limited.

The composition of the sample by sector is as follows:

	Number	%
ENERGY	9	4.5
WATER AND ENVIRONMENT	23	11.5
TRANSPORT	82	41.0
INDUSTRY	74	37.0
OTHER SERVICES	12	6.0
TOTAL	200	100.0

Four-fifths of the projects considered were presented before 1990. About 50% concern new constructions, 30% extensions and enlargements and 20% modernizations or improvements. All the projects received aid from the ERDF (in most cases only from the ERDF), but recourse to EIB loans was frequent to finance industrial and transport projects.

The total investment cost was in the order of ECU 10 billion for the 200 projects, whereas the original estimates also provided for 104 433 direct and indirect man-years during the construction phase, as well as 150 196 direct or indirect permanent jobs (other firms, suppliers, beneficiaries) during the operating phase¹.

Despite the fact that these estimates doubtless contained a certain number of simple movements of jobs, the analysis indicates a considerable effort in terms of investments and the creation of jobs.

¹ Calculation based on the forecasts contained in the proposals or, in their absence, on estimates.

The breakdown of the total cost of investments under the major projects is as follows:

	Total cost of investments (ECU million)			Number of projects (1)
	Mean	Minimum	Maximum	
ENERGY	159.2	16.7	837.9	9
WATER & ENVIRONMENT	39.2	4.4	137.1	22
TRANSPORT	59.7	1.3	647.8	76
INDUSTRY	32.2	10.0	397.0	69
OTHER SERVICES	23.9	10.4	48.3	12
WEIGHTED MEAN	49.7	9.2	394.3	188

(1) Projects for which the total investment cost is known.

1.1 Time frame considered in the assessments

Although the assessments were drawn up according to very different methods and the quality is very variable depending on the countries and sectors, the Commission was able to obtain medium/long-term forecasts regarding the financial and/or socio-economic viability of the projects.

The table below indicates the mean life of the projects taken into account in the project assessments, by sector:

	Time scale (years)			Number of projects (1)
	Mean time	Minimum time	Maximum time	
ENERGY	24	12	35	6
WATER & ENVIRONMENT	25	20	50	18
TRANSPORT	25	10	40	51
INDUSTRY	10	4	30	65
OTHER SERVICES	19	8	30	3
WEIGHTED MEAN	18	14	30	143

(1) Projects for which data is available on the time period used in the assessment. No project involving hospitals, telecommunications or archaeological sites provides for an assessment period.

In many cases, the forecasts referring to the final years are only rudimentary projections. In other cases (industrial projects), the time scale is not sufficiently long. Nevertheless, the projections available already give good indications for the monitoring and *ex post* evaluation of these projects.

1.2 Forecasts of demand and prices for inputs and outputs

Forecasting of the demand for the benefits provided by the infrastructure or for goods produced by the industrial firm is a key element in the assessment of a project. For the projects examined by the Commission, this forecast is based, in some cases, on a prior feasibility study, the conclusions of which provide a starting point. Usually, it is the outcome of a linear projection of the recent trend in demand, or is based on simple assumptions, such as the elasticity of demand for goods and services. In a certain number of cases, it is established on an ad hoc basis as a given growth rate during the first years and a constant level, or slower growth rate, during the following years.

The project assessments often disregard the probable trend in relative prices. The estimates are established in constant prices of the start-up year or, in a few cases, on the basis of the general inflation index. Many forecasts of demand and prices are also the subject of sensitivity analyses (see below).

1.3 Internal rate of return and other financial criteria

When assessing a project, it is appropriate to establish a basic distinction between the financial costs and benefits and the socio-economic costs and benefits. The former are the inputs and outputs of the project assessed in monetary terms on the basis of current prices; the latter represent the same inputs and outputs, plus the indirect effects and externalities, also measured in monetary terms but on the basis of appropriate book values (see below).

For the financial analysis of a project, the net cash flow after application of an appropriate discount factor (net present value) provides a summary performance indicator. Another equivalent criterion is the internal rate of return.

The results of the financial analyses of the major projects selected for the sample are expressed in terms of internal rate of return in nearly half the cases. In a few cases, they are expressed in net present value or are based on performance indicators of lesser value, such as the period of depreciation in years. In many other cases, there is no detailed financial analysis, but only a socio-economic assessment.

The table below indicates the anticipated internal rates of return by major project category.

	Internal rate of return %			Number of projects (1)
	Mean	Minimum	Maximum	
ENERGY	7.0	-3.1	11.0	6
WATER & ENVIRONMENT	-0.6	-7.9	7.3	8
TRANSPORT	5.8	-0.6	16.0	24
INDUSTRY	19.5	2.3	70.0	56
OTHER SERVICES	-3.5	-7.2	-1.5	3
WEIGHTED MEAN	13	3	42	97

(1) Projects for which the financial internal rate of return has been calculated.

It is not surprising that the best financial performance is expected for industrial investments for which a real financial internal rate of return after subsidy and before tax of a mean value of 20% is nothing extraordinary. The substantially lower, and even negative internal rates of return at current prices for public infrastructure (transport, water) also have a logical explanation in the average performance of these sectors and are generally the result of regulated prices which are markedly below cost in order to guarantee the social benefits associated with them.

1.4 Economic internal rate of return and other viability criteria

The table below shows the anticipated economic rates of return by project category. These rates are considerably higher than the financial internal rates of return.

	Internal rate of return %			Number of projects (1)
	Mean	Minimum	Maximum	
ENERGY	13.7	8.2	25.0	5
WATER & ENVIRONMENT	21.7	6.4	66.0	21
TRANSPORT	19.2	1.0	94.7	63
INDUSTRY	18.4	9.1	36.0	14
OTHER SERVICES	18.7	3.4	47.5	5
WEIGHTED MEAN	19.3	6.8	62.5	108

(1) Projects for which the economic rate of return has been calculated.

About twenty analyses also contain a calculation of the net present economic value of the project, mentioning the social discount factor considered appropriate: discount factor used in the national public sector or ad hoc estimate. These rates are therefore as varied as the 5.5% of the Mezzogiorno legislation and the 8% of the regulations of the Italian Ministry of the Budget for the FIO (Fondo Investimenti e Occupazione), the 6% of certain Spanish transport projects, the 10% of a few Portuguese and Italian motorway projects and the modest 3% observed in a handful of cases.

A certain number of analyses also contain the calculation of a cost/benefit ratio, generally below the internal rate of return.

1.5. Assesment in money terms of social costs and benefits

In 45% of the assessments, Member States tried to calculate the value in money terms of the socio-economic costs and benefits of the investment projects - a calculation which is often summary and not very exact. On the other hand, they used earlier calculations for about 50% of the projects:

- the Spanish motorway projects are based on a method of calculation taking account of estimates, region by region, of the monetary value of time saved, prevention of death and injury, maintenance and upkeep costs and the cost of use;
- the Italian hydraulic projects are based on a method of calculation which takes account of price estimates for the irrigation water, the increase in farm incomes and the cost of the prevention of damage inflicted by exceptional rains or drought;
- the calculation of the opportunity cost of time savings is not unusual either in transport projects;

- many assessments contain a section on tax and the prices indicated in the economic analyses are net of indirect tax and even - which is more questionable - net of income tax and social security contributions;
- for some projects, the indirect socio-economic effects are not included in the book values, but calculated separately (ad hoc analysis).

The best economic analyses of the sample seem to come from Member States which have their own calculation procedure or which have procured the assistance of expert advisers.

1.6. Externalities

This field was neglected by almost all Member States. In particular, their socio-economic analyses almost always omit to calculate explicitly the environmental costs and benefits of the projects, even when they are accompanied by an environmental impact assessment.

1.7. Sensitivity analysis and risk assessment

Uncertainty about the remoter future which has to be taken into account in the assessment of industrial and infrastructure projects calls for detailed analysis of the sensitivity of projects to potential divergences from the original hypotheses.

A systematic approach would require definition of the critical variables by calculating the elasticity of the performance indicator in relation to each of the variables. Although risk assessment is a more complex process, Member States preferred only to test a narrow selection of variables, including, depending on the case, energy prices or traffic forecasts.

The table below measures the attention paid to uncertainty about the remoter future, as a percentage of the number of projects:

	No attention	Sensitivity analysis	Risk assessment
ENERGY	33	67	11
WATER & ENVIRONMENT	30	65	4
TRANSPORT	50	43	15
INDUSTRY	77	23	3
OTHER SERVICES	75	25	0

A lack of sensitivity analysis or risk assessment can be seen for nearly half the transport projects. The risk is assessed for 15% of the projects and some attention is paid to sensitivity for two-thirds of the energy and water projects.

1.8. Overall assessment

In attempting to give a summary assessment of the quality of the analyses conducted in Member States regarding the costs and yield of major projects of the first generation part-financed by the Structural Funds, the following classification criterion can be used: the absence or mediocrity of an aspect of the assessment is penalized by a low score; the study of this same aspect, even if

superficial or not very convincing, gives the project a medium score; a complete study, carried out according to an internationally established method, confers a high score upon it.

The table below describes, in descending order, the overall assessment of the quality of the cost-benefit analysis of the major projects, by type of analysis.

	Score
Time scale	A
Sensitivity analysis	B
Calculation of the economic rate of return	B
Estimate of money value of socio-economic aspects	B
General methodology of cost-benefit analysis	B
Methodology of calculation of financial rate of return	C
General methodology of financial analysis	C
Assessment of externalities	D
Forecast of trend in relative prices	D
Risk assessment	D

A: exists for over two-thirds of projects and is generally satisfactory

B: exists for about half the projects and is sometimes unsatisfactory

C: exists for about one third of projects and is often unsatisfactory

D: exists for only a small number of projects

In the field of forecasting prices, demand for inputs and outputs and financial flows, it clearly emerges that the most urgent need to improve the assessment of major projects lies in the attention given to future uncertainties and in the analysis of externalities, whether environmental or social.

As far as socio-economic cost-benefit analysis is concerned, the experience of some Member States and the use of methods tried and tested all over the world are available; but dialogue must be intensified with the authors of proposals in order to devise a more homogenous national and sectoral approach (for instance, to the question of discount factors mentioned above).

It will also be seen that the assessments are of differing quality in each sector. They fall into three groups: that where the quality of the assessment is unsatisfactory (educational institutions, production system, airports, archaeological sites, hospitals, telecommunications), that where it is relatively satisfactory (underground railways, aqueducts, railways, energy distribution networks, ports) and that where it is satisfactory (sewage plants and other environmental protection projects, energy generation, motorways, industrial sites).

The general conclusions of the examination carried out by the Commission are the following:

- a) By including the need for appropriate assessment of investments, the 1988 reform of the Structural Funds undoubtedly encouraged Member States and the bodies responsible for the implementation of projects to carry out more detailed assessments of them as far as the calculation of the economic and financial rates of return, the profitability ratio, the capital cost of each job created and even the sensitivity analysis and risk assessment are concerned. The information and forecasts now in the possession of the Commission and the Member States for each major project form a sound basis for future planning.

- b) The assessment of an investment differs considerably depending on whether it is for infrastructures or the production system; it also differs from country to country and from region to region, as does the importance attached to its various facets. The methods of cost-benefit analysis reflect different theories and styles, depending on whether they are applied by a public or a private body. Nevertheless, the assessments of the majority of major projects present points in common and the majority of Member States are starting to speak the same language: choice of time scale, presentation of cash flow, use of book values to offset the effect of taxes and other factors distorting the economic value, allocation of an estimated value to non-commercial economic resources (time saved, prevention, social progress, etc.).
- c) These points in common provide a sound foundation for the definition of the information criteria which the assessment of major projects will have to meet in the future. The methods may differ, but the criteria will have to be:
- an appropriate time scale for projections;
 - financial analysis (declaration of income, cash flow, financial ratios);
 - an economic analysis based on book values and socio-economic costs and benefits which takes externalities into account;
 - a sensitivity study and risk assessment.

