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TO THE COUNCIL, THE EUROPEAN PARLIAMENT,
THE ECONOMIC AND SOCIAL COMMITTEE
AND THE COMMITTEE OF THE REGIONS

**THE NEW REGIONAL PROGRAMMES
UNDER OBJECTIVES 1 AND 2
OF COMMUNITY STRUCTURAL POLICIES**

**A SUMMARY OF THE RESULTS EXPECTED AND OBTAINED
FROM THEIR ESTABLISHMENT**

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**Communication of the Commission to the Council,
the European Parliament, the Economic and Social Committee
and the Committee of the Regions**

INTRODUCTION

In the course of 1994, the Commission approved the new programmes for the regions whose development is lagging behind (Objective 1) and the industrial regions in decline (Objective 2).

For Objective 1, these decisions mobilize 94 billion ECU (1994 prices) of Community resources for a six year period running from 1994 to 1999, or 2/3 of the total Structural Funds financial package.

For Objective 2, the programmes cover a period of three years (1994-1996) and involve 7 billion ECU of Community resources, or 11% of the total Structural Funds financial package for this triannual period.

To these amounts will be added loans from the European Investment Bank; a predominant part of its activities concern the development of the least prosperous regions.

In view of the problem of unemployment, which affects the Union more than any other economic grouping in the world, the regional assistance from the Community, thanks to its selective nature, will furnish a valuable and sustainable contribution to growth, competitiveness and employment in the whole of the Community's territory and in particular in the least favoured regions.

The new programmes have been established in partnership on the basis of the plans proposed by the Member States. It is appropriate to mention that the adoption of these documents by the Commission has taken somewhat longer than the 6 month period provided for in the regulation, especially in the case of Objective 1. Indeed, the large volume of credits mobilized made the extension of the period necessary to meet the quality requirements imposed by the new regulation for the programming documents, notably as regards precision in the quantified objectives, prior appraisal of the expected impact, environmental information, and respect of the principle of additionality. It is also appropriate to repeat that the search for more precise definition of the priorities at the level of the Community Support Frameworks has made it possible to approve the Operational Programmes either at the same time, or within a limited time of the adoption of the Community Supports Frameworks, in all cases where these programmes have been proposed during the preparation of these Frameworks.

This Communication encompasses the principal elements of Community assistance programmed in favour of the Objective 1 and 2 regions during the new programming period. From a cross-reading of the texts, it summarizes the anticipated impact on the economic development of the beneficiary regions - including in terms of employment - the contribution of the operations selected for the strengthening of Community policies and the progress achieved in order to guarantee increased effectiveness in the use of Community public money.

It is important now to ensure, in partnership, the correct and effective use of Community resources, and their impact on employment. The establishment of effective monitoring and evaluation systems will allow progress to be verified periodically and, if necessary, programmes will be adapted accordingly. Particular attention has to be paid to the strengthening and respect of the priorities of Community policies, in particular in the field of environment. The control of Community expenditure has to be reinforced in order to fight against fraud and irregularities.

Finally, it is appropriate to mention that the Community assistance for Objectives 1 and 2 regions will be supplemented by the operations decided in the Community Initiatives.

I. PREPARATION OF THE NEW PROGRAMMES

A. The main guidelines of the new regulations

The revision of the Structural Funds regulation, approved by the Council and the Parliament in July 1993, was intended to achieve greater effectiveness in Community structural assistance while maintaining the basic principles of the 1988 Reform. The most significant innovations reflected in the modified regulations relate to the following aspects :

- the adaptation of the *priority objectives* of the Structural Funds to the actual consequences of current economic changes, as well as the fundamental revision of the European Social Fund. This revision has put a greater emphasis on political orientations and on a strategic approach, including the new Objectives 3 and 4 comprising those excluded from the labour market and the adaptation of workers to industrial changes in production systems. Objective 5 responds to concern for the protection of the rural world and takes into account the adjustments in the fisheries sector;
- the enlargement and reinforcement of the *partnership*, in particular to the economic and social partners. The new regulations enshrine this principle in the context of the provisions offered by the institutional rules and existing practices in each Member State;
- the strengthening of *the prior appraisal, monitoring and ex post evaluation* of the structural operations. The need for a more quantitative analysis of development gaps, and for better precision of the objectives within regional strategies are only a few examples of the requirements of the new regulations in this regard. Furthermore, special attention is attached to the measurement of the effects on *employment*, indicating the priority attached to the fight against unemployment;
- greater attention to *respect for the environment* in the implementation of Community structural policies. Through the revision of the regulations, the principle of "*sustainable development*" has been introduced into the context of Community structural policies, and environmental considerations have been fully integrated into the process of programming regional assistance;
- a greater guarantee for respect of the *principle of additionality*. The regulations clarify this principle (SF credits must not normally replace expenditure by the Member States) and the criteria for verifying its respect (a Member State must maintain its structural public spending for all the areas covered by an objective, as a proportion of the global public development effort, at least at the same level, as in the previous programming period);
- the adaptation of the procedure for establishing the *list of areas eligible under Objective 2*, as under Objective 5b : a broader range of eligibility criteria reflecting the increasing complexity of regional conversion and development problems and a decision making process based on a greater partnership;

- the acceleration and *simplification of programming procedures* is made concrete by the option of recourse to the technique of *Single Programming Documents*. Without going into the technical details, this option makes it possible to approve, in a single document, both the priorities of Community assistance and the specific measures granted financial aid by the Commission. During the previous period, these two elements were always decided in two separate documents : first the priorities for assistance in the CSFs, then the specific assistance operations (operational programmes, global grants,...);
- a greater involvement of the European Parliament in the implementation of Community structural policies. The regulation itself, and especially the *code of conduct* concluded between Parliament and the Commission, are the concrete result of this.

B. The Commission's "frame of reference" for establishing the CSFs in Objective 1 regions

In their examination of the development or conversion plans submitted by the Member States, the Commission departments based themselves on the experience acquired during the preceding period, and on a certain number of *specific criteria* :

- full respect of the *new regulations*;
- the *quality of the strategies* proposed and the relevance of the operations, also in terms of the objectives of "growth, competitiveness and employment" for the regions concerned;
- the introduction of *innovations*.

The Commission has decided to enrich its own work through systematic recourse to *independent experts* particularly in the appraisal of the regional plans and the CSFs. The analyses carried out in the context of the *5th periodic report* have also constituted points of reference in the analyses.

Overall, the quality of the documents proposed by the Member States has been distinctly higher than in the preceding period, although the Commission has been a little disappointed in its expectations; this improved quality can be partly ascribed to the intensive *preparatory work* carried out by the Commission departments with the Member States, with a view to the preparation of their plans, particularly in the area of quantification of development disparities.

A dual *objective* was pursued during *discussions* with each of the Member States in the context of partnership :

- to fill the *information gaps* identified in plans, principally with a view to responding to the new quality requirements for the CSFs. The analyses of *ex-ante* appraisal, for instance, have permitted to enrich the programming documents with indicators of performance and impact, particularly in the area of employment effects;
- to seek the best *possible balance of intervention priorities*, with a view to strengthening the impact of the Funds as much as possible and to take account the Community dimension to take.

It should, however, be recognized that, deriving from the yet to be completed 1989-1993 programming, awareness of the achievements but also of the deficiencies of that last period has been only partial. The conclusions of the current studies on the *ex post* evaluation of the results obtained could be usefully incorporated by the Monitoring Committees throughout the implementation of future programmes.

The results of the work that has been done can be found in the programming documents for the period 1994-99, that the Commission adopted between the end of February and the end of July 1994 for Objective 1 and at the end of the year 1994 for Objective 2. A global analysis is presented at sections II and III below; the analyses by programming document are joined in annex.

II. THE CONTENT OF THE NEW OBJECTIVE 1 CSFs : A CONTRIBUTION TO ADJUSTMENT IN THE REGIONS WHOSE DEVELOPMENT IS LAGGING BEHIND

A. The macro-economic dimension of Community structural assistance

With regard to Community efforts to help close the gap for regions whose development is lagging behind, it should be recalled that *considerable financial support* has been mobilized in the context of structural policies *since 1989*. This support has undoubtedly contributed to the process of real convergence observed for several years in most of the less prosperous regions of the Union.

With the increase in financial resources available since 1989, Community finances have acquired a dimension such that they are no longer purely of symbolic value to obtain acceptance of the adjustments made necessary by the Single Market and, more recently, the new budgetary disciplines made inevitable by the common desire for a minimum of economic and monetary convergence. Community structural policies now have a significant *macro-economic dimension*, especially in the States that are wholly or largely eligible for Objective 1.

Based on an approach identical to the "Input-Output" analysis applied to all the Objective 1 areas (with the exception of the "small regions", French Overseas Departments, Corsica, French Hainaut, Belgian Hainaut and Flevoland), it is possible to derive a group of characteristic economic measurements comparable across the Member States or regions concerned. The percentages shown may differ a little from those appearing in the development by country, to the extent that each calculates national estimates on the basis of its own economic model (in any case, only the method described above could be applied to parts of the territory like the Mezzogiorno, the New Länder or the group that constitutes the Objective 1 regions in Spain).

Share of the Structural Funds in the European budget

The payments made from the Structural Funds over the last 10 years show that their share in the total budget has risen from 12% in 1984 to 30% in 1994 (including the Cohesion Fund). In 1999, this share is expected to be of the order of 35% of the EU budget. The part relating to Objective 1 rises from 65% of the total of the Funds, observed in 1989-93, to a percentage of 68% for the period 1994-99 (not counting the Cohesion Fund credits).

Share in GDP

The budgetary transfers allocated to the regions covered by this Objective for the period 1994-99, as annual averages and percentages of GDP, take on considerable proportions, especially for the countries benefiting from the Cohesion Fund : 3.4% in **Greece**, 3.2% in **Portugal**, 2.2% in **Spain**, and 2.3% in **Ireland**. If one also takes account of the Cohesion Fund, these percentages rise to 4.0%, 3.8%, 2.3% and 2.8% respectively.

Share in investment made by the regions concerned

In terms of gross fixed capital formation, the share of Community aid devoted to investment (notably under the ERDF) represents nearly 12% of all public and private investments in Greece, between 8 and 9% respectively in Ireland and in Portugal, and 7% in the Spanish regions involved. These proportions, which do not yet take account of the Cohesion Fund, make it possible to forecast the economic impact of the Funds. These proportions are, in fact, calculated in relation to total investment, private and public. Looking at public investment alone, these ratios become considerable and may amount to as much as 50% of such investment.

Impact on growth in beneficiary States

The first estimates relating to the agreed CSFs suggest that these will have a marked effect on growth and hence on employment. For Portugal and Greece the additional growth in GDP due to Community aid is estimated at 0.5% per year (over 1% taking account of the national contribution). Thus in 1999 Portuguese and Greek GDP should reach a level 3% higher than that obtained without Community transfer.

The initial results of the estimates for Spain and for Ireland show an additional growth in GDP for the regions concerned of 0.4% per year (0.7% taking account of the national contribution), or GDP 2% higher in 1999 than would normally be achieved without aid.

It is understood that the real impact on growth will depend in large part on the global economic context, and on the success of macro-economic policies and the development of the world economy.

Impact on employment

The significant macro-economic dimension now assumed by the structural transfers of the Union, in particular in the Member States largely covered by Objective 1 (GR, E, IRL, P), has direct repercussions on jobs.

For the period 1994-99, independent analyses estimate that the implementation of the CSFs will mobilize about 1 million jobs per year for the Objective 1 regions as a whole. For example, in the case of Portugal, the corresponding figure is 190,000 jobs per year, for Spain it is 220,000 per year, for Greece 260,000 per year, and for the New Länder 160,000 jobs per year. However, only some of these jobs are new jobs, which may distinguish them from the forecasts provided by the Member States. The analyses nevertheless have the advantage of providing a homogeneous and comparable appraisal of the repercussions of Community assistance on the active labour force in these Member States.

Economic development in the last few years has unfortunately shown that with rapid technological evolution, the rate of growth needs to be considerably higher than at present to engender a significant fall in unemployment. That is one reason why there has been an increase in the rates of unemployment in Spain, Ireland and several regions of the Mezzogiorno, despite significant Community aid to these countries or regions.

Indirect impact on other States of the Union

All these investments will also have positive spin-off for the whole of the Union. In fact, a not inconsiderable share of Community transfers to the Objective 1 regions is redistributed in large part to the rest of the Community in the form of extra imports because of the importance of intra-Community trade. According to Commission estimates, the value of imports generated by the Funds as a ratio of the amounts of support granted represents 40% for the new German Länder and 30% for Portugal, Greece or Ireland.

B. Selectivity in Community assistance

The economic results the Structural Funds can be expected to achieve are linked to the *concentration* and the *selective nature* of the assistance, all with the direct objective of economic development in the beneficiary States and regions.

- Assistance from the Funds is selective as to the *areas eligible* for aid; it generally involves only investments or operations for vocational training, which makes an incontestable contribution to economic development. Excluded, however, are the social transfers and the large operating budgets of the States and regions. Moreover, this selectivity is written into the regulation itself.
- The long term *structural effort* undertaken to level up *basic infrastructure* in the areas of transport, energy, telecommunications and environment will be vigorously pursued. Their relative importance in the new CSFs (31%) will, however, be lower than in the preceding period (34%); the effects of infrastructure investment in terms of development are obviously structural but slower to bear fruit in terms of growth and employment.
- Operations in the area of *training and employment*, as well as those directly linked to *productive activities* (in the form of investment aid, for example) produce economic effects, notably in terms of jobs, in the short and medium term. These areas represent nearly 67% in the new CSFs, compared with 64% in the preceding period. The case of Italy is a clear example of this, as the share devoted to productive activities alone will rise from 37% (89-93) to 48% (94-99).

These key balances in the selection of priorities reflect highly significant political choices. They must be shared by all the political and socio-economic partners concerned, so that all efforts converge in the same direction, that of closing the economic gap. These choices vary, of course, from State to State and from region to region.

Overall, the distribution of credits between the Funds resulting from the different priorities selected in the Objective 1 CSFs is as follows :

ERDF	60.0%	(from 46% in IRL to 71% in B)
(productive investments, infrastructure, locally generated development, ...)		
ESF	23.5%	(from 18% in I to 35% in IRE)
(professional training, aids to employment, ...)		
EAGGF Guidance	14.6%	(from 6% in B to 20% in F)
(modernization of the agricultural sector, rural development, ...)		
FIFG	1.9%	(from 0.1% in B to 6% in NL)
(modernization of the fishing sector)		

It should be remembered that this distribution is not the result of pre-determined "quotas", but is the *reflection of quite differentiated priorities* finally adopted by regions.

C. Taking account of Community priorities

When deciding on the major development actions, the partnership highlighted the following priorities :

1. Investing in education and training (the "human resources" axis)

The development and qualification of human resources remains a major challenge for strengthening the competitiveness of regions lagging behind, and the promotion of employment. All the CSFs take up this priority and devote considerable resources to it (almost 29% of the total of CSFs, compared with almost 28% in the preceding period), even if the importance of the contribution of the ESF to the CSFs as a whole is slightly down on the preceding period, declining from 27.5% to 23.5%. In certain cases, the importance of "human resources" in the CSF is much greater than in the preceding period (**New Länder, Ireland**), or in comparison with the proposals in the Plan originally submitted to the Commission (**Spain**).

The ESF has specialized in this area by financing professional training operations and aids to employment. The accent has been put on the quality of training, the growth in competitiveness and the increase in employment opportunities. These operations represent 82% of the overall effort as regards human resources.

For its part, the ERDF is going to give more aid for investment required to improve the level of educational provision : essentially technical and professional, but also basic education in a few regions where there are still gaps (18% of the "human resources" axis).

The Commission has also sought more extensive links between training operations and the other development priorities in the CSFs; for example to contribute to the priority axis of modernization of industrial enterprises and services. This is particularly true in the case of **Ireland, Northern Ireland and Greece**. However, in general, the level of contributions of the ESF to these other development priorities is a little down on its previous contributions, notably due to the concentration of this aid on the "human resources" axis.

2. Greater environmental awareness

- Investment in a better environment

The protection and improvement of the environment is regarded as a priority in all the CSFs. Very much more significant financial resources than in the preceding period will be devoted to this. The protection and management of water resources, as well as the collection and treatment of water, continue to represent the major part of this effort. Operations relating to the correction, the treatment and recycling of urban and industrial waste are also planned, as well as the cleaning up of coastal areas and river basins, and the protection of natural resources.

The nature of the operations, and the amounts to be devoted to them have been based on a more advanced analysis of the environmental problems and needs of the regions concerned. In the case of **Portugal**, quite typical in this respect, it has been estimated that these investments, as well as those financed by the Cohesion Fund, make it possible to cover in very large part the amount of the public expenditure necessary for the implementation of the Community environmental directives that are directly linked to economic development.

- *The preventive approach*

Important progress has been achieved in the promotion and implementation of a **more preventive approach** in environmentally sensitive sectors. Thus, almost all the CSFs give priority to the promotion of renewable energy, the development of "clean technologies" or their application in industry (to cite for example the "Industry" programme in **Ireland**). However, this approach essentially rests on local and regional actors taking the environmental dimension into account. Studies carried out on this unfortunately show that these actors are still too insensitive to this priority or simply lack the necessary information. Information and training operations should be promoted throughout the period to remedy the deficiencies observed.

- *The role of the environmental authorities*

All the CSFs specify practical ways of involving the environmental authorities at the national and, if necessary, the regional level, in the implementation of the assistance. These methods provide in particular for their participation on the CSF Monitoring Committees, programmes specifically linked to the environment and programmes which can have a significant impact on the environment. They also confirm the responsibility of these authorities for ensuring respect of the environmental directives. This association is new as compared with previous practice.

3. *Contribution to the establishment of the trans-European networks*

- *The overall financial contribution*

The White Paper identifies the development of the trans-European networks in transport, telecommunications and energy, as a factor which can contribute to economic growth in the Union. The Structural Funds will continue to devote large sums to these areas (between 4.8 and 7.7 billion ECU, or 5 to 8% of total Community aid to the CSFs). This effort involves all the Objective 1 regions, with the exception of the *New Länder*, where the mode of assistance selected at the national level does not provide for this type of financing by the Structural Funds.

As far as transport infrastructure is concerned, for instance, more than 50% of investment cofinanced in this field by the ERDF contributes to the establishment and development of transeuropean networks, as well as to the access to these networks. These investments contribute considerably to the implementation of the guidelines approved by the Council on 29 October 1993 concerning the transeuropean transport network, in particular the development of a transeuropean road network, as well as to the Commission's proposal concerning Community guidelines for the development of transeuropean transport networks.

