

COMMISSION OF THE EUROPEAN COMMUNITIES

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THE OPERATION OF THE COMMUNITY STRUCTURAL FUNDS 1994-99

Proposal for a
COUNCIL REGULATION (EEC) SYN 457
amending Council Regulation (EEC) No 4254/88
of 19 December 1988
*laying down provisions for implementing Regulation
(EEC) No 2052/88 as regards the European
Regional Development Fund*

Proposal for a
COUNCIL REGULATION (EEC)
amending Council Regulation (EEC) No 4255/88
of 19 December 1988
laying down provisions for implementing
Regulation (EEC) No 2052/88
as regards the European Social Fund

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 4256/88
of 19 December 1988
laying down provisions for implementing Regulation (EEC) No 2052/88
as regards the EAGGF Guidance Section

Proposal for a
COUNCIL REGULATION (EEC)
laying down provisions for implementing Council Regulation (EEC)
No 2052/88 as regards the Financial Instrument for
Fisheries Guidance

(presented by the Commission)

COUNCIL REGULATION (EEC) No .../..
amending Council Regulation (EEC) No 4254/88
of 19 December 1988

*laying down provisions for implementing Regulation
(EEC) No 2052/88 as regards the European
Regional Development Fund*

EXPLANATORY MEMORANDUM

The proposals for amendment of the framework Regulation (Council Regulation (EEC) No 2052/88) and the coordination Regulation (Council Regulation (EEC) No 4253/88) were adopted by the Commission on 24 February 1993. This Regulation is a follow-up to those proposals in respect of Council Regulation (EEC) No 4254/88, the European Regional Development Fund Regulation.

The amendments to be made to the ERDF Regulation are limited and basically derive from the options already selected in the framework and coordination Regulations, which are themselves based on a consensus that the central principles of the 1988 reform should be continued.

1. Scope for assistance that takes better account of specific needs
(Article 1)

In order to give concrete form to the intention announced in the Protocol on Economic and Social Cohesion annexed to the draft Treaty on European Union "of allowing a greater margin of flexibility in allocating financing from the structural Funds to specific needs not covered under the present structural Funds regulation", the framework Regulation provides that the tasks of the ERDF should be extended to investment in operations relating to education and health in the regions concerned by Objective 1. Accordingly, it is proposed explicitly to extend the scope of ERDF assistance to such investment.

Another change proposed by the Commission is that, because of the significant contribution made by certain priority fields of activity, such as research and technological development (RTD) and the extension of trans-European networks, to the growth of economic potential of the regions, these sectors should be explicitly included in the scope of the ERDF. In the case of RTD, this priority should include in particular measures required to permit greater participation by the eligible regions in multiannual framework programmes in the field of technological research and development. ERDF assistance should be directed principally at Objective 1 regions where structural difficulties with regard to investment in RTD weaken their potential for developing the productive sector.

The strengthening of trans-European networks in Objective 1 regions will significantly help those regions to take better advantage of the single market and create a climate in which they can become more competitive.

2. Plan content already defined (Article 2)

The general provisions of the framework and coordination Regulations with regard to the content of the plans have been better defined in order to increase the content related to development strategies, to reinforce ex-ante assessment and to take better account of environmental constraints. This means that the specific provisions applying to plans of a regional nature may be streamlined.

3. Forms of assistance adapted after four years of experience (Articles 3 to 6)

Specific provisions - applicable only to regional operational programmes - define specific objectives which, as part of tasks allocated to the ERDF, may be pursued at the initiative of the Commission. The experience of the last four years has shown that Commission initiatives can include other forms of assistance besides operational programmes, in particular global grants. Articles 3 and 6 are amended to take this into account.

4. A broader regional partnership (Article 9)

By analogy with the general trend, defined in the framework Regulation, towards extending cooperation on structural operations to the economic and social partners, they are also included in the partnership with regard to the implementation of operations at regional level. Clearly, the success of development and conversion measures can be fully assured only if every level of the economy and society is closely involved in the design, launching and implementation of the operations.

5. Allocation of ERDF resources (Article 13)

In accordance with the proposed amendment of Article 12(6) of the framework Regulation, the Commission will establish, on the basis of a number of objectives criteria, allocations of the commitment appropriations of the Structural Funds by Member State, for each of the Objectives, including Objectives 1, 2 and 5(b) in which the ERDF participates. Since this new method applies to all the Funds, it will no longer be necessary to provide indicative allocations of 85 % of the appropriations of the ERDF alone.

COUNCIL REGULATION (EEC) No .../..

amending Council Regulation EEC No 4254/88
of 19 December 1988

(ERDF Regulation)

laying down provisions for implementing
Regulation (EEC) No 2052/88 as regards the
European Regional Development Fund

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 130e thereof,

Having regard to the proposal from the Commission⁽¹⁾,

In cooperation with the European Parliament⁽²⁾,

Having regard to the opinion of the Economic and Social Committee⁽³⁾,

1. Whereas Council Regulation (EEC) No .../93 of ... 1993⁽⁴⁾ amends Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽⁵⁾; whereas Council Regulation (EEC) No .../93, of ... 1993⁽⁶⁾ amends Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the coordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽⁷⁾; whereas Council Regulation (EEC) No 4254/88 of 19 December 1988 should therefore also be amended⁽⁸⁾;

(1) ...

(2) ...

(3) ...

(4) ...

(5) OJ No L185, 15.07.1988, p.9.

(6) ...

(7) OJ No L374, 31.12.1988, p.1.

(8) OJ No L374, 31.12.1988, p.15.

2. Whereas Article 3(1) of Council Regulation (EEC) No 2052/88 in the regions concerned by Objective 1, extends the scope of the ERDF to investment in the field of education and health; whereas the contribution of ERDF assistance to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures and as well as to the establishment of more favourable conditions, particularly in the objective 1 regions, for the implementation of the multiannual framework programmes in the field of research and technological development should be specified; whereas according to Article 7 of Regulation (EEC) No .../.. establishing the cohesion financial instrument, a project may not benefit simultaneously from the Fund and from the ERDF;
3. Whereas the regional partnership should be strengthened by including the economic and social partners, in accordance with Article 4 of Council Regulation No 2052/88;
4. Whereas in order to increase the effectiveness of regional policies there should be increased flexibility in the implementation of the Community's regional assistance particularly by extending the forms of assistance which may apply to Community initiatives;
5. Whereas Article 12 of Council Regulation (EEC) No 2052/88 provides for allocations per Member State for each of the Objectives 1 to 4 and 5(b) of the commitment appropriations of the Structural Funds; whereas, in consequence, the last subparagraph of Article 3(2) and Article 13 of Council Regulation (EEC) No 4025/88 may be deleted;

HAS ADOPTED THIS REGULATION

Article 1

Regulation (EEC) No 4254/88 is hereby amended as follows:

1. The first indent of point (b) of Article 1 is replaced by:
"- in the regions designated under Objective 1, investment contributing to increasing economic potential, development, structural adjustment of these regions as well as that contributing to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures;"
2. Points (d) and (e) of Article 1 become points (g) and (h).
3. The following new point (d) is added to Article 1:
"(d) in the regions designated under Objective 1, and particularly in areas where the need is demonstrated, investment in the field of health and education contributing to their structural adjustment;"
4. The following new point (e) is added to Article 1:
"(e) measures in the field of research and technological development, including those contributing to the implementation of the Community's multiannual framework programmes; apart from, however, measures linked to the labour market and the development of human resources".
5. The second subparagraph of Article 2(2) is deleted.
6. In the fourth subparagraph of Article 2(2) "for a period of five years" is replaced by "for a period of six years".
7. In the fourth subparagraph of Article 2(2) the last sentence is deleted.
8. The second subparagraph of Article 2(3) is deleted.
9. In the third subparagraph of Article 3(2) "to establish operational programmes" is replaced by "to establish requests for assistance."
10. The last subparagraph of Article 3(2) is deleted.

11. The following paragraph 3 is added to Article 6:

"3. In accordance with the third subparagraph of Article 5(5) of Regulation (EEC) No 2052/88, global grants may be undertaken on the initiative of the Member States or of the Commission, in agreement with the Member State concerned. Commission initiatives in the framework of the tasks assigned to the ERDF by Article 3(1) of the said Regulation shall concern the objectives referred to at Article 3(2) of this Regulation."

12. In Article 9 "the Member State concerned and the competent authorities designated by the latter," is replaced by "the Member State concerned and the competent authorities and bodies, including the economic and social partners, designated by the Member State,".

13. Article 13 is deleted.

Article 2

This Regulation shall enter into force on third day following its publication in the Official Journal of the European Communities.

Done at

For the Council

Council Regulation (EEC) No...../...
amending Council Regulation (EEC) No 4255/88
of 19 December 1988

laying down provisions for implementing
Regulation (EEC) No 2052/88
as regards the European Social Fund

EXPLANATORY MEMORANDUM

Following the adoption by the Commission on 24.2.1993 of proposals to amend the framework regulation (Council Regulation (EEC) no. 2052/88) and the coordination regulation (Council Regulation (EEC) no. 4253/88), it is now necessary to take these proposals to the next stage in relation to the regulation governing the European Social Fund, that is, Council Regulation (EEC) no. 4255/88.

The amendments to be made to the regulation governing the ESF are substantial and are in essence the result of provisions already set out in the framework and coordination regulations, provisions which are themselves based on the view that, while the main principles of the reform of 1988 are to be maintained, changes are needed to the ESF, particularly in respect of Objectives 3 and 4.