The experience gained with the first generation of major projects has enabled the Commission to prepare a "guide for the assessment of major projects" and to organize a programme of seminars and training courses on cost-benefit analysis in the context of the regional policies of the European Union.

2. The compatibility of the activities of the Funds with the other Community policies

2.1. Compliance with environmental legislation in the implementation of the Structural Funds

In 1993, the Commission received the preliminary conclusions of surveys it had launched on compliance with environmental legislation in the context of the Structural Funds, as provided for under Article 7 of Regulation No 2052/88. The objective of these studies was to identify the laws, administration and procedures implemented at national, regional and local levels for each beneficiary country or region and to obtain factual information on the effectiveness of these provisions. The preliminary conclusions were the following.

The scope and structure of environmental legislation, as well as the degree of incorporation of Community legislation, varied considerably among the various Member States concerned. However, in general, significant progress was being made in the implementation of the Community directives. In particular, Directive EEC/337/85 on the environmental impact assessment (EIA) had been fully translated into national legislation in Ireland, Northern Ireland, Portugal and partly in Spain. Italy and Greece were amending their national legislation to meet Community requirements.

The major problems associated with compliance with environmental legislation, identified in the studies, related less to the legislative framework than to the efficiency of the implementation procedures.

During the period 1989-1993, no particular procedure to comply with the provisions of Article 7 was found among Member States. Likewise, no Member State had carried out environmental impact assessments for these operational programmes as a whole; indeed, the regulations did not require

this. The information supplied in the plans and programmes was usually general and was therefore seldom usable directly for the monitoring and assessment of environmental impact. Only a few OPs explicitly mentioned the need to carry out impact studies for specific operations.

Compliance with Article 7 was therefore based on the national procedures. These procedures essentially concerned the legal requirements to be met during the EIA with a view to obtaining authorization for the actual implementation of projects. In the majority of cases, the approval of investment plans and authorizations concerning pollution control were the normal means of ensuring compliance with the legislation on the environment. On the whole, the operations for the systematic assessment of compliance with the legislation during the implementation of projects were insufficient, once the project had been approved.

In the majority of countries, the EIA procedure as such was not applied satisfactorily. The complexity of the administrative procedures and the large number of bodies concerned caused delays; the EIAs often lacked quantitative data and were not always the subject of an open tender. Some countries recognized the need to draw up guidelines for EIAs and were examining the means of doing so, whether through new legislation (as in Italy) or by setting up a new environmental protection agency (in Ireland).

There was a tendency to assign administrative competence with regard to compliance with Community directives to the same bodies as those responsible for legislation on the environment, i.e. usually the ministries for the environment and, to varying degrees depending on the country, to the regional or local authorities. In general, the same bodies were also competent for programming.

The administration and management of the Structural Funds were shared by a certain number of governmental agencies and public regional organizations responsible for specific tasks concerning the various OPs. However, these bodies did not always have the necessary information or knowledge on environmental legislation. The need for qualified staff and to train officials, especially at regional or local level, was felt as an essential means to improve compliance with Community directives. The drafting of formal guidelines concerning compliance with provisions was also considered useful to improve the present situation.

It should nevertheless be noted that the sensitivity to Community legislation was relatively great among central government officials and that awareness of the need to preserve the environment was making rapid progress, especially in the Objective 1 regions. Since the environment might sometimes be seen as a factor external to the development process, and because it may be thought that the criteria of economic development should not be thwarted by environmental protection considerations, it was essential to step up efforts in the field of education and training to increase the awareness and perception of officials of the benefits of sustainable development.

It should also be emphasized, firstly, that the difficulties concerning respect for the environmental regulations in implementing the operations of the structural funds were one aspect of the general problem of respect for Community environmental legislation in the Member States. They were not therefore specific to the operations of the funds. Secondly, in cases of failure to respect the rules on environmental protection, the Communities financial assistance is not made available, or is suspended if the projects have been started on the ground. Thirdly, and in order to resolve these difficulties in a preventive way, the new regulations adopted in 1993 introduce a requirement for environmental information which the Member States are required to provide when they forward their regional plans to the Commission. These plans must now include a description of the

environmental situation of the regions, quantified objectives and the regional development strategy as regards the Environment, the likely environmental impact of the actions proposed for Community cofinancing and the arrangements for involving the environmental authorities in implementation of the actions envisaged in the regional plan. Further to these new rules, and with a view to preparing the 1994-99 programming period, the Commission sent the Member States "Environmental profiles" containing the information it would like them to provide under the new regulations and drew up a standard matrix for assessing the information provided.

2.2. Research, science and technology

Effort in the field of research, science and technology is an important prerequisite to economic development of the regions.

During the period 1989-1993, specific programmes were financed in the Objective 1 regions in this field (particularly in Portugal under the Ciencia programme, but also in Greece). In addition, the assistance was designed to strengthen the links between the university, firms, education and training (example of Greece).

In future, assistance in this field will be increased, with the enlargement of the field of operation of the ESF since the review of the regulations in July 1993, enabling it to support the human potential with regard to research, science and technology, under regional Objectives 1, 2 and 5(b). In this capacity, it will be able to finance doctorates, but also the training of managers and technicians for research institutes. Already under Objective 1, provision is made, for certain regions, to make researchers available in companies during the period 1994-1999.

In future, greater importance will consequently be attributed to the programming of vocational training measures in this field.

2.3 The common agricultural policy

The measures in favour of rural development, financed through the Structural Funds, aim to accelerate socio-economic development of rural areas and to stem the rural exodus by adapting agricultural structures to the needs of modern farming, optimizing local resources (including human resources) and promoting non-farming, job-creating activities capable of starting an endogenous development process.

These measures are of significant importance to achieving the objective of convergence and socio-economic cohesion set out in the Maastricht Treaty.

The assistance by the Structural Funds also ensures the adaptation of the agricultural sector to the principles of the CAP reform and responds to the main requirements for the modernization of the agricultural structures of the European Union.

The reform of the CAP is essentially characterized by the granting of direct aid to producers, so as to break the relationship between aid and production. The aim is to make the supply of agricultural products more sensitive to demand, to stabilize the market by controlling surpluses and to increase the competitiveness of European agriculture.

The CAP reform also meets the growing concerns regarding protection of the environment, the afforestation of farm land and the improvement of agricultural structures.

In the field of rural development, the horizontal measures will assist diversification of agricultural production, allow more competitive farms to operate in the Community and international markets and contribute to protection of the environment. These measures must respect the principles of the CAP reform, whilst ensuring overall consistency. Indeed, the measures to modernize farms were made subject to restrictions with a view to limiting surplus production. In parallel, the selection criteria for projects relating to the processing and marketing of agricultural produce must follow certain priorities established by the CAP reform, in order to avoid increasing already surplus production.

2.4. Small and medium-sized enterprises and tourism

During the period 1989-1993, the Structural Funds enabled part-financing of a series of measures designed to support the development or creation of small and medium-sized enterprises in the following fields: productive investment, access to finance (financial engineering measures, such as venture capital, seed capital, guarantee funds, interest subsidies, mutual guarantees), modernization and restructuring of businesses, creation of business promotion centres, technology parks, vocational training, technology innovation centres, research, business consultancy (management, marketing), international promotion, exports. Although substantial amounts have been made available to support industry and services under the CSFs (about 20% of the total funding), SMEs have not always derived full benefit from the possibilities on offer⁽¹⁾. Henceforth, the CSFs adopted for the next programming period attribute greater importance to supporting the development of SMEs. The operational programmes already adopted provide for substantial amounts to promote the development of enterprises, and especially SMEs, in some cases proposing sub-programmes for SMEs and/or local development, and even a programme to promote commerce (in Portugal). It should also be noted that the new Community initiative in favour of SMEs and the new Objective 4 are part of the concrete action taken regarding the measures advocated in the White Paper to promote support for SMEs.

In the tourism field, the Structural Funds have provided not inconsiderable support for the development of tourism, which is valued at over ECU 2 billion for the period 1989-1993⁽²⁾. This support is particularly manifest in the Objective 1 regions, which have a tradition of receiving tourists, as well as in the Objective 2 regions, in which tourism contributes to the diversification of economic activities of regions in industrial decline, and in the Objective 5(b) areas, where there has been a certain renewed enthusiasm for rural tourism in recent years. Community initiatives (such as Leader or Interreg, for example) as well as pilot projects for inter-regional cooperation, have also enabled support to be given to a large number of projects in the tourism sector. During the next programming period, the CSFs adopted provide for support for tourism, which takes the form in some Member States of separate operational programmes (in Ireland, for example).

(1) In its report on the coordination of Community activities in favour of SMEs and craft industries of 7.9.1994, the Commission analyses the way in which SMEs were able to benefit from the support of the Structural Funds and proposes a certain number of recommendations to increase and improve the use of these funds by SMEs (ref. COM(94) 207, 7.9.1994).

(2) COM(94) 74, 6.4.1994.

3. The role of the social partners

3.1. The completion of the first programming period (1989-1993)

From the beginning of the reform of the Structural Funds in 1988, the Commission expressed its will gradually to involve the social partners in the achievement of the priority objectives of the Community's structural measures through sustained dialogue and the search for suitable formulae for cooperation. It considers in fact that the achievement of these objectives, which are key factors of economic and social cohesion, depends not only on the national and regional authorities, but also on the contribution of the various actors in economic and social life.

During the first programming period, the Commission therefore endeavoured to strengthen the dialogue with the social partners by stepping up contacts and discussions at Community level and by giving its support and cooperation to the initiatives taken by the social partners themselves, at national, multiregional or regional levels.

The programme of meetings with the economic and social partners, organized between 1989 and 1991 at regional level (16 in total), concerning the application of the principles of the reform and the priorities for assistance by the Structural Funds decided in the context of CSFs, constituted the first large-scale information campaign on the Community structural policies. This programme, organized with the participation of the Commission and representatives of national and regional authorities, involved some 600 regional executives or national and regional representatives of workers' and employers' trade organizations.

Pursuant to Article 31 (2) of Regulation (EEC) No 4253/88, every year the Commission consulted the social partners organized at European level on the Community structural policy, in the context of the preparation of the annual reports on the implementation of the reform of the Structural Funds, and it also took the initiative in 1992 of organizing an official consultation on the report "Europe 2000", which deals with the prospects for development of the Community territory.

The social partners have always played an active part in the discussions and have made observations and suggestions on the overall content of the Community structural policy and on several specific aspects of its implementation (partnership, additionality, global grants, Community initiatives, etc.), giving particular emphasis to the need to increase their participation at the various stages of the implementation of programming. These proposals contributed to the Commission discussions when preparing the revision of the Structural Fund regulations.

All in all, it can be considered that, thanks to all the efforts made, the level of participation by the social partners in the implementation of Community structural policy has increased, even though there are still many difficulties and shortcomings, especially in the application of partnership.

It should nevertheless be borne in mind that the 1988 regulations reforming the Structural Funds did not provide for the requirement to involve the social partners in partnership discussions and that it was for Member States to designate the competent authorities and bodies which could take part.

Despite the absence of specific rules, the Commission has always advocated participation by the social partners in the various stages of the implementation process of operations of the Structural Funds, in the context of a "consultation and information" partnership, and urged Member States to take appropriate measures along the same lines.

The results obtained during this first programming period are nevertheless rather limited and vary considerably from one Member State to another, depending on the institutional structure and system of industrial relations in place.

As far as the ESF is concerned, the social partners are in a privileged position, since their right to take part in the Committee set up under Article 124 of the Treaty provides them with appropriate information on the activities of this Fund. In addition, the presence on this Committee of several of their representatives as observers allows a valuable exchange of experience.