- *Co-financing of certain priority projects identified by the European Council*

It is still difficult at this stage to identify precisely the individual projects which will be co-financed; starting from the list of priority projects identified by the European Council in Corfu and updated in Essen, the information currently available leads to the following conclusions :

Transport networks : of the 14 projects on the priority list, some will receive ERDF finance : the Pathe and Via Egnitia-Thessaloniki motorway, the Lisbon-Valladolid motorway (Portuguese section) and the Cork-Dublin-Belfast-Larne rail link. All three projects will be partially co-financed by the Cohesion Fund;

Electricity networks : of the 5 priority projects selected, 2 are eligible for Objective 1 (Italy/Greece and Spain/Portugal interconnections); the effective financial contribution of the ERDF will duly take account of the economic viability of the projects;

Gas networks : the 5 projects included in the priority list relating to the regions are eligible under the ERDF and will probably be selected in part under the heading of the Structural Funds (GR and PORT gas networks); SP/PORT interconnections, Algeria/Morocco/ESP gas pipeline.

4. *Contribution to research and technological development : increased competitiveness for enterprises*

As regards strengthening competitiveness, the Funds help the regions to improve their basic scientific and technical capacities and encourage the dissemination of new technologies to enterprises. They also directly reinforce the possible synergy with the Union's 4th Framework Programme for research and development.

The effort of the Structural Funds for "technological cohesion" in the new CSFs amounts to some 3.8 billion ECU, or 4% on average of the total amount of the CSFs. To this should be added the assistance from the ESF to the development of human resources in the field of research and technological development (more than 17% of the ESF contribution to the priority "human resources"). In the case of *Italy*, the R&D effort has even doubled by comparison with the preceding period (from 3.3% to 6.6% of the total of the CSF).

The Commission has also sought an integrated approach in the area of R & D and a better "targeting" on a limited number of certain specific needs. In this area, it is possible to speak of real synergy between two Community policies.

5. *Local and rural development : the trump card of endogenous potential*

All the new CSFs reflect the importance of local and rural development operations for the creation of jobs in less favoured regions. The operations in this domain represent more than 10% of the Structural Funds effort, or twice as much as in the preceding period.

An important effort has been made by the Commission to slant the operations towards highlighting the initiative of local actors, and the provision of services to enterprises, with the accent on the integral character of the services offered, and the establishment of partnership structures permitting networking. The Commission has also increased the awareness of its partners of new areas of action in the CSFs in order to obtain appropriate coverage. In this respect, the Structural Funds contribute to the exploitation of new strata of employment; the following examples of this diversification can be cited :

- renovation of villages, and marketing of local products (D);
- highlighting of tourism resources, and support to technological transference (I);
- promotion of crafts and the creation of development agencies (P);
- urban regeneration.

By comparison with the preceding period, greater recourse to "global grants" is also planned for the implementation of these operations, notably in **Italy, Spain and Ireland**.

D. Application of the guidelines under the new regulations

1. *A consolidated and enlarged partnership : some progress*

- *the regional partnership: consolidation of the experience of the past*

Despite the experience and expertise acquired during the preceding period, several Member States are still reticent about full and open regional partnership. The arrangements for the partnership process with the regions (association or consultation) during the *preparation of the plans*, have varied from one Member State to another as a function of the institutional structure of each. The following few examples illustrate the path that has been travelled :

- * In **Belgium, Spain, France, Greece, Italy and the Netherlands**, the regional elements of the plan have been prepared, to varying degrees, by the regions concerned. They have also been listened to concerning adjustments which have proved necessary in order to integrate regional priorities in the overall strategy of the plan.
- * In **Ireland**, the development strategy has been defined taking account of the recommendations formulated by the "Sub-regional Review Committees" and the preparation of the development plan has given rise to wide consultation at the national and sub-regional level.
- * In **Portugal**, the definition of strategic regional guidelines has been the subject of preparatory discussions, notably with the Governments of the autonomous regions of the Azores and Madeira, as well as with the economic and social partners at the national level. The development plan has also been discussed in the Economic and Social Council and in Parliament.

Sometimes the regional partners have participated more in the *establishment of the CSFs (Germany, United Kingdom)*. The most concrete result is found in the CSF for the **New Länder**, which provides, for the first time, for the financing of regional operations, outside the "Common Task" of federal regional policy.

The existence of *Regional Monitoring Committees* is now a consolidated practice. These committees constitute a preminent forum for ensuring a truly triangular partnership. Even in the Member States where regionalization is least advanced (**Portugal, Greece or Ireland**), these committees will continue to ensure, thanks to a pragmatic approach, progressive participation by regional, indeed local actors, in the monitoring of assistance.

- *the association of the economic and social partners : some progress, but still timid*

The implementation of this new provision under the regulation varies considerably from one Member State to another. In some cases the economic and social partners have been invited to make their contribution to the preparation of programming (**the Netherlands and Ireland**) and/or have been consulted on the content of the plans in working groups (**Greece, France**). In other cases, like **Spain and Portugal**, it is in the Economic and Social Council that they have been asked to give their opinion.

The participation of these partners in the Monitoring Committees remains the exception. It has been clearly provided for in the SPDs for Hainaut (**Belgium**) and Flevoland (**Netherlands**). In other cases, for example **Greece, Italy and Portugal**, the principle is more or less clearly accepted. The arrangements and the nature of this participation still remain to be defined however.

2. An initial appraisal of respect for additionality

All the CSFs contain :

- an initial prior appraisal of additionality, to be respected by all the regions eligible for an Objective. This appraisal is based on financial tables, comparing **the global development effort** made in the course of the preceding period with that envisaged for the new period;
- specific arrangements for **monitoring**;
- a description of the **administrative procedures** which ensure **transparency of financial flows** towards the eligible regions.

Obtaining this information has been one of the most difficult aspects of the discussions with the Member States. Nevertheless the situation is better than in the preceding period, when the Commission did not receive any relevant information from certain Member States (I, UK, F-DOM) at the end of the programming period, in spite of repeated requests.

The weak point of this initial appraisal is the rather uncertain quality of the estimates made by the Member States. In effect, for the period 1994-1999, certain forecasts seem vague because of the extreme difficulty the Member States have in making multiannual budgetary forecasts; moreover the Member States cannot be bound in advance to achieve their forecasts; they must be confirmed or replaced progressively by more precise estimates. So vigorous monitoring of the public expenditure involved in the Member States is going to be necessary, according to the precise arrangements written into the programming documents, in order to ensure the full application of the principle of additionality.

Finally it should be noted that **Germany** (New Länder) is the only Member State for which a derogation from the general minimal rule has been accepted (derogation from the maintenance of the average annual level at least constant from one programming period to another) because of the extraordinary level of Germany's eligible public expenditure in 1991-1993 in the five New Länder and Eastern Berlin.

3. Strengthening prior appraisal, monitoring and evaluation

Important progress has been made in the quantified analysis of the disparities and lags in development (the "**cohesion gap**") for the major sectors for assistance. These analyses formed the framework, during the negotiations, for the key strategic choices.

All the plans and CSFs have been subject to a systematic appraisal on the part of the Commission departments, notably supported by a network of independent external assessors. Their comments and suggestions have contributed widely to strengthening the Commission's position during the negotiations with the Member States. Leading to a better mastery of the dossiers by the departments, this work has made it possible both to prepare the amendments to the original texts, and to identify clearly the consequences of the choices made.

With the exception of small-sized areas, the documents contain an estimate of the anticipated macro-economic impact of carrying out operations. Definite progress has been made in the area of quantification of the Objectives to be achieved in the various areas of assistance. This quantification is generally quite systematic in terms of the physical impact of co-financed operations while the measurement of the socio-economic impact is limited, when it exists, to the effects on employment. It must be recognized that, in the majority of cases, the negotiations have ended in the identification if not in the quantification of indicators of results on which the arrangements for future monitoring and intermediate and ex-post evaluation will be based.

The necessary provisions are also planned to ensure effective implementation and **monitoring** of assistance. Particular efforts can be seen in the **Greek CSF** (improvement in procedures for public works, improvement in the administrative and managerial capacity for running the programmes) and the **Italian CSF** (strengthening of the monitoring system, training for national and regional officials responsible for monitoring).

Finally, common provisions have been integrated into each programming document, defining in a precise way the arrangements for monitoring and evaluation to be put in place throughout the implementation phase. It will be appropriate to supervise carefully the concrete realization of this step which, alone, will be capable of guaranteeing a real convergence between the results hoped for and the objectives attained.

4. Integration of operations under the Funds and coordination with the other financial instruments

- Integration between the Funds

The integration of the Structural Funds does not just relate to the area of human resources, as illustrated earlier. Efforts have been made in other areas, such as tourism (e.g. in **Ireland**) and local and rural development (e.g. in **Greece**). In the **Italian CSF**, it is estimated that 40% of the total expenditure of the CSF is the subject of joint Community co-financing from several Funds. In other cases, on the other hand, (e.g. **Spain**), the degree of integration remains, in the Commission's view, disappointing.

- The Cohesion Fund

The co-ordination of assistance from the Funds with that provided under the Cohesion Fund has been hampered by the difficulties resulting from the different arrangements for providing assistance under these instruments. The assistance under the Cohesion Fund is granted at project level. This made it difficult to determine the Cohesion Fund's contribution in the framework of the multiannual programming approach of the Structural Funds. Consequently, the financial plans of the CSFs concerned, with the exception of Ireland, indicate the range of allocations expressed under the regulation establishing the Cohesion fund.

As far as the breakdown between the "transport" and "environment" fields is concerned, it has not been possible to indicate this breakdown in the Portuguese and Irish CSFs. In the case of Greece and Spain, an agreed indicative breakdown of 50/50 has been provisionally retained.

- The role of the EIB

The EIB has been more closely associated with the exercise of preparing CSFs and SPDs for Objective 1 by comparison with the preceding period.

First of all, it has contributed directly to the appraisal of the plans presented by the Member States. It reviewed activity between 1989 and 1993 and carried out an analysis of each of the plans. It is appropriate to emphasize, in this respect, the absence from most of the plans submitted by the Member States of figures relating to loans by the EIB, and this in spite of repeated requests from the Commission and the EIB.

Furthermore, the Bank has actively participated in work undertaken by the Commission and the Member States to establish the new programmes. It has provided details of the possible amounts of loans in the course of the period 1994-1999, and where appropriate a breakdown by major sectors. For the new period, recourse to EIB loans is estimated at about 15% of the total expenditure anticipated in the CSFs. However, the EIB has not felt able, because of its operating methods and the variable conditions of the financial market, to commit itself to these multiannual sums.

5. Respect of Community commitments and policies

- Apart from the improvements in respect for environmental policy, the new CSFs make specific provision for respect of **competition** and the directives relating to the opening up of "**public contracts**".
- As to the application of the principle of **equal opportunities for men and women**, this is explicitly mentioned for the first time in the regulations for the Funds. Above all the ESF will finance operations targeting the promotion of this principle. For example, the **Irish** CSF stipulates that 4% of ESF funding in the human resources area shall be earmarked for this type of operation (notably through integration of women into the labour market).
- Furthermore, it is appropriate to recall that on 11 July 1994 the Commission agreed an application regulation relating to irregularities and the recovery of sums wrongly paid in the context of the financing of structural policies as well as the organization of an information system in this area. This regulation will make it possible to **combat irregularities and fraud**, and to undertake preventive measures and the necessary prosecutions.

6. The simplification of programming procedures

In drawing up the programming documents, the Commission has, with the agreement of the Member States concerned, applied the following procedures :

- The simplified approach of **Single Programming Documents** for the 11 regions of restricted geographic size and relatively limited financial assistance (e.g. Flevoland, the French ODs, Merseyside, ...)
- The classic approach of **Community Support Frameworks** for the 6 Member States wholly or largely covered by Objective 1, and beneficiaries of significant sums (e.g. Greece, the new German Länder, ...). In CSFs covering several eligible regions, an increased effort has been made to identify the regional incidence of multiregional operations. This is particularly true for the **Spanish** CSF in which over 90% of the credits have been regionalized from the outset and where, single Monitoring Committees have also been introduced covering all operations in a region and with one Committee covering each multi-regional Priority.

Where the classic CSF approach has been used; programming has already been completed, or soon will be, with the approval of all the **Operational Programmes**, and other assistance (notably global grants). These will number some 160, a much smaller number than the 513 instances of assistance in the preceding period.

7. Strengthening the involvement of the EP in the management of the Structural Funds

Since the revision of the Funds in 1993, the code of conduct signed between Parliament and the Commission provides regular information to Parliament about the application of the Funds. The Commission and its services try to fulfil this obligation diligently. All the regulatory acts derived in principle from the sole power of the Commission, such as the "anti-fraud" rules or the provisions for information and publicity, as well as the launching of all the Community initiatives, have been the subject of an in-depth consultation with the relevant parliamentary committees.

E. Innovations : not very numerous overall

The major priorities retained in the CSFs express the continuity which has been sought in the regional strategies in order to complete the investments and operations begun in the preceding period. This flexibility as compared with the preceding period has made it possible to introduce certain innovations, though not as many as expected. The preventive approach to environmental issues, the new areas covered in local development and the innovations in monitoring have already been mentioned. Other aspects relate to :

New Objective 4

This new Objective of the Structural Funds, aimed at facilitating the adaptation of workers to industrial changes and changes in production systems, allows the CSFs to take **more preventive action** particularly for the benefit of people threatened with unemployment. The amount earmarked for such operations lies between 12 and 15% of the ESF resources in the CSFs, and even reaches 28% in Greece. The precise nature of the operations to be financed under this heading will be mentioned in the Operational Programmes. The following examples clearly illustrate the preventive approach proper to this Objective :

- the creation of regional observatories making it easier to anticipate needs;
- accompanying measures for workers to encourage preventive training;
- improvement in the provision of continuous training.

Structures of the Fisheries sector

The difficult restructuring of the fisheries sector requires the willingness as much of the Commission as of the Member States. To this end all structural operations in this sector have been integrated in the Objective 1 programmes. Several Member States have profited from this integration by making use of the ERDF (infrastructures) and the ESF (further training) in favour of the fisheries sphere. The financial envelopes allocated to the FIFG are, besides, substantial and represent a significant proportion of total Community structural aid.

Urban renewal

The problems of large towns constitute a new challenge for Community regional policy. The multiple aspects of these problems necessitate an integrated and multidisciplinary strategy, and require significant financing and innovative and imaginative approaches, given the complexity of the problems. The search for such a strategy to attack the problems of urban areas in crisis is henceforth written into most of the CSFs as a priority (e.g. Greece, Ireland, Portugal, Merseyside). This area will be topped up with credits from the Community's URBAN initiative.

The contribution of private capital

In general, a more extensive association of the private sector in the financing of new programmes has been sought, especially in view of the budgetary problems that all these countries are facing. A special effort has been made in the Greek CSF to mobilize private capital for the financing of the major trans-European network projects (system of concessions for highway infrastructure, creation of specific "project manager" agencies for the implementation and monitoring of these works). This aspect will contribute to the success of a significant part of this CSF.

Investment in health

The revised regulations have enlarged the range of action of the ERDF in investment in education and health. The application of this new provision in the CSFs remains voluntarily limited, and principally concerns the health sector where measures include medical centres and the purchase of medical equipment in the less prosperous Objective 1 regions.

III. THE NEW PROGRAMMES FOR THE OBJECTIVE 2 REGIONS : A RESPONSE TO INDUSTRIAL DECLINE AND FINDING A NEW ECONOMIC FUTURE FOR WEAKENED REGIONS

A. Eligibility of industrial regions in decline

Two amendments were introduced by the revised Structural Funds regulations for the establishment of the list of areas eligible under Objective 2 (and 5b). The first of these comprised a broader range of eligibility criteria, reflecting the increasing complexity of regional problems and the need to take into account the restructuring problems of the fisheries sector. Secondly a decision-making process based on partnership, included an increased role for Member States allowing them to initially submit their proposals for eligible areas to the Commission. The difficult economic climate, and more particularly the increase in unemployment as well as increased external competition, including from the countries of Central and Eastern Europe, had an important impact on the atmosphere in which the lists of areas eligible under Objective 2 were drawn up. In total, the proposals submitted by Member States in the autumn of 1993 covered 78 million inhabitants, 22.5% of the Community's overall population. Between October and mid-December 1993 the Commission held many bilateral meetings with the Member States concerned in order to bring about a concentration of assistance in line with the Structural Funds regulations.

The final list of areas under Objective 2 in 1994-96, as adopted by the Commission on 21 January 1994 after consultation of the relevant committee, covers 58.1 million inhabitants, representing a coverage of 16.8% of the Community's population, a percentage comparable with the previous programming period. In view of the difficult economic context, the Commission feels this concentration of effort to be reasonable and acceptably close to the concentration guideline of 15% set out in the introduction to the regulation. This result also showed that, although the widening of the eligibility criteria contributed to excessive demands from Member States, it did not lead to as great a dispersion of Community aid as might have been feared thanks to effective partnership in identifying the most seriously affected areas. The result, nevertheless, has been a somewhat more fragmented geographical pattern which in turn creates other difficulties, for example in the verification of additionality.

The differences between Member States in terms of eligible population are, however, less great than during the previous period, reflecting the way in which the problems of industrial decline have become more general. It should be noted that 53% of the population covered was chosen on the basis of the three basic criteria which represent the key point of reference for the appreciation of the problems of industrial decline on a Community-wide basis. This is lower than the equivalent percentage for the previous period (77%) and shows the positive response of the Commission to the wishes of the Member States for increased importance to be attached to the supplementary criteria which allow for a wider appreciation of the effects of industrial decline. Among the latter, sectoral problems accounted for 32% of the population covered, a clear demonstration of the effect of the permanent shake-out of industry brought on by the recession. Very few areas were included due to the restructuring of the fisheries sector.

B. The financial contribution of the Structural Funds and the characteristics of Objective 2 areas

The financial contribution of the Structural Funds

The programming documents relate to the first three year programming period (1994-1996), during which time the Objective 2 areas will have at their disposal a total appropriation commitment of ECU 7,163 million (1994 prices) meaning that, after deduction of 8% earmarked for Community Initiatives, **ECU 6,977 million** (1994 prices) will be available for Objective 2 actions. Taken with the financial envelope of ECU 7,945 million (1994 prices) for the second programming period 1997-1999, total resources for Objective 2 amount to 11% of the Structural Funds 1994-1999. Structural Funds resources available for Objective 2 regions have thus increased significantly as a result of the Edinburgh budget agreement with the average annual allocation of Structural Funds support per person in the Objective 2 areas around 33% higher for the 1994-1996 period than in 1989-1993 (ECU 40 per capita in 1994-1999 compared to ECU 30, 1989-1993).

The characteristics of Objective 2 areas

Objective 2 regions, distinguished since the Reform of the Structural Funds of 1989, present the following characteristics :

- they concern, in general, developed regions but whose previously vigorous economies have been weakened by structural change;
- they are subject to serious unemployment resulting from job-losses in traditional industries and an insufficient creation of jobs in new activities;
- they are difficult to revitalize economically, not only because of excessive dependence on a reduced number of declining industries but equally because of the poor quality of the environment and the run-down condition of infrastructure together with an entrepreneurial climate that did not favour the nurturing of new activities;
- to a greater extent than in the 1989-93 period, they concern urban communities with high unemployment rates and/or derelict industrial areas.