1. BACKGROUND

1.1 The labour market and the impact of the ESF

The European Social Fund is the Community's main instrument for developing human resources and improving the workings of the labour market. The problems which the Social Fund is designed to assist the member States in confronting show no signs of abating. Unemployment in the Community is on the rise. The labour market is not operating as effectively as it should in order to draw full benefit from the single market.

This situation continues to affect primarily the weakest in our society: young people arriving on the job market who are unable to find jobs and therefore unable to make a full contribution to a society to which they have so much to offer; the long-term unemployed who likewise are deprived of the opportunity to integrate into a society in which they have every right to demand a full place; the growing category of the socially excluded who for one reason or another increasingly find themselves at the margins of our prosperous society. These categories will be followed, if we are not careful, by those who will become unemployed because they were unable to adapt in time to industrial change.

During the current phase of the reform of the Structural Funds, the operation of the Social Fund has made an important contribution to addressing the problems targeted especially in Objective 1 regions. However, there has been a tendency, reflecting the provisions of the existing Social Fund Regulation, to approach the selection of actions to be assisted on the basis of whether these actions meet the detailed eligibility criteria set out in the Social Fund Regulation rather than on the basis of whether they address what ought to be the policy priorities of the Member States and of the Community as a whole.

In other words, the Social Fund Regulation, as presently drafted, has in some cases led to the presentation of national programmes with little justification other than that technically they meet the eligibility criteria. This has not led sufficiently to a concentration of Community assistance on targeted measures which address agreed policy priorities and involve a real Community added value.

Furthermore, outside Objective 1 regions, Community programmes for the young and long-term unemployed under Objectives 3 and 4 had a limited impact beyond action already initiated at national level, reflecting the fact that Community expenditure outside of the poorest Member States under those objectives is modest in comparison with national expenditure and when measured against the extent of the problems to be addressed.

1.2 Amendment of the Social Fund Regulation

The amendments now proposed to the Social Fund Regulation are more extensive than the amendments proposed to the regulations governing the two other Structural Funds and amount to a considerable revision of the existing Social Fund Regulation. This reflects, inter alia, the conclusions of last year's Mid-term Review of the Structural Funds and was signalled in the explanatory memorandum which accompanied the amendments to the Framework and Coordination regulations presented recently by the Commission.

There are two main purposes behind the revision of the Regulation. The first purpose is to reflect the redefinition of Objectives 3 and 4; this involves regrouping the old Objectives 3 and 4, while also covering explicitly the socially excluded in the new Objective 3 and providing for the new Objective 4 on the adaptation of workers to industrial change and to changes in production systems. The proposed approach to these newly defined Objectives is set out in more detail below.

The second main purpose behind the revision of the Social Fund Regulation is to address the principal weakness in the operation of Objectives 3 and 4 during the present period as set out above. The key to the new approach is that the operation of the Fund should become more policy-driven and less an automatic translation of eligibility criteria. This is reflected essentially in the new Article 1 which sets out in broad policy terms actions to be pursued and in the new Article 3 which provides for concentration on the most important needs and the most effective forms of assistance.

There are two guiding thoughts underlying this new approach:

First, it aims to forge a close link with the needs of the labour market by highlighting the objectives to be achieved. The regulation therefore puts emphasis on the structural factors which concern the effective functioning of the labour market, especially in assisted regions.

Secondly, it is intended to render the legislation more flexible in order to concentrate Community support on the most effective actions to be defined in the framework of partnership. Member States would be offered a flexible choice within clearly defined aims while at the same time there would be a more rigorous selection at the planning and programming stages of the actions to be supported. In the more prosperous parts of the Community where Community assistance is more limited, especially when compared with national efforts, there should be greater concentration on specific goals and more focus on demonstrative and innovative training measures. The section on Objective 4 below sets out how actions under that Objective should focus on certain key factors and measures.

This approach also reflects the principle of subsidiarity by giving the Community a more important role in defining the activities required to ensure that the Community labour market functions while allowing Member States to tackle labour problems more effectively in accordance with their own specific national and regional characteristics.

These and other proposed changes to the Regulation are set out in more detail below. Many of the other changes, including the deletion of detailed eligibility criteria, are a direct consequence of the new approach set out in Article 1.

2. OBJECTIVES 3 and 4

2.1 The new Objective 3

Assistance for the unemployed will continue to be a major priority in Community policy.

The new Objective 3 covers measures to combat long-term unemployment and to facilitate the occupational integration of young people into the labour market (in other words the old Objectives 3 and 4). The main new element is that it will also explicitly cover action to foster integration into the labour market of those who are exposed to social exclusion.

The growth of long-term unemployment and the extreme difficulties which young people entering the labour market face in getting a job have aggravated the phenomenon of social exclusion.

A growing number of young people and unemployed people either are already or run the severe risk of being excluded from the world of work. Whilst it is essential to maintain a global approach to the problem of exclusion, it is clear that amongst the many groups affected are :

- people with physical or mental handicaps
- immigrants, refugees and the itinerant population
- single parent families, the homeless, prisoners and ex-prisoners, other persons living in isolated conditions;
- young people at high risk including drug addicts and those on the fringes of society.

The Social Fund already addresses some aspects of the problem of social exclusion. However, the problem has now reached such dimensions that explicit provision for the excluded in the Regulation is now fully justified. The Fund will contribute to integrating or reintegrating into the labour market those excluded persons who could be capable of working but who often for various reasons are not registered as unemployed. The Fund, as a labour market instrument, must supplement and boost other anti-exclusion measures contained in Community programmes.

In addition, the fight against long-term unemployment must not be seen as applying exclusively to those who have already been unemployed for a long time, although it is clear that, as at present, such persons must remain the focus of our action in this regard. Preventive measures are called for also when certain categories of unemployed, who may have been unemployed for a relatively shorter time, face a clear and real risk of drifting into long-term unemployment. This would apply, for example, to those who have reached middle age, to those who suffer from a physical or social handicap or to those who lack the necessary skills to find work in a changing environment. Those problems are all the more acute in regions affected by economic recession. The present Social Fund Regulation already permits cofinancing of actions in favour of those who have been unemployed for less than 12 months, not only for all such persons in Objectives 1, 2 and 5b regions, but elsewhere in specific cases to be decided by the Commission. The number of cases where such flexibility is required is already increasing and indeed several Member States have recently requested increased application of the flexibility which is possible under the current regulation. The flexibility which is being built into the new regulation by focussing on policy priorities rather than eligibility criteria will at the same time permit the necessary flexibility in respect of those who, although not unemployed for a full 12 months, are facing into the prospect of long-term unemployment and for whom assistance is all the more useful the earlier it is received.

The Social Fund should where appropriate contribute to the implementation of the Community vocational training policy in accordance with the principles set out in Decision 63/266/EEC and take into account the Community Action Programmes relating to vocational training: In this context, the Commission considers that among the possible measures in relation to the occupational integration of young people in search of employment should be measures aimed to provide vocational training opportunities to young people to enable them to receive up to two years of initial vocational training in addition to their full-time compulsory education leading to a vocational qualification recognised by the competent authorities of the Member States in which it is obtained.

2.2 The new Objective 4

SCOPE

Whereas Objective 3 was designed to integrate into work people experiencing specific difficulties on the labour market, the new Objective 4 aims at preventing such difficulties arising through actions to facilitate workers' adaptation to industrial change and to changes in production systems in the internal market where new qualifications are required. The Fund should therefore contribute, as part of a global labour market and employment strategy and in close synergy with the Community vocational training policy, to promoting employment facilities through vocational training and retraining and workers' geographical and occupational mobility in order to prevent unemployment and to promote a highly qualified labour force.

This is vital given the tremendous changes which industry, both manufacturing and services are undergoing throughout the Community. The relevance of this new Objective is to be understood against the background of a number of factors:

- Employment between now and the turn of the century will be affected in terms of both quality and quantity by changes in the pattern of demand, the introduction of technical progress, external competition and the development of and changes to Community policies.
- The different economic activities, the big as well as the small and medium-sized enterprises, and the various local labour markets in Europe are affected to differing degrees by industrial change and new production systems.
- A skilled labour force is an essential component of companies' competitiveness, productivity and quality performance. Effective access to continuing training and retraining measures is essential to equip workers, in particular those with inadequate skills and those employed in firms facing particularly severe adaptation problems. Obstacles must be overcome to achieve the adaptation of workers to new working arrangements, new production systems, new materials and products, new information systems and market strategies.

APPROACH

It is widely acknowledged that the key to company competitiveness is the quality of the human resources and in particular the ability to adapt to an economic and technological environment in a permanent and ever more rapid state of change.

For that reason, the new Objective 4 is designed to strengthen employment and job qualifications through anticipation, counselling, networking and training operations throughout the whole Community based on the following main components:

It must

- be horizontal, covering the economy as a whole, without a priori reference to industries or specific sectors;
- be aimed at workers in employment;
- be aimed at improvement of workers' qualifications and employment opportunities;
- be targetted as far as the type of actions is concerned;
- complement and not substitute for efforts that firms undertake themselves.

ACTIONS

Actions are intended in principle for all workers affected by industrial change in all economic activities and in all local labour markets areas; nevertheless, priority should be given to actions linked to other relevant Community policies in accordance with guidelines set out below for vocational training and retraining activities for workers and related preparatory and accompanying actions :

1. Basic requirements

In order to ensure concentration, avoid distortions of competition and address problems with a clear Community dimension, Community action, complementary to action undertaken by Member States and by firms themselves, will have to meet the following four requirements:

- it must address the underlying causes of problems relating to industrial adaptation and not deal with short-term market related symptoms;
- it must meet the general needs of workers resulting from industrial change and changes in production systems identified or predicted and not be conceived to benefit a single firm or a particular industry;

- particular attention must be devoted to SMEs to enable them to participate in training actions;
- special attention must be devoted to enhancing access to training by concentrating on the phases before training itself and the development of innovative solutions to the provision of training.