The effective participation of the social partners in the Monitoring Committees varies considerably. Under Objectives 3 and 4, they either participated directly in the Monitoring Committees or were officially informed. On the other hand, for the other Objectives, this participation (as in Ireland) remains the exception and even though some progress can be mentioned in Germany, Belgium, Denmark and, in part, in Italy, for these countries have a long tradition of social consultation, the studies conducted in this field show that the participation and/or information of the social partners concerning the implementation of the Structural Funds is often considered to be unsatisfactory, especially at regional level.

However, the Monitoring Committees remain a preferential forum for the social partners to express their views, where their presence (as in France for Objective 2) enables them to follow the monitoring of the programmes and where, as in the Netherlands, the organization responsible for implementing the programmes (VDAB) is composed of representatives of employers, workers and public authorities.

Furthermore, the social partners are unanimous in wishing the evaluation process to become systematic, which would enable them to define a suitable development model and which, for the ESF, involves the optimization of human capital through training. In their opinion, this would also avoid their only being aware of a few specific activities in the vocational training field.

The question also arises of the social partners' knowledge of the facts of the operations undertaken at Community level, of their ability to react to certain priorities established at this level, and of their participation.

The attitude of the Commission has been to deal with certain aspects of common interest, whilst respecting the principle of partnership. The most significant were those concerning human resources and the labour market, thanks to the closer association between the social partners in the context of Objectives 3 and 4, as indicated above, where it is a matter of:

- involving them in the implementation of the provisions in the field of vocational training and education;
- giving them the possibility of becoming promoters, as in the case of the "Technifuture" scheme in Belgium (Objective 2), where they provide very useful logistics assistance;
- associating them completely, as in Belgium with the creation of Sub-regional Committees for Education and Training (CSEF), with the Employment, Training and Education Committees including representatives of the social partners among their members, submitting opinions,

proposals, recommendations to the CSEF to target more effectively the activities to be introduced.

Like economic and social cohesion, for which there has been a progressive approach involving an effort towards integration throughout the programming period, the participation of the social partners is therefore a gradual learning process through practical experience.

3.2. The preparation of the new programming period (1994-1999)

1993 was a year characterized by two major events: the revision of the Structural Fund regulations and the preparation of the new programming period for assistance by the Funds (1994-1999).

The social partners organized at European level, and in particular the CEEP, the ETUC and UNICE, actively followed the entire process of the preparation and negotiation of the revision of the regulations and made representations to all the bodies concerned to make known their opinions and proposals. In a joint letter addressed to the Commission, the three organizations formulated precise proposals to improve the operations of the Funds and their impact, and asked that the active participation of their representatives in the preparation, implementation and evaluation of the various stages of the programming procedures be clearly established in the context of the partnership.

In the "mid-term review", the Commission recognized the need to improve the manner of giving effect to the partnership, wishing for closer association of economic and social actors. The European Parliament and the Economic and Social Committee, for their part, adopted similar positions on several occasions.

It was to move forward along these lines that, on 24 February 1993, as part of the revision of the Structural Fund regulations, the Commission presented a proposal for an amendment to Article 4 of Regulation (EEC) No 2052/88, which was designed to strengthen the partnership with the regional and local authorities and to extend it to the economic and social partners.

Thanks to the decisive support of the European Parliament and the Economic and Social Committee, the final version of Article 4 of the framework regulation adopted by the Council on 20 July 1993, even though differing in part from the original Commission proposal, embodies the principle of the enlarged partnership. The new provisions stipulate in particular that: "Community operations shall be such as to complement or contribute to corresponding national operations. They shall be established through close consultations between the Commission, the Member State concerned and the competent authorities and bodies - including, within the framework of each Member State's national rules and current practices, the economic and social partners, designated by the Member State at national, regional, local or other level...

The partnership will be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners."

These rules were first applied in 1993 with regard to the preparation by Member States of new regional development plans for the various Objectives.

These plans, submitted by Member States for the period 1994-1999, do in fact contain, in most cases, references to the new provisions of Article 4 of the framework regulation and give indications as to their future application.

In a number of cases, the economic and social partners made their contribution to the preparation of the programming and/or were consulted on the content of the RDPs. The procedures selected obviously differ from one Member State to another, depending on national rules and current administrative practices. For instance, although the economic and social councils were consulted in Spain - on objective 3 and 4 plans - and Portugal, the Member States had recourse to more specific consultation procedures in Italy and Greece, in particular by setting up working parties, and some plans, such as those of Hainaut in Belgium or Flevoland in the Netherlands, give precise indications regarding the participation of the economic and social partners in monitoring the operations.

Furthermore, the new implementing regulation for the ESF provides that the plans presented by Member States indicate the way in which the association of the economic and social partners in the partnership has been taken into account, in the context of the procedures available under the national rules and current practices of each Member State.

In certain cases, such as exclusion from the labour market, the ESF Regulation also provides that the plans indicate the way in which the Member State will ensure the participation of service agencies in the preparation and administration of the operations in favour of the people eligible for ESF assistance.

With regard to the assistance in adaptation to industrial changes (new Objective 4), the Commission wishes to see the mobilization of all the parties concerned. In this context, the new ESF Regulation extends the partnership, stipulating that the Member State will have to indicate the way in which it ensures the participation of the vocational training institutes and economic and social partners in the preparation of operations.

The Commission has implemented the new rules applicable to the ESF in programming for the period 1994-1999.

During meetings of the ESF Committee, which issues opinions on draft Commission decisions on the CSFs and SPDs eligible for support from the ESF, the Commission drew the attention of the Member States to the implementation of the articles of the Structural Funds which concern the partnership. The Committee Chairman suggested that the representatives of Member States should explain, in their statements on the draft CSFs, how the social partners were consulted.

In this context, as far as can be ascertained so far, the situation varies regarding Objectives 3 and 4 : in Spain, the social partners welcome the efforts made for objective 4, which would indicate close cooperation in the future; in the United Kingdom, the workers' representatives wish to be more closely involved in the implementation and monitoring of operations.

After approving the Green Paper on the future of the Community initiatives in June 1993, the Commission also wished to consult all the parties concerned about its content, and in particular the general principles which should prevail when preparing these initiatives during the period 1994-1999. The social partners gave an active response to this consultation.

The new generation of Community initiatives for the period 1994-1999 is based on an approach of transnational cooperation and the exchange of know-how, which are working procedures to promote partnership.

Finally, during the annual consultation of the social partners organized at European level on Community structural policy, which was held on 17 September 1993, the three subjects of the moment were dealt with in greater detail, i.e. the revised Structural Fund regulations, the Green Paper on Community initiatives and the Fourth Annual Report.

The meeting took place in a climate of open, constructive dialogue. The discussion showed a wide convergence of views among the social partners on the basic problems, although there were at times nuances in the positions on individual points.

The social partners, whilst recognizing the efforts made by the Commission during negotiations, were unanimous in judging the results obtained in the extended partnership field to fall well short of the wishes they had expressed and called for active participation in the process of programming and implementing structural assistance. They nevertheless considered the results of the reform to be positive on the whole and in particular recalled the importance they attach to assistance to combat unemployment and promote economic recovery.

3.3. Other activities organized in 1993 for closer involvement of the social partners

At the beginning of 1993, thanks to financial support from the Commission, the European Trade Union Confederation launched an information programme in a significant number of regions covered by Objectives 1 and 2, in order to assist the regional trade union organizations to improve their knowledge on the development and conversion measures carried out with the assistance of the Structural Funds, this programme having been coordinated by the European Trade Union Institute.

In addition, the second stage in the study launched in 1991 on regional development policy and the trade unions as regards the Single Market was conducted by the University of Bremen, with the cooperation of regional trade union experts and in particular involved an analysis of the situation in 18 regions. Three types of regions were considered in each of the Member States covered by the study (Germany, Spain, France and Italy): a less developed region, a region affected by industrial decline and a more developed region. Comparative analysis and the conclusions of this research are the subject of a third and final stage of the study, which started in November 1993.

4. The action taken on the recommendations of the European Parliament and the Economic and Social Committee on the previous report

This report already takes account of the requirements of the new Regulations of July 1993 and includes material reflecting the new requirements of Article 31 of Regulation (EEC) No 2082/93, especially in the fields of overall assessment, assessing the compatibility of the operations of the Funds with Community policies, the situation regarding major investment projects, the results of the controls carried out, the impact of Community assistance, and the opinions of the committees.

Like last year, it also tries to introduce the maximum number of concrete factors to provide the reader with the most accurate possible view of the realities and of the obstacles which may impede the implementation of the operations decided upon.

Precise passages are included to cover the outstanding questions from 1992 concerning the verification of additionality or the use of technical assistance.

Since, when examining the 1992 report, the European Parliament and the Economic and Social Committee stressed the importance which should be given to the evaluation of operations and noted the efforts made in 1992, the 1993 report gives more space to the macroeconomic evaluation of the CSFs, which had been dealt with to a lesser extent than the evaluation of individual subjects.

Finally, to meet the firm demand of the members of the Economic and Social Committee and of the European Parliament, a detailed analysis was carried out on the position and role of the social

partners over the past period, the new regulations (Article 4 of the framework regulation) also providing factors which might meet the wishes expressed by the various parties.

During the examination of the previous report, the Parliament more specifically made recommendations concerning the social aspects:

- the need to provide for greater flexibility for the ESF, to define the strategic priorities of its operations more precisely and to target the measures financed effectively depending on the characteristics of the populations concerned, but also on the conditions of the labour market;
- the importance to be attributed to evaluation in the field of human resources;
- the importance of the partnership;
- the support which must continue to be given to basic training under Objectives 3 and 4, as well as the need to envisage individualised training packages, including guidance, training and placement counselling, for the long-term unemployed;
- the need to continue to target the bulk of the resources available for Objectives 3 and 4 on the people experiencing the greatest difficulties, especially the long-term unemployed and young people without qualifications;
- the need to promote recruitment premiums.

All these recommendations were taken into account when reviewing the ESF Regulation.

Finally, in the context of the preparation of the new programming period, a code of conduct on the implementation by the Commission of the structural policies was agreed between the Commission and the European Parliament on 13 July 1993. This accord stipulates that Parliament be informed on the programming of structural assistance, Community initiatives, innovative activities and pilot projects, evaluation and control, information and publicity.

5. The opinions of the committees

The Committee on the Development and Conversion of Regions met just once in 1993 (July) and discussed several Commission communications on the future of Community initiatives, the programme of activities and the decisions taken under Article 10 of the ERDF Regulation and on ECSC loans and the ERDF.

The Committee under Article 124 of the Treaty met three times (February, June and December 1993). During these meetings, it was informed in particular about the preparatory work for the review of the Structural Funds, examined the annual report (1992) on the implementation of the reform of the Structural Funds and issued a favourable opinion on the report on the assistance of the ESF in 1992. In addition, it was asked to comment on the draft Commission decision in the field of information and publicity concerning the operations of the Structural Funds and the financial instrument for fisheries guidance (Article 32 of the coordinating Regulation). Furthermore, the preparatory work for the CSFs for the period 1994-1999 was presented to it, as well as the results of the consultation of the Committee regarding the Green Paper on the future of the Community initiatives in the context of the Structural Funds. Finally, several statements were brought to its attention, in particular on the implementation of the CSFs and CIs in 1993, the implementation of the budget in 1993, the content of the initiative in the employment field and the Konver initiative.

5. The opinions of the committees

The Committee on the Development and Conversion of Regions met just once in 1993 (July) and discussed several Commission communications on the future of Community initiatives, the programme of activities and the decisions taken under Article 10 of the ERDF Regulation and on ECSC loans and the ERDF.