Socio-economic problems in Objective 2 areas are therefore usually of a more specific nature than those in Objective 1 and it is essential to :

- emphasise the development of productive investment;
- thereby offer alternative employment to those trapped in declining industries;
- closely co-ordinate the interventions of the ERDF with those of the ESF and the other instruments. The economic prosperity of a region is in the long run determined by the skills and versatility of its labour force; the development of, as well as investment in, Human Resources is itself to be seen as a driver for successful restructuring.

R&D potential in Objective 2 areas is likewise relatively high in terms of basic equipment, including the existence of research centres and universities. However, obstacles to realising such potential is linked to a mismatch between these resources and the technological capacity of local businesses. Therefore, measures to improve the dissemination of research results and the transfer of innovation and technology to local businesses needed to be encouraged.

Objective 2 areas are, in general, well equipped with basic infrastructure facilities. Therefore, infrastructure investment should be directed towards :

- the planning of declining industrial areas, including urban communities;
- infrastructures whose modernisation is necessary for the creation or development of economic activity;
- the renovation of urban and industrial derelict sites, especially given the importance of a pleasant environment for the establishment of new economic activity.

C. The main results of the negotiations

In view of the above, the Commission, the Member States and the regions, in partnership, agreed to concentrate assistance under European regional policy on job creation by developing supporting measures which promote investment and by improving the qualification of working people.

- **Basic infrastructure facilities** are only supported if it can be shown that they directly create jobs, or provide direct access to areas with economic development potential. Where possible, priority is given to the improvement of public transport, especially in areas of greatest needs.
- A major effort is aimed at promoting locally generated development and increasing the competitiveness of the regional business sector, especially by helping **small and medium sized enterprises**. Measures include aids to investment and actions to improve the business environment for SMEs (provision for common services, increased risk capital provision, market research, training for business people, etc.).
- **Training** is of major significance in bringing about the conversion of industrial areas in decline. The Objective 2 programmes promote training to tackle problems created by the mismatch between skills available and skills in demand on the local labour market. To address this, the programmes promote the analysis of local labour market needs at the regional and sectoral level. Programmes also seek to allocate resources to training actions in a way that complements actions financed under Objective 3.
- The importance of **R&D** for regional development is recognised in all programmes. Priority is given to investment in R&D and technology transfer in ways which will improve the competitiveness of the productive sector, especially SMEs.
- Operations take account of the **environment** in ways to promote sustainable development : rehabilitation of sites and buildings for new uses, removal of eyesores, incentives for green products and new technologies, promotion of "green tourism", preventive measures.
- The concentration of a predetermined share of programme funding in areas characterised by **high long term unemployment and low income** constitutes an innovation in the 1994-1996 programmes. The aim of these actions is the empowerment of local people in small groups, to organise themselves to promote actions that improve their living conditions. This aspect is of particular value for promoting equal opportunities for women and for ethnic minorities.
- As a result of the negotiations, the role of the **private sector** as a direct contributor to the size of the programmes has increased substantially since the previous period. This increases the leverage effect of Community resources.
- Most Objective 2 programmes establish overall programme **targets** for creation and safeguarding of jobs which will allow proper monitoring of the programme.

- An effort has been made in all programmes to establish a transparent **appraisal and selection system** for projects and actions which allows all members of the regional partnerships equal access to the programme. This includes clear eligibility and selection criteria for projects and actions including the quantification of expected results.

D. An analysis of the development priorities

Expenditure categories

The following provides an overall analysis of agreed Objective 2 financing on the basis of the four main expenditure categories (plus Technical Assistance) contained in the table at Annex I attached. It should be borne in mind that the expenditure breakdown utilised has had to take account of certain differences of classification or interpretation between Member States, for example in the definition of "environmental" as opposed to "regeneration" measures, whilst a degree of overlap between such sectors is also inevitable. The classification employed nonetheless comprises a consistent and sustainable approach also reflecting the grouping of expenditure categories originally devised by the Commission for the global financial tables of the SPDs and CSFs. The analysis incorporates appropriate illustrations from the SPDs, particularly where examination of the financial annexes indicates that significant, or indeed most, expenditure has been devoted to a type of action in a particular region, as well as other particularly noteworthy or innovative examples. The global distribution of resources between categories is as follows :

- Productive Environment - includes all types of measures to improve the growth and competitiveness of industry and businesses, especially SMEs, as well as diversification from declining industry, e.g. tourism, and supporting infrastructure where justified by development needs : **45.2%**
- Human Resources - primarily training measures with particular emphasis given to the need for continuing training focussed on those integrated into the world of work but who need further training, experience and reskilling to ensure they can meet the existing or anticipated demand of the region. This also encompasses R&D particularly where linked to practical application and the development of new products : **34.1%**
- Planning and Regeneration - the improvement and laying out of run-down industrial and urban areas including the reclamation of contaminated land, any necessary on-site infrastructure as well as certain environmental measures : **13.7%**
- Environment - measures linked to the protection of the environment, for example to promote "green" tourism, promoting clean technologies, new methods of production and the treatment and recycling of industrial waste and water etc : **5.7%**
- (Technical Assistance) **1.3%**

Overall, the distribution of credits between the Funds resulting from the different priorities selected in the SPDs (and CSF) for 1994-96 is as follows :

ERDF : 77% (from 69% in NL to 86% in L)

ESF : 23% (from 31% in NL to 14% in L)

It should also be repeated that the respective shares of the Funds are not the result of pre-determined "quotas" but the reflection of needs and priorities agreed in partnership. Indeed, as a result of these discussions, the share of the ESF has, for example, been increased with respect to the plans originally proposed by the Member States.

1. Productive Environment

In line with the importance attached to productive activity as a key factor for growth and employment in the negotiation of the new Objective 2 programming documents, financing of MECU 3,151 has been provided for the category, comprising 45.2% of total Objective 2 expenditure 1994-96. Similarly, apart from Luxembourg (17%) and Germany (33%), individual Member States devote between 40% and 52% of their Objective 2 resources to the three main fields of activity in support of the productive environment as set out below.

Industry and services

- Investment in industry and services, all types.

Around 20% of total expenditure on the productive environment (MECU 638) (9% of total Objective 2) has been devoted to general investments for the benefit of industry and services although this encompasses wide variations between Member States, for example, MECU 254 and MECU 248 provided in France and U.K. (36% and 24% respectively of each country's finance for the productive environment sector) but only MECU 24 (10%) in Germany.

Within the Economic Development priority of the SPD for Languedoc-Roussillon, (F) MECU 35.6 (or 50% of the region's total Objective 2 budget) has been accorded for the Development of Businesses, (itself co-ordinated with measures under Priority 3 for Human Resources). This central pillar of the programme will thus assist the development and creation of companies with material investments (telecommunications, information technology, office buildings where linked to development activity etc.), as well as non-material investment (studies, aids to recruitment; business re-organisation etc.); the strengthening of companies' own resources (eg. through loan guarantees) and support for collective actions.

- SMEs

A key part of European efforts to boost growth and employment is to assist locally generated development and to build an enterprise culture by helping Small and Medium-sized Enterprises (SMEs). In overall terms, 17% of total Objective 2 resources have been specifically allocated to the SME sector although, for example, the Spanish CSF and the Italian SPD provide for MECU 290 and MECU 191, or 49% and 57% respectively, of total resources for productive investment compared to an average of 37%.

In **Piedmont (I)**, where MECU 50 has been allocated for the Development and Strengthening of the Fabric of SMEs, aids to investment and services for business will cover financial aspects, management and organisation with the overall aim of supporting around 3,000 businesses, involving 27,000 jobs (about 1,500 new posts).

In addition, the ESF will complement these actions by financing the training of staff in new production techniques including those linked to the promotion of quality and business certification. Over the three years it is expected that 522 courses will be run for the benefit of around 5,220 managers, executives and technicians.

Tourism

The aim of diversification away from traditional but declining industry into service industries, in particular tourism, is particularly evident, for example, in the U.K. and France where around 20% (MECU 207 and MECU 148 respectively) of productive sector resources have been allocated to tourism compared to an average allocation of 15% (7% of total Objective 2). Italy has also devoted significant resources to this area.

In **Lorraine (F)** 10% of the region's total Objective 2 resources are being used to develop its tourist potential with the aim of increasing turnover by 15%. This will be supported through the professionalisation of activities and structuring of tourism offers with short term training to improve and adapt personnel to tourist activities accompanied by longer technical or multi-skilled training in management, marketing and communication.

The overall Objective of the Tourism priority in the SPD for **Tuscany (I)** is to increase the number of visitor beds by 5% to the benefit of around 2,000 businesses providing a total of 100 new jobs and with 1,700 others safeguarded. Objective 2 expenditure of MECU 14.2 is primarily aimed at the modernisation of tourist infrastructure and improving services to customers (e.g. telephone reservation, welcome facilities).

Support infrastructure

As indicated earlier, an approach has in general been pursued whereby total Objective 2 resources for the provision of infrastructure has been reduced in favour, in particular, of growth and employment-creating activities. Likewise, efforts have been made to ensure that any expenditure that is undertaken on infrastructure supports the development of the productive sector. Total expenditure on support infrastructure amounts to MECU 874 or around 28% of the total sector (12.5% of total Objective 2), a proportion which also generally applies to Member States as a whole.

The sum of MECU 19.6 designated for such reasons in the SPD for **Liège (B)**, for example, encompasses the construction of access roads necessary for the development of new or existing industrial zones and accompanying employment (e.g. Verviers - access to the Stembert industrial zone : two-way road of 1 km).

In the case of **Spain**, (see also Part D 3, Urban areas) the Commission considered that the transport network in that country's Objective 2 regions was relatively deficient in relation to other European areas in industrial decline. As a result the CSF may exceptionally, for 1994-95 devote up to 40% of its total ERDF allocation to transport investments declining to 25% in 1996 with similarly reducing co-financing rates.

2. *Training*

As with the emphasis given to actions related to productive investment, expenditure (MECU 2,383) in the field of training (34.1% of total Objective 2) has been concentrated, on training for jobs. Actions have been specifically geared to eventual employment. In particular, support for training has been balanced between the needs of businesses as expressed through the job market and the needs of workers excluded from employment opportunities. Likewise, a number of programmes contain special measures targeted on the worst-off and socially marginalised communities within the eligible areas where the demand side has indicated the need to establish particular skill requirements.

Training for jobs

About 66% (MECU 1,571) of total expenditure for training has been allocated to training measures and other actions aimed at obtaining employment for those concerned, with a broadly similar take-up by Member State as for H.R as a whole.

In general, the **North West of England** has a slightly lower percentage of the workforce with degrees or above than the national average and a slightly higher proportion of people with low or no qualifications. The SPD for **Greater Manchester, Lancashire and Cheshire**, which at MECU 97.8 incorporates the highest amount of U.K. Objective 2 financing for training, accordingly recognizes that the workforce must continually update and improve their skills and knowledge in order to adjust to technological, organisational and market change.

The depth of industrial restructuring of the region also means that many workers face redundancy and exclusion from the labour market unless alternative employment opportunities are found.

The SPD thus includes a focus on support for small business, diversification of SMEs, innovation, culture and tourism and the attraction of more inward investment. The programme promotes the clear integration of the ESF with the ERDF, and the resulting potential for greater synergy and impact, including, for example, ESF measures for training for micro and small business needs and training linked to inward investment.

Training facilities

Overall financing of training facilities and on related equipment comprises about 5% of total training expenditure. Of the latter, a particular example concerns two measures amounting to a total of MECU 13.44 in **Brittany (F)** to provide assistance to vocational training establishments in order to develop cooperation with local businesses and also to increase the capacity of vocational training centres.

Research and Development

Funding of Research and Development comprises almost 30% (MECU 691) of expenditure under Human Resources (in line with the classification adopted by the Commission).

Denmark, in particular **North Jutland**, is, for example, devoting 36% of its total Objective 2 allocation to this field, emphasising a different approach to past programmes with a new focus on the service industry. This applies especially to operations with a high R&D content as an integrated part of manufacturing and the development of new products. It is estimated that 60% of the SMEs participating in the SPD will introduce new technologies or introduce new products.

3. *Planning and Regeneration*

Operations in the context of the above concern the improvement of run-down areas whose character is industrial and or urban, including : the cleaning up and preparation of such areas, demolition and redevelopment of disused industrial buildings and conversion of their sites, including the modernization and conversion of premises for SMEs, the creation of green areas and minor works for improving the appearance of localities and, where justified, minor roads giving access to the locations of new activities or other indispensable infrastructure. Expenditure on the planning and regeneration of both industrial sites and urban areas in the Objective 2 regions amounts to MECU 956 or around 13.7 % of Objective 2 as a whole; as regards industrial sites, operations are being undertaken primarily in **Germany** (18% of its total Objective 2 allocation) **U.K.** and **France** with more specifically urban problems addressed mainly by **Spain** and **France**.

Industrial sites

In **Germany** MECU 65 (55% of the Member State's total allocation under this heading) will be spent in the Objective 2 area of **Nordrhein Westfalen** under a Priority for Redeveloping Disused Industrial and Military sites for industrial reuse. The reclamation of industrial wasteland, mainly for the benefit of new and expanding SMEs, is one of the main measures under this priority.

Despite the diversification which took place in the 1950s and 1960s, the economic history of **Industrial South Wales** has until relatively recently been dominated by coal and steel. Restructuring in the steel industry, with significant improvements in competitiveness and productivity, has led to a heavy loss of jobs as has also been the case for the coal industry resulting from the drop in demand as countries search for alternative energy sources.

The serious physical consequences of industrial decline in the region will primarily be tackled under Priority 2 of the SPD (Action for Industry and Business) in a Measure amounting to MECU 28.2 to encourage economic development and diversification by providing sites and premises to cater for businesses of all sizes, including start ups, expansions and large scale inward investment. This will encompass the provision, upgrading or redevelopment of industrial sites, necessary on-site infrastructure, premises, environmental improvements and the reclamation of derelict and contaminated land. Outputs will include 14 hectares of reclaimed land, 6 environmental improvements to industrial sites and the creation or safeguarding of 4,500 jobs.

Urban areas

Almost all of the resources (MECU 357) for the regeneration of urban areas have been taken up in broadly equal measure by **Spain and France**. Under the Priority of "Local and Urban Development" of the **Spanish CSF** and in line with its role in financing city areas whose "modernization or laying out is a prerequisite for the creation or development of economic activity" ERDF resources of MECU 174 will finance measures including the renovation of buildings for social or economic activity and the regeneration of degraded urban environment.

Exceptionally, and for the 1994-96 period only (reflecting the "transitional" nature of the Spanish programmes), activities which would normally be the responsibility of the public authorities (including urban waste treatment, improvement of water quality, flood prevention) will also be co-financed, as well as suburban railway lines and the metropolitan transport network.

In **Nord-Pas-de-Calais (F)** ERDF resources of MECU 25 constitute the highest expenditure of the French regions in this field and will help implement an urban renewal policy concentrated on the communes in the coal-mining area and on the North-East side of the metropolis. Actions will include a diagnostic analysis of the region concerned, the restoration of urban wasteland and anti-noise and other improvements in the vicinity of existing motorways.

Amongst new approaches, as reflected, in all the UK SPDs (except Thanet and Gibraltar) "geographical targeting" concentrates resources on the worst-off and socially marginalised communities within eligible areas. The prime aim is to prepare for work and find jobs for those who have been unemployed for a long period.

4. Environmental Protection

A sum of MECU 397 (comprising around 6% of total Objective 2 expenditure) is linked specifically to the protection of the environment (clearly, other expenditure such as that related to the regeneration of industrial and urban sites above will also have an environmental impact).

Of the **French Objective 2** regions, most expenditure on environmental protection has been earmarked for **Picardy** (17% of the region's allocation) where measures include development of the natural heritage to support diversification of the tourist sector, the development of clean technologies in business and a pilot action to promote the development of industrial processes for waste treatment, recovery and recycling. This programme also supports a strategy for the development of economic expertise in the environmental field through training, an action expected to create 500 jobs and the development of an industrial centre of expertise in the waste management sector.

In **Western Scotland (U.K.)** MECU 47 (34% of total U.K. Objective 2 resources in the specific environmental category) is being devoted to the Improvement of the Regional Environment and Image under the Business Infrastructure Priority. ERDF will support projects including those, for example, which increase the rate at which land is recycled, focus on relieving stress to historic sites and buildings or a limited number of pilot projects to recreate natural habitats at urban fringes. The overall aim of the measure is to reduce the current total of derelict land by 25% over three years from 6,000 hectares to 4,500 hectares.

E: The application of the newly amended legal provisions

1. *Partnership - a rich regional partnership, but often limited to political and administrative authorities*

Ever since 1989, the Commission has pursued the objective of negotiating Objective 2 programmes with the regional partnerships concerned. This is seen by the Commission as an essential element in European regional policy : programmes should reflect local needs and conditions and encourage cooperation networks of all the socio-economic actors concerned.

This more pronounced and positive input at regional level has permitted programmes to be individually discussed, negotiated and agreed with the partnerships in the eligible regions.

However, such discussions have also tended to be primarily limited to the public and administrative authorities involved and national governments are frequently tempted to use subsidiarity arguments to strengthen their position in relation to their regions. There has thus been a constant battle to associate all local actors, often the only means of achieving the consensus necessary for a true relaunch of the local economy.

The Monitoring Committees

The existence of Regional Monitoring Committees is now a consolidated practice ensuring progressive participation by regional and local actors, some Member States having accepted the benefits of such arrangements for the first time. However, further improvements are needed; in particular, most of the large Member States resisted the efforts of the Commission to include the social partners in regional partnerships. The results in this regard have therefore been very variable with particularly good representation in **Belgium, The Netherlands** and **Denmark**, but with less involvement of social partners elsewhere. The Commission will pursue its efforts to strengthen the role of the social partners in the course of the implementation of the programmes.

2. *Programming - a degree of simplification achieved*

In almost all cases the opportunity was taken to use the Single Programming Document (SPD) approach intended to simplify and speed up the programming procedures and which is primarily applicable to those regions such as those covered by Objective 2 which are of relatively limited scale in terms of coverage or amount of funding involved. In the case of **Spain** (where the Operational Programmes will be approved shortly after the Community Support Framework), the decision to remain with the CSF approach took into account, in particular, the desire of the regions to be closely involved in the regional programmes.

In practice, difficulties in obtaining the level of detailed information, especially at measure level, to enable the Commission to commit resources in a Single Decision, apart from the number of programming documents involved, to some extent offset the potential gains from simplification. Certainly, with an average time of 7.5 months from receipt of plans to adoption of the programming documents the six months' guideline under the regulations for the Commission to give its approval was not met. Nonetheless, time savings will accrue through not having to separately approve programmes and the provisions relating to retroactivity of expenditure mean that limited effects will be felt on the ground.