2. Main areas of action

With a view to addressing a limited number of key factors relating to the ability of firms to adjust to industrial change by improving the skill levels of those in employment, the Community should concentrate on actions in the following areas:

- training related to the introduction, use and development of new or improved production methods. Firms are currently confronted by a series of challenges related to their ability to adapt to the transformation of production processes underway throughout industry (both manufacturing and services) in a number of areas :
 - . first, new organisational techniques such as total quality control, lean production, flexible production systems and just-in-time;
 - . secondly, new technologies (particularly information technologies) are in turn magnifying the impact on competitiveness of new organisational forms;
 - . finally, changing market and societal requirements, particularly with regard to the protection of the environment, are obliging firms to change production processes.

As a result of these tendencies, working methods are also being transformed and further training and new qualifications are required in order to ensure the successful introduction of new production methods.

- training related to the necessary adaptation of SMEs to the new form of cooperation with large firms, in particular in the context of subcontracting :
 - . the requirements placed on small firms which are increasing as a result of the changes in production systems and the trend towards less vertical integration, and
 - . the requirement that large firms should also be able to demonstrate the environmental soundness of the products and processes of their suppliers.

They concern both up-stream activities (in particular suppliers of parts, components, and business services) and down-stream activities (finishing, distributors), therefore far greater demands are placed on the workforces of SMEs at all stages of the production and distribution system.

3. Preparatory and accompanying actions

In order to ensure efficient implementation of these vocational training and retraining operations for workers, special attention has to be given to anticipation, preparation and accompanying actions by using the most appropriate mechanisms. The following can be listed:

a) For the purpose of anticipation :

- the development and the use of joint forward planning for human resources and skills so as to anticipate the necessary adaptations;
- the development and use of methods for analysing and anticipating training needs combined with the creation of business training plans;
- the transfer and exchange of know-how on analysis between the competent authorities and organisations of both sides of industry;
- studies and research for the establishment of employment and occupational forecasts and skill needs.

b) For preparing and accompanying training and retraining schemes:

- development of vocational training and retraining operations particularly adapted to the needs of the SMEs;
- counselling of firms and training providers with a view to the establishment of appropriate training schemes built on detailed analysis and training plans;
- systematic vocational guidance for workers and advice to management on using available know-how on content, structure, organisation and implementation of schemes;
- development and utilisation of appropriate training methods including multi-media and distance-learning tools amongst others;
- training for trainers, in firms and in training organisations providing training for industrial change;
- development of and support for recognized and certified qualifications;
- evaluation methods providing the appropriate tools for analysing and measuring the impact of actions and the adjustment of structures, systems, organisation and methods of training related to industrial change.

SUBSIDIARITY AND PARTNERSHIP

All actions will be based on **subsidiarity** to ensure the targeted nature of Community action by highlighting its added value and aiming for complementarity with action at national and regional levels (public authorities, private bodies) and on **partnership** to mobilise all interested players during the whole process of preparation and implementation: private sector and public authorities, training research and economic development bodies and, in particular, the economic and social partners at the appropriate level.

This and the "bottom-up approach" will allow the concentration on workers and actions identified by competent partners to achieve complementarity and effectiveness of Community measures.

3. THE OTHER OBJECTIVES

In its role as the principal instrument for improving the operation of the labour market and developing human resources throughout the Community the Fund provides assistance under all five Objectives of the Structural Funds.

Objective 1 regions will be the main focus of assistance from the Fund. Overall, these regions have difficulties in mobilising adequate financial resources to improve and adapt their human potential to the challenges of the 1990s.

Many of them encounter major problems of long-term unemployment and access of young people and of women to jobs, often linked with deprivation and exclusion from the labour market, sometimes exacerbated by migration flows. They also increasingly face employment problems resulting from industrial change and will continue to undergo rural adaptation and reconversion.

Moreover, their education attainment levels are generally lower than in the rest of the Community and percentages of young people currently receiving education and training for example in the 15-19 age group often remain low. Their potential with regard to research, science and technology is also generally very limited in comparison to the more affluent regions of the Community.

Beyond its assistance under Objectives 3 and 4 which applies throughout the Community, the Fund will also need to support activity in fields which are of particular relevance to Objective 1 regions. The Commission considers that the following should be given particular attention :

- support for stability of employment and employment growth through increased efforts for continuing training of those employed in all sectors of the economy, especially in small and medium sized enterprises, as well as those who lose their jobs; attention, however, will have to be given to promote skills and qualifications which respond to the needs of the productive sector;

- the building up of human potential in research, science and technology in research centres as well as in companies; in some Objective 1 regions the Fund has already made substantial contributions in this important sector for their development which need to be consolidated and enhanced. It will also be important to coordinate activity with other Community activities in this field;
- support to secondary and third-level training falling under Member States' educational systems with a view to addressing the challenges posed by the labour market, new technology and economic development;
- it may also be necessary for the Community to assist implementation of the development effort in particular through training of public officials and technical assistance; weak public sector management can be a source of very basic blockages to development.

The Commission would highlight that crucial for the improvement and extension of this effort are the numbers of qualified teachers and trainers, the quality and content of the training curricula, the introduction of certification standards as well as the availability of appropriate training and education infrastructures and other accompanying infrastructures and equipment that could benefit from ERDF support. Improving quality of job placement and guidance structures is also essential including specific measures to facilitate access of women to jobs.

It will also be necessary to ensure that assistance under each different objective is given within a coherent overall effort for the development of human resources in these regions.

Under Objectives 2 and 5(b) the Fund will have to address the specific needs of these regions. Therefore, in accordance with the first two indents above which also apply to these regions, support will in particular concern the effort to ensure stability of employment and employment growth through the continuing training of employed personnel as well as those that have recently lost their jobs with a view to industrial and urban conversion or rural adjustment and diversification. In this context assistance will also be made available for the development of human potential in the field of research, science and technology.

4. IMPLEMENTATION OF ACTIONS

The Commission stresses three guiding principles:

a) Flexibility

In accordance with the principle of subsidiarity, flexibility is essential in order to adapt to the specific situation, potential and priorities in each Member State or region. This is achieved by allowing for a wide range of possibilities in the effort to improve the functioning of the labour market and develop human resources, especially in the assisted regions.

In this context action under the ESF will be catering for the requirements of the people concerned by offering a range of possible types of assistance, mainly training or employment aids, but also upstream and downstream measures (reception, vocational guidance, pre-training, job search assistance, child minding arrangements, etc.) in order to combine these actions within an integrated framework.

This approach should also maximise the impact of the Fund, in that it will develop into a more effective instrument in the context of the labour market and the development of human resources.

b) Concentration

The Community impact brought by the Fund will be reinforced by greater concentration of its resources on the most significant needs and the most efficient means of providing assistance.

Increased flexibility in the scope of ESF assistance implies greater responsibility for Member States and the Commission during planning and programming to ensure appropriate targeting and concentration. This means on the one hand selecting measures which have proven their efficiency from those already in existence, and on the other, encouraging Member States to develop new measures. Such an approach will ensure a higher profile for the assistance given by the Fund.

The Fund will also have a role in the overall social policy at Community level, playing an active part in labour market activities at Community level, for example supporting pilot projects developed as part of specific Community programmes in the social and employment fields or with a view to improving training structures. Policy and management coherence will be established between targeted Community programmes and the supportive actions funded by the ESF.

c) **Partnership**

The Commission is convinced of the need to extend the partnership until now limited to consultations between the Commission, the Member State and other competent authorities so as to involve other bodies including the economic and social partners.

This extension is particularly important for action in the field of labour market policy and human resources and already reflects practice in a number of Member States.

At Community level, the Commission will consult the Economic and Social Partners during the planning process for actions co-financed by the Fund. In the same way, the Economic and Social Partners must be associated with the planning and monitoring of assistance at national, regional or other levels.

In the case of certain actions such as those concerning exclusion or industrial change, the involvement of certain organisations could become more direct than it has been to date. In the context of exclusion and equal opportunities it is important to involve those non governmental organisations (NGO) very actively providing services in many areas and use their know-how and presence on the ground. Their involvement will also help to improve the overall approach based on getting people into jobs or promoting equal opportunities between men and women. Furthermore the flexibility enjoyed by these organisations means that they may be in a better position than others to implement certain operations including transnational operations, thereby conferring greater added value to Fund assistance at Community level including Community initiatives.

In accompanying industrial change, assistance should mobilise all those concerned. In this context, it should ensure that companies and the social partners who are directly involved on the ground act as a driving force as regards the precise definition and implementation of actions.

5. MAIN CHANGES FROM THE CURRENT REGULATION

5.1 Article 1

Article 1 of the new proposal, concerns the "scope" of ESF assistance and incorporates parts of Articles 1 and 2 of the existing regulation. Each paragraph summarises the policy aims pursued and the package of main actions regarded as effective for the implementation of these aims. The scope is also adapted to the main categories of region in the Community.

The main difference by comparison to the existing regulation lies in the fact that, as explained above, the emphasis will now be on policy priorities rather than on eligibility criteria and that there will be greater flexibility in the selection of actions to be supported. Whereas Article 2 of the current Regulation defines precise limits of the target groups receiving assistance from the Fund (for example, for the long-term unemployed, those aged over 25 who have been unemployed for more than 12 months, and for young people, those aged under 25), the new proposal leaves it to the Commission and the Member State to define some of these elements within partnership.