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The Management Committee on Agricultural Structures and Rural Development (Star Committee) met eleven times in 1993. The majority of the opinions it issued related to measures under Objective 5(a). The 278 opinions issued during 1993 were all favourable.

1. The revision of the Structural Fund Regulations

On 24 February 1993, the Commission proposed various amendments to be made to the framework regulation and the co-ordinating regulation for the Structural Funds¹. On 24 March, it also proposed amendments to the Regulations specific to these three Funds (ERDF, ESF, EAGGF Guidance Section)², as well as the Regulation creating a new financial instrument for fisheries guidance (FIFG)³.

All these proposals aimed to put in place the regulatory framework for the functioning of the Structural Funds for the period 1994-1999, the objectives of which had already been described in two communications from the Commission: on the one hand, the mid-term review of the previous programming period contained in the communication entitled "The Community structural policies: review and prospects" (COM(92) 84 of 18 March 1992); on the other hand, when preparing the financial outlook for the Community budget from 1993 in the document "From the Single Act to Maastricht and beyond: the means to match our ambitions" (COM(92) 2000 of 11 February 1992). The Commission stressed at that time that:

- the basic principles which inspired the reform of the Structural Funds in 1988 should be confirmed, as they had now proved themselves;
- operational improvements were nevertheless necessary, in particular in the field of simplification of procedures, strengthening the partnership, generalizing evaluation and increasing flexibility to respond to the real needs of the regions or other beneficiaries of the Funds (contribution rate, areas of assistance, geographical extensions, etc.).

These policies were confirmed in December 1992 by the European Council in Edinburgh, in the agreement on the financial perspectives for financing the Community until the end of the century (1993-1999).

Since the Maastricht Treaty was not yet in force, the legal basis for the Commission proposals was the Single Act. This provided for different adoption procedures for each of the proposed regulations: unanimity after opinion of the European Parliament for the framework regulation; qualified majority after the cooperation procedure with the European Parliament for the coordinating and ERDF regulations; qualified majority after opinion of the European Parliament for the ESF, EAGGF Guidance Section and FIFG regulations.

However, the three Community institutions agreed to deal with the six Regulations as a package, according to a procedure implying de facto unanimity following the cooperation procedure.

¹ Council Regulation (EEC) No 2052/88 of 24 June 1988; OJ No L 185, 15.7.1988.
Council Regulation (EEC) No 4253/88 of 19 December 1988; OJ No L 374, 31.12.1988.

² Council Regulations (EEC) Nos 4254/88, 4255/88, 4256/88 of 19 December 1988; OJ No L 374, 31.12.1988.

³ Council Regulation (EEC) No 2080 of 20 July 1993; OJ No L 193, 31.7.1993.

The Economic and Social Committee adopted its opinion on all six proposals for Regulations on 26 May 1993. On 22 June, the European Parliament in turn stated its position, during the first reading, on all the proposals.

In its revised proposal, forwarded to the Council on 23 June 1993, the Commission largely took account of the amendments proposed by the European Parliament and the Economic and Social Committee, particularly with regard to:

- extending the partnership,
- a more comprehensive method to designate the eligible areas for Objectives 2 and 5(b),
- informing the European Parliament on a regular basis about the structural measures of the Community,
- taking better account of environmental policies and the principle of equality for men and women.

On the other hand, the Commission was unable to take account of the proposed amendments calling into question provisions of the Treaty concerning the distribution of roles among the institutions and those which implied non-compliance with the budgetary framework decided in Edinburgh.

The Council adopted its position on 3 July 1993 and the European Parliament issued its opinions during its session of 12 July 1993. On 15 July, the Commission presented its amended proposal to the Council, which on 20 July unanimously adopted the six amended Regulations on Community structural measures for the period 1994-1999⁴.

The entry into force of the new Regulations, from 3 August 1993, enabled more satisfactory preparations to be made for the new financing from the point of view of time taken than in 1988 and a repetition to be avoided, in part, of the delays which occurred in 1989 on account of more tardy adoption of the 1988 reform.

The characteristics of the new Regulations correspond on the whole to the objectives which the Commission had set at the start. The basic principles of the reform are confirmed or strengthened:

- the priority Objectives of the Structural Funds are adapted to take account of the new political priorities, especially in the social field, fisheries and the development of rural areas;
- even though the geographical concentration in favour of Objective 1 has been lessened following the political choices made, the financial concentration in favour of these regions is distinctly more marked;
- the partnership now includes the economic and social partners, subject to the national rules and current practices of each Member State;
- the programming procedures are adjusted to simplify the decision-making process whilst guaranteeing the same level of information needed to grant Community assistance;
- the implementation of structural measures is more transparent;
- the arrangements for *ex ante* appraisal, monitoring and *ex post* evaluation of structural operations are reinforced;

⁴ Council Regulations (EEC) Nos 2080/93 to 2085/93; OJ No L 193, 31.7.1993.

- the concerns regarding the environment and sustainable development are fully integrated into the programming process;
- the principle of additionality and the criteria for the observation of this principle are clarified;
- provision is made for greater flexibility in the fields of application of the Funds and in the modulation of the assistance rates;
- limits are set to the time taken for getting the funds to the beneficiaries..

2. The first implementing decisions

2.1. The indicative allocations under Objective 1

On 28 October 1993, the Commission adopted the indicative allocation by Member State of the commitment appropriations of the Structural Funds allocated to the CSFs and Simple Programming Documents of Objective 1, for the period 1994-1999⁵. This was the first implementing decision concerning the revised Regulations. It is based on the criteria laid down in article 12(4) of Council Regulation (EEC) No 2052/88, as amended by Council Regulation (EEC) No 2081/93 of 20 July 1993.

The amounts allocated per Member State are as follows (in ECU billion):

Greece	13.98	Belgium	0.73
Spain	26.30	Germany	13.64
Ireland	5.62	France	2.19
Portugal	13.98	Italy	14.86
		Netherlands	0.15
Sub-total	59.88	United Kingdom	2.36
		Sub-total	33.93

Total: 93.81

2.2. Preliminary work on designating eligible areas under Objectives 2 and 5(b)

During the months of September and October 1993, nine Member States (all the Member States apart from Greece, Portugal and Ireland which are eligible in their entirety for Objective 1) forwarded their proposed areas to the Commission with a view to eligibility for Objectives 2 and 5(b), pursuant to the revised procedure⁶. The proposals received covered a population of:

- 77.7 million inhabitants for Objective 2, i.e. 22.5% of the total population of the Community;
- 39.6 million inhabitants for Objective 5(b), i.e. 11.5% of the population of the Community.

⁵ Commission Decision of 28 October 1993; OJ No L 280 of 13 November 1993.

⁶ Article 9 of Council Regulation (EEC) No 2052/88, as amended by Council Regulation (EEC) No 2081/93 of 20 July 1993.

On 21 December, at the end of the work, which took from mid-October to mid-December and involved a large number of meetings with the nine Member States, including at ministerial level, the Commission adopted draft lists of areas affected by industrial decline and rural areas eligible for Objective 2 (for the period 1994-1996) and Objective 5(b) (for the period 1994-1999) respectively. These draft lists concerned a population of:

- 58.1 million inhabitants for Objective 2, i.e. 16.8% of the population of the Community;
- 28.5 million inhabitants for Objective 5(b), i.e. 8.2% of the population of the Community.

The two lists were communicated for opinion to the committees concerned composed of representatives of the Member States, prior to finalization by the Commission.

2.3. The implementation of the new regulations as regards the ESF

The new Regulations brought about radical changes to the ESF. These changes, which are designed to boost the effectiveness of operations in the field of employment and which also meet the need to implement operations to stave off unemployment, took the form of an extension of the scope of the ESF, on the one hand, and greater flexibility in its operation, on the other.

The scope of the ESF was extended for all the Objectives. Firstly, the creation of the new Objective 4 to facilitate the adaptation of workers of either sex to industrial changes and to changes in production systems, comes under the preventive approach which it is desired to implement to combat unemployment.

Objective 3 will in future group together the former Objectives 3 and 4, i.e. combating long-term unemployment and activities to promote the integration into working life of young people, and the scope of the ESF is extended to persons exposed to exclusion from the labour market in order to take account of the problems of poverty and marginalization in the Community.

For the objectives centred on regional development (Objectives 1, 2 and 5(b)), the scope of the ESF has been extended to boost human potential in the field of science, research and technology, and specifically in the context of Objective 1, to reinforce education and training schemes.

Finally, equal opportunities has become an explicit principle of ESF assistance.

On the other hand, to allow greater flexibility, significant modifications were made to the functioning of the ESF. Henceforth, the eligibility of operations is defined in terms of the political objectives set out in the ESF Regulation. Furthermore, the assistance to combat long-term unemployment may now take into account unemployed people who, although unemployed for less than 12 months, face the prospect of long-term unemployment and for whom assistance will be all the more useful if it is given at an earlier stage.

Although the Regulations allow greater flexibility in terms of eligibility of operations, they require the Commission and Member States to seek to concentrate financial resources on the greatest needs and the most effective operations.

With regard to programming for the period 1994-1999, examination of the content of the first RDPs submitted by Member States started in September 1993. The Commission also started negotiations with Member States on the CSFs.

The Commission approach, focusing on three themes, comes under the priorities identified in both the White Paper on Growth, Competitiveness and Employment and the White Paper on Social Policy:

- to improve access and the quality of initial training and education, especially through implementation of the "Youthstart" programme;
- to increase competitiveness and prevent unemployment, by adapting labour to the challenge of change through a systematic approach to ongoing training;
- to improve the prospects of employment of persons exposed to long-term unemployment and social exclusion, through a series of measures constituting a real pathway to reintegration.

The promotion of equal opportunities on the employment market is an integral part of these three themes.

The Commission, in partnership with the Member States, also wishes to ensure that the priority given to human resources will be reflected in the future CSFs and programmes. It would like to see appropriate systems of monitoring, evaluation and control to enable the programmes to be amended whenever necessary and the most successful practices and experience to be disseminated throughout the Union.

Attention will also focus on strengthening coordination between ministries, national and regional authorities and other actors concerned in matters of employment and training (NGOs, Community bodies, local authorities, economic and social partners, private and public sectors), as well as on the introduction of implementing provisions which promote a local, partnership approach, which is particularly suitable in the two new areas of assistance of the ESF, combating exclusion and promoting adaptation to industrial changes.

In this preparatory work, special efforts were made to define indicators allowing the quantification of the starting points, the efforts made and the results of the operations in the main areas supported, and particularly in the fields of education, training, employment and R&D.

2.4. The new Objective 5(a) agriculture

The new regulations extend the scope of the EAGGF Guidance Section, especially with regard to:

- promoting the quality of produce, "organic produce", diversification of production, especially new non-food agricultural production;
- improving living and working conditions for farmers and their spouses;
- improving conditions of health and hygiene, stock farming and animal welfare;
- taking greater account of the environmental aspect.

It was only at the end of 1993 that the Council amended the main horizontal regulations concerning the operations of the EAGGF Guidance Section⁷ which may be summarized as follows:

⁷ OJ No L 338, 31.12.1993.

- The general principles of Regulations (EEC) Nos 2328/91, 1360/78⁸ and 1035/72⁹ are retained. However, in order to take account of the organisation and distribution of appropriations for Objective 5(a) outside the Objective 1 regions, the planned assistance can only constitute a right for the beneficiaries within the limit of the appropriations available. Member States draw up forecasts on the basis of which the Commission decides the conditions for the financial participation of the Union. This financial discipline may however be revised each year to take account of the extent of use of the appropriations for all the measures under Objective 5(a). Finally, Member States present applications for aid containing the required information for any assistance, together with the financing plans, and may receive advance payments of Community finance or continue to benefit from the former system of refunds of expenses.
- For Regulations (EEC) Nos 866/90 and 867/90, the structure used in the previous programming period (RDP, CSF, applications for assistance) is retained, but its components have been simplified considerably. The RDPs now cover the various sectors (instead of one plan per sector) and their content is confined to the most relevant information to assess the operations covered, whereas the structure of the applications for assistance is aligned with that of Objectives 1, 2 and 5(b). Member States may also present an SPD giving the required information for the plan and for the application for assistance¹⁰.