3. Prior Appraisal, Monitoring and Evaluation and Quantification of Objectives - clear progress achieved

All programmes were evaluated by independent assessors after their submission to the Commission on the basis of groups of regions with similar economic characteristics. The plans as originally submitted were generally deficient in terms of the setting and quantification of Objectives, a problem exacerbated by the geographical dispersion of areas and non-standard statistical data. However, as illustrated in some of the examples provided, quantified indicators to facilitate monitoring were subsequently agreed with the regional partnerships and included in the programmes.

An in-depth evaluation will be undertaken throughout the lifetime of the programmes whilst a lot of the groundwork undertaken for the establishment of the current SPDs will also clearly be transferable to the second programming period. A detailed evaluation of the current programmes will be important in forming a global view of its current Objective 2 areas and programmes. In particular, this will provide an analytical review of the strategies contained in the SPDs, grouping the Objective 2 areas according to their approaches or priorities and highlighting examples of best practice and of innovative approaches.

This study will contribute to improving the functioning of current interventions and provide a strong basis for intermediate evaluation. It will also be important for the revision of the Objective 2 list at the end of 1995 or early 1996 prior to the preparation in the Autumn of that year of the programmes for the second programming period 1997-99.

4. Integration of operations under the Funds and co-ordination with the other financial instruments - good between Funds but limited recourse to the EIB

Integration between the Funds

Good overall integration between sectoral priorities is evident within the Objective 2 programming documents and, as previously indicated, fairly generalised as between the ERDF and ESF. For example, efforts have been made to ensure that all priorities in the UK SPDs are supported by a coherent mix of measures, some of which are supported by the ERDF and some by the ESF.

One exception has been the Objective 2 CSF for **Spain** where a limited amount of human resources actions the correspond to measures being implemented by the central authorities (16% of total ESF resources under Objective 2) are to be pursued through a separate Single Fund (ESF) operational programme.

The role of the EIB

Although the EIB has been more closely associated with the exercise of preparing the Objective 2 programming documents than in the previous period, in particular appreciation of the Plans, the results in terms of the commitment of EIB loans to the financing of programmes have been disappointing. In certain cases, for example, the region of **Liguria (I)**, a specific measure (under Priority 2 for SMEs) has been agreed to stimulate the use of Community Loans (EIB and ECSC).

5. Other Community policies and Commitments - specific provisions made

Apart from improvements in ensuring respect for environmental policy, of which are number of examples have been quoted in the preceding pages, the new SPDs make specific provisions for respect of Competition and the Directives relating to the opening up of public contracts. With regard to the application of the principle of equal opportunities for men and women, this is explicitly mentioned for the first time in the Structural Funds regulations with the ESF primarily promoting the application of this principle. In **West-Berlin (D)** a special programme has been devised, for example, to increase the number of women in leading position in promising economic sectors such as high technology.

It is appropriate to recall also that on 11 July 1994 the Commission agreed a regulation relating to irregularities and the recovery of sums wrongly paid in the context of financing structural policies as well as the organisation of an information system in this area. This regulation will make it possible to combat irregularities and fraud, and to undertake preventive measures and the necessary prosecutions.

6. Additionality - a complex exercise

Verifying additionality (on the basis of all Objective 2 regions of a Member State taken together) has been very difficult, especially given the number and dispersed nature of the regions concerned, together with the different administrative arrangements of each and the reluctance and real difficulties of some Member States to provide the required financial information. In some cases it was necessary to introduce a suspensive clause on Community payments into the Decision where the Commission had been unable to complete the first ex-ante evaluation of the additionality principle before approval of the SPD. Nonetheless, the **Netherlands** provides a model illustration for the demonstration of additionality despite the fragmented nature of the Objective 2 regions concerned.

At regional level it would often appear that certain regions give priority to operational programmes co-financed by the Union in order to ensure absorption of the credits available; a particular urgency is therefore being applied to the implementation of Objective 2 programmes.

Financial circuits

As far as financial circuits are concerned, the Commission has insisted on the required assurances that Community financing reaches the regions concerned; there has been a significant improvement in this respect and most SPDs describe in detail the route taken by Community financing from the Commission to the final beneficiary.

F. Innovations

The "innovations" introduced for the new programming period likewise reflect the increased orientation of Objective 2 towards diversification and new activities, especially technologically based ones, as well as SME support as key means of creating new jobs. The types of actions concerned (and which, although examples are given, are not generally confined to particular Member States) include : -

- help for SMEs to adopt new technology (**Limburg, B**);
- advanced telematics (**Yorkshire and Humberside, UK**);
- increased venture and risk capital provision (**Bremen, D**);
- training in quality assurance and business certification (**Emilia Romagna, Piemonte, I**).

As indicated earlier, other new approaches have involved "geographical targeting" to concentrate resources on the worst-off and socially marginalised communities within eligible areas. Additional emphasis has also generally been given to the employment potential of cultural, media and tourism industries; other areas with particular scope for an innovatory approach have included training, R&D, the environmental field and local development.

IV. FINAL COMMENTS

Objective 1 : an encouraging effort of development, but it must be lasting

As already mentioned, the revised Structural Funds regulation aims to ensure that European credits contribute as effectively as possible to closing the economic gap for the regions lagging behind. The results obtained over the last few years in some of the Objective 1 regions are encouraging. But these results also demonstrate that the common effort to be carried out is long term: it must be lasting. It should be remembered that in the 4 "cohesion" countries per capita Gross Domestic Product progressed from index 64 to index 70 (Europe of the 12=100) between 1986 and 1993. As a reminder, the threshold of eligibility for Objective 1 is currently set at 75% of the European average. The direction is good, but there is still much to be done. The programmes thus adopted will undoubtedly make a positive contribution.

Objective 2 : positive sign on employment

Concerning the situation on the labour market, the Objective 2 regions present a more favourable development than in the other regions with unemployment falling by nearly 3 percentage points between 1986 and 1993 while in the rest of the Community it remained virtually unchanged. This appears to reflect high rates of job creation in Objective 2 areas, up by 13% between 1986 and 1993, nearly double the rate of increase in the Community as a whole.

The selectivity of Community assistance in favour of operations creating employment has certainly contributed to this result.

A constant concern : assuring the "quality" of structural finance

In implementing structural policies, the Commission must carry out intermediate evaluations, take account of the environment (sustainable development), make regular checks on the application of Community policies and respect for the principle of additionality.

This monitoring and evaluation will form the basis for producing the first report on the state of cohesion which the Commission must draw up at the latest by the end of 1996. This will relate to the whole of Community policy and will involve a task of reflection and study which the next Commission must set in motion from the very beginning of 1995.

* * *

ANNEX I : SUMMARY TABLES
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ANLAGE III : ZUSAMMENFASSENDEN TABELLEN

ANNEX II : OBJECTIVE 1 : THE RESULTS BY PROGRAMMING DOCUMENT
ANNEXE II : OBJECTIF 1 : RÉSULTATS PAR DOCUMENTS DE PROGRAMMATION
ANLAGE III : ZIEL 1 : RESULTATE FÜR JEDES PROGRAMMIERUNGSDOKUMENT

ANNEX III : OBJECTIVE 2 : THE RESULTS BY MEMBER STATES
ANNEXE III : OBJECTIF 2 : RÉSULTATS PAR ETATS MEMBRES
ANLAGE III : ZIEL 2 : RESULTATE PRO MITGLIEDSTAAT

EN

The following fiches summarise the above aspects as they apply for each Member State's programming documents together with background context covering :

- the total Community assistance and respective contribution by Fund;
- an outline of the overall development strategy, key strategic aims and development priorities and the weighting given to each.

The summaries reflect the contents of the programming documents as published and it should in particular be borne in mind that forecasts for job creation as exemplified in the annexes have been provided by the Member States themselves. They have not therefore been devised on the basis of harmonized employment effects data. The Commission will strive to improve, in partnership, the homogeneity and comparability of these forecasts.

FR

Les fiches qui suivent résument l'application des aspects décrits ci-dessus aux documents de programmation des différents Etats membres ainsi que le contexte qui les sous-tend et qui couvre :

- l'aide communautaire globale et la part qu'y tient le Fonds;
- un aperçu de la stratégie générale de développement, des objectifs stratégiques et des priorités de développement essentiels et de l'importance attribuée à chacun d'eux.

Les résumés sont le reflet du contenu du document de programme publié et il convient de rappeler que les prévisions de création d'emploi telles qu'illustrées dans les annexes ont été fournies par les Etats membres eux-mêmes. Elles n'ont donc pas été estimées sur base de méthodes harmonisées. La Commission s'efforcera, dans le cadre du partenariat, d'améliorer le caractère homogène et comparable de ces prévisions.

DE

In den nachfolgenden Einzeldokumentationen sind diese Aspekte und ihre Anwendung auf die Programmplanungsdokumente der Mitgliedstaaten zusammenfassend dargestellt. Außerdem enthalten die folgenden Seiten einige in diesem Kontext interessante Hintergrundinformationen :

- Angaben über den Gesamtumfang der Gemeinschaftshilfe und die Beiträge der einzelnen Fonds;
- Eine Kurzdarstellung der Entwicklungsstrategie, der wesentlichen strategischen Ziele und die den einzelnen Elementen beigemessene Gewichtung.

Diese Zusammenfassungen reflektieren den Inhalt der veröffentlichten Programmplanungsdokumente. Es muß klar sein, daß die Abschätzung der geschaffenen Arbeitsplätze, wie Anhang angeführt von den Mitgliedstaaten selbst erfolgte. Sie wurden daher nicht auf der Basis abgestimmter Daten von Beschäftigungseffekten erstellt. Die Kommission ist bestrebt, die Homogenität und Vergleichbarkeit dieser Abschätzungen in Partnerschaft zu verbessern.

ANNEX I
ANNEXE I
ANLAGE I

SUMMARY TABLES
TABLEAUX DE SYNTHÈSE
ZUSAMMENFASSENDE TABELLEN

Breakdown by Funds and by regions of the Objective 1 CSFs and SPDs 1994-1999

Répartition par Fonds et par régions des Docup et CCA objectif 1 1994-1999

Aufgliederung nach Fonds und Ziel-1-Regionen der GFK und EPD 1994-1999

Mio ECU 1994

	ERDF FEDER EFRE	ESF FSE ESF	EAGGF FEOGA EAGFL	FIFG IFOP FIAP	TOTAL
Grèce	9489,5	2560,5	1800,0	130,0	13980,0
Espagne	15944,2	6047,0	3313,8	995,0	26300,0
<i>Andalucía</i>	1692,0	325,5	403,7	0,0	2421,2
<i>Asturias</i>	234,0	30,8	92,8	0,0	357,5
<i>Canarias</i>	390,0	182,9	86,7	0,0	659,7
<i>Cantabria</i>	105,0	9,0	62,0	0,0	175,9
<i>Castilla-La-Mancha</i>	416,0	35,1	314,7	0,0	765,8
<i>Castilla-y-Leon</i>	600,0	128,4	436,0	0,0	1164,4
<i>Ceuta</i>	20,0	0,0	0,0	0,0	20,0
<i>Valenciana</i>	607,0	309,9	123,1	0,0	1040,0
<i>Extremadura</i>	382,0	165,6	183,7	0,0	731,3
<i>Galicia</i>	727,0	179,0	318,9	0,0	1224,9
<i>Melilla</i>	18,0	0,0	0,0	0,0	18,0
<i>Murcia</i>	197,0	44,6	58,5	0,0	300,0
<i>Plurirégional</i>	10556,2	4636,3	1233,8	995,0	17421,3
Irlande	2562,0	1953,0	1058,0	47,0	5620,0
Portugal	8723,9	3148,7	1894,2	213,2	13980,0
EUR 4	36719,6	13709,2	8066,0	1385,2	59880,0
Belgique	515,9	166,7	47,0	0,4	730,0
<i>Hainaut</i>	515,9	166,7	47,0	0,4	730,0
Allemagne	6820,0	4092,0	2644,5	83,5	13640,0
<i>Mecklenburg-Vorpommern</i>	824,0	383,4	622,0	0,0	1829,4
<i>Brandenburg</i>	1075,0	496,3	597,5	0,0	2168,8
<i>Sachsen</i>	2014,0	874,9	477,6	0,0	3366,5
<i>Sachsen-Anhalt</i>	1264,0	550,0	553,5	0,0	2367,5
<i>Thüringen</i>	1127,0	489,7	386,3	0,0	2003,0
<i>Oost Berlin</i>	516,0	221,1	7,6	0,0	744,7
<i>Plurirégional</i>	0,0	1076,6	0,0	83,5	1160,1
France	1194,9	525,5	431,4	38,2	2190,0
<i>Corse</i>	147,5	31,0	64,0	7,5	250,0
<i>Guadeloupe</i>	160,0	104,3	74,5	6,2	345,0
<i>Guyane</i>	92,3	35,8	27,4	9,5	165,0
<i>Martinique</i>	166,5	89,0	67,0	7,5	330,0
<i>Réunion</i>	320,5	183,0	149,0	7,5	660,0
<i>Hainaut fr.</i>	308,1	82,4	49,5	0,0	440,0

Breakdown by Funds and by regions of the Objective 1 CSFs and SPDs 1994-1999
 Répartition par Fonds et par régions des Docup et CCA objectif 1 1994-1999
 Aufgliederung nach Fonds und Ziel-1-Regionen der GFK und EPD 1994-1999

(next - suite - folge)

Mio ECU 1994

	ERDF FEDER EFRE	ESF FSE ESF	EAGGF FEOGA EAGFL	FIFG IFOP FIAP	TOTAL
Italie	9660,0	2739,0	2228,0	233,0	14860,0
<i>Abruzzo</i>	<i>107,0</i>	<i>43,5</i>	<i>83,9</i>	<i>0,0</i>	<i>234,4</i>
<i>Basilicata</i>	<i>243,0</i>	<i>141,2</i>	<i>214,8</i>	<i>0,0</i>	<i>599,0</i>
<i>Calabria</i>	<i>456,0</i>	<i>174,3</i>	<i>241,0</i>	<i>0,0</i>	<i>871,3</i>
<i>Campania</i>	<i>890,0</i>	<i>328,4</i>	<i>323,5</i>	<i>0,0</i>	<i>1541,9</i>
<i>Molise</i>	<i>124,0</i>	<i>48,0</i>	<i>120,0</i>	<i>0,0</i>	<i>292,0</i>
<i>Puglia</i>	<i>612,0</i>	<i>285,0</i>	<i>326,4</i>	<i>0,0</i>	<i>1223,4</i>
<i>Sardegna</i>	<i>415,0</i>	<i>219,5</i>	<i>332,6</i>	<i>0,0</i>	<i>967,1</i>
<i>Sicilia</i>	<i>778,0</i>	<i>427,4</i>	<i>351,8</i>	<i>0,0</i>	<i>1557,2</i>
<i>Plurirégional</i>	<i>6035,0</i>	<i>1071,7</i>	<i>234,0</i>	<i>233,0</i>	<i>7573,7</i>
Pays-Bas	80,0	40,0	21,5	8,5	150,0
<i>Flevoland</i>	<i>80,0</i>	<i>40,0</i>	<i>21,5</i>	<i>8,5</i>	<i>150,0</i>
Royaume Uni	1332,0	747,2	245,9	34,9	2360,0
<i>Highlands and Islands</i>	<i>180,0</i>	<i>55,2</i>	<i>56,0</i>	<i>19,8</i>	<i>311,0</i>
<i>Merseyside</i>	<i>475,0</i>	<i>338,0</i>	<i>3,0</i>	<i>0,0</i>	<i>816,0</i>
<i>Irlande du Nord</i>	<i>677,0</i>	<i>354,0</i>	<i>186,9</i>	<i>15,1</i>	<i>1233,0</i>
TOTAL	56322,5	22019,6	13684,3	1783,7	93810,0
Ventilation par Fonds	60,0%	23,5%	14,6%	1,9%	100,0%

Contribution of the Structural Funds to Objective 1 development expenditure for the period 1994-1999
Contribution des Fonds structurels aux dépenses de développement objectif 1 pour la période 1994-1999
Beitrag der Strukturfonds zu den Entwicklungsauswendungen nach Ziel 1 für die Periode 1994-1999

Mio ECU 1994

	Belgique	Allemagne	Grèce	Espagne	France	Irlande	Italie	Pays-Bas	Portugal	Royaume Uni	EUR 12	%
Infrastructures	138	1106	6408	10628	610	1109	4420	36	4146	671	29272	31,2%
<i>Transport</i>	34		4002	6100	262	888	1742	31	1872	314	15244	16,3%
<i>Télécommunications</i>	12		252	418	1	37	418		276	20	1435	1,5%
<i>Energie</i>			864	624	8	70	312		426	190	2495	2,7%
<i>Environnement & Eau</i>	92	1106	624	3034	323	74	1867	5	1056	146	8328	8,9%
<i>Santé</i>			666	452	15	39	81		516		1770	1,9%
Ressources humaines	254	4261	3444	7462	595	2470	3184	40	4110	895	26713	28,5%
<i>Education</i>	21		1878	623	86	1007		28	1404		5048	5,4%
<i>Formation</i>	139	3648	1236	5974	465	1094	2209		2334	791	17890	19,1%
<i>Recherche & Développement</i>	93	613	330	865	43	368	975	11	372	104	3775	4,0%
Environnement productif	335	7973	3882	8023	748	1831	7168	56	4992	713	35721	38,1%
<i>Industrie et services</i>	252	4748	1008	3019	215	559	3708	22	2226	331	16088	17,1%
<i>Agric. & Développement rural</i>	50	3141	2040	3422	387	853	2341	22	1908	242	14405	15,4%
<i>Pêche</i>	0	83	144	1033	47	64	257	8	240	37	1915	2,0%
<i>Tourisme</i>	32		690	550	99	355	862	5	618	103	3313	3,5%
Autres	4	300	246	187	238	211	88	18	732	82	2104	2,2%
TOTAL	730	13640	13980	26300	2190	5620	14860	150	13980	2360	93810	100,0%

Breakdown by Funds and by regions of the Objective 2 CSFs and SPDs 1994-1996
Répartition par Fonds et par régions des Docup et CCA objectif 2 1994-1996
Aufgliederung nach Fonds und Ziel-2-Regionen der GFK und EPD 1994-1996