It must be noted that the Fund is often called to provide assistance under different objectives in the same territory. It is therefore also important to ensure that action under different objectives forms part of a coherent approach to the improvement of the workings of the labour market and the development of human resources.

- Article 1, paragraph 1(a) refers to those exposed to the risk of long-term unemployment. The reference here to "persons exposed to long-term unemployment" rather than "persons unemployed for more than 12 months" (as in the existing regulation) indicates that the Fund will have greater flexibility to cover prevention of long-term unemployment.
- Article 1, paragraph 1 (b) refers to the occupational integration of young people, without any reference to an age limit but makes provision for vocational training opportunities to enable young people to receive up to two years of initial training leading to a vocational qualification.

These two paragraphs also provide for financing by the Fund of pretraining and other actions which, although possible, are not explicitly provided for in the existing regulation.

- Article 1, paragraph 1(c) provides for actions in favour of persons exposed to social exclusion. Although under the existing regulation and in the context of ESF-funded Community initiatives attention has been given to specific categories such as the disabled and the migrants the dimension of this problem has become much greater and justifies a more general approach to social exclusion.

The extension of eligible actions concerns in particular accompanying measures, support and counselling and child minding arrangements.

- Article 1, paragraph 1(d) specifically provides for the possibility of Fund assistance to promote equal opportunities between men and women in the employment market. Although the existing regulation does not distinguish between men and women in the definition of target groups, priority measures for women have been provided for in the current "Guidelines" adopted by the Commission for Objectives 3 and 4.

This new paragraph sets out a more active approach to equal opportunities which reflects on the one hand the need to take account of the overall impact of ESF action on the employment of women and on the other hand the implementation of specific actions to improve occupational insertion for women. It also refers to back up services in this field.

- Article 1, paragraph 2 relates to the new Objective 4 which is presented in detail above.
- Article 1, paragraph 3(a) applies only to Objective 1, 2 and 5b regions and largely reflects Article 2(b) of the existing Regulation. Here, again a series of backup activities will be necessary to improve the quality of the training and employment services.
- Article 1, paragraph 3(b) applies only to Objective 1, 2 and 5b regions and introduces an explicit reference to cover activity concerning the development of human resources in research, science and technology. Under the existing regulation the ESF has supported activity in this context especially in some Objective 1 regions. The new regulation identifies research, science and technology as an important activity for the Fund and suggests the need for an organised approach in this area. This should also lead to improved synergy with other Community activities in this field.
- Article 1, paragraph 4(a) concerns more specifically the strengthening of education and training systems in Objective 1 regions and partly reflects Article 1(5) of the existing regulation. Apart from the need to address requirements in terms of qualifications of teachers, trainers and other personnel this article also provides for financial support to training within the context of Member States secondary and higher education systems including universities.
- Article 1, paragraph 4(b)) covers only Objective 1 regions and is intended to provide assistance in the form of training of public officials and other related measures where this is essential for regional development.

Some specific measures relating to the modernisation of national administrations are already funded by the ESF under Article 2(b) of the existing regulation.

- Article 1, final paragraph, covers the whole of the Community and provides for support for technical assistance, pilot and demonstration projects.

5.2 Article 2

This article, on eligible expenditure, is a simplified version of the corresponding article in the current Regulation.

It lays emphasis on the definition of management costs in the context of the partnership. Without prejudice to controls by the Commission Member States should ensure that costs remain within appropriate limits for each type of action.

In addition, the amount for employment aid will no longer be determined by the Community, but, as for training, will be co-financed as part of national aid arrangements.

5.3 Article 3

The concentration of action is a new element. This Article replaces the article on "Guidelines" in the existing regulation.

The Commission is no longer proposing an approach to concentration based on guidelines. Policy aims are now spelt out in the draft regulation and choices will be made in partnership in order to ensure that support provided under each objective is concentrated on the most important needs and the most effective actions in relation to the aims of Article 1.

5.4 Articles 4 and 5

These articles have been revised in order to adapt requirements for the presentation of plans and forms of assistance to the new scope of the Fund.

In addition, a provision concerning the financial contribution from the private sector has been added, in view particularly of the extension of assistance from the Fund to the new objective 4, where firms may be able to benefit indirectly.

5.5 Article 6

Article 6 refers to studies, pilot and demonstration projects to be undertaken on the initiative of the Commission or by the Commission outside the Community Support Frameworks.

Paragraph 1 contains a list of actions similar to that given in Article 1(2) of the existing regulation. In addition it provides scope for funding information activities. Activity under this paragraph may be financed up to a maximum of 1% of the annual budget of the Fund.

Paragraph 2 also allows up to a maximum of 1% of the annual budget allocation for studies and pilot projects to be conducted at Community level in specified areas relating to the labour market and human resources. This paragraph parallels Article 10 of the ERDF regulation.

5.6 Article 7

Greater flexibility with regard to the current legislation is provided for in order to ensure that activities relating in particular to the improvement of training and employment services are not artificially broken down by objective.

5.7 Article 8

Article 8, which has no equivalent in the existing regulation, enables the Fund to finance measures which give it a higher profile among beneficiaries and the general public.

5.8 The existing article 8 has been omitted because its contents are already covered in Articles 23 and 24 of Regulation (EEC) No 4253/88.

COUNCIL REGULATION (EEC) No/.....
of

amending Regulation (EEC) No 4255/88 of 19 December 1988

(ESF regulation)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 126 and 127 thereof,

Having regard to the proposal from the Commission⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Having regard to the opinion of the Economic and Social Committee⁽³⁾,

1. Whereas Council Regulation (EEC) No/93 of1993⁽⁴⁾ has amended Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments;⁽⁵⁾ whereas Council Regulation (EEC) No/93 of1993⁽⁶⁾ has amended Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds, on the one hand, between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽⁷⁾, on the other; whereas it is necessary also to amend Council Regulation (EEC) No 4255 of 19 December 1988⁽⁸⁾;
2. Whereas Article 3 paragraph 2 of Regulation (EEC) No 2052/88 lays down that the ESF shall have the task of improving the workings of the labour market and developing human resources; whereas it is therefore necessary to extend the scope of the Fund, in particular following the redefinition of Objectives 3 and 4, as well as the definition of a new Objective 4; whereas it is necessary to provide for the explicit inclusion of persons exposed to social exclusion and to render more flexible the eligibility criteria for categories that are already eligible; whereas it is necessary to redefine eligible actions in order to increase the effectiveness of the implementation of policy aims in the context of all Objectives under which the Fund takes action; whereas it is necessary that the actions taken by the Fund under the different Objectives form a coherent approach so as to improve the workings of the labour market and to develop human resources;

(1) OJ No. C

(2) OJ No. C

(3) OJ No. C

(4)

(5) OJ No. L 185 of 15.07.1988, p.9

(6)

(7) OJ No. L 374 of 31.12.1988, p. 1

(8) OJ No. L 374 of 31.12.1988, p. 21

3. Whereas it is necessary to ensure that Objective 4 strengthens employment and job qualifications through anticipation, counselling, networking and training operations throughout the Community and therefore that it must: be horizontal, covering the economy as a whole, without a priori reference to industries or specific sectors; aim at workers in employment and at improving their qualifications and employment opportunities; be targetted as far as the type of actions is concerned; and complement not substitute for efforts that firms undertake themselves;
4. Whereas it is necessary to ensure that the actions in relation to Objective 4 address the underlying causes of problems relating to industrial adaptation and do not deal with short-term market related symptoms; that the actions meet the general needs of workers resulting from industrial change and changes in production systems identified or predicted and are not conceived to benefit a single firm or a particular industry; that particular attention is devoted to small and medium-sized enterprises and that special attention is devoted to enhancing access to training;
5. Whereas Objective 4 should concentrate on actions in the areas of training related to the introduction, use and development of new or improved production methods, in particular new organisational techniques, new technologies and changing market and societal requirements, particularly with regard to the protection of the environment, and training related to the necessary adaptation of workers in small and medium-sized enterprises as a result of the changes in production systems and the trend towards less vertical integration as well as the need to demonstrate the qualitative and environmental soundness of products and processes;
6. Whereas it is necessary to define eligible expenditure for Fund assistance within the framework of the partnership;
7. Whereas it is necessary to ensure that the support of the Fund is concentrated under each Objective on the most important needs and the most effective actions;
8. Whereas it is necessary to complete and to specify the content of plans and forms of assistance especially as a result of the redefinition of Objectives 3 and 4;
9. Whereas it is necessary, in application of Article 13 paragraph 5 of Regulation (EEC) No 2052/88, that firms shall finance an appropriate portion of the cost of actions to promote the training of employees;
10. Whereas the Fund shall contribute in addition to support for technical assistance and for pilot and demonstration projects in accordance with Article 5, paragraph 2, point (e) of Regulation (EEC) No 2052/88;
11. Whereas it is necessary, in application of Article 14 paragraph 2 of Regulation (EEC) No 2052/88, that the Fund may finance under more than one Objective actions concerning in particular the development of employment, training and other similar structures, including the training of teachers, trainers and other categories of staff of those structures;

12. Whereas it is necessary to establish provisions for information and publicity concerning assistance from the Fund;
13. Whereas it is necessary to delete all reference to the guidelines regarding Fund support as their function is henceforth ensured by the definition of policy aims and by the obligation to concentrate Fund action on the most important needs and the most effective actions;
14. Whereas the Fund will be subject to the measures for financial control set out in Article 23 of Regulation (EEC) No 4253/88,

HAS ADOPTED THIS REGULATION:

ARTICLE 1

Regulation (EEC) No 4255/88 is amended as follows:

1. Article 1 is replaced as follows:

"ARTICLE 1

Scope

Within the framework of the task entrusted to it by Article 123 of the Treaty and in accordance with Article 3 paragraph 2 of Regulation (EEC) No 2052/88 the Fund shall support:

1) Under Objective 3, throughout the Community, actions aiming to:

in the first place

- a) facilitate the occupational integration of unemployed persons exposed to long-term unemployment in particular through (i) training, pre-training including upgrading of basic skills, guidance and counselling and (ii) employment aids;
- b) facilitate the occupational integration of young people in search of employment through actions described in a) including the provision of vocational training opportunities to enable them to receive up to two years of initial training leading to a vocational qualification;

and also

- c) promote integration into the labour market of persons exposed to social exclusion through actions described in a) and through the development of appropriate training, employment and support structures including the training of necessary staff and provision for childminding arrangements;
 - d) promote equal opportunities for men and women in respect of employment, especially in non-traditional areas of work and particularly for women without vocational qualifications or returning to the labour market after a period of absence, through actions described in a) and by provision for childminding arrangements and other accompanying actions;
- 2) Under Objective 4, throughout the Community, actions aiming to facilitate the adaptation of workers to industrial change and to changes in production systems in particular through: (i) the anticipation of labour market trends and vocational qualification requirements; (ii) the provision of vocational training, retraining guidance and counselling; (iii) assistance for the improvement and development of appropriate training systems. The actions should take into account, in particular, the specific needs of small and medium-sized enterprises;

- 3) Under Objectives 1, 2 and 5b, in the regions concerned, actions aiming to :
- a) support employment growth and stability in particular through continuing training, vocational guidance and counselling of workers, especially those in small and medium-sized enterprises and of people who have lost their jobs, as well as by the development of appropriate training systems including the training of trainers and by the improvement of employment services;
 - b) boost human potential in research, science and technology, particularly through the provision of post-graduate training, the training of managers, technicians and other personnel of research establishments and through the transfer of know-how in relation to the workings of the labour market and the development of human resources;
- 4) Under Objective 1, in the regions concerned, actions aiming to :
- a) strengthen and improve education and training systems, particularly through the training of teachers, trainers and other categories of staff, through encouraging links between training centres or higher education establishments and firms and by financing training provision within the national secondary or equivalent and higher education systems which has a clear link to the labour market, new technology or economic development;
 - b) contribute to development through the training of public officials in particular where this is necessary for the effective implementation of policies promoting development and structural adjustment.

The Member States and the Commission shall ensure that action under the different objectives forms a coherent approach to improving the workings of the labour market and developing human resources, taking into account the development, reconversion or structural adjustment objectives in the Member States or regions concerned.

In addition the Fund may also support throughout the Community actions in accordance with Article 5 (2) (e) of Regulation (EEC) No 2052/88."

2. Article 2 is replaced as follows:

"ARTICLE 2

Eligible expenditure

- 1) Fund assistance may be granted towards expenditure to cover:
- the income and related costs as well as subsistence and travel costs of people participating in actions foreseen in Article 1 of this Regulation;

- the cost of employment aids granted under arrangements for such aids provided for in the Member States;
- the net administrative costs relating to the actions described in Article 1 of this Regulation.

The nature and amounts of these costs will be defined and agreed within the framework of the partnership at the programming stage.

The Commission shall ensure that Fund expenditure for training actions of the same type does not develop in different ways. To this end, after the Committee referred to in Article 28 of Regulation (EEC) No 4253/88 has delivered its opinion, it shall determine for each Member State, in cooperation with that State and progressively, the indicative average amounts for expenditure according to the type of training involved.

Without prejudice to control by the Commission the Member States shall ensure that costs of individual actions are kept within limits appropriate to each type of action.

- 2) Fund assistance may also be granted towards expenditure to cover the cost of actions under Article 5 (2) (e) of Regulation (EEC) No 2052/88 including actions under Articles 6 and 8 of this Regulation."
3. Article 3 is replaced as follows:

"ARTICLE 3

Concentration of action

The Member States and the Commission shall ensure within the partnership at the planning and programming stage that Community support to be provided under each Objective is concentrated on the most important needs and the most effective actions relating to the aims defined in Article 1 of this Regulation, so as to contribute to the Objectives and fulfil the tasks of the Fund as set out in Articles 1 and 3 (2) of (EEC) Regulation No 2052/88."

4. Article 4 is replaced as follows:

"ARTICLE 4

Plans

- 1) The plans referred to in Articles 8, 9, 10 and 11a of Regulation (EEC) No 2052/88 shall provide, particularly for that part relating to the Fund, the description, including figures where these are appropriate, of:
 - the imbalance between demand and supply in employment including female employment,
 - the nature and characteristics of unfilled vacancies,

- the occupational opportunities which appear on labour markets,
- the types of actions to be implemented, the categories and the number of persons involved, taking account of the need for concentration stipulated in Article 3 of this Regulation;
- the expected contribution of the actions concerned to the promotion of equal opportunities between men and women in the labour market;

These plans should indicate the manner in which the obligation referred to in Article 4 of Regulation (EEC) N° 2052/88 to include the economic and social partners in the partnership has been taken into account .

2) The plans referred to in Article 10 paragraph 1 of Regulation (EEC) No 2052/88 shall in addition to the items of paragraph 1 of the present Article indicate :

- the way in which the Member State will, where appropriate, secure the participation of non-governmental organisations providing services in the areas concerned for the preparation and management of actions in favour of persons described in Article 1 paragraph 1 of this Regulation.

3) The plans referred to in Article 10 paragraph 2 of Regulation (EEC) No 2052/88 shall in addition to the items of paragraph 1 of the present Article indicate :

- the imbalance between the qualifications which are available and those which are in demand on the employment market with particular reference to the workers affected by industrial change and changes in production systems;
- the way in which the Member States will secure the participation of the economic and social partners and of vocational training bodies, at the appropriate level, when preparing actions, particularly as regards anticipating the effects of industrial change and changes in production systems;
- the links of the actions to other Community policies relating to industrial change and changes in production systems including to vocational training policy."

5. Article 5 is replaced as follows:

"ARTICLE 5

Forms of assistance

1) Applications for Fund assistance shall be presented in the form of:

- a) operational programmes,
- b) global grant schemes,
- c) technical assistance, pilot and demonstration projects

within the meaning of Article 5 (2) of Regulation (EEC) No 2052/88.

2) The Member States shall communicate the information needed to examine, manage, monitor, control and evaluate actions. More specifically, this information relates to that described in Article 14(2) of Regulation No 4253/88, including indicators such as the geographical concentration, the target groups, the number of persons involved and the duration of the actions;

3) Pursuant to Article 13(5) of Regulation (EEC) No 2052/88, the recipient firms shall finance an appropriate portion of the cost of actions to promote the training of employees;

4) The applications for assistance shall be accompanied by a form drawn up, within the framework of the partnership, using computerised means listing the actions under each form of assistance so that it can be followed through from budgetary commitment to final payment."

6. Article 6 is replaced as follows:

"ARTICLE 6

Technical assistance, pilot and demonstration projects

1) The Fund may finance outside the Community Support Frameworks up to a limit of 1% of its annual allocation preparatory, accompanying and assessment actions in Member States or at Community level necessary for the implementation of the actions set out in Article 1 of this Regulation and carried out on the Commission's initiative or by the Commission. They include:

- a) actions of an innovatory nature which are intended to test new approaches to the content, methods and organization of vocational training including the integration of the Community dimension of vocational training and more generally the development of employment including the integration of persons exposed to exclusion from the labour market, with a view to establishing a basis for subsequent Fund assistance in a number of Member States;
- b) studies, technical assistance and the exchange of experience which has a multiplier effect, and follow-up to, detailed evaluation of, and control of actions financed by the Fund;

- c) actions aimed, within the framework of social dialogue, at staff from undertakings in two or more Member States, concerning the transfer of special knowledge relating to the modernization of the production apparatus;
 - d) information of the various partners involved, the final recipients of aid from the Fund and the general public.
- 2) In accordance with the last sub-paragraph of Article 3 paragraph 2 of Regulation (EEC) No 2052/88, on the initiative of the Commission the Fund may also contribute up to a limit of 1% of its annual allocation to the financing of:
- a) studies,
 - b) pilot projects including exchanges of experience and transfers of know-how

relating to the labour market at Community level or contributing to the implementation of Community vocational training policy.

These should concern in particular: the design and development of job search systems, job supply and demand mechanisms and methods for forward looking labour force management, for the anticipation of skill needs, and for the integration into employment of persons exposed to social exclusion; the improvement of training structures; the establishment or development of a national system of validation and accreditation of qualifications; or should complement specific Community programmes;

- 3) Actions carried out on the Commission's initiative may, in exceptional circumstances, be financed by the Fund at a rate of 100%, it being understood that those carried out by the Commission itself are financed at a rate of 100%."

7. Article 7 is replaced as follows:

"ARTICLE 7

Combination and overlapping of assistance

Pursuant to Article 14(2) of Regulation (EEC) No 2052/88, the Fund may finance under more than one of the objectives set out in Article 1 of the said Regulation actions concerning in particular the development of employment, training and other similar structures, including the training of teachers, trainers and other categories of staff of those structures as well as actions of technical assistance."

8. Article 8 is replaced as follows:

"ARTICLE 8

Information and publicity

The provisions on information and publicity referred to in Article 32 of Regulation (EEC) No 4253/88 concerning assistance from the Fund shall be adopted by the Commission and published in the Official Journal of the European Communities."