Finally, following the Council decision on covering the measures under Objective 5(a) by the programming for Objective 1, the financial estimates are integrated into the corresponding RDP or SPD and take account of the situation of each of the regions concerned.

2.5. The new Objective 5 (a) fisheries

With regard to the fisheries sector, the implementing Regulation for Regulation (EEC) No 2080/93 (Council Regulation (EC) No 3699/93) adopted by the Council on 21 December, sets the criteria and the priorities for Community assistance, as well as the scales of aid. It takes account of the need to ensure continuity with the operations implemented in the past.

This Regulation stipulates the terms and conditions for assistance from the financial instrument for fisheries guidance to measures adapting the structures of the sector and incorporates programming for restructuring the Community fishing fleets into the structural operations as a whole, in a consistent manner.

Furthermore, the Commission received a request from the Council of Ministers to study a set of socio-economic support measures linked to the measures for restructuring the sector. A report will be drawn up by the Commission.

⁸ OJ No L 166, 23.6.1978.

⁹ OJ No L 118, 20.5.1972.

¹⁰ Regulation (EEC) No 860/94, OJ No L 99, 19.4.1994.

2.6. Objective 5(b)

With regard to Objective 5(b), the Commission drew up the prototype draft SPD and sent it to Member States. This was well received by the various national and regional partners.

Emphasis is placed on multifund priorities. The financial arrangements have been greatly simplified, on the basis of single-fund sub-programmes with a single assistance rate. Monitoring and ongoing assessment will be carried out by the Monitoring Committees on the basis of financial, physical and impact indicators.

ACRONYMS AND ABBREVIATIONS USED

AFPA	Association nationale pour la formation professionnelle des adultes - National association for the vocational training of adults
ASBL	association sans but lucratif - non-profit-making association
BFP	interest subsidy programme
CAP	Common Agricultural Policy
CEAS	Centre for European Agricultural Studies
CEEP	European Centre of Public Enterprises
CI	Community initiative
CIP	Community Initiative Programme
CP	Community programme
CPMR	Conference of the Peripheral Maritime Regions
CSF	Community support framework
CTC	centralized traffic control
EAGGF	European Agricultural Guidance and Guarantee Fund
EBN	European Business and Innovation Centre Network
ECOS	cooperation network with the towns of Eastern Europe
ECSC	European Coal and Steel Community
ECU	European currency unit
EDC	European development centre
EIA	environmental impact assessment
EIB	European Investment Bank
EMU	Economic and Monetary Union
Envireg	Community initiative concerning the regional environment
ERDF	European Regional Development Fund
ESF	European Social Fund
ETUC	European Trade Union Confederation
Euroform	Community initiative concerning new qualifications, new skills and new job opportunities
Europartenariat	promotion of contacts between enterprises of assisted regions and enterprises of the entire Community or non-member countries
FAS	National Training and Employment Authority
FIFG	financial instrument for fisheries guidance
FOD	French overseas department
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFCF	gross fixed capital formation
GNP	Gross National Product
Horizon	Community initiative concerning disabled people and certain less-favoured groups
IDO	integrated development operation
IMP	Integrated Mediterranean Programme
INEM	Institut national de l'emploi - National employment institute
INSEE	Institut national de la statistique et des études économiques - National institute for statistics and economic studies
Interreg	Community initiative concerning frontier regions

IOP	integrated operational programme
ISO	International Standards Organization
Konver	Community initiative for the conversion of regions depending on the defence industries and military bases
Leader	Community initiative concerning links between development operations and the rural economy
MOP	multifund operational programme
NPCI	national programme of Community interest
OP	operational programme
Ouverture	cooperation network with the regions of Eastern Europe
PEDAP	specific programme for the development of Portuguese agriculture
PEDIP	specific programme for Portuguese industrial development
PEDRAA	specific programme for the development of the autonomous region of the Azores
Perifra	initiative at the request of the European Parliament on the most remote regions and activities at risk
PNICIAP	national programme of Community interest providing aid to productive activity in Portugal
POPRAM	multifund operational programme in favour of the autonomous region of Madeira
Prisma	Community initiative concerning the preparation of enterprises with a view to the single market
PRODAC	programme for the development of access routes to Portugal
PRODEP	integrated operational programme for the development of education in Portugal
PROFAP	operational programme for the training of the public administration in Portugal
PROTEDE	operational programme for the supply of energy to Portugal
R&D	research and development
RDP	regional development plan
Rechar	Community initiative concerning the conversion of the coal-mining areas
Recite	regions and cities of Europe
Regen	Community initiative concerning the gas distribution network
Regis	Community initiative concerning the isolated regions
Renaval	Community programme in favour of the conversion of the shipyard areas
Resider	Community initiative in favour of the conversion of the iron and steel industry areas
Retex	Community initiative concerning the diversification of economic activities of the regions strongly dependent upon the textiles and clothing sector
SME	small and medium-sized enterprises
SMI	small and medium-sized industries
SMIC	saire minimum interprofessionnel de croissance - index-linked minimum wage
SPD	single programming document
SPP	standard of purchasing power
Star	development of certain less-favoured regions of the Community by improving access to advanced telecommunications services
Stride	science and technology for regional innovation and development in Europe

Telematique Community initiative concerning the promotion of the use of advanced
telecommunications services in the least-favoured regions
UNICE Union of Industries of the European Community
VAT value added tax

Annexes

Annex	Table	Title
*	I	1 CSFs - Financial implementation of objective 1 (1989-1993)
		2 CSFs - Financial implementation of objective 2 (1989-1993)
		3 CSFs - Financial implementation of objectives 3 and 4 (1989-1993)
		4 CSFs - Financial implementation of objective 5a (1991-1993)
		5 CSFs - Financial implementation of objective 5b (1989-1993)
**	II	1 CSFs - Financial implementation of objective 1 (1993)
		2 CSFs - Financial implementation of objective 2 (1993)
		3 CSFs - Financial implementation of objectives 3 and 4 (1993)
		4 CSFs - Financial implementation of objective 5a (1993)
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III		Community Initiatives - Allocation of commitments by Funds
IV		Summary table of ERDF major projects decided in 1993
V		Objective 5a - Implementation of horizontal structural measures in the Member States (structures of production)
VI		1. Individual loans and global loan credits financed by the EIB
		2 Allocation of individual loans and credits financed by the EIB in Objective 1 regions and the New Länder
		3 Allocation of individual loans and credits financed by the EIB in 1993

* - Assistance planned : not including Community Initiatives.

** - Commitments : not including Community Initiatives, Community programmes and quota-free measures.

Table 1. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 1
1989 - 1993

Member States	Funds	Updated assistance planned in the CSFs	Commitments	Payments	ECU million (current prices)	
					Commitments / Assistance planned	Payments / Commitments
Greece	ERDF	4072,00	4072,00	3504,00	100,0%	86,1%
	ESF	1968,00	1960,00	1535,00	99,6%	78,3%
	EAGGF	1456,50	1538,54	1344,00	105,6%	87,4%
	Of which CSF fisheries	13,93	13,93	8,00	100,0%	57,4%
Total Greece		7496,50	7570,54	6383,00	101,0%	84,3%
Spain	ERDF	6813,00	6813,00	6078,00	100,0%	89,2%
	ESF	2710,00	2691,00	2231,00	99,3%	82,9%
	EAGGF	1476,42	1466,52	1310,00	99,3%	89,3%
	Of which CSF fisheries	42,37	42,37	19,00	100,0%	44,8%
Total Spain		10999,42	10970,52	9619,00	99,7%	87,7%
France	ERDF	461,00	461,00	358,00	100,0%	77,7%
	ESF	359,00	359,00	336,00	100,0%	93,6%
	EAGGF	201,00	205,28	167,00	102,1%	81,4%
	Of which CSF fisheries	1,57	1,57	1,57	100,0%	100,0%
Total France		1021,00	1025,28	861,00	100,4%	84,0%
Ireland	ERDF	1831,00	1831,00	1733,00	100,0%	94,6%
	ESF	1555,00	1555,00	1480,00	100,0%	95,2%
	EAGGF	775,82	775,34	724,00	99,9%	93,4%
	Of which CSF fisheries	20,33	20,33	8,00	100,0%	39,4%
Total Ireland		4161,82	4161,34	3937,00	100,0%	94,6%
Italy	ERDF	5507,00	5507,00	4196,00	100,0%	76,2%
	ESF	2022,00	2022,00	1427,00	100,0%	70,6%
	EAGGF	902,00	920,40	556,00	102,0%	60,4%
	Of which CSF fisheries	29,98	29,98	9,00	100,0%	30,0%
Total Italy		8431,00	8449,40	6179,00	100,2%	73,1%
Portugal	ERDF	4379,00	4379,00	4004,00	100,0%	91,4%
	ESF	2272,00	2272,00	2108,00	100,0%	92,8%
	EAGGF	1312,85	1343,61	1173,00	102,3%	87,3%
	Of which CSF fisheries	52,49	52,49	17,00	100,0%	32,4%
Total Portugal		7963,85	7994,61	7285,00	100,4%	91,1%
United Kingdom	ERDF	410,00	410,00	356,00	100,0%	86,8%
	ESF	316,00	316,00	246,00	100,0%	77,8%
	EAGGF	145,00	135,86	113,00	93,7%	83,2%
	Of which CSF fisheries	2,26	2,26	1,00	100,0%	44,2%
Total United Kingdom		871,00	861,86	715,00	99,0%	83,0%
Total ERDF		23473,00	23473,00 (1)	20229,00 (2)	100,0%	86,2%
Total ESF		11202,00	11175,00	9363,00	99,8%	83,8%
Total EAGGF		6269,59	6385,55	5387,00	101,8%	84,4%
Of which CSF fisheries		162,93	162,93	63,57	100,0%	39,0%
Total Objective 1		40944,59	41033,55	34979,00	100,2%	85,2%
Germany (New Länder)	ERDF	1567,00	1567,00	1321,00	100,0%	84,3%
	ESF	944,00	944,00	853,00	100,0%	90,4%
	EAGGF	633,00	632,00	499,00	99,8%	79,0%
	Of which CSF fisheries	11,00	11,00	11,00	100,0%	100,0%
Total Germany		3144,00	3143,00	2673,00	100,0%	85,0%

(1) Commitments of 12,865 MECU are not distributed among Member States.