Mio ECU 1994

	ERDF FEDER EFRE	ESF FSE ESF	TOTAL
Belgique	130,0	30,0	160,0
<i>Aubange</i>	0,9	0,4	1,3
<i>Limburg</i>	35,1	11,7	46,8
<i>Meuse-Vesdre</i>	75,3	13,2	88,5
<i>Turnhout</i>	18,7	4,7	23,4
Allemagne	513,7	219,3	733,0
<i>Bayern</i>	9,5	5,1	14,7
<i>Bremen</i>	30,5	16,4	46,9
<i>Hessen</i>	18,3	3,0	21,3
<i>Niedersachsen</i>	29,8	12,7	42,5
<i>Nordrhein-Westfalen</i>	263,8	97,6	361,4
<i>Rheinland-Pfalz</i>	15,2	8,2	23,5
<i>Saarland</i>	34,4	14,7	49,1
<i>Schleswig-Holstein</i>	10,0	5,4	15,4
<i>West-Berlin</i>	102,1	56,2	158,3
Danemark	44,2	11,8	56,0
<i>Lolland</i>	7,0	2,5	9,5
<i>Nordjylland</i>	37,2	9,3	46,5
Espagne	870,1	259,9	1130,0
<i>Aragón</i>	49,4	14,8	64,2
<i>Baléares</i>	8,8	1,6	10,4
<i>Cataluña</i>	402,2	107,9	510,1
<i>La Rioja</i>	10,5	1,4	11,9
<i>Madrid</i>	113,7	31,3	145,0
<i>Navarra</i>	17,7	5,1	22,8
<i>Pais Vasco</i>	267,8	58,1	325,9
<i>Plurirégional</i>	0,0	39,8	39,8
France	1452,6	310,7	1763,2
<i>Alsace</i>	16,1	3,5	19,6
<i>Aquitaine</i>	91,5	15,6	107,1
<i>Auvergne</i>	50,6	10,5	61,1
<i>Basse-Normandie</i>	46,6	11,3	57,8
<i>Bretagne</i>	77,6	12,1	89,7
<i>Bourgogne</i>	42,0	7,4	49,4
<i>Centre</i>	20,5	3,7	24,2
<i>Champagne-Ardenne</i>	62,1	15,4	77,5
<i>Franche-Comté</i>	41,2	6,6	47,8
<i>Haute-Normandie</i>	112,1	33,9	146,0
<i>Languedoc-Roussillon</i>	59,9	10,6	70,5
<i>Lorraine</i>	102,9	24,5	127,4
<i>Midi-Pyrénées</i>	34,6	8,0	42,6
<i>Nord-Pas-de-Calais</i>	265,5	52,6	318,1
<i>Pays de la Loire</i>	109,6	26,3	135,9
<i>Picardie</i>	98,8	23,6	122,4
<i>Poitou-Charentes</i>	43,6	9,7	53,3
<i>Provence-Alpes-Côte d'Azur</i>	95,7	17,4	113,1
<i>Rhône-Alpes</i>	81,8	17,9	99,7

Breakdown by Funds and by regions of the Objective 2 CSFs and SPDs 1994-1996
 Répartition par Fonds et par régions des Docup et CCA objectif 2 1994-1996
 Aufgliederung nach Fonds und Ziel-2-Regionen der GFK und EPD 1994-1996

(next - suite -folge)

Mio ECU 1994

	ERDF FEDER EFRE	ESF FSE ESF	TOTAL
Italie	542,3	141,7	684,0
<i>Emilia-Romagne</i>	9,6	2,4	12,0
<i>Friuli-Venezia Giulia</i>	18,4	5,6	24,0
<i>Lazio</i>	52,2	11,8	64,0
<i>Liguria</i>	67,5	28,5	96,0
<i>Lombardia</i>	18,8	4,2	23,0
<i>Marche</i>	17,9	3,1	21,0
<i>Piemonte</i>	164,0	41,0	205,0
<i>Toscana</i>	103,0	24,0	127,0
<i>Umbria</i>	27,5	7,5	35,0
<i>Valle d'Aosta</i>	5,8	0,2	6,0
<i>Veneto</i>	57,6	13,4	71,0
Luxembourg	6,0	1,0	7,0
Pays-Bas	206,0	94,0	300,0
<i>Arnhem-Nijmegen</i>	39,4	16,6	56,0
<i>Groningen-Zuidoost Drenthe</i>	48,6	27,5	76,0
<i>Twente</i>	39,4	18,6	58,0
<i>Zuid Limburg</i>	31,7	11,3	43,0
<i>Zuidoost-Brabant</i>	47,0	20,0	67,0
Royaume-Uni	1606,9	535,1	2142,0
<i>Eastern Scotland</i>	96,8	24,2	121,0
<i>East Midlands</i>	59,3	19,8	79,0
<i>Gibraltar</i>	4,1	0,9	5,0
<i>Greater London (East London and the Lee Valley)</i>	55,5	18,5	74,0
<i>Industrial South Wales</i>	141,0	47,0	188,0
<i>North East England</i>	231,0	77,0	308,0
<i>North West England (Greater Manchester, Lancashire and Cheshire)</i>	230,3	98,7	329,0
<i>Plymouth</i>	23,3	5,7	29,0
<i>Thanet</i>	11,9	2,1	14,0
<i>West Cumbria and Furness</i>	18,8	6,2	25,0
<i>West Midlands</i>	278,0	93,0	371,0
<i>Western Scotland</i>	222,9	63,1	286,0
<i>Yorkshire and Humberside</i>	234,0	79,0	313,0
TOTAL	5371,8	1603,4	6975,2
Ventilation par Fonds	77,0%	23,0%	100,0%

ANNEX 1/4
ANNEXE 1/4
ANLAGE 1/4

Contribution of the Structural Funds to Objective 2 development expenditure for the period 1994-1996
Contribution des Fonds structurels aux dépenses de développement objectif 2 pour la période 1994-1996
Beitrag der Strukturfonds am den Entwicklungsausgaben in Ziel 2 für die Periode 1994-1996

Mio ECU 1994

	Belgique	Danemark	Allemagne	Espagne	France	Italie	Luxem- bourg	Pays-Bas	Royaume- Uni	TOTAL	%
Environnement productif	76	23	245	592	710	335	1	131	1038	3151	45,2%
<i>Industries et services</i>	29	9	186	290	404	240	1	66	579	1804	25,9%
- Tous types d'industries et services	17	8	24	0	254	49	1	36	248	638	9,1%
- PME	12	1	162	290	150	191	0	30	330	1166	16,7%
Tourisme	10	5	11	0	148	58	0	34	207	473	6,8%
Infrastructures de soutien	37	9	48	302	158	36	0	31	252	874	12,5%
Ressources humaines	53	32	293	317	614	204	2	113	755	2383	34,1%
<i>Formation, emploi</i>	27	12	213	258	305	137	1	90	528	1571	22,5%
<i>Centres de formation, équipements</i>	9	0	0	0	67	5	0	0	39	120	1,7%
<i>Recherche & Développement</i>	17	20	79	59	242	63	1	23	188	691	9,9%
Aménagement et réhabilitation	19	0	132	174	313	86	2	41	189	956	13,7%
<i>Sites industriels</i>	16	0	119	0	154	77	2	41	189	599	8,6%
<i>Zones urbaines</i>	3	0	13	174	159	9	0	0	0	357	5,1%
Protection de l'environnement	8	0	52	40	103	48	2	5	138	397	5,7%
Assistance technique	4	1	11	8	25	11	0	9	22	91	1,3%
TOTAL	160	56	733	1130	1765	684	7	300	2142	6977	100,0%

ANNEX II
ANNEXE II
ANLAGE II

OBJECTIVE 1 - OBJECTIF 1 - ZIEL 1
THE RESULTS BY PROGRAMMING DOCUMENTS
RÉSULTATS PAR DOCUMENTS DE PROGRAMMATION
RESULTATE FÜR JEDES
PROGRAMMIERUNGSDOKUMENT

BELGIUM HAINAUT

Background

On 14 June 1994, the Commission adopted the Single Programming Document (SPD) for Hainaut. The total assistance from the Structural Funds through the SPD is 730 million ECU :

European Regional Development Fund (ERDF)	515.92 (Million ECU)	(70.7%)
European Social Fund (ESF)	166.70	(22.0%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	47.01	(6.4%)
Financial Instrument of Fisheries Guidance (FIFG)	0.37	(0.1%)

Development Strategy and Priorities

The overall aim of the Walloon authorities is to achieve a target of 79% of average Community GDP in 1999 compared to the current figure of 77%. The underlying economic development strategy would be underpinned by :

- a concentration on investments linked to diversification from traditional activities;
- strengthening of research and development activities;
- the development of human resources;
- the improvement or adjustment of the industrial environment.

The SPD defines the following development priorities :

- relaunching of economic activity	(65,8%)
- promoting the attractiveness of the area and rural development	(12,4%)
- completing the infrastructural network	(4,2%)
- creating equal opportunities for all	(17,1%)
- (technical assistance)	(0,5%)

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Regulations

Amongst the key aspects of the Structural Funds Regulations contributing to the development of the SPD were the :

- **results of the previous programming period (1989-1993)** which provided a number of lessons for the new programming period. For example, the outcomes of expenditure on training (93.5 MECU, 1990-93 in the French-speaking area) especially in terms of trainees subsequently finding employment, measures (through the RESIDER initiative) for the development of businesses, especially SME's which had created 535 net jobs and safeguarded 985 jobs and measures for the promotion of technological innovation;
- **quantification of objectives** for each of the priorities and measures of the SPD, amongst the key targets of which included annual growth of 0.5% more than the Community average, the creation of at least 5,000 jobs from industrial restructuring out of a total target of 9,000; a 4.8% growth in private investment; a 5% increase in jobs linked to tourism.
- **initial assessment of additionality** demonstrated through the undertaking of the Belgian authorities to maintain the annual level of eligible public expenditure at 926 million ECU or an increase of 12.7% in real terms over the period 1989-1993.

Added Value

Following further analysis and discussion of the proposals submitted in the Plan, the partnership agreed to restructure the original priorities in order to achieve better integration between the different Funds as well as making a number of other related changes, for example :

- certain measures with similar objectives were regrouped in order to avoid overlaps and competing activities which could be harmful to the achievement of the overall strategic aim;
- the links between several measures were strengthened in order to achieve synergy between human, physical and innovative elements;
- several new measures were created, for example, relating to training for sectoral aspects of the programme such as the environment, tourism and telecommunications. A specific new measure for the construction of holiday accommodation was also agreed to accompany tourism development.

NEW LÄNDER AND EASTERN BERLIN

Background

On 29 July 1994 the Commission adopted the Community Support Framework (CSF) 1994-1999 for the New Länder and Eastern Berlin. The total assistance from the Structural Funds through the CSF is 13.64 billion ECU :

European Regional Development Fund (ERDF)	6,820 (billion ECU)	(50.00%)
European Social Fund (ESF)	5,092	(30.00%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	2,644	(19.38%)
Financial Instrument of Fisheries Guidance (FIFG)	0.084	(0.62%)

During August and September 1994 the Commission approved the 17 operational Programmes through which the CSF will be implemented.

Development Strategy and Priorities

The main aims of the agreed development strategy are :

- to bring about the reconstruction of the economy of the New Länder and Eastern Berlin through rapid economic growth;
- to create secure and sustainable jobs underpinned by the emergence of competitive firms with high labour productivity;
- to ensure development will always be environmentally acceptable.

In pursuit of the development strategy the CSF defines the following development priorities :

- support for productive investment and accompanying investment in production related infrastructure	(17.8%)
- measures to support small and medium enterprises	(17.1%)
- measures to promote research and technological development as well as innovation	(4.5%)
- measures to protect and improve the environment	(8.1%)
- measures to promote the development of human resources, vocational training and further training as well as employment	(26.7%)
- measures to promote agriculture, the development of rural areas and fisheries	(23.6%)
- (technical assistance)	(2.2%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the CSF were the :

- **results of the previous programming period (1991-1993)** which indicate that the ERDF contributed to the creation of 122,000 jobs and the safeguarding of 102,000 others whilst 300,000 people (more than half of them women) benefited from ESF support for labour market actions. It is estimated that the cumulative direct contribution to employment in rural areas under the EAGGF equated to 8,000 man-years;
- **prior appraisal of the CSF** which underlines a growth-oriented strategy as the basis for the creation of durable jobs and the increase of income. The strategy would be pursued through the national regional aid scheme of the "Common Task" as the main delivery mechanism of ERDF support but which needed to be complemented by measures to improve location factors especially those related to SMEs, R&D, tourism and environment;
- **expected socio-economic impact** whose main target was to create or safeguard 700,000 jobs with employment estimated to increase each year to 1998 by about 0.5% per annum with a bigger increase of about 1.5% per annum expected in the manufacturing sector. The share of the productive sector in total employment, which fell sharply after Unification, is expected to rise to about 37% of total employment by 1998.

The share of employment in market-determined services, which was very under-represented in the former GDR, is estimated to increase from 12.4% in 1991 to 17% in 1993 and to about 20.5% in 1998. Federal Government estimates foresee an increase in per capita GDP from 7,600 ECU in 1992 to 9,000 ECU in 1993 and to about 14,800 ECU in 1998 (in current prices).

Added Value

A number of examples demonstrated the added-value resulting from discussion and negotiation within the partnership, for example to reorient resources and priorities, in order to best meet the overall aims of the development strategy :

- three separate development priorities were agreed in partnership to give a special focus for ERDF support on the needs of SMEs, R&D and Environment;
- the joint financing of the Common Task will continue to be a major part of the 1994-1999 programmes. However, as a result of the negotiation the Commission, the Federal Government and the Länder have agreed that from 1995/1996 the Federal Government and each Land may have the flexibility to use ERDF resources for programmes other than the Common Task where these contribute to the overall objectives of the CSF;

- the support from the Structural Funds will primarily be delivered through integrated programmes for each Land, which varies from the practice followed in 1991-1993. In addition there will be a multiregional programme for human resources cofinanced by the ESF and one multiregional fisheries programme financed by the FIG. The level of resources agreed for human resources measures is, at 27% of the total, significantly higher than in the previous programming period;
- it was agreed that Germany should be granted a derogation from the normal provisions for the respect of the additionality principle (the only Member State to be so) in view of the exceptional level of eligible public expenditure undertaken in respect of the new Länder and Eastern Berlin from 1991-1993;
- whereas efforts at quantification were concentrated at the level of development disparities, somewhat disappointing results were achieved for this aspect with regard to the priorities and objectives.

Innovations

Innovative measures in the context of the CSF include :

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|--|
| <ul style="list-style-type: none"> - support for the recruitment by SMEs of innovation advisers and for the registration and protection of patents in foreign countries or at the European patents office; - support to facilitate access to markets and to improve management techniques; - introduction of services and environmental agencies for giving advice and information; - promotion of internal and inter-company material cycles eg. to process plastics, compounds, solvents and other toxic or hazardous products. Companies will be granted assistance for the design and establishment of suitable processing plants and sophisticated recycling processes. |
|--|

GREECE

Background

On 11 July the Commission adopted the Community Support Framework (CSF) 1994-1999 for Greece. The total assistance from the Structural Funds through the CSF is 13.98 billion ECU :

European Regional Development Fund (ERDF)	9,489.5 (billion ECU)	(67.9%)
European Social Fund (ESF)	2,560.5	(18.3%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	1,800	(12.9%)
Financial Instrument of Fisheries Guidance (FIFG)	130	(0.9%)

Development Strategy and Priorities

The main aims of the agreed development strategy are :

- to concentrate all possible efforts on achieving real convergence over the period to 2000 with regard to the other countries of the Union with a particular emphasis on promoting private investment (especially for large transport infrastructure);
- to pursue a more ambitious industrial policy based on the international competitiveness of businesses;
- to establish efficient mechanisms for the implementation of programmes;
- to provide a greater emphasis on education and training;
- to improve the concentration of financial resources on strategic projects.

In pursuit of the aims of the development strategy the CSF defines the following development priorities :

- reduction in peripherality and the promotion of internal integration by the development of major infrastructure (natural gas, Athens metro, rail networks, North-South "Pathe" and East-West "Egnatia" corridor)	(19.6%)
- improvement of quality of life (environment, health, urban transport)	(10.4%)
- development and improved competitiveness of the economic fabric (foreign investment, new technology for industry, adjustment of agriculture especially in line with the reform of the CAP, tourism, culture)	(19.2%)
- development of human resources and employment	(18.3%)
- reduction in regional disparities and opening up of isolated regions	(32.0%)
- (technical assistance)	(0,5%)

Regulations

Amongst the key aspects of the Structural Funds Regulations contributing to the CSF were the :

- **results of the previous programming period** which indicated that the CSF increased GDP by 2%, helped create 50,000 jobs, co-financed 70% of total public investment and contributed 20% to gross fixed capital formation in the Greek economy. The reinforcement and acceleration of the regional programmes also resulted in significant advances with basic infrastructures (road networks, water supply, sewage treatment) and work on several large infrastructures of national importance got underway including the Athens Metro, the natural gas project and the Athens-Salonika and Athens Corinth motorways.
- **expected socio-economic impact**, where the CSF should contribute 0.9% a year to GDP in Greece as well as growth, albeit modest, in the first years. The number of additional jobs due to the CSF should be of the order of 100,000.
- **initial assessment of additionality** demonstrated by the commitment of the Greek authorities to maintain an annual level of eligible public expenditure of 5,314 million ECU, or an increase of 4.6% in real terms over the period 1989-1993.

Added Value

Cooperation between the Commission and the Greek authorities during the negotiation and development of the CSF took place in a spirit of partnership and led to a number of agreed reorientations of resources and priorities :

- whereas the initial Regional Development Plan was deficient in terms of compliance with some of the new regulatory requirements (e.g. it lacked quantified objectives, environmental impact assessments, evaluation of the previous CSF) these deficiencies were subsequently rectified;
- the basic investment oriented approach adopted in the CSF was inspired by a joint macro-economic analysis of the prospects for real convergence and an assessment of the serious cohesion gaps informed by various thematic and other evaluations and a quantification exercise. This established a dual approach for the CSF : mobilization of private capital to facilitate the completion of major infrastructures (especially trans-European networks) and the radical overhaul of industrial strategy to reverse the long term disinvestment trend in industry;
- a basic reorientation of resources and priorities saw increased investment in major infrastructures and in the productive sectors (industry, tourism, research and technology). A more enlightened approach to the energy sector is also to be noted with a strong shift from power generation to energy conservation and the development of renewable resources;
- an integrated approach has been pursued wherever possible, for example, in the field of local and rural development.
- increased resources were agreed in the field of education and training including preventative actions under the new Objective 4 (where the relevant measures comprise around 28% of the total ESF allocation);

- a recognition that delivery mechanisms are at least as important as policy formulation is reflected in the promotion of an entirely new concept of a Management Organization Unit (MOU) to provide new administrative mechanisms. This is coupled with an agreement on reform of the public works system and setting up of specific agencies for the implementation of the major projects within the CSF;
- it was also accepted that, although good foundations have been laid, the partnership would need to maintain vigilance to ensure that follow-up and implementation were also successful.

Innovations

Several of the foregoing aspects already constitute a new approach for the Gree CSF and exemplified for instance by :

- the undertaking of the Greek authorities to seek private sector partners to complete the two motorway corridors and to operate appropriate concessions on their full length;
- aspects reflecting the pursuit of the new industrial policy (encouragement of foreign investment/ aid to businesses with international potential such as "One stop shops" for potential investors;
- the creation of a system of certification of training establishments and trainers to enhance quality in tandem with additional resources for the education system especially secondary technical vocational education.