9. Article 9 is deleted.

ARTICLE 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

Council Regulation (EEC) No .../...
amending Regulation (EEC) No 4256/88
of 19 December 1988

laying down provisions for implementing Regulation (EEC) No 2052/88
as regards the EAGGF Guidance Section

EXPLANATORY MEMORANDUM

1. Under the reform of the Structural Funds, Council Regulation (EEC) No 4256/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the EAGGF Guidance Section is the basic Regulation governing measures financed by the EAGGF Guidance Section which funds Objective 5a measures on its own and contributes jointly with the ERDF and the ESF to Objectives 1 and 5b.

Although results of action under the EAGGF Guidance Section have been positive overall, certain adjustments are necessary to the Fund Regulation to take account of the recent reform of the Common Agricultural Policy and in order to improve the efficiency of implementation of interventions under the various headings. In order to achieve a degree of continuity these amendments are limited to those which are strictly necessary and are in accordance with those contained in the Framework and Co-ordination Regulations.

Objective 5a

2. Certain measures now funded by the Guidance Section of the EAGGF will in future be financed by the Guarantee Section. These are the accompanying measures adopted by the Council on 30 June 1992 under the reform of the CAP in the form of three Regulations - Regulation (EEC) No 2078/92 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside⁽¹⁾, Council Regulation (EEC) No 2079/92 instituting a Community aid scheme for early retirement from farming⁽¹⁾ and Council Regulation (EEC) No 2080/92 instituting a Community aid scheme for forestry measures in agriculture⁽¹⁾. These measures have been removed from the list of common measures financed under Objective 5a (Article 2). Also under this Objective measures concerning producers' associations have been more precisely defined, by distinguishing between on the one hand measures to encourage the establishment of associations for marketing and processing, and on the other hand measures to assist and encourage the establishment of associations in the productive sector.
3. In addition, certain changes have been introduced in the Framework and Co-ordination Regulations in order to achieve better integration of horizontal measures under Objective 5a into the programming and partnership procedures of the Structural Funds. These changes must now be reflected in the provisions of the EAGGF Guidance Section Regulation. Article 2 of the draft amending Regulation provides for the adoption of the legislative provisions concerning the common measures financed under Objective 5a. The proposals for changes to Regulations (EEC) Nos 2328/91, 866/90, and 1360/78 will be submitted in the near future.

(1) OJ No L 215, 30.7.1992, p. 85, 91, 96.

4. Certain structural measures in the fisheries sector (improvement of the conditions for processing and marketing of fisheries products) are at present covered by Regulation (EEC) No 4256/88. In future these measures will be included in the Regulation concerning the Financial Instrument for Guidance in the Fisheries sector (FIGF).

Objectives 1 and 5b

5. Some of the measures eligible for funding under Objectives 1 and 5b (Articles 5 and 6) have been strengthened or adjusted on the basis of experience acquired during the implementation of current programmes; others have been changed taking account of the possibilities of funding under the accompanying measures of the CAP reform:
 - given their significant potential for diversification of activities in the rural world, promotion measures and investments in favour of local agricultural and forestry products are explicitly mentioned among eligible measures (Article 5(b)); the Commission wishes in particular to simplify Community financing of investments based on a sectoral approach, which until now have been covered by programmes under Objective 5a and Objectives 1 or 5b even for very small scale measures;
 - in addition to restoring agricultural and forestry production potential after natural disasters, it is also planned to include the possibility of financing appropriate preventive measures in ultra-peripheral regions where cyclones or similar meteorological accidents regularly occur (Article 5(h));
 - the financing of forestry and environmental protection measures is maintained where funding is not provided for in the accompanying measures (Article 5(i));
 - measures to renovate and develop villages and to protect and conserve the rural heritage can be financed where not eligible for funding from the ERDF (Article 5(c), third indent); in certain cases this will facilitate actions which are financed and managed in the Member States by a single administration.
6. It is important to stress that the various amendments introduced in Article 5, far from aiming to redefine the scope for the EAGGF Guidance Section to intervene under Objectives 1 and 5b, aim to permit it to respond better to the tasks set out in Article 3(3) of Regulation (EEC) No 2052/88. In the implementation of rural development policy EAGGF Guidance Section measures are complementary to those of the ERDF and ESF, each Fund intervening in accordance with its specific tasks. The amendments set out

above thus originate from a concern for both precision and efficiency. Precision, in order to cover explicitly the range of measures currently financed under Article 5 (e.g. measures to support local production). Efficiency, in a situation in which various funds all contribute to the same objective, to take greater account of the administrative situation of the national and regional partners responsible for co-financing, and of the practical advantage in involving the EAGGF Guidance Section in operations which are managed and co-financed in the Member States by Ministries of Agriculture or their regional counterparts (such as village renewal).

Other Provisions

7. The scope of Article 8 has been extended to achieve better integration of rural development in the funding of preparatory and assessment measures, pilot or demonstration projects and to extend the list of eligible measures to disseminate knowledge, experience and the results of work carried out.

*
* *

The range of measures eligible under Regulation (EEC) No 4256/88 should permit greater allowance to be made for the essential requirements of the development of rural areas at a time when they are faced with serious problems and must confront profound changes.

Proposal for a Council Regulation (EEC) No /93
of
amending Regulation (EEC) No 4256/88
laying down provisions for implementing Regulation (EEC) No 2052/88
as regards the EAGGF Guidance Section

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Having regard to the opinion of the Economic and Social Committee⁽³⁾,

Whereas the Council has adopted Regulation (EEC) No /93 of (4) amending Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽⁵⁾;

Whereas the Council has adopted Regulation (EEC) No /93 of (6) amending Regulation (EEC) No 4253/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽⁷⁾;

Whereas, as a result of the amendments to the aforementioned Regulations and to take account of the experience acquired, Council Regulation (EEC) No 4256/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the EAGGF Guidance Section⁽⁸⁾ should be amended;

Whereas Objective 5a horizontal measures should be better integrated in development plans and Community Support Frameworks;

Whereas the accompanying measures for agri-environment, afforestation and early retirement adopted under the reform of the CAP are to be financed in future by the EAGGF Guarantee Section;

(1) ...

(2) ...

(3) ...

(4) ...

(5) OJ No 185, 15.7.1988, p. 9.

(6) ...

(7) No L 374, 31.12.1988, p. 1.

(8) OJ No L 374, 31.12.1988, p. 25.

Whereas the list of measures eligible under Objectives 1 and 5b should be revised on the basis of experience, strengthening, in particular, measures to promote local products, to prevent natural disasters, renovate villages and protect and conserve the rural heritage;

Whereas the scope of Article 8 should be extended to incorporate rural development more effectively in measures carried out under that Article, and to strengthen measures relating to information and the dissemination of knowledge;

Whereas measures relating to the fisheries sector are the subject of a specific Regulation and no longer fall within the scope of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

Council Regulation (EEC) No 4256/88 of 19 December 1988 is hereby amended as follows:

1. Article 1 is replaced by the following:

"Article 1

1. The Guidance Section of the European Agricultural Guidance and Guarantee Fund, (hereinafter called 'the Fund'), may finance measures for performing the tasks referred to in Article 3(3) of Regulation (EEC) No 2052/88 in order to attain Objectives 1 and 5 as set out in Article 1 of that Regulation, with the exception of Objective 5a measures concerning fisheries structures, in accordance with the criteria and objectives set out in this Regulation.
2. The conditions and criteria laid down in Council Regulation (EEC) No 4253/88 shall apply to measures financed under this Regulation, except if this Regulation or provisions adopted under Article 2(1) thereof specify otherwise."

2. The heading of Title I is replaced by the following:

"TITLE I

Speeding up the adjustment of agricultural structures
in the context of the reform of the common agricultural policy
[Objective 5a]"

3. Article 2 is replaced by the following:

"Article 2

1. The Fund may finance common measures adopted by the Council in accordance with the procedure laid down in the third subparagraph of Article 43(2) of the Treaty, in order to speed up the adjustment of agricultural structures, in particular in the context of the reform of the common agricultural policy.

2. The common measures referred to in paragraph 1, may be:

- measures to support farm incomes, and to maintain viable agricultural communities in mountain, hill or less-favoured areas by means of agricultural aid such as compensation for permanent natural handicaps,
- measures to encourage the installation of young farmers,
- measures to improve the efficiency of the structures of holdings, especially investments aimed at reducing production costs and improving the living and working conditions of farmers, promoting the diversification of their activities and promoting animal welfare, as well as preserving and improving the natural environment,
- measures to improve the marketing, including the marketing of produce at the farm, and processing of agricultural and forestry products and to encourage the establishment of producers' associations,
- measures to encourage assistance to farmers and for the creation of groupings with a view to improving production conditions.

3. The common measures which are applicable at present in the domain covered by this Title shall remain in force until they are adjusted pursuant to Article 2 of Regulation (EEC) No/93."

4. The heading of Title II is replaced by the following:

"TITLE II

Promoting rural development and the structural adjustment of the
less-developed regions
[Objective No 1]"

5. Article 3(1) is replaced by the following:

- "1. Within the context of its contribution to achieving Objective 1 referred to in Article 1 of Regulation (EEC) No 2052/88, the Fund may finance measures for rural development, including developing and strengthening agricultural and forestry structures, and for maintaining the landscape."