(2) Payments of 31,162 MECU concern commitments not distributed among Member States (a: 11,134), and commitments of projects decided before the reform (a: 20,028)

Table 2. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 2

1989 - 1993

Member States	Fund	Updated Assistance planned in the CSFs	Commitments	Payments	ECU million (current prices)	
					Commitments / Assistance planned	Payments / Commitments
Belgique / België	ERDF	246,00	246,00	163,00	100,0%	66,3%
	ESF	74,00	74,00	64,00	100,0%	86,5%
Total België / Belgique		320,00	320,00	227,00	100,0%	70,9%
Danmark	ERDF	35,00	35,00	26,00	100,0%	74,3%
	ESF	14,00	14,00	11,00	100,0%	78,6%
Total Danmark		49,00	49,00	37,00	100,0%	75,5%
Deutschland	ERDF	511,00	511,00	354,00	100,0%	69,3%
	ESF	181,00	181,00	135,00	100,0%	74,6%
Total Deutschland		692,00	692,00	489,00	100,0%	70,7%
España	ERDF	1167,00	1167,00	967,00	100,0%	82,9%
	ESF	339,00	339,00	258,00	100,0%	76,1%
Total España		1506,00	1506,00	1225,00	100,0%	81,3%
France	ERDF	1061,00	1061,00	791,00	100,0%	74,6%
	ESF	305,00	301,00	260,00	98,7%	86,4%
Total France		1366,00	1362,00	1051,00	99,7%	77,2%
Italia	ERDF	326,00	326,00	182,00	100,0%	55,8%
	ESF	176,00	176,00	117,00	100,0%	66,5%
Total Italia		502,00	502,00	299,00	100,0%	59,6%
Luxembourg	ERDF	15,00	15,00	7,00	100,0%	46,7
	ESF	0,00	0,00	0,00	—	—
Total Luxembourg		15,00	15,00	7,00	100,0%	46,7
Nederland	ERDF	118,00	118,00	61,00	100,0%	51,7
	ESF	71,00	71,00	56,00	100,0%	78,9
Total Nederland		189,00	189,00	117,00	100,0%	61,9
United Kingdom	ERDF	2139,00	2139,00	1457,00	100,0%	68,1
	ESF	698,00	698,00	620,00	100,0%	88,8
Total United Kingdom		2837,00	2837,00	2077,00	100,0%	73,2
Total ERDF		5618,00	5618,00	4008,00	100,0%	71,2
Total ESF		1858,00	1854,00	1521,00	99,8%	82,0
Total Objective 2		7476,00	7472,00	5529,00	99,9%	74,1

Table 3. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVES 3 & 4 ***

1989 - 1993

Member States	Fund	Updated Assistance planned in the CSFs	Commitments	Payments	ECU million (current prices)	
					Commitments / Assistance planned	Payments / Commitments
Belgique / België	ESF	308,00	308,00	258,00	100,0%	83,8%
Danmark	ESF	185,00	185,00	168,00	100,0%	90,8%
Deutschland	ESF	1081,00	1081,00	946,00	100,0%	87,5%
España	ESF	1087,00	1087,00	800,00	100,0%	73,6%
France	ESF	1672,00	1672,00	1561,00	100,0%	93,4%
Italia	ESF	1182,00	1182,00	854,00	100,0%	72,3%
Luxembourg	ESF	12,00	12,00	10,00	100,0%	83,3%
Nederland	ESF	443,00	443,00	388,00	100,0%	87,6%
United Kingdom	ESF	2111,00	2111,00	1952,00	100,0%	92,5%
Total Objectives 3 & 4	ESF	8081,00	8081,00	6937,00	100,0%	85,8%

*** The CSFs for Objectives 3 & 4 cover the period from 1.1.1990. However, figures for planned assistance, commitments and payments in this table include also 1989 measures for combating long-term unemployment and facilitating the occupational integration of young people.

Table 4. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 5a
 (A) Processing and marketing of agricultural and forestry products
 (B) Processing and marketing of fishery and aquaculture products

1991 - 1993

ECU million (current prices)

Member States	Available funds 1991-1993		Commitments		Commitments / Available funds	
	(A)	(B)	(A)	(B)	(A)	(B)
Belgique / België (Obj. 5a)	22,66	2,50	22,63	2,50	99,9%	100,0%
Danmark (Obj. 5a)	17,19	10,99	17,19	10,99	100,0%	100,0%
Deutschland (old Länder) (Obj. 5a)	72,08	11,45	74,36	11,45	103,2%	100,0%
Ellas (Obj. 1)	143,18	13,71	141,82	13,71	99,1%	100,0%
España (Obj. 1)	145,56	31,62	145,56	31,62	100,0%	100,0%
España (Obj. 5a)	55,57	8,56	55,57	8,56	100,0%	100,0%
France (Obj. 1)	13,98	1,74	13,98	1,74	100,0%	100,0%
France (Obj. 5a)	114,43	21,34	114,43	21,34	100,0%	100,0%
Ireland (Obj. 1)	76,19	14,34	76,19	14,34	100,0%	100,0%
Italia (Obj. 1)	91,44	14,32	91,44	14,32	100,0%	100,0%
Italia (Obj. 5a)	139,52	9,10	139,52	9,10	100,0%	100,0%
Luxembourg (Obj. 5a)	1,33	0,00	1,32	0,00	99,2%	0,0%
Nederland (Obj. 5a)	20,71	5,91	20,71	5,91	100,0%	100,0%
Portugal (Obj. 1)	137,38	39,79	136,01	39,79	99,0%	100,0%
U. Kingdom (Obj. 1)	21,34	2,39	21,34	1,93	100,0%	80,8%
U. Kingdom (Obj. 5a)	42,85	19,31	42,85	19,76	100,0%	102,3%
Total measures (A) and (B)	1115,41	207,47 *	1114,92	207,46 *	100,0%	100,0%
Of which in:						
Objective 1-regions	629,07	118,31 *	626,34	117,85 *	99,6%	99,6%
Objective 5a regions	486,34	89,16	488,58	89,61	100,5%	100,5%
Deutschland (new Länder)	288,64	11,00	288,64	11,00	100,0%	100,0%

* Includes 0,396116 MECU of non-allocated funds

Table 5. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 5 b

1989 - 1993

Member States	Fund	Updated Assistance planned in the CSFs	Commitments	Payments	ECU million (current prices)	
					Commitments / Assistance planned	Payments / Commitments
Belgique / België	ERDF	13,00	13,00	5,90	100,0%	45,4%
	ESF	15,00	15,00	13,00	100,0%	86,7%
	EAGGF	13,20	13,19	4,90	99,9%	37,1%
Total Belgique / België		41,20	41,19	23,80	100,0%	57,8%
Danmark	ERDF	15,00	15,00	11,30	100,0%	75,3%
	ESF	10,00	10,00	8,00	100,0%	80,0%
	EAGGF	3,80	3,78	2,70	99,5%	71,5%
Total Danmark		28,80	28,78	22,00	99,9%	76,4%
Deutschland	ERDF	306,60	306,60	249,50	100,0%	81,4%
	ESF	78,00	78,00	48,00	100,0%	61,5%
	EAGGF	222,85	222,85	175,90	100,0%	78,9%
Total Deutschland		607,45	607,45	473,40	100,0%	77,9%
España	ERDF	78,20	78,20	63,90	100,0%	81,7%
	ESF	44,00	44,00	34,00	100,0%	77,3%
	EAGGF	206,30	206,32	177,10	100,0%	85,8%
Total España		328,50	328,52	275,00	100,0%	83,7%
France	ERDF	400,80	400,80	316,20	100,0%	78,9%
	ESF	166,00	160,00	117,00	96,4%	73,1%
	EAGGF	532,60	532,61	396,10	100,0%	74,4%
Total France		1099,40	1093,41	829,30	99,5%	75,8%
Italia	ERDF	161,00	161,00	107,70	100,0%	66,9%
	ESF	46,00	46,00	31,00	100,0%	67,4%
	EAGGF	227,40	227,38	128,20	100,0%	56,4%
Total Italia		434,40	434,38	266,90	100,0%	61,4%
Luxembourg	ERDF	1,00	1,00	0,60	100,0%	60,0%
	ESF	0,00	0,00	0,00	0,0%	0,0%
	EAGGF	1,60	1,60	0,40	100,0%	24,9%
Total Luxembourg		2,60	2,60	1,00	100,0%	38,4%
Nederland	ERDF	29,00	29,00	21,10	100,0%	72,8%
	ESF	12,00	12,00	11,00	100,0%	91,7%
	EAGGF	14,30	14,25	8,00	99,7%	56,1%
Total Nederland		55,30	55,25	40,10	99,9%	72,6%
United Kingdom	ERDF	305,80	305,80	233,30	100,0%	76,3%
	ESF	52,00	52,00	48,00	100,0%	92,3%
	EAGGF	22,16	22,16	20,90	100,0%	94,3%
Total United Kingdom		379,96	379,96	302,20	100,0%	79,5%
Total ERDF		1310,40	1310,40 (1)	1009,50	100,0%	77,0%
Total ESF		423,00	417,00	310,00	98,6%	74,3%
Total EAGGF		1244,22	1244,15	914,20	100,0%	73,5%
Total Objective 5 b		2977,61	2971,54	2233,70	99,8%	75,2%

(1) including commitments concerning community programmes Resider, Renaval, STAR and Valoren. (Budgetary line B2-1420)

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Table 1. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 1

1993

ECU million (1993 prices)

Member States	Fund	Commitments	Payments
Ellas	ERDF	934,92	1098,83
	ESF	477,06	420,24
	EAGGF	383,24	372,27
Total Ellas		1795,22	1891,34
España	ERDF	1605,72	1419,98
	ESF	706,43	552,76
	EAGGF	287,24	261,48
Total España		2599,40	2234,22
France	ERDF	200,61	184,98
	ESF	93,69	119,63
	EAGGF	51,42	38,63
Total France		345,72	343,24
Ireland	ERDF	496,14	528,02
	ESF	354,28	384,61
	EAGGF	161,20	171,60
Total Ireland		1011,62	1084,23
Italia	ERDF	2030,65	1987,90
	ESF	868,48	574,69
	EAGGF	314,93	170,00
Total Italia		3214,06	2732,59
Portugal	ERDF	1004,74	1264,50
	ESF	665,00	782,74
	EAGGF	311,86	273,30
Total Portugal		1981,60	2320,54
United Kingdom	ERDF	119,10	150,41
	ESF	92,07	65,04
	EAGGF	25,74	37,11
Total United Kingdom		236,91	252,56
Total ERDF		6404,75 (1)	6665,77 (2)
Total ESF		3257,01	2899,71
Total EAGGF		1535,63	1324,39
Total Objective 1		11197,39	10889,87
Germany (New Länder)	ERDF	571,67	433,21
	ESF	359,86	332,46
	EAGGF	263,95	220,88
Total Germany (New Länder)		1195,48	986,55

(1) Commitments of 12,865 MECU are not distributed among Member States.

(2) Payments of 31,162 MECU concern commitments not distributed among Member States (a: 11,134), and commitments of projects decided before the reform (a: 20,028)

Table 2. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 2

1993

ECU million (1993 prices)

Member States	Fund	Commitments	Payments
Belgique / België	ERDF	53,28	23,89
	ESF	11,32	14,61
Total België / Belgique		64,60	38,50
Danmark	ERDF	0,32	2,84
	ESF	1,15	3,43
Total Danmark		1,47	6,26
Deutschland	ERDF	137,29	114,25
	ESF	44,04	36,98
Total Deutschland		181,33	151,24
España	ERDF	251,21	290,18
	ESF	87,58	95,73
Total España		338,79	385,90
France	ERDF	273,11	225,84
	ESF	50,22	54,75
Total France		323,33	280,58
Italia	ERDF	3,76	64,31
	ESF	56,68	23,63
Total Italia		60,43	87,93
Luxembourg	ERDF	0,00	0,21
	ESF	0,04	0,36
Total Luxembourg		0,04	0,57
Nederland	ERDF	35,24	22,47
	ESF	15,19	13,75
Total Nederland		50,43	36,22
United Kingdom	ERDF	592,62	367,22
	ESF	154,65	151,70
Total United Kingdom		747,27	518,92
Total	ERDF	1346,82	1111,20
Total	ESF	420,87	394,93
Total Objective 2		1767,69	1506,13

Table 3. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVES 3 & 4

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ECU million (1993 prices)

Member States	Fund	Commitments	Payments
Belgique / België	ESF	98,27	91,14
Danmark	ESF	57,51	65,81
Deutschland	ESF	151,95	230,42
España	ESF	313,83	169,56
France	ESF	282,14	362,72
Italia	ESF	469,58	301,20
Luxembourg	ESF	4,38	2,74
Nederland	ESF	129,06	136,82
United Kingdom	ESF	272,25	332,41
Total Objectives 3 & 4	ESF	1778,98	1692,80