SPAIN

Background

On 1 July 1994, the Commission adopted the Community Support Framework (CSF) 1994-1999 for Spain. The total assistance from the Structural Funds through the CSF is 26.30 billion ECU :

European Regional Development Fund (ERDF)	15,944 (billion ECU)	(60.6%)
European Social Fund (ESF)	6,047	(23.0%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	3,314	(12.6%)
Financial Instrument of Fisheries Guidance (FIFG)	995	(3.8%)

Development Strategy and Priorities

The agreed development strategy was underlined by the key objective of modernising and stimulating the Spanish economy to enable it to participate as actively as possible in the Single Market and achieve the best possible level of economic integration by the year 2000. The key elements of the development strategy are as follows :

- the improvement of the productive system (industry, tourism, agriculture, fisheries, research and development, technical assistance);
- the development of human resources and the environment;
- less emphasis on infrastructure to reduce peripherality in view of the improvements made in the previous period;
- maintenance of expenditure on basic facilities (water and energy) at the same relative value (but doubled in absolute terms).

In pursuit of the development strategy the CSF defines the following priorities :

- territorial integration and articulation (road, rail telecommunication, etc.)	(24.8%)
- development of the economic fabric	(16.0%)
- tourism	(2.0%)
- agriculture and rural development	(8.4%)
- fisheries	(3.9%)
- infrastructure in support of economic activity	(18.9%)
- development of human resources	(25.0%)
- (technical assistance)	(1.0%)

Regulations

Amongst the key aspects of the Structural Funds Regulations contributing to the CSF were the :

- **prior appraisal of the CSF** which estimated that Community support would provide additional GDP growth of 0.4% per annum (0.7% with the national contribution) with the Objective 1 Spanish regions achieving a level GDP 2.5% higher than would otherwise have been the case. The CSF could also be expected to create or safeguard 210,000 jobs a year on average.
- **establishment of quantified indicators (90)** in order to ensure effective on-going and ex-post monitoring and evaluation. These were agreed in the difficult circumstances of having 13 different authorities (the State and 12 Autonomous communities) without global standard indicators.

Added Value

In partnership and negotiation a reorientation of resources and priorities was agreed in order to better meet the overall objective of the development strategy :

- additional emphasis was placed on improving and adapting the productive system in order to strengthen economic growth and job creation. The CSF devotes 34.5% of resources to this aspect compared to 24.3% proposed in the original Plan;
- the CSF also emphasises the contribution of human resources measures and improvement in the quality of life, which in conjunction with improvements in the productive system are essential for tackling unemployment. The CSF devotes 33.4% to such measures compared to 27.4% in the Plan;
- given the efforts made in this regard in the previous period 1989-1993, measures to improve Spain's links to the Community were reduced to 24.8% of the CSF compared to 34% proposed in the Plan. Likewise, the CSF maintains at the same relative value (but with a doubling in absolute terms), the resources devoted to basic facilities in respect of water and energy (7.3% of the CSF compared to 14.2% in the Plan);
- the use of global grants is much greater than in the previous period as is the level of technical assistance measures (125 Mecu) designed to help achieve the effective implementation of the CSF. Importance has been placed on clearly specifying the types of measures concerned whilst 8 Mecus may be used for technical assistance on the specific initiative of the Commission;
- in full agreement with the Spanish authorities greater efforts have been made to identify the amount of CSF resources devoted to each region in the case of multiregional operations; 90% of the financing of the Spanish CSF has been regionalized in this way;

- less successful outcomes primarily related to the lack of an integrated multifund approach (justified by the Spanish authorities by reference to their single Fund institutional structures) and a lack of concrete contributions from the European Investment Bank (EIB) and cohesion Fund in the CSF. Also, in general terms, the CSF could be regarded as overlong (276 pages) and complex, it should be borne in mind that a substantial level of funding is involved and the institutional arrangements are complex.

Innovations

Innovative measures in the context of the Spanish CSF include :

- | |
|---|
| <ul style="list-style-type: none">- the introduction of single Monitoring Committees covering all operations in a region;- the adjustment of co-financing rates according to the socio-economic situation of the region concerned. |
|---|

FRANCE

AVESNES, DOUAI, VALENCIENNES

Background

On 11 July 1994, the Commission adopted the Single Programming Document (SPD) for Avesnes, Douai, Valenciennes (French Hainaut). The total assistance from the Structural Funds through the SPD is 440 million ECU :

European Regional Development Fund (ERDF)	308.14 (million ECU)	(70.00%)
European Social Fund (ESF)	82.40	(18.73%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	49.46	(11.24%)

Development Strategy and Priorities

The main aim of the development strategy for the Objective 1 programme is to complement and significantly increase existing efforts within the region to reduce its disparities relative to the rest of the Nord-Pas-de-Calais Region and with respect to the Community average. Key objectives for 1994-1999 towards this aim are :

- to achieve employment growth 0.5% higher than the national average (compared to 0.7% a year lower over the previous five years and 1.5% lower over the previous ten years);
- to stabilize the region's total population (corresponding to a reduction of 40% in out-migration).

The priorities agreed to address the strategic aim and objectives were as follows :

- support and relaunching of economic activity	(32.22%)
- research, development and technology	(8.76%)
- development of human resources	(21.00%)
- regeneration of the region	(37.53%)
- (technical assistance)	(0.46%)

Regulations

Amongst the key provisions of the Structural Funds Regulations contributing to the development of the SPD were the :

- **results of the previous programming period (1989-1993)** which, despite some advances, confirmed continuing difficulties especially as regards unemployment in the field of economic development as well as the need for increased of training provision. In the area of rural development they highlighted the need in the new Objective 1 programme to strengthen support for young farmers as well as accompanying measures to promote diversification. Other lessons related, for example, to the regeneration of industrial sites and the need for further effort in urban areas;
- **expected impact** of the programme which would represent about 2% of the region's GDP and 12% of gross fixed capital formation whilst an additional 22,000 jobs could be expected(13,000 net) taking into account previous employment trends;
- **quantification of objectives** including a comprehensive table of key base date 1982-1993 and targets for 1999.

Added Value

As a result of the further analysis undertaken during the negotiation of the SPD as well as the results of the previous programming period (for example, the need to increase the competitiveness of SME's and to strengthen Research and Development and training) the partnership agreed to restructure the original priorities as well as making a number of other shifts of expenditure :

- an original priority for improving the areas accessibility was replaced by a measure for transport within a priority for the regeneration of the area with an accompanying reduction in ERDF resources for this aspect;
- a new measure was agreed to address problems in depressed urban areas;
- increases in resources were agreed for SME investment, ESF measures, RTD, development of craft industry and launching of small projects;
- the integration and coherence of measures (and between the Funds) has been strengthened, for example, ESF measures complement ERDF actions for industrial competitiveness, local and urban development.

Innovations

A number of new approaches in the context of the region feature in the new SPD, for example :

- in the environmental field, measures for environmental technology, research and training;
- under the newly extended cope of the ERDF for investment in education and health, preventive measures in respect of alcoholism and drug-taking and related health care facilities.

FRANCE CORSICA

Background

On 11 July the Commission adopted the Single Programming Document (SPD) 1994-1999 for Corsica. The total assistance from the Structural Funds through the SPD is 250 million ECU :

European Regional Development Fund (ERDF)	147,375 (million ECU)	(59.0%)
European Social Fund (ESF)	31,000	(12.4%)
European Agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section	64,000	(25.6%)
Financial Instrument of Fisheries Guidance (FIG)	7,500	(3.0%)

Development Strategy and Priorities

The main aims of the agreed development strategy (outlined in the Plan and followed in the CSF) are :

- the upgrading of structural facilities;
- the strengthening of productive activity;
- the spatial planning of the Island;
- an increase in social cohesion.

In pursuit of these strategic objectives the SPD defines the following development priorities :

- reducing isolation and support infrastructure	(27.2%)
- development of agricultural and marine products	(29.0%)
- university, research and new sources of energy	(5.0%)
- development of tourist and cultural heritage	(6.0%)
- environment	(12.3%)
- economic development	(7.3%)
- development of human resources	(12.4%)
- technical assistance	(0.8%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the development of the SPD were the :

- **results of the previous programming period (1989-1993)** which included an overall increase in those actively employed (from around 80,000 in 1989 to 85,000 in 1993) although the number of those employed in agriculture fell from 7,000 to 5860 during the same period. Other improvements related to infrastructure (including ports); tourism; sanitation improvements (serving 150.000 people); agriculture, fisheries and training.
- **environmental profile** of the region which stressed the virtually intact natural heritage of Corsica but also drew attention to a number of environmental threats (heavy tourist inflows, fires; waste disposal) which needed to be taken into consideration in the development of the SPD;
- **prior appraisal** of proposals which informed the development of the SPD, for example, the need to avoid widely disposed industrial zones in an area with already difficult communications; the need to integrate tourism into the other economic activities of the island.
- **expected impact** of the SPD including the estimated creation of 5,000 jobs, of which 1,000 within the tourism sector, GDP growth of 2.7% (2.1% between 1982 and 1990) whilst public investment would represent 4% of GDP of which the annual amount per inhabitant would reach 94,000 FF in 1999 (compared to 80,400 FF in 1990).

Added value

Discussions in the partnership during the development of the SPD led to a number of agreed changes of emphasis and reorientations of resources and priorities in pursuance of the overall strategy:

- the importance of tackling internal isolation was recognised but it was decided to concentrate resources on major networks, notably Ajaccio-Bastia which would form part of the transeuropean network as well as creating around 250-400 jobs;
- support to SMEs; the craft and service industries were strengthened compared to the proposals in the Plan (especially access to new technology to help diversify the activities of SMEs) with the investment expected to create or safeguard more than 5,000 jobs.
- environmental aspects were reinforced with a number of quantified targets put in place, for example, the number of inhabitants served by the sewage system to rise from the current 57% to 80% in 1999 as well as measures to preserve, restore and develop the natural environment.
- the emphasis of the approach to tourism was amended to better integrate the sector and protect natural and cultural sites.

Innovations

Despite the fact that the general approach in the SPD was an improved continuation of previous programmes a number of new measures are also evident :

- a new approach to tourism aimed at opening up access to the interior of the island;
- a measure for health facilities aimed at address the lack of hospitals in the interior regions of the Island;
- a measure for renewable energy has been implemented linking research, environment and energy aspects.

FRANCE

OVERSEAS DEPARTMENTS

Background

On 29 July 1994, the Commission adopted the Single Programming Documents (SPDs) for the French Overseas Departments of Guadeloupe, Guyane, Martinique and Réunion. The total assistance from the Structural Funds through the SPDs is 1,500 million ECU :

Guadeloupe : 345 million ECU (ERDF : 46.3 %; ESF : 30.3 %; EAGGF : 21.6 %; FIFG : 1.8 %)
Guyane : 65 million ECU (ERDF : 55.9 %; ESF : 21.7 %; EAGGF : 16.6 %; FIFG : 5.8 %)
Martinique : 330 million ECU (ERDF : 50.4 %; ESF : 27.0 %; EAGGF : 20.3 %; FIFG : 2.3 %)
Réunion : 660 million ECU (ERDF : 48.5 %; ESF : 27.7 %; EAGGF : 22.6 %; FIFG : 1.2 %)
Total : 1,500 million ECU

Development Strategies and Priorities

The main aims of the development strategies covered similar themes in all four regions:

- management, improvement and protection of the environment and ecologies (Guadeloupe, Guyane, Martinique);
- social cohesion and balance (Guadeloupe, Guyane, Réunion);
- reducing isolation (Martinique, Réunion);
- development of productive activities, infrastructure and employment (Guyane, Martinique, Réunion);
- development of human resources (Martinique);
- achieving spatial harmony and optimal land use (Guadeloupe, Réunion).

In pursuit of the development strategies the SPDs define the following development priorities :

Guadeloupe

- pursuit of social harmony	(20.8%)
- pursuit of a balanced economy	(43.2%)
- pursuit of spatial harmony	(22.7%)
- pursuit of ecological balance	(11.4%)
- technical assistance	(1.9%)

Guyane

- reducing isolation	(20,0%)
- industry crafts and services	(12,0%)
- tourism	(0.4%)
- agricultural resources and rural development	(16.6%)
- fisheries	(5.7%)
- support infrastructure	(22.6%)
- development of human resources	(21.7%)
- technical assistance	(0.1%)

Martinique

- tourism	(6.2%)
- industry	(8.2%)
- commerce and craft	(1.1%)
- spatial planning	(3.9%)
- reducing isolation	(9.5%)
- environment	(15.3%)
- development of human resources	(31.7%)
- agriculture	(20.3%)
- fisheries and aquaculture	(2.3%)
- technical assistance	(1.5%)

Réunion

- development of the productive sectors and competitiveness	(12,0%)
- reducing isolation	(8.9%)
- environment and support infrastructure	(27,0%)
- implementation of Objective 5(a) and development of agro-food network	(3.7%)
- diversification and development of agricultural products	(8.4%)
- support for agricultural and rural development	(10.4%)
- development of fisheries and aquaculture	(1.1%)
- qualification and development of human potential	(27.6%)
- technical assistance and regional cooperation	(0.9%)

Regulations

Whereas the Plans originally submitted contained a great deal of descriptive details; the emphasis of the partnership's subsequent discussions in terms of regulatory requirement was primarily directed towards the provision of :

- **evaluation** of the Plans;
- **prior appraisal** of the needs of the regions;
- **financial information**;
- the establishment of **quantified objectives**;
- the initial assessment of **additionality**.

All the SPDs now contain to varying extents, the elements required, including quantified objectives for key sectors (eg to increase average tourist stays in Guyane from 8-12 days to 15 days; 40 workshops to be constructed in Guadeloupe, etc...) as well as detailed environmental descriptions and environmental impact assessments.

Added Value

In the context of an initial request for assistance from the Structural Funds from the French Overseas Departments considerably in excess of the amounts available, discussion in the partnership was able to reach agreement on a number of ways to reorient priorities and resources:

- whereas a number of infrastructure projects were agreed, as well as completing the major works agreed in the previous period (water and airport projects), their overall relevance within the overall programmes was reduced compared to 1989-1993;
- a greater concentration of effort for the productive sector (proposals which averaged about 25% of the Funds were increased during the negotiations to around 30%) with an emphasis on the financial needs of small industry and
- substantially increased provision for human resources measures was agreed especially training (from 5% to 20% of the Funds);
- given the importance of the development of SMEs for the regions, additional emphasis was given to financial engineering and increases agreed for loan guarantee allocations, financial support for shareholders and other forms of assistance.

Innovations

The general thrust of the SPDs is towards a strengthened continuation of previous programmes although a number of new approaches are also evident :

- the extension of the tasks of the ERDF to include health gave rise to a number of small but innovative actions in this field such as health clinics serving the outermost villages in Guyane and diagnosis centres linked to Paris. Guadeloupe has a measure devoted to health facilities;
- proposals for collective transport systems to alleviate the congestion in Fort de France in Martinique (including water transportation) and Saint-Denis in Réunion;
- a special action geared to the smaller islands of the Guadeloupe archipelago using a global grant facility;
- new approaches to tourism aimed at opening up access to the interior of the island of Réunion;
- new measures for the management and protection of the environment and energy management has been agreed for Guyane;
- technical assistance has been organised on a multiregional basis within each of the SPDs.

IRELAND

Background

On 11 July 1994 the Commission adopted the Community Support Framework (CSF) 1994-1999 for Ireland.

The total assistance from the Structural Funds through the CSF is 5.62 billion ECU :

European Regional Development Fund (ERDF)	2,562 (billion ECU)	(45.6%)
European Social Fund (ESF)	1,953	(34.8%)
European Agricultural Guidance and Guarantee Fund (EAGGF)	1,058	(18.8%)
Financial Instrument of Fisheries Guidance (FIFG)	47	(0.8%)

Development Strategy and priorities

The main aims of the agreed development strategy are :

- ensuring the best long-term return for the economy by increasing output, economic potential and long term jobs;
- re-integrating the long-term unemployed, and those at high risk of becoming so, into the economic mainstream.

In pursuit of these strategic aims the CSF defines the following development priorities :

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| - the productive sector : strengthen the overall productive capacity of the economy and identify and support the development of key sectors with the best long-term growth potential | (44.6%); |
| - economic infrastructure : improve competitiveness by investing in economic infrastructure | (21%); |
| - human resources : develop the skills and aptitudes of those in work and those seeking work by both addressing the needs of the productive sectors of the economy and by integrating those who are marginalised and disadvantaged | (30.8%); |
| - local urban and rural development : harness the potential of local initiatives to contribute to economic development | (4.5%). |

Regulations

Examples of the key provisions of the Structural Funds Regulations contributing to the development of CSF were the :

- **results of the previous programming period** (1989-93) which suggest that by the end of the period the CSF had achieved a positive effect on a number of key economic indications and will make a significant and lasting difference to living standards, including GDP (+ 2.5%), GNP (+ 3.5%), Debt/GNP ratio (- 11.7%), total employment (+ 30,000) and value added (+ 2.5%). The GDP per capita in 1993 was 77.7% of the EU average compared with 64.1% in 1988;
- **prior appraisal of the CSF** which estimated that the global development effort would generate about 90,000 net jobs over the period with the CSF component contributing 0.4% per annum to employment growth. In term of GDP, the CSF would account for almost 1% of average annual growth;
- **quantification of specific objectives** for each priority agreed in partnership, with the indicators at the level of the CSF focusing on the final impact of expenditure rather than concentrating unduly on measuring physical inputs and outputs which will be unincorporated in the specific operational programmes;
- **equal opportunities between men and women** in the labour market whereby such supporting actions will account for 4% of ESF investment in the human resources operational programmes;
- **extended scope of the ERDF** to finance investments in the field of education and health applied notably forto the new hospital at Tallaght, Dublin, where a 35% Community contribution reflects the expected related impact on employment and other economic benefits;
- **environmental input** of the CSF with all major sectoral policies adhering to the principle of sustainable development with account also taken of the Irish government's CO² abatement strategy under the CSFs priorities.

Added Value

A number of examples demonstrate the added value resulting from discussion and negotiation within the partnership, for example to reorient resources and priorities in order to address the aims of the development strategy :

- it was agreed in partnership that the national public contribution should be kept at the level of the Plan, even though the latter was cut back in line with the Community allocation (which was 15% less than the Irish governement had originally assumed). Aid rates were also reduced to reflect priorities (eg. higher rates to main road corridors than to local roads) rather than on a prorata basis;
- the partnership also agreed that some shifts in the share of EU assistance to be allocated to the four major priorities were warranted, eg. increases to reflect the Plan's focus on indigenous enterprise and reinforcing aid for Local, Urban and Rural Development;

- an integrated approach to the Funds was taken for all programmes where relevant as well as, for example, ensuring that "culture" formed part of the tourism programme rather than comprising a separate programme;
- more emphasis was given to initial education and training, continued training, support services and sectoral programmes ie, investments in human capital aimed at boosting socio-economic development and employment creation (a shift of 117 Mecu) rather than towards measures to tackle social exclusion and training for the unemployed;
- an increase was agreed in negotiation for research and development with a better balance in favour of private/commercial activity as against government supply-led work.