6. Article 5 is replaced by the following:

"Article 5

Financial assistance by the Fund may relate to the following:

- (a) the conversion, diversification, reorientation and adjustment of production potential, including the production of non-food agricultural products,
- (b) promotion and investments in favour of local agricultural and forestry products,
- (c) if their financing is not provided for by Council Regulation (EEC) No 4254/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund⁽¹⁾, and respecting the tasks of the Funds as set out in Article 3(3) of Regulation (EEC) No 2052/88:
 - the development and improvement of rural infrastructures linked to agricultural and forestry development,
 - measures to achieve diversification, especially those providing multiple activities or alternative incomes for farmers,
 - the renovation and development of villages and the protection and conservation of the rural heritage,
- (d) reparcelling and associated work,
- (e) individual or collective land or pasture improvement,
- (f) irrigation, including the renovation and improvement of irrigation networks, the creation of collective irrigation works from existing main channels, the creation of small irrigation systems not supplied from collective networks, and the renovation and improvement of drainage systems;
- (g) encouragement for tourist and craft investments, including the improvement of living accommodation on agricultural holdings,
- (h) restoring agricultural and forestry production potential after natural disasters, and the introduction of appropriate prevention measures in ultra-peripheral areas particularly at risk from such disasters,

(1) OJ No L 374, 31.12.1988, p. 15.

(i) where their financing is not provided for under the accompanying measures adopted under the reform of the common agricultural policy:

- the development and exploitation of woodlands under the conditions laid down by Council Regulation (EEC) No 1610/89 of 29 May 1989 laying down provisions for implementing Regulation (EEC) No 4256/88 as regards the scheme to develop and optimally utilize woodlands in rural areas in the Community⁽¹⁾,

- protection of the environment, maintenance of the countryside and restoration of landscapes,

(j) the development of agricultural and forestry advisory services, and the improvement of facilities for agricultural and forestry vocational training,

(k) financial engineering measures for agricultural and agri-food businesses, and for businesses for the processing and marketing of agricultural and forestry products, particularly the provision of guarantees where this is necessary for the effective implementation of the other measures provided for in this Article."

7. The heading of Title III is replaced by the following:

"TITLE III

Promoting rural development in Objective 5b areas"

8. Article 7 is replaced by the following:

"Article 7

Without prejudice to the particulars referred to in Article 11a(5) of Regulation (EEC) No 2052/88 and Article 5 of Regulation (EEC) No 4253/88, rural development plans shall include an identification of the problems of agricultural structures at a relevant geographical level. As a general rule these plans have a duration of six years and may be updated annually."

9. Article 8 is replaced by the following:

"Article 8

1. In achieving the tasks set out in the second subparagraph of Article 3(3) and as part of the assistance referred to in Article 5(2)(e) of Regulation (EEC) No 2052/88, the Fund may devote up to 1% of its annual budget to financing:

⁽¹⁾ OJ No L 165, 15.6.1989, p. 3.

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- preparatory, accompanying, information and evaluation measures relating to agricultural and rural development policies, including any technical assistance measures and general studies necessary for their implementation,
- pilot projects for adjusting agricultural structures and promoting rural development,
- demonstration projects, including projects for developing and exploiting forests, to show the real possibilities of systems, methods and techniques of production and management which are in accordance with the objectives of the common agricultural policy,
- the measures needed for the circulation, at Community level, of the knowledge, experience and results of the work on rural development and improving agricultural structures.

2. Measures implemented on the initiative of the Commission may be financed, exceptionally, at the rate of 100%; those implemented by the Commission itself shall be financed at the rate of 100%. For other measures, the rates given in Article 13 of Regulation (EEC) No 2052/88 shall apply."

10. Article 10 is replaced by the following:

"Article 10

The provisions on information and publicity referred to in Article 32 of Regulation (EEC) No 4253/88 concerning EAGGF (Guidance Section) assistance shall be adopted by the Commission and published in the Official Journal of the European Communities."

11. Article 11 is replaced by the following:

"Article 11

Regulation (EEC) No 729/70, with the exception of Article 1(1) to (3) shall no longer apply as regards EAGGF, Guidance Section, subject to the implementation of Article 15 of Regulation (EEC) No 2052/88 and Article 33 of Regulation (EEC) No 4253/88."

Article 2

Without prejudice to Article 33 of Council Regulation (EEC) No 4253/88, with a view to achieving the objectives referred to in Regulation (EEC) No 2052/88 and in the light of the rules, in particular those relating to programming, laid down by Regulations (EEC) No 2052/88 and 4253/88 and of Regulation (EEC) No 4256/88, the Council, acting on a proposal from the Commission in accordance with the procedure laid down in Article 43 of the Treaty, shall decide before 31 December 1993 on the adjustment of the common measures financed under Article 2 of Regulation (EEC) No 4256/88.

Article 3

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

Proposal for a

COUNCIL REGULATION (EEC) No/..

**laying down provisions for implementing Council Regulation (EEC)
No 2052/88 as regards the Financial Instrument for
Fisheries Guidance**

EXPLANATORY STATEMENT

"FIFG" REGULATION

1. In its communication COM(92)2000 the Commission had deemed that "the time for full integration of structural measures for the fishing industry into the structural Funds has come. This would lead to more consistency within the framework of structural policies."

As a follow up of the conclusions of the European Council of Edinburgh the Commission has decided to formally propose this integration.

2. The common fisheries policy will require two major changes in the very near future: decompartmentalization, both internally (between its various components) and externally (in relation to other Community policies), and a thorough overhaul of the sector because of the serious and persistent imbalance between fisheries capacity and available resources.
3. Decpartmentalization is required first of all at the structural level of the common fisheries policy in relation to its other levels, with the main emphasis being on the management of resources. This aspect was considered when the Community acquired a new legal basis ⁽¹⁾ re-defining the whole common fisheries policy.
4. It is also necessary to break down the barriers between structural actions for fisheries and other Community actions through a greater contribution to economic and social cohesion pursuant to Article 130b of the Treaty⁽²⁾. This is a general principle which finds expression through both geographical objectives of the Structural Funds (1, 2 and 5(b)) and horizontal objectives applying throughout the Community (3, 4 and 5(a)).
5. The Commission has recently submitted to the Council and to the European Parliament the proposals for Council regulations modifying the framework regulation and the coordination regulation of the Structural Funds⁽³⁾.

(1) Council regulation (EEC) No 3760/92 of 20 december 1992 establishing a Community system for fisheries and aquaculture (OJ No L 389 of 31.12.1992, p.1).

(2) "The implementation of the common policies [and hence of the common fisheries policy] ... shall take into account the objectives set out in Article 130a and in Article 130c and shall contribute to their achievement."

(3) proposals for Council regulations (EEC) modifying Council regulation (EEC) No 2052/88 of 24 June 1988 and Council regulation (EEC) No 4253/88 of 19 December 1988 (OJ No C ... of ... 1993, p. ...).

6. Following the preceding proposals, the present one concerns a specific regulation for structural actions in the fisheries sector. With rationalization in mind it is proposed to substitute this text for the two existing legal texts governing the structural aspects of the common fisheries policy; the first⁽⁴⁾ is derived directly from the common fisheries policy; the second⁽⁵⁾, for historical reasons is derived from the common agricultural policy. With this in mind it is proposed to gather all the financial resources allocated to this action into a single financial instrument, namely the "financial instrument for fisheries guidance" (FIFG).
7. Article 1 of this proposed regulation recalls the double relationship of structural actions in the fisheries sector: the common fisheries policy on the one hand, and the reinforcement of economic and social cohesion on the other hand.

Articles 2, 3 and 4 describe the fields of intervention of FIFG.

Articles 5, 6 and 7 specify the provisions relating to the two-phase programming (plans/Community support frameworks/applications for aid) -in addition to the provisions laid down in the horizontal regulations governing the structural funds.

Articles 8 and 9 form the basis for future secondary legal texts (Council regulation and Commission regulation) which will make up the legal apparatus applicable to the fisheries sector.

Article 10 sets up rules for the functioning of the management committee referred to in the horizontal regulations.

Article 11 deals with provisions relating to information and publicity.

Finally, article 12 establishes the transitional provisions which shall allow the continuation of the on-going actions in a harmonious way and without interruption.

8. The main point is to proceed with actions undertaken more than ten years ago -with increased subsidiarity and in a more rational way.

This proposal is on line with the proposals relating to each of the structural funds.

(4) Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector (OJ No L 376, 31.12.1986, p.7), lastly amended by Council Regulation (EEC) No 3946/92 of 19 December 1992 (OJ No L 401 of 31.12.1992, p.1).

(5) Council Regulation (EEC) No 4042/89 of 19 December 1989 on the improvement of the conditions under which fishery and aquaculture products are processed and marketed (OJ No L 388, 30.12.1989, p.1).

COUNCIL REGULATION (EEC) No/..

laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the Financial Instrument for Fisheries Guidance

("FIFG" Regulation)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas the common fisheries policy supports the general objectives of Article 39 of the Treaty; whereas in particular Council Regulation (EEC) No 3760/92 of 20 December 1992 establishing a Community system for fisheries and aquaculture (4) contributes towards achieving a balance between conservation and the management of resources, on the one hand, and the fishing effort and the stable and rational exploitation of those resources on the other;

Whereas fisheries structural measures should contribute to the attainment of the objectives of the common fisheries policy and the objectives of Article 130a;

Whereas the incorporation of structural measures in the fisheries and aquaculture sector into the operational framework resulting from the reform of the Structural Funds as laid down in Council Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments (5), as amended by Regulation (EEC) No/.. (6), and Council Regulation (EEC) No 4253/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments (7), as amended by Regulation (EEC) No/.. (8), should improve the synergy of Community operations and enable a more coherent contribution to be made to the strengthening of economic and social cohesion;

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- (1) OJ No C,, p.
(2) OJ No C,, p.
(3) OJ No C,, p.
(4) OJ No L 389, 31.12.1992, p.1.
(5) OJ No L 185, 15.7.1988, p.9.
(6) OJ No L,, p.
(7) OJ No L 374, 31.12.1988, p.1.
(8) OJ No L,, p.