Table 4. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 5a
 (A) Processing and marketing of agricultural and forestry products
 (B) Processing and marketing of fishery and aquaculture products
 1993

Member States	ECU million (1993 prices)			
	Available funds 1991-1993 (current prices)		Commitments	
	(A)	(B)	(A)	(B)
Belgique / België (Obj. 5a)	22,66	2,50	5,04	0,90
Danmark (Obj. 5a)	17,19	10,99	2,48	5,43
Deutschland (old Länder) (Obj. 5a)	72,08	11,45	23,08	3,88
Ellas (Obj. 1)	143,18	13,71	51,46	10,11
España (Obj. 1)	145,56	31,62	83,02	11,67
España (Obj. 5a)	55,57	8,56	18,90	2,85
France (Obj. 1)	13,98	1,74	3,48	0,13
France (Obj. 5a)	114,43	21,34	49,14	9,60
Ireland (Obj. 1)	76,19	14,34	16,11	6,21
Italia (Obj. 1)	91,44	14,32	48,37	1,68
Italia (Obj. 5a)	139,52	9,10	97,97	0,91
Luxembourg (Obj. 5a)	1,33	0,00	0,28	0,00
Nederland (Obj. 5a)	20,71	5,91	7,56	3,35
Portugal (Obj. 1)	137,38	39,79	63,80	10,79
U. Kingdom (Obj. 1)	21,34	2,39	5,29	1,24
U. Kingdom (Obj. 5a)	42,85	19,31	16,99	5,18
Total of measures (A) and (B)	1115,41	207,47 *	492,97	73,99 **
Of which in:				
Objective 1 regions	629,07	118,31 *	271,53	41,89 **
Objective 5a regions	486,34	89,16	221,44	32,10
Deutschland (new Länder)	288,64	11,00	133,04	0,97

* includes 0,396116 MECU of non-allocated funds

** includes 0,062 MECU of non-allocated funds committed in 1993

Table 5. CSFs - FINANCIAL IMPLEMENTATION OF OBJECTIVE 5b

1993

ECU million (1993 prices)

Member States	Fund	Commitments	Payments
Belgique / België	ERDF	7,10	3,10
	ESF	3,57	2,98
	EAGGF	7,68	2,29
Total België / Belgique		18,35	8,37
Danmark	ERDF	6,00	3,40
	ESF	6,33	4,77
	EAGGF	2,73	2,18
Total Danmark		15,06	10,35
Deutschland	ERDF	122,00	117,70
	ESF	48,98	26,32
	EAGGF	104,91	94,77
Total Deutschland		275,89	238,79
España	ERDF	38,90	35,60
	ESF	20,13	14,17
	EAGGF	44,02	58,76
Total España		103,05	108,53
France	ERDF	124,10	129,30
	ESF	41,66	30,50
	EAGGF	209,15	182,96
Total France		374,91	342,76
Italia	ERDF	108,90	83,90
	ESF	23,26	15,66
	EAGGF	122,83	66,85
Total Italia		254,99	166,42
Luxembourg	ERDF	0,70	0,40
	ESF	0,00	0,00
	EAGGF	1,08	0,16
Total Luxembourg		1,78	0,56
Nederland	ERDF	10,20	6,50
	ESF	2,10	2,10
	EAGGF	5,38	2,42
Total Nederland		17,67	11,02
United Kingdom	ERDF	62,40	34,50
	ESF	12,30	10,24
	EAGGF	9,40	8,37
Total United Kingdom		84,10	53,11
Total ERDF		480,30 (1)	414,40
Total ESF		158,32	106,75
Total EAGGF		507,18	418,76
Total Objective 5b		1145,79	939,91

Community initiatives: allocation of commitments by Funds

(million ECU - current prices)

	ERDF			EAGGF-O			ESF**		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
BELGIQUE/BELGIË (a)	9,74	2,47	18,34	2,23	0,86	2,41	5,99	13,86	1,41
<i>Rechar</i>	7,47	0,38	16,76	-	-	-	-	2,94	-
<i>Stride</i>	2,27	0,73	0,86	-	-	-	0,04	0,27	0,30
<i>Leader</i>	-	1,36	-	2,23	0,86	2,41	-	-	-
<i>Euroform</i>	-	-	-	-	-	-	3,19	4,00	0,28
<i>Now</i>	-	-	-	-	-	-	1,60	2,97	0,21
<i>Horizon</i>	-	-	-	-	-	-	1,16	3,68	0,43
<i>Konver</i>	-	-	0,72	-	-	-	-	-	0,19
DANMARK	1,84	0,91	0,59	-	0,68	-	3,58	3,97	1,65
<i>Stride</i>	1,84	-	-	-	-	-	-	0,38	-
<i>Leader</i>	-	0,91	-	-	0,68	-	-	0,61	-
<i>Euroform</i>	-	-	-	-	-	-	1,58	0,90	0,47
<i>Now</i>	-	-	-	-	-	-	0,70	0,30	0,47
<i>Horizon</i>	-	-	-	-	-	-	1,30	1,80	0,47
<i>Konver</i>	-	-	0,59	-	-	-	-	-	0,24
DEUTSCHLAND	35,60	1,95	70,17	-	6,17	-	35,71	40,06	34,57
<i>Rechar</i>	15,95	1,82	43,90	-	-	-	6,90	-	19,04
<i>Stride</i>	4,02	0,13	0,10	-	-	-	-	-	-
<i>Leader</i>	15,63	-	-	-	6,17	-	-	-	-
<i>Euroform</i>	-	-	-	-	-	-	-	20,08	1,39
<i>Now</i>	-	-	-	-	-	-	7,94	2,95	0,07
<i>Horizon</i>	-	-	-	-	-	-	20,87	17,03	0,85
<i>Retex</i>	-	-	1,93	-	-	-	-	-	-
<i>Konver</i>	-	-	24,24	-	-	-	-	-	13,22
ELLAS	73,71	141,36	127,84	0,18	21,12	2,25	-	62,82	29,70
<i>Envireg</i>	16,35	38,77	23,82	0,18	-	2,25	-	1,35	1,28
<i>Prisma</i>	-	1,10	16,60	-	-	-	-	-	-
<i>Regen</i>	48,00	26,35	15,52	-	-	-	-	-	-
<i>Stride</i>	9,36	22,29	23,16	-	-	-	-	0,52	4,00
<i>Telematique</i>	-	15,99	25,34	-	-	-	-	-	-
<i>Leader</i>	-	28,43	7,07	-	21,12	-	-	2,46	-
<i>Euroform</i>	-	0,55	0,98	-	-	-	-	11,23	11,36
<i>Now</i>	-	0,30	0,53	-	-	-	-	10,56	2,40
<i>Horizon</i>	-	7,58	-	-	-	-	-	36,70	9,68
<i>Retex</i>	-	-	10,81	-	-	-	-	-	-
<i>Konver</i>	-	-	4,01	-	-	-	-	-	0,98
ESPANA (b')	159,08	77,76	329,04	41,51	29,62	3,66	9,88	125,08	17,23
<i>Envireg</i>	38,02	-	88,91	4,43	5,09	-	0,74	-	2,02
<i>Rechar</i>	7,08	-	15,95	-	-	-	0,72	-	1,58
<i>Prisma</i>	4,56	14,49	13,16	-	-	-	-	-	-
<i>Regis</i>	19,42	-	45,69	2,71	3,66	3,66	1,02	-	2,21
<i>Stride</i>	43,43	-	108,89	-	-	-	2,02	-	1,56
<i>Telematique</i>	7,14	36,27	32,05	-	-	-	-	-	-

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ANNEX III

	ERDF			EAGGF-O			ESF **		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
Leader	39,43	17,35	-	34,37	20,88	-	5,38	2,59	-
Euroform	-	5,43	-	-	-	-	-	55,60	4,63
Now	-	1,87	-	-	-	-	-	29,33	3,19
Horizon	-	2,35	-	-	-	-	-	37,56	1,48
Retex	-	-	16,84	-	-	-	-	-	0,56
Konver	-	-	7,55	-	-	-	-	-	-
FRANCE (b') (c)	30,23	66,10	108,46	1,07	42,29	28,49	33,05	44,32	29,91
Rechar (d)	11,40	14,69	25,14	-	-	-	0,20	0,29	0,65
Prisma	-	-	0,24	-	-	-	-	-	-
Telematique	-	0,84	0,67	-	-	-	-	-	-
Envireg (e)	4,00	-	-	-	-	-	-	-	-
Envireg-Stride	-	10,21	4,47	-	-	-	-	1,72	-
Regis-Envireg-Stride	-	13,07	43,56	-	21,07*	28,49*	-	-	4,61
Prisma-Telematique	-	2,65	2,43	-	-	-	-	-	-
Leader	14,83	24,28	-	1,07	21,22	-	-	3,63	-
Euroform	-	-	-	-	-	-	3,47	19,85	17,64
Now	-	0,36	-	-	-	-	14,66	3,55	0,29
Horizon	-	-	-	-	-	-	14,72	15,18	2,10
Retex	-	-	3,84	-	-	-	-	-	0,16
Konver	-	-	27,91	-	-	-	-	-	4,46
IRELAND	48,93	132,25	21,58	3,63	4,68	-	-	35,85	5,58
Envireg	2,80	8,27	19,35	-	-	-	-	-	-
Prisma	9,38	-	-	-	-	-	-	-	-
Regen	3,98	114,37	-	-	-	-	-	-	-
Stride	13,07	-	-	-	-	-	-	-	-
Telematique	11,00	-	-	-	-	-	-	-	-
Leader	8,70	7,97	-	3,63	4,68	-	-	2,18	-
Euroform	-	-	-	-	-	-	-	12,33	1,97
Now	-	0,33	-	-	-	-	-	4,81	1,97
Horizon	-	1,31	-	-	-	-	-	16,53	1,64
Retex	-	-	1,99	-	-	-	-	-	-
Konver	-	-	0,24	-	-	-	-	-	-
ITALIA	119,16	69,71	224,05	7,93	26,13	1,59	87,62	33,75	12,24
Envireg	62,51	10,44	95,72	0,98	-	1,59	-	-	-
Prisma	2,33	-	20,25	-	-	-	-	-	-
Stride	35,31	4,29	49,30	-	-	-	-	-	6,04
Telematique	4,18	25,47	35,01	-	-	-	-	-	-
Leader	14,83	23,03	-	6,95	26,13	-	4,77	5,16	-
Euroform	-	-	-	-	-	-	50,20	5,03	-
Now	-	2,90	-	-	-	-	19,80	8,74	-
Horizon	-	0,65	-	-	-	-	12,85	14,82	-
Interreg Regen	-	2,00	-	-	-	-	-	-	-
Interreg Bolzano	-	0,93	-	-	-	-	-	-	-
Retex	-	-	12,05	-	-	-	-	-	-
Konver	-	-	11,72	-	-	-	-	-	6,20