Innovations

Whilst it is to be expected that the priorities and operations are to a large extent a continuation and extension of those identified in the previous CSF, innovative measures in the new CSF include :

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| <ul style="list-style-type: none"> - full incorporation of measures for Business and Innovation Centres (BICs) and for Seed Capital which were both introduced on a pilot basis in 1993; - in-company research and development (also previously a pilot measure) (including renewable energy and clean technologies) - measures to promote energy efficiency and the development of Combined Heat and Power (CHP) (not previously featured in the CSF for Ireland); - innovatory actions in the human resources field to reduce early school-leaving, management development of SMEs, enhancing equal opportunities, in-company training, training in industry and effective reintegration of long-term unemployed. |
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ITALY

Background

On 29 July 1994 the Commission adopted the Community Support Framework (CSF) 1994-1999 for Italy. The total assistance from the Structural Funds through the CSF is 14.86 billion ECU :

European Regional Development Fund (ERDF)	9,660 (billion ECU)	(65.00%)
European Social Fund (ESF)	2,739	(18.42%)
European Agricultural Guidance Fund (EAGGF) Guidance Section	2,228	(15.00%)
Financial Instrument of Fisheries Guidance (FIFG)	233	(1.60%)

Development Strategy and Priorities

The CSF on the whole follows the strategic approach outlined in the Plan which, in the context of the cessation of special intervention in the Mezzogiorno defined the following key strategic aims :

- development of productive activity and productivity : improved efficiency and productivity of industrial processes, distribution of innovative technology and promotion of RTD and SME's;
- improvement of the economic climate and infrastructure;
- a policy for employment and human resources aimed at maintaining and expanding employment including retraining;
- an improved standard of living, particularly with regard to community services.

In pursuit of the development strategy the CSF defines the following development priorities :

- communications	(14.5%)
- industry, crafts and services for business especially SMEs	(24,9%)
- tourism	(5,8%)
- development of agricultural resources and rural development, diversification	(15,8%)
- fisheries	(1,7%)
- infrastructure support for economic activities	(21,8%)
- development of human resources	(14,9%)
- (technical assistance)	(0,6%)

Regulations

Amongst the key provisions of the Structural Funds Regulations contributing to the CSF were the :

- **Results of the previous programming period (1989-1993)** where the CSF accounted for 6.2% of all operations in the regions of the Mezzogiorno in the same period. Aggregate impact was estimated at an increase in added value of 1,670 Lit/Billion per annum with an additional employment flow of 40,000 permanently employed full-time workers, the contribution to the total employment figure for the Mezzogiorno being 0.6%. The gap between per capita GDP in the Southern and Central Northern regions was reduced from 40.5% in 1989 to 39.8% in 1993, a modest but significant reduction given the widening trend of the 1980's.
- **quantification of objectives**, together with or greater emphasis on ex ante and ex-post evaluation, as well as monitoring, in order to ensure effective implementation of the CSF
- **Initial assessment of additionality** whereby the Italian authorities have indicated their intention to maintain the average annual level of their eligible public expenditure at 17,329 million ECU (1994 prices) or 16% higher than estimated for the previous programming period. The Commission will need to verify on a regular basis that the Member States real level of structural expenditure is being maintained in accordance with this principle of additionality.

Added Value

A number of examples demonstrate the added-value resulting from discussion and negotiation within the partnership, for example to reorient resources and priorities. These examples relate to both differences of approach compared to the previous programming period as well as with regard to the Plan originally submitted by the national authorities :

- the Italian CSF has been particularly oriented to reflect the themes of the White Paper on Growth Competitiveness and Employment, comprising improvements to the productive system (industry, tourism, agriculture, fisheries, research and development), technology transfer in order to strengthen economic growth and create jobs;
- Structural Funds resources for training and employment as well as those linked to productive activities have been increased from around 64% of the CSF 1989-1993 to almost 67% of the CSF 1994-1999 (the resources for RTD have in fact been doubled with respect to the previous period from 3.3% to 6.6% of the total CSF); accompanying environmental resources were also increased to 5% of the new CSF as a result of negotiation compared to 3.5% in the Plan;
- the proportion of resources for basic infrastructure was reduced in terms of the Plan and the CSF 1989-1993 to take account of previous activity in this area although expenditure on transport infrastructure (mostly transeuropean rail networks) was increased;
- increased use will be made of the already established global grant facility;
- although the level of resources devoted to energy measures was reduced compared to the CSF 1989-1993, a particular priority has been given in the new CSF to renewable energies, especially in the regions;

- a variety of measures was agreed for helping the SME sector, especially the craft industry (293 MECUs); services to business (262 MECUs), local development and crisis zones (567 MECUs);
- improved systems for implementation were agreed including measures for the training of public administrators together with an increase in resources for technical assistance, monitoring and evaluation (88 MECUs in the CSF compared to 52 MECUs in the Plan). The latter will be facilitated by the establishment in partnership of a number of quantified objectives for the new period;
- better integration of the Structural Funds has been achieved; it is estimated that 40% of the CSF involves joint financing by several Funds together with a significant reduction in the number of programmes in line with the aim of simplification;
- despite the goodwill of the European Investment Bank, no clear information was available concerning the scope for EIB loans within the CSF whilst the degree of detail at project level required by the Bank was also often not available at the level of the CSF or programmes.

Innovations

Several of the foregoing aspects already constitute a new approach to programming; other specific innovative measures in the context of the CSF include :

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| <ul style="list-style-type: none"> - measures covering health infrastructure have been agreed in the context of the newly extended scope of the ERDF; - concentration of operations in the infrastructure domain are those belonging to the transeuropean networks (motorways, railways); - measures for renewable energy are included within the CSF which were previously only encompassed by the REGEN Community Initiative; - special attention given to local development in large southern urban centres (Naples, Bari, Palermo, Catania) and other deprived areas of Mezzogiorno. |
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NETHERLANDS FLEVOLAND

Background

On 29 June 1994, the Commission adopted the Single Programming Document (SPD) 1994-1999 for Flevoland. The total assistance from the Structural Funds through the CSF is 150 million ECU :

European Regional Development Fund (ERDF)	80.0 (million ECU)	(53.3%)
European Social Fund (ESF)	40.0	(26.7%)
European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section	21.5	(14.3%)
Financial Instrument of Fisheries Guidance (FIFG)	8.5	(5.7%)

Development Strategy and Priorities

The strategy chosen for Flevoland aims to :

- to contribute to the attainment of the agreed development objectives agreed (improving employment prospects and standard of living; enhancing the competitiveness of the local business sector and attracting inward investment; improving economic and social cohesion; improving labour market supply and demand; protecting and enhancing the environment;
- to make a direct contribution to the creation and maintenance of regional employment;
- to promote a continuing increase in the regional gross value added;
- to respond to the current strengths and weaknesses of the region.

In pursuit of the development strategy the SPD defines the following development priorities :

- business development measures	(14,68%)
- tourism development	(3,45%)
- agriculture and rural development	(14,17%)
- fishing	(5,50%)
- human resources development	(18,65%)
- commercial infrastructure	(11,34%)
- communications	(20,95%)
- research and development	(9,60%)
- (technical assistance)	(1,66%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the SPD were the :

- **environmental situation** of the region including a global assessment of the environmental impact of projects and the integration of environmental concerns within the latter;
- **appraisal of previous socio-economic policy actions** covering the outcome of earlier development efforts in key sectors;
- **initial assessment of additionality** which was demonstrated through the commitment of the Flevoland authorities to maintain an average Level of eligible public expenditure for 1994-1999 of 164,6 million ECU, or an increase of 31% in real terms over the previous period.

Added Value

Discussion in the partnership provided a number of examples of added-value to the development and orientation of the SPD, for example :

- new chapters were developed covering strategy, targets and financing arrangement and information regarding disparities and development gaps was provided during analysis of the original Development Plan;
- the synergy and integration between the different priorities was enhanced in the SPD and clear targets were set for the operational objectives;
- additional emphasis was given to the role of SMEs, and new priorities covering communications and tourism development were devised.

PORTUGAL

Background

On 28 February 1994, the Commission adopted the Community Support Framework (CSF) 1994-1999 for Portugal. The total assistance from the Structural Funds through the CSF is 13.98 billion ECU :

European Regional Development Fund (ERDF)	(62.4%)
European Social Fund (ESF)	(22.5%)
European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section	(13.5%)
Financial Instrument of Fisheries Guidance (FIFG)	(1.6%)

Development Strategy and Priorities

The agreed development strategy is based on the following main aims :

- to provide the infrastructure that is still lacking as part of the modernization of the industrial fabric, including a move from labour-intensive activities to capital and knowledge-based activities;
- to achieve growth supported by a modification in the structure of the economy and employment in line with international markets;
- to place emphasis on actions which improve the quality of life together with changes which ensure the competitiveness of the economy.

In pursuit of the aims of the development strategy the CSF defines the following development priorities :

- upgrading of human resources and employment	(15,5%)
- strengthening the competitiveness of the economy	(59,0%)
- promotion of the quality of life and of social cohesion	(7,0%)
- strengthening the regional economic base	(18,5%)

Regulations

Amongst the key provisions of the Structural Funds Regulations taken into account in developing the CSF were the :

- **results of the previous programming period (1989-1993)** which, for example, indicate that Community co-financing (approx. 8 billion ECU) enabled a total investment of more than 17 billion ECU with the CSF representing 27% of global investment in the period. Community financing is also estimated to have contributed 3% to Portuguese GDP with implementation of the CSF having achieved a real convergence of 3% compared to the average Community GDP (reduction of 25% of annual public deficit and 114% in the weight of public debt on GDP). Co-financed expenditure helped create 80,000 jobs whilst more than a million people benefited from training under the ESF;
- **expected socio-economic impact** which included an estimated increase in annual GDP due to the CSF of 0,5% with Portuguese GDP 3% higher than it would have been without the Community contribution. Each year it is estimated that 90,000 jobs would be created or safeguarded with the CSF permitting an additional 10% per year of gross fixed capital formation. At sectoral level, the construction industry would for example grow by 3,7% a year on average with 2/3 due to Community assistance. It is also estimated that 19% of Community funding would take the form of imports of which 70% would originate from other Member States;
- **initial assessment of additionality** which was demonstrated through the commitment of the Portuguese authorities to maintain an average annual level of eligible public expenditure for 1994-1999 of 4,658 million ECU, or an increase of 23% in real terms over the previous period.
- **quantification of objectives** for each of the priorities, for example, a target of increasing the participation of 19-35 year olds in higher education to 35 or 40%; in term of competitiveness, a 70% coverage of imports by exports in 1999 compared to 66,8% in 1992 whilst, as regards quality of life, an increase from 77% in 1990 to 9% in 1999 of the population connected to the public water supply;
- **environmental impact** of the CSF which is outlined together with a description of the main environmental objectives (water supply, collection and treatment of waste, reduction in pollution, etc.).

Added Value

Discussion in the partnership provided a number of examples of added-value to the development and orientation of the CSF :

- a transparent approach was promoted as well as the establishment of quantified objectives in key areas (such as tourism, environment, transport, development of the regions and human resources);
- a clear financial priority was agreed for the areas of education and environment in the context of national budgetary pressures to reduce expenditure; for example, it is estimated that the Structural Funds resources for the environmental measures, together with the Cohesion Fund, will virtually cover the public expenditure required to implement Community Environmental Directives linked to economic development;
- research policy was oriented towards technology transfer whilst reducing financial effort in terms of infrastructure (improving the quality of research as promoting the latter within the private sector, especially industry);
- an integrated approach was established for urban regeneration.

UK - HIGHLANDS AND ISLANDS

Background

On 29 July 1994 the Commission adopted the Single Programming Document (SPD) for Highlands and Islands. The total assistance from the Structural Funds through the SPD is 311 million ECU :

European Regional Development Fund (ERDF)	180.0 (Million ECU)	(58.0%)
European Social Fund (ESF)	55.2	(17.7%)
European Agricultural Guidance and Guarantee Fund (EAAGF) Guidance Section	56.0	(18.0%)
Financial Instrument of Fisheries Guidance (FIFG)	19.8	(6.3%)

Development Strategy and Priorities

The strategic aim of the programme is "to promote the internal and external cohesion of the Highlands and Islands region over the period 1994-1999, primarily by increasing and sustaining GDP growth rates and reducing unemployment and underemployment". The overall aim is translated into four detailed objectives :

- to strengthen the region's economy;
- to ameliorate the problems of peripherality and insularity;
- to strengthen the economic and social stability of communities;
- to preserve existing environmental quality and ensure environmental sensitivity of future economic development.

To attain these objectives the following development priorities were established :

- business development	(23.18%)
- tourism, Heritage and Cultural development	(7.78%)
- preservation and enhancement of the environment	(5.24%)
- development of the primary sector and related food industries	(22.10%)
- community development	(15.10%)
- communications and services networks to support business and community development	(25.60%)
- (technical assistance)	(1.00%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the development of the SPD were the :

- **experience of past programmes and initiatives** which provided lessons for the new Objective 1 programme, for example, geographic targeting to underpin project selection; the requirement for expenditure on basic infrastructure to demonstrate direct economic benefits, the development of local communities;
- **prior appraisal** of the document which suggests that the SPD could be expected to :
 - broaden the industrial structure;
 - promote enterprise and lifelong learning skills;
 - strengthen the region's key sectors;
 - enhance the business support networks;
 - increase environmental awareness;
- **expected socio-economic impact** of the programme which in particular sets out to raise GDP per capita by up to 4 % and to provide an additional 2,500 full-time jobs by the end of 1999;
- **environment** which is of high quality in the Highlands and Islands and whose importance has been reflected in all the priorities and measures of the SPD.

Added Value

Discussion in the partnership provided a number of examples of added value to the development and orientation of the SPD :

- the considerable number of indicative actions (134) initially presented in the Regional Plan were reorganized during the negotiation to form a coherent set of measures within the framework of priorities. Output and impact indicators were developed for the global objectives for GDP and employment creation as well as for the strategic objectives and for each measure. These were all quantified where possible;
- a geographic dimension was added to the programme in order to reflect the widely disparate economic and social characteristics of the region. Geographic targeting will be carried out by the Programme Monitoring Committee to ensure the concentration of resources in areas of greatest need;
- the integration and coherence of measures (and between the Funds) has been strengthened, for example specific training for business development skills has been located within the business priority rather than within a separate Human Resources priority.

Innovations

A number of new approaches in the Highlands and Islands context feature in the SPD, for example :

- a new emphasis on the need for sustainable development and measures to protect or enhance the environment;
- greater emphasis on business development and involvement and investment by the private sector;
- the extension of training to schemes for the employed and an emphasis on demand led business and other specialised training needs
- a commitment to develop a more sophisticated project selection procedure particularly to reflect the added geographic dimension.

UK - MERSEYSIDE

Background

On 29 July the Commission adopted the Single Programming Document (SPD) for Merseyside. The total assistance from the Structural Funds through the SPD is 816 million ECU :

European Regional Development Fund (ERDF)	475 Million ECU	(58.2%)
European Social Fund (ESF)	338	(41.4%)
European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section	3	(0.4%)

Development Strategy and Priorities

Seven strategic objectives were chosen for Structural Fund action :

- investing in industry;
- investing in people;
- enhancing technology;
- increasing employment opportunities;
- assisting Merseyside's role as a major gateway;
- building on Merseyside's strengths in the cultural/media/tourism field;
- maintaining a high quality of life,

and which are addressed by five key "drivers for change" : - the key corporate sector enterprises in the region, the home grown small business sector, the knowledge-based industries and advanced technologies, the cultural, media and leisure industries, the people of Merseyside.

The Objective 1 programme consists of the following priorities drawn up on the basis of the drivers for change :

- inward investment and key corporate business development	(22.9%)
- indigenous enterprise and local business development	(18.4%)
- knowledge-based industries and advanced technology development;	(7.6%)
- developing the cultural, media and leisure industries	(6.4%)
- action for the people of Merseyside	(44.2%)
- (technical assistance)	(0.5%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the development of the SPD were the :

- **results of previous initiatives** which provided a number of key lessons for the design and balance of the new Objective 1 programme, for example, the need for increased provision of industrial sites and premises and of business development measures and for the emphasis of transport provision to be shifted from road towards public transport, the port and the airport. Tourism - related projects should be combined with better appraisal of economic benefits whilst ESF support should be more concentrated on schemes targeted on specific problems;
- **prior appraisal of the SPD** which suggested that Structural Funds resources would help boost Merseyside's growth rate by 25% and enable a net increase of over 25,000 jobs by 1999, whilst the Objective 1 programme should also attract an extra 1.3 - 1.8 billion ECU of private sector investment;
- **environmental profile** of the region setting out the current environmental situation; the estimated impact of development and the legal and administrative framework including the designation of the "competent authorities".

Added Value

Discussion in the partnership led to a number of examples of added value to the development and orientation of the SPD :

- the effectiveness of the Funds will be increased by the geographical targeting of resources towards areas of need and opportunity; whilst the identification of the drivers for change was crucial for the establishment of the priorities and direction of the programmes as a whole; a restructuring of the priorities was undertaken in order to better reflect the key drivers for change and the quantified outputs of the programme;
- ESF and ERDF were fully integrated so that ESF measures contributed to each priority;
- an increased allocation of ERDF resources was agreed for RTD activity linked to knowledge-based industries (from 22.85 MECU in the Plan to 42 MECU in the SPD with an increased and specific allocation of 20 MECU for the ESF);
- the emphasis was strengthened with respect to the potential of the cultural and tourism industries.

Innovations

A number of new approaches are of particular note in the context of Merseyside for example :

- geographical targeting on deprived areas through the "pathways to integration" measure with an emphasis on local economic partnerships to deliver the approach;
- the establishment of a Labour Market Strategy group to monitor and advise the Monitoring Group.

UK - NORTHERN IRELAND

Background

On 29 July 1994, the Commission adopted the Single Programming Document (SPD) for Northern Ireland. The total assistance from the Structural Funds through the SPD is 1,233 million ECU :

European Regional Development Fund (ERDF)	677.0 (million ECU)	(55%)
European Social Fund (ESF)	354.0	(29%)
European Agricultural Guidance and Guidance Fund (EAGGF) Guidance Section	186.9	(15%)
Financial Instrument of Fisheries Guidance (FIG)	15.1	(1%)

Development Strategy and Priorities

To meet the stated aim of the Northern Ireland Plan: "To promote economic and social cohesion both within Northern Ireland and relative to the other regions of the European Community" the strategic effort is being directed at three broad categories of activity :

- economic growth (comprising the strategic themes of business and technological development and agricultural and rural development);
- internal cohesion (human infrastructure and Community infrastructure)
- external cohesion (spatial coherence, cross-border coherence).