Whereas the tasks of the Financial Instrument for Fisheries Guidance (FIFG) should be defined on the basis of its contribution to the achievement of Objective 5(a) as defined in Article 1 of Regulation (EEC) No 2052/88;

Whereas the Community should provide financial assistance in those fields which are crucial for the structural adaptation necessary to achieve the objectives of the common fisheries policy; whereas, furthermore, aid measures in this sector should be subject to compliance with the objectives of balance between resources and fishing effort;

Whereas the structural measures ensuring the coherence of the common fisheries policy require differentiated, multiannual programming;

Whereas the Council should lay down at a later date general criteria and priorities for Community assistance in order to guarantee the coherence of the common fisheries policy;

Whereas the Commission should lay down at a later date detailed implementing rules and administrative procedures; whereas the management committee for Objective 5(a) (adaptation of fisheries structures) referred to in Article 17(1) of Regulation (EEC) No 2052/88, should participate in this;

Whereas the measures provided for will coincide with the scope of Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector⁽⁹⁾ and Council Regulation (EEC) No 4042/89 of 19 December 1989 on the improvement of the conditions under which fishery and aquaculture products are processed and marketed⁽¹⁰⁾; whereas, therefore, these Regulations should be repealed and the detailed rules necessary for a transition preventing an interruption in structural aid should be laid down;

Whereas however Regulation (EEC) No 4028/86 establishes in a uniform manner the maximum amounts of aid which can be granted to each individual project directly contributing to priority requirements of the common fisheries policy; whereas the Council must continue to establish these maximum amounts in a uniform manner,

(9) OJ No L 376, 31.12.1986, p.7.

(10) OJ No L 388, 30.12.1989, p.1.

HAS ADOPTED THIS REGULATION:

Article 1

1. The structural measures implemented under this Regulation in the fisheries and aquaculture sector and the industry processing and marketing their products (hereinafter referred to as "the sector") shall support the general objectives of Articles 39 and 130a of the Treaty and the objectives set out in Regulations (EEC) No 3760/92 and No 2052/88.

2. The tasks of the FIG shall be:

- a) to contribute to a rational and responsible management of marine resources and seek to establish a durable balance between available and accessible resources and fishing capacities;
- b) to strengthen the competitiveness of structures and the development of economically viable businesses in the fisheries sector;
- c) to improve market supply and the value added to fisheries and aquaculture products.

Furthermore the FIG shall contribute towards technical assistance and information measures, and support studies and pilot projects for the adaptation of fisheries structures.

Article 2

1. FIG assistance may be granted for the implementation of measures directly contributing towards ensuring compliance with the requirements of the common fisheries policy and, more particularly, compliance with the decisions taken pursuant to Articles 8 and 11 of Regulation (EEC) No 3760/92, in particular in the following fields:

- adaptation of fishing capacities and regulation of fishing activities,
- reorientation of fishing activities towards resources in waters under the sovereignty or jurisdiction of third countries,
- controlling fishing activities, in particular by fitting special equipment on board vessels.

2. The provisions of Article 13(3) of Regulation (EEC) No 2052/88 and of Article 17 of Regulation (EEC) No 4253/88 shall apply to measures referred to in paragraph 1. However the aid granted to each individual project under measures referred to in paragraph 1 shall not exceed the maximum amount to be established pursuant to the procedure referred to in article 8.

Article 3

1. The FIFG may contribute towards the funding of investments and operations in support of one or more of the tasks referred to in Article 1(2), in particular in the following fields:

- renewal and modernization of the fishing fleet,
- development and rationalization of off-shore and land-based aquaculture,
- development of coastal sea areas with a view to protecting or developing marine resources,
- improvement in the quality of facilities for landing, fishery products,
- adding value to fishery products by improving the conditions under which they are marketed and processed and by promoting them.

2. In particular, the investments and operations referred to in paragraph 1 may cover the operating conditions on board vessels, an improvement in the selectivity of fishing methods and gear, an improvement in product quality, and the introduction of Community standards for product hygiene, for health and safety at the workplace, and for environmental protection.

3. The contribution of FIFG referred to in paragraph 1 may also cover structuring measures aimed at strengthening the professional cohesion and its level of organization and which contribute to the implementation by the profession itself of actions of collective interest.

4. The rates of aid referred to in Article 13(3) of Regulation (EEC) No 2052/88 and in Article 17(3) of Regulation (EEC) No 4253/88 shall apply to investments and operations referred to in this Article.

Article 4

1. Within the fields specified in Articles 2 and 3 and up to a maximum of 3% of the budget funds available annually for structural measures in the sector, the FIFG may finance :

- studies, pilot projects and demonstration projects,
- the provision of services and technical assistance for the purposes in particular of preparing, accompanying and assessing the implementation of this Regulation,
- concerted action to remedy particular difficulties affecting specific aspects of the sector,
- schemes to disseminate information.

2. Measures referred to in paragraph 1 and implemented at the Commission's initiative can exceptionnally be financed at a rate of 100%; those implemented by the Commission itself shall be financed at the rate of 100%.

Article 5

1. In particular, and in addition to information referred to in Article 11(2) of Regulation (EEC) No 2052/88, each plan for the actions in fisheries structures shall include a description of the various fields referred to in Articles 2 and 3; it shall take account in particular of decisions adopted pursuant to Articles 8 and 11 of Regulation (EEC) No 3760/92.

2. In accordance with article 11(2) of Regulation (EEC) No 2052/88 and with article 5(2) of Regulation (EEC) No 4253/88, the Member States shall include with their plan's applications for operational programmes and other forms of assistance that they cover.

Article 6

In accordance with Article 10(1) of Regulation (EEC) No 4253/88, the adoption of the Community support Framework and the granting of aid can be governed by a single Commission decision.

Article 7

1. The Commission shall decide on FIFG assistance on the terms laid down in Article 14 of Regulation (EEC) No 4253/88.

2. The intermediate authority or body referred to in Article 14(1) and Article 16(1) of Regulation (EEC) No 4253/88 and the Member State concerned shall be notified of the decisions referred to in paragraph 1.

Article 8

Without prejudice to Article 33 of Regulation (EEC) No 4253/88 and Article 11 of this Regulation, the Council, acting on a proposal from the Commission in accordance with the procedure laid down in Article 43 of the Treaty, shall adopt not later than 31 December 1992 the general criteria and the Community assistance priorities provided for in this Regulation and the maximum amounts referred to in article 2(2).

Article 9

In accordance with the procedure laid down in Article 10, the Commission shall adopt:

- detailed rules for implementing this Regulation,
- detailed rules necessary for establishing the data bases required for implementing and assessing the measures provided for in this Regulation.

Article 10

1. Pursuant to Article 17 of Regulation (EEC) No 2052/88 and Article 29(2) of Regulation (EEC) No 4253/88, a Standing Committee for the Fishing Industry under the auspices of the Commission is hereby established, consisting of representatives of the Member States, under the chairmanship of a representative of the Commission. The EIB shall designate a representative who shall not vote. The Committee shall draw up its own rules of procedure.

2. Where the procedure laid down in this Regulation is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the said draft within a time limit which the chairman may lay down according to the urgency of the matter under consideration. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event, the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication. The Council, acting by a qualified majority, may take a different decision within a time limit of one month.

The opinions of the Committee shall be communicated to the committees referred to in Articles 27, 28 and 29(1) of Regulation (EEC) No 4253/88.

3. The committee provided for in this Article shall replace the committee established in Article 11 of Council Regulation (EEC) No 101/76 of 19 January 1976 in all functions conferred upon it pursuant to that Regulation.

Article 11

The provisions on information and publicity referred to in Article 32 of Regulation (EEC) No 4253/88 concerning FIFG assistance shall be adopted by the Commission and published in the Official Journal of the European Communities.

Article 12

1. With effect from 1 January 1994, Regulations (EEC) No 4028/86 and No 4042/89 and the provisions establishing the detailed rules of their implementation, with the exception of Commission Regulation (EEC) No 163/89 and decisions adopting the multiannual guidance programmes for fishing fleets for the period 1993-96, are hereby repealed.

However :

- they remain valid for applications introduced before this date;
- decisions on grant aid relating to projects introduced in 1993 under Regulation (EEC) No 4028/86 but which do not fall within a plan referred to in Article 6 of this Regulation, can only be taken until 1 July 1994.

Applications under Regulation (EEC) No 4028/86 for which no aid decision has been taken by 1 July 1994 shall be considered null and void. However, the measures and projects provided for in such applications may be incorporated into the sectoral plans provided for in Article 5 of this Regulation.

2. Commitments and/or the balances of commitments entered as aid for projects adopted by the Commission before 1 January 1989 under Regulation (EEC) No 4028/86, and for which no final application for payment has been submitted to the Commission before 31 December 1994, shall be cancelled and automatically released by the Commission on 30 June 1995 at the latest.

Commitments and/or the balances of commitments entered as aid for projects adopted by the Commission between 1 January 1989 and 30 June 1994 under Regulation (EEC) No 4028/86 and for which no final application for payment has been submitted to the Commission within six years from the date of decision granting the aid, shall be cancelled and automatically released by the Commission not later than six years and six months after the date of aid grant.

Cancellations and automatic releases referred to in this paragraph shall not apply in the case of events beyond the control of the beneficiaries, nor if the beneficiaries shall have exceptionally obtained an extension of the deadline for the implementation.

Article 13

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President