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	ERDF			EAGGF-O			ESF **		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
LUXEMBOURG	0,18	2,05	-	0,29	-	-	-	1,17	0,69
Stride	-	2,05	-	-	-	-	-	-	-
Leader	0,18	-	-	0,29	-	-	-	0,37	-
Now	-	-	-	-	-	-	-	0,20	-
Horizon	-	-	-	-	-	-	-	0,60	0,69
NEDERLAND	2,13	-	8,10	0,11	-	-	7,02	13,18	2,47
Stride	0,87	-	3,76	-	-	-	-	-	-
Leader	1,26	-	-	0,11	-	-	-	0,03	-
Euroform	-	-	-	-	-	-	-	8,71	0,62
Now	-	-	-	-	-	-	3,15	1,19	0,21
Horizon	-	-	-	-	-	-	3,87	3,25	0,38
Konver	-	-	2,34	-	-	-	-	-	1,26
PORTUGAL (b ¹)	64,26	73,34	277,07	16,43	5,84	-	1,05	44,49	32,95
Envireg	21,58	29,57	50,53	0,07	-	-	-	-	-
Prisma	-	5,30	12,24	-	-	-	-	-	-
Regen	-	25,83	56,40	-	-	-	-	-	-
Rechar	2,71	-	-	-	-	-	-	0,26	0,41
Regis	4,51	-	48,93	-	-	-	-	-	-
Stride	4,43	-	48,68	-	-	-	-	-	-
Telematique	10,79	-	24,80	-	-	-	-	-	-
Leader	20,24	8,01	-	16,36	5,84	-	1,05	0,47	-
Euroform	-	0,99	0,66	-	-	-	-	12,85	18,56
Now	-	3,58	-	-	-	-	-	12,84	0,50
Horizon	-	0,08	2,22	-	-	-	-	18,07	13,48
Retex	-	-	30,00	-	-	-	-	-	-
Konver	-	-	1,81	-	-	-	-	-	-
UNITED KINGDOM	11,17	148,75	85,52	0,98	3,30	-	36,91	56,57	25,30
Envireg	2,19	1,80	13,66	-	-	-	-	-	-
Rechar	-	104,13	52,74	-	-	-	-	18,13	9,15
Prisma	-	5,67	-	-	-	-	-	-	-
Stride	-	29,68	-	-	-	-	-	-	0,51
Telematique	-	5,40	-	-	-	-	-	-	-
Leader	8,98	-	-	0,98	3,30	-	-	2,17	-
Euroform	-	-	-	-	-	-	31,14	3,86	4,26
Now	-	0,07	-	-	-	-	5,77	3,87	0,56
Horizon	-	-	-	-	-	-	-	28,54	1,62
Retex	-	-	6,04	-	-	-	-	-	2,16
Konver	-	-	13,08	-	-	-	-	-	7,04
Community (f)									
Interreg	244,07	429,12	243,38	6,44	14,86	29,07	-	4,56	20,42

a) In 1992 a commitment of ECU 6,18 million must be added concerning the "Euroqualification" global grant of ESF.

b) EAGGF-O commitments of ECU 9 million in 1992 and ECU 12 million in 1993 for Poseican.

b) EAGGF-O commitments of ECU 14 million in 1992 and ECU 17,5 million in 1993 for Poseidom.

b) Commitments for Poseima : a. in 1992 : ERDF ECU 2 million and EAGGF-O ECU 7,2 million; b. in 1993 : ERDF ECU 2 million and EAGGF-O ECU 9 million.

c) A STRIDE programme for objective 2 regions in France has been implemented by a global grant.

d) Including ECU 2,74 million committed in 1990. (1991 prices)

e) ECU 12,06 million must be added to this figure, representing commitments not allocated among initiatives decided for Objective 1 regions.

f) In 1992 ERDF commitments of ECU 66,45 million must be added for INTERREG - article 10 credits and in 1993 ECU 15,74 million.

* EAGGF-O only commitment for REGIS

** The 14 EAGGF-O initiatives ESF credits of ECU 0,492 million have been approved as global commitments for technical assistance and cannot therefore be allocated by initiatives.

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Summary table of ERDF major projects decided
in 1993

(ECU million - current prices)

COUNTRIES/REGIONS/TITLES	N° ERDF	N° ARINCO	OBJ	Decision date	Total cost	Total aid	Com.	Payments
ESPANA								
EXTREMADURA autovía	921103001	92ES16002	1	01.10.93	252,52	151,51	151,51	121,21
GALICIA La Coruña	921103007	92ES16021	1	24.03.93	8,70	3,87	3,87	3,10
GALICIA El Ferrol	921103008	92ES16022	1	27.04.93	8,21	3,88	3,88	3,10
ANDALUCIA Cordoba	921103009	92ES16025	1	24.03.93	17,70	3,90	3,90	1,95
ANDALUCIA	921103010	92ES16026	1	09.12.93	12,11	6,06	6,06	3,03
GALICIA Santiago de Compostela	921103012	92ES16030	1	16.02.93	79,73	6,01	6,01	4,81
ANDALUCIA Cadiz	921103013	92ES16032	1	29.10.93	15,05	7,45	7,45	3,73
Autovía Jerez-Algeciras ANDALUCIA	931103002	93ES16003	1	17.12.93	16,42	9,85	9,85	
Autovía del Mediterraneo ANDALUCIA	931103003	93ES16004	1	17.12.93	24,63	14,78	14,78	
EXTREMADURA	931103005	93ES16007	1	17.12.93	141,81	74,67	74,67	59,74
Autovía Caudate-Requena VALENCIANA	931103007	93ES16010	1	17.12.93	30,60	20,80	20,78	16,62
Autovía Adra-El Parador ANDALUCIA	931103009	93ES18012	1	17.12.93	81,16	56,04	56,04	44,83
ANDALUCIA	931103010	93ES16013	1	17.12.93	40,06	20,24	20,24	10,12
FRANCE								
NORO-PAS-DE-CALAIS	930303001	93FR16003	2	22.09.93	34,790	6,963	6,96	3,48
ITALIA								
Télécommunications ADRIATIQUE	930503005	93IT16016	1	09.12.93	73,00	26,00	26,00	13,00
Télécommunications CALABRIA	930503006	93IT16017	1	09.12.93	87,00	30,00	30,00	15,00
Ferroviana Sibari-Cosenza CALABRIA	930503002	93IT16013	1	17.12.93	23,95	11,97	11,97	5,99
Ferrovia Circumvesuviana CAMPANIA	930503007	93IT16018	1	17.12.93	32,24	16,12	16,12	8,06
Approvvigion. idrico CAMPANIA	930503008	93IT16019	1	17.12.93	17,27	10,48	10,48	5,24
Risorse idriche CAMPANIA	930503009	93IT16020	1	17.12.93	24,93	12,01	12,01	6,00
Schema idrico PUGLIA	930503010	93IT16021	1	17.12.93	29,64	14,82	14,82	7,41
Depuratore Bari PUGLIA	930503012	93IT16023	1	17.12.93	15,38	7,69	7,69	3,85
Sifone Staina PUGLIA	930503013	93IT16024	1	17.12.93	24,78	12,39	12,39	6,19
Autostrada Messina-Palermo SICILIA	930503001	93IT16009	1	22.12.93	263,78	131,89	131,89	65,95
PORTUGAL								
OGMA	931201001	93PT16001	1	25.03.93	29,84	14,56	14,56	11,65

Objective 5a - Implementation of horizontal structural measures in the Member States
(structures of production)

Horizontal measures Regulation (EEC) n° 2328/91	Member States											
	B	DK	D	EL	ES	F	IRL	I	L	NL	P	UK
(1a) Setting-up aid for young farmers (Article 10)	X	X	X	X	X	X	X	X	X	---	X	---
(1b) Additional investment aid for young farmers (Article 11)	X	X	X	X	X	X	X	X	X	X	X	X
(2) Aid for individual investments (Article 7)	X	X	X	X	X	X	X	X	X	X	X	X
(3) Aid for joint investments in less-favoured areas (Article 20)	X	....	X	X	X	X	(X)	X	....	....	X	X
(4) Aid for vocational training (Article 28)	X	X	X	(X)	X	X	(X)	X	(X)	X	X	....
(5) Aid for keeping of accounts (Article 13)	X	X	....	X	X	X	....	X	....	....	X	....
(6) Aid for groups providing mutual assistance (Article 14)	X	X	X	X	X	X	....	X	X	(X)	X	....
(7) Aid for relief services (Article 15)	....	(X)	....	(X)	(X)	....	....	....	(X)	....	....	....
(8) Aid for farm management services (Article 16)	(X)	....	....	(X)	(X)	....	....	X	(X)	....	X	....
(9) Compensatory allowance (Article 19)	X	....	X	X	X	X	X	X	X	X	X	X
(10) Premium for sensitive areas (Title VII - Article 24)	....	X	X	....	....	X	(X)	X	(X)	X	....	X
(11) Aid for five-year set-aside of arable land (Article 2)	X	X	X	X	X	X	X	X	X	X	....(*)	X
(12) Extensification aid (Article 3)	X	....	X	....	....	X	....	X	....	(X)	....(*)	X
(13) Forestry measures (Title VIII - Articles 25 and 26)	(X)	X	X	X	X	X	X	X	....	X	X	X
(14a) Early retirement - cessation allowance - R. 1096/88 - Article 4	....	....	X	....	....	....	....	....	....	....	....	....
(14b) Early retirement - restructuring premium - R. 1096/88 - Article 6	....	....	X	X	(X)	....	....	....	....	....	....	....
(15a) Aid for producers' organizations - Fruit and vegetables - R. 1035/72	(X)	(X)	(X)	X	X	X	X	X	(X)	(X)	X	X
(15b) Aid for producer groups - R. 1360/78	(X)	....	....	X	X	X	X	X	....	....	X	....
(16a) Aid for processing and marketing of agricultural products - R. 866/90	X	X	X	X	X	X	X	X	X	X	X	X
(16b) Aid for processing and marketing of forestry products - R. 867/90	X	X	(X)	X	(X)	X	....	X	....	....	X	....

Updated 5.5.1994

Notes:

- X : measure applicable during the year in question on the basis of national legislation approved by the Commission
 (X) : idem, but without giving rise to an EAGGF-O reimbursement in 1993
 : No implementing regulations in the Member State.
 (*) : Application of this measure is not obligatory in the case of Portugal

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Table 1

Individual loans and global loan credits financed by the EIB (ECU million)

Years	Total EIB activity	of which regional development						
		Total		Objective 1 zones	Objectives 2 and 5b zones	Other zones of Community actions (e.g. PIM)	Other zones covered by national aid	Projects concerning a number of areas
1989	10903	7067	65%	3390	2659	318	222	478
1990	12067	7416	61%	3461	2805	294	254	602
1991	13416	8430	63%	4606	2749	387	238	450
1992	16868	11753	70%	6361	4524	246	340	282
1993	16754	12462	74%	7228	4179	255	252	548
Total loans 1989-1993	70008	47128	67%	25046	16916	1500	1306	2360

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Table 2

Allocation of individual loans and credits financed by the EIB in Objective 1 regions and the New Länder

(ECU million)

MEMBER STATE	EIB financing in Objective 1 regions (1993)	%	EIB financing in Objective 1 regions (1989-1993)	%
New Länder	1202	16,6%	2303	9,2%
Greece	492	6,8%	1464	5,8%
Spain	2168	30,0%	6425	25,7%
France	92	1,3%	187	0,7%
Ireland	407	5,6%	1333	5,3%
Italy	1550	21,4%	8054	32,2%
Portugal	1318	18,2%	5124	20,5%
United Kingdom	---	---	157	0,6%
TOTAL	7229	100%	25047	100%

Table 3

Allocation of individual loans and credits financed by the EIB in 1993

(ECU million)

MEMBER STATE	Amounts financed in zones of Objectives 1, 2 and 5b	of which concerned with CSF measures	%	of which associated with aid from the Structural Funds	%
Belgium	73	47	64%		
Denmark	444	9	2%		
Germany	1378	764	55%		
Greece	492	438	89%	353	72,0%
Spain	3832	2852	74%	2260	59,0%
France	874	214	24%	12	1,0%
Ireland	407	339	83%	187	46,0%
Italy	1866	1364	73%		
Netherlands	6	6	100%		
Portugal	1318	1318	100%	1048	80,0%
United Kingdom	717	446	62%	207	29,0%
TOTAL	11407	7797	68%	4067	36%