These strategic themes support the following development priorities :

- promoting economic development and competitiveness	(25.56%)
- investment in communities and people	(25.62%)
- reducing the effect of peripherality	(26.05%)
- the development of agriculture, fisheries and the rural economy	(17.44%)
- protection and enhancement of the natural and built environment	(5.20%)
- (technical assistance)	(0.13%)

Regulations

Examples of key provisions of the Structural Funds Regulations contributing to the development of the SPD were the :

- **results of the previous programming period (1989-1993)** which indicate a short-run regional multiplier effect from the CSF of between 1.15 and 1.4 which will generate additional income/employment within the economy. This is in the context of GDP growth in Northern Ireland of 0.9% per year between 1989 and 1992 compared with a fall of 1.1% for the UK as a whole although per capita GDP fell from just over 75% of the EC average to 74% by 1991. Total employment increased but long term unemployment stood at 52.4% (July 1993) of total unemployment, compared with 37% for the UK as a whole.
- **expected socio-economic impact** of the new SPD where it is estimated that total employment will increase by about 12000 net jobs (2%) with a marginal increase in per capita GDP from 81% to 82% relative to the UK average. Manufacturing employment will be maintained, gross exports will increase by 20%, and value added per employee will increase by 18%. Business expenditure on RTD as a % of GDP will be raised to the UK average with tourism revenue and employment projected to increase by approximately 50%.
- **environmental aspect of operations** which will be addressed through assessment indicators to measure their impact on the environment whilst projects will have to meet criteria to ensure that any adverse environmental impact is small in relation to the benefits and that alternative means of implementation have been considered. Government will also ensure that the appropriate environmental authorities are involved in all stages of implementing the SPD.

Added Value

Discussion and negotiation in the partnership led to a number of positive outcomes including significant improvements to the quantification of targets and objectives and an enhanced level of detail at the level of sub-programmes and measures. Other developments, for example, related to the allocation of resources, (including between the different Funds), and the restructuring of priorities :

- although only a relatively small shift of ERDF resources (38 MECU) was made, within the ESF, 167 MECU was moved from the original Human Resources priority to the sectoral priorities achieving a balance between "economic" and "social" actions of 40/60 (compared to 20/80 in the plan). A small shift of 3 MECU was also made between the EAGGF and FIFG to increase fisheries provision;
- at the sectoral level more emphasis was achieved for 'soft' support such as marketing, the provision of venture and seed capital and the promotion of innovation. A reduction in the overall tourism allocation was counterbalanced by an increased budget for tourism training;
- the targeting and refocusing of existing national schemes under the ESF was improved by regrouping and devising new measures and targeting training measures on specific groups;

- a coherent strategy document for transport was agreed rather than a list of individual projects, whilst increased provision was also agreed for gas and electricity interconnectors.
- agreement was not however achieved by the partners for a proposals, for example, to include the Social Partners in the monitoring Committes (although they will be kept informed) nor are independent external evaluators to be provided for the evaluation of all sub-programmes.

Innovations

As expected, the priorities and measures for 1994-1999 show a considerable degree of continuity with the previous period but there are, however, new measures in the fields of energy, local and rural development and the environment :

- completion of the major part of the gas pipeline between Northern Ireland and Scotland aimed at ending the isolation of the region's energy network and improving energy efficiency;
- a new measure to assist District Councils in the promotion of local economic development by supplementing their powers to raise 2 p in the £ on local rates, together with a new measure to assist community infrastructure;
- rural development will be funded for the first time drawing on the success of the LEADER initiative;
- a new priority has been introduced for the improvement of the environment dealing with water supply, waste water and environmental protection whilst measures have also been introduced to safeguard and enhance the rural environment.

OBJECTIVE 2 - OBJECTIF 2 - ZIEL 2
THE RESULTS BY MEMBER STATES
RÉSULTATS PAR ÉTATS MEMBRES
RESULTATE PRO MITGLIEDSTAAT

BELGIUM

Background

In the course of December 1994, the Commission adopted the four Single Programming Documents (SPDs) for the Belgian regions of **Limburg**, **Turnhout**, **Aubange** and **Liège** eligible for assistance from the Structural Funds under Objective 2.

The total contribution of the Funds amounts to **MECU 160** (ERDF 81.25%; ESF 18.75%) distributed as follows :

	MECU		MECU
Limburg	46.8	Liège	88.5
Turnhout	23.4	Aubange	1.3

Regional Development Strategies and Expected Impact

The strategic aim of the SPDs for both **Limburg** and **Turnhout** is to improve employment prospects and living standards for the regional labour force by promoting the economic potential of the region without damaging the environment.

The overall target for each region is to achieve a growth of 10,000 additional jobs by 1998, (including reducing by 2% the difference in employment level between **Turnhout** and **Flanders** as well as between the different parts of both regions).

The objective in **Liège** is to concentrate on the manufacturing sector and draw in additional services. The strategy would be to build on the undoubted strengths of the metal and agro-food industry through a triple action of investment, R&D and staff training. The target of stabilising unemployment at its 1992 level will require the creation of around 1,300 to 2,000 jobs a year.

Analysis of development potential in the region of **Aubange** determined a strategy aimed primarily at diversifying the productive fabric, by local development and expansion of existing activities, strengthening links between different economic actors and giving priority to training and technology. Compared to a 10 year target set in 1985 of 1500 new jobs in the Belgian part of the region, almost 1200 had been created as at June 1994 leaving a balance of 300 to be achieved by 1995.

Development Priorities

In both **Limburg** and **Turnhout** three development priorities were selected for Community support :

- Promotion of the industrial sector, in particular SMEs
- Promotion of the market services sector, especially business services, transport, telematics and tourism
- Enhancing the region's environment

The following development priorities were agreed for Liège :

- Revitalization and diversification of the industrial fabric
- Promotion of technological innovation
- Strengthening the attractiveness of the region
- Support for growth and employment

In Aubange, measures (Welcome facilities, promotion of technological innovation and support for SME development) are being undertaken within one priority for :

- Support for Business Development and Employment Growth

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure as well as the percentage allocation by region :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructure)
MECU 76 (47.5%)
(Limburg 19%; Turnhout 11%; Liège 70%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D)
MECU 52.8 (33%)
(Limburg 38%; Turnhout 13.5%; Aubange 7%; Liège 47.8%)
- Planning and regeneration (Industrial sites, Urban areas)
MECU 18.8 (11.75%)
(Limburg 38%; Turnhout 30.6%; Aubange 5.7%; Liège 26.7%)
- Environmental Protection (Clean technologies, recycling etc.)
MECU 8.1 (5%)
(Limburg 37.8%; Turnhout 15.9%; Liège 46.3%)
- Technical Assistance
MECU 4.1 (2.75%)

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DENMARK

Background

In the course of December 1994, the Commission adopted the two Single Programming Documents (SPDs) for the Danish regions of **North Jutland** and **Lolland** eligible for assistance from the Structural Funds under Objective 2.

The total contribution of the Funds amounts to MECU 56 (ERDF 79%; ESF 21%) distributed as follows :

	MECU
North Jutland	46.48
Lolland	9.52

Regional Development Strategies and Expected Impact

The overall strategic aim of the SPD for **North Jutland** is to increase the number of companies and jobs and to reduce the structural vulnerability of the area by increasing the competitiveness of the businesses of the area. Some of the estimated results of the activities of the SPD include the creation of approximately 3,000 new jobs, and an increase in the turnover of SMEs of MECU 400 (cf. which MECU 175 in exports) with 70% establishing new export activities and 60% introducing new technologies or productions. The strategy for **Lolland** focuses on developing the internal resources of the region together with the strengthening of contacts with national and international business and R&D centres. Estimated results include the creation and presentation of approximately 400 jobs, training of 600-650 people with 40 SMEs participating in training activities.

Development Priorities

In **North Jutland** the strategic aim is addressed by three development priorities :

- Internationalization (manufacturing)
- Business development (service industry)
- Tourism

The main priority in Lolland is for :

- Business development

with the focus on SMEs and the development of tourism.

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure as well as the percentage allocation by region :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructure)
MECU 23.38 (41.75%)
(North Jutland 84%; Lolland 16%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D)
MECU 31.64 (56.50%)
(North Jutland 83%; Lolland 17%)
- Technical Assistance MECU 1.00 (1.75%)

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FRANCE

Background

In the course of December 1994, the Commission adopted the 19 Single Programming Documents (SPDs) for the French regions eligible under Objective 2.

The total contribution of the Funds amounts to MECU 1,763.2 (ERDF 82,4%; ESF 17,6%) distributed as follows :

	MECU		MECU
Alsace	19,6	Aquitaine	107,1
Auvergne	61,1	Basse-Normandie	57,8
Bretagne	89,7	Bourgogne	49,4
Centre	24,2	Champagne-Ardennes	77,5
Franche-Comté	47,8	Haute-Normandie	146
Languedoc-Roussillon	146	Lorraine	127,4
Midi-Pyrénées	42,6	Nord-Pas-de-Calais	318,1
Pays de la Loire	135,9	Picardie	122,4
Poitou-Charentes	53,3	Rhône-Alpes	99,7
Provence-Alpes Côte d'Azur	113,1		

Regional Development Strategies and Expected Impact

The strategic aim underlying the interventions of the Structural Funds in these regions, as developed in partnership, concerns the creation of employment. On the one hand, the structure of the local jobs market needs to be modified whilst increasing the level of qualifications in the eligible regions; on the other hand it is necessary to promote the development of new jobs in the light of the White Paper on Growth, Competitiveness and Employment.

The approach taken varies according to the regions concerned.

- In the North and East regions (Haute Normandie, Nord-Pas-Calais, Picardie, Champagne-Ardennes, Lorraine, Alsace, Franche-Comté) following decline in traditional industrial sectors, the accent is placed on the diversification of economic activities, on the development of technology transfer and research for the benefit of business and improvement in living standards and the environment. The expected impact on employment is, for example, around 31,000 jobs in Nord-Pas-de-Calais, 21,500 for Lorraine, 2,000 for Franche-Comté and 1,000 for Alsace.
- For the regions in the West (Basse-Normandie and Pays de la Loire) the strategy is directed towards training for businesses, the diversification of economic activities, especially into the tourist sector and to convert or modernize port facilities. The impact in terms of employment creation, as specified in the SPDs, is about 2,000 jobs in Basse-Normandie and 10,000 in Bretagne.

- For Central and South West regions (**Poitou-Charentes, Aquitaine, Centre, Bourgogne, Auvergne**) the accent is on supporting and strengthening the competitiveness of existing sectors in order to limited anticipated job losses.
- In the regions of the South (**Midi-Pyrénées, Languedoc-Roussillon, Provence Alpes-Côtes d'Azur, Rhône-Alpes**) the priority is for consolidating the fabric of businesses and strengthening the region's potential, especially through improvements to the ports and in the tourism sector. The number of jobs created or safeguarded is forecast at 5,000 for Midi-Pyrénées, 8,500 for Languedoc-Roussillon and 12,900 for Provence-Alpes-Côtes d'Azur.

Development Priorities

In addressing the strategic aims, virtually all the SPDs encompass the following main development priorities :

- Revival of economic activity, including adapting existing economic and industrial potential - **all regions**
- Diversification of activities (eg. **Aquitaine, Pays de la Loire**)
- Enhancing the environment and attractiveness of the region (eg. **Nord Pas de Calais, Midi-Pyrénées**)
- Strengthening business fabric and competitiveness and regional support for companies (eg. **Centre, Basse-Normandie**)
- Training and research for business, including technology transfer (eg. **Auvergne, Poitou-Charentes**)
- Human resources (eg. **Franche-Comté, Bourgogne**)
- Modernizing tourist facilities (eg. **Provinces-Côtes d'Azur, Lorraine**)
- Improving port facilities (eg. **Bretagne, Haute-Normandie**)

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructures)

MECU 710	(40%)
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- Human Resources (Training, aids to employment, Training centres, equipment, R&D)

MECU 614	(35%)
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- Planning and regeneration (Industrial site, Urban areas) MECU 313 (18%)
- Environmental Protection (clean technologies, recycling, etc.)

MECU 103	(6%)
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- Technical Assistance

MECU 25	(1%)
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GERMANY

Background

In the course of December 1994, the Commission adopted the 9 Single Programming Documents (SPDs) for the German regions of **Bayern**, **Berlin**, **Bremen**, **Hessen**, **Niedersachsen**, **Nordrhein-Westfalen**, **Rheinland-Pfalz**, **Saarland** and **Schleswig-Holstein** eligible under Objective 2.

The total contribution of the Funds amounts to MECU 733 (ERDF 70%; ESF 30%) distributed as follows :

	MECU		MECU
Bayern	14.66	Nordrhein-Westfalen	361.37
Berlin	158.33	Rheinland-Pfalz	23.46
Bremen	46.91	Saarland	49.11
Hessen	21.26	Schleswig Holstein	15.39
Niedersachsen	42.51		

Regional Development Strategies and Expected Impact

The key strategic aim in **Bayern** is to reduce dependence on traditional industry through diversification especially to strengthen SMEs and promote new businesses.

Berlin's strategy aims to stop the process of de-industrialization and assume a locomotive function for East Berlin and the surrounding area, including the most of its long tradition in the field of science and technology and in its renewed role as capital city.

Bremen's strategy to overcome structural weakness is through diversification, strengthening of the tertiary sector and improving its location factors, including protection and improvement of the environment. In **Hessen** a supply-oriented strategy aims to improve the availability of industrial land, investment in human capital, improving technology transfer and increasing peoples' awareness of the region.

For **Niedersachsen** the strategy pursues two main aims : tackling job losses resulting from structural change; creation of a stable and competitive economic structure. The regional development strategy for **Nordrhein-Westfalen** has been developed in the context of additional contraction in the coal and steel sectors, necessitating accompanying structural policy measures, the promotion of alternative activities (eg. innovation and technology transfer, strengthening the service sector and skills training).

In **Rheinland-Pfalz** the strategic objectives support further expansion of infrastructure associated with the economy, technology transfer and technology-for example, oriented vocational training and an increase in the workforce's qualifications. **Saarland's** development objective includes consolidating specific regional advantages, improving the accessibility and attractiveness of the region and promoting technologically demanding, high value production methods and the service sector. Likewise, in **Schleswig Holstein**

the main economic policy is the creation of long-term high grade alternative jobs with efforts to ensure the reuse of industrial wasteland and former military sites.

The expected impacts in the Länder primarily relate to the maintenance creation of new jobs and businesses (eg. 4,500-14,000 additional jobs in **Bremen**; 35-40 new businesses in **Bayern**); the establishment of new industrial sites (eg. 50 ha and 250 ha of industrial sites in **Saarland** and **Niedersachsen** respectively); training (eg. 600 trained through ESF vocational training programmes in **Bayern**) and environmental investments.

Development Priorities

In addressing the above strategic aims the Single Programming Documents encompass the following development priorities :

- Establishment, conversion and expansion of industrial sites and start-up centres for SMEs (eg. **Berlin, Bayern, Rheinland-Pfalz**)
- Infrastructure creation (inc. SMEs) - (eg. **Nordrhein Westfalen, Hessen**)
- New Technology (inc. technology transfer) - (eg. **Saarland, Bremen**)
- Qualification of workforce (inc. career guidance) - (eg. **Bremen, Hessen**)
- Environmental Investment (eg. **Berlin**)
- Research and Development (eg. **Niedersachsen**)

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructures) **MECU 245 (33%)**
- Human Resources (Training, aids to employment, Training centres, equipment, R&D) **MECU 293 (40%)**
- Planning and regeneration (Industrial sites, Urban areas) **MECU 132 (18%)**
- Environmental Protection (clean technologies, recycling, etc.) **MECU 52 (7%)**
- Technical Assistance **MECU 11 (2%)**

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ITALY

Background

In the course of December 1994, the Commission adopted the 11 Single Programming Documents (SPDs) for the regions of Italy eligible under Objective 2.

The total contribution of the Funds amounts to MECU 684 (ERDF 79%; ESF 21%) distributed as follows :

	MECU		MECU
Emilia-Romagna	12	Piemonte	205
Fruili-Venezia Giulia	24	Toscana	127
Lazio	64	Umbria	35
Liguria	96	Vallee d'Aosta	6
Lombardia	23	Veneto	71
Marche	21		

Regional Development Strategies and Expected Impact

The development strategies of the Italian Objective 2 SPDs have been underpinned by a strengthening of priorities for the creation of jobs in line with the guidelines of the White Paper on Growth, Competitiveness and Employment. Included amongst the job creation targets contained in the SPDs are 930 new jobs (and 650 maintained) in Emilia-Romagna and 1,000 new jobs in Lazio)

The strategies are also constructed around the following aspects :

- Research and Technological Development, including the promotion of innovation in SMEs (development of Science and Technology Parks and laboratories linked to SME activity), business innovation services, for example, 1,000 businesses will be involved in action for the promotion and diffusion of technological innovation;
- A strengthened role for Human Resources with not only an increased emphasis compared to the original proposals of the Italian authorities, but also an emphasis on the quality of training actions. In terms of integration of the ESF and the ERDF, most priorities contain contributions from both Funds towards the realisation of priority objectives;
- Protection of the Environment, including aids to investment and environmental infrastructures, for example in Toscana, it is expected to treat 250,000 m³ of waste; the target in Valley d'Aosta is for 25.2% of industrial sites to be regenerated for the purpose of new economic activity;

- Support for local development which pursues and strengthens previous actions for SMEs; in Liguria, for example, 50 new businesses are expected to be created with 490 existing SMEs strengthened.

Development Priorities

In addressing the above strategic aims, most Single Programming Documents encompass several of the following main development priorities :

- Research and Technological innovation, diversification and transfer
- Environment
- Development of Human Resources
- Creation of businesses and the development and reconversion of SMEs
- Territorial planning (including strengthening port facilities - Toscana, Liguria)
- Tourism
- Strengthening the productive (manufacturing) base

Two "geographical priorities" have been agreed for Veneto - "Marghera and Laguna Veneta", including the first phase of a science park, and "Polesine" where a variety of actions will be managed by a consortium of communes including those aimed at the development of SMEs.

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructures) MECU 334.7 (49%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D) MECU 204.3 (30%)
- Planning and Regeneration (Industrial sites, Urban areas) MECU 86 (13%)
- Environmental Protection (clean technologies, recycling, etc.) MECU 48.4 (7%)
- Technical Assistance MECU 10.6 (1%)

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LUXEMBURG

Background

In the course of December 1994, the Commission adopted the Single Programming Documents (SPDs) for the region of **Esch-sur-Alzette** and **Capellen** concerned by Objective 2 in the Grand Duchy of Luxembourg.

The total contribution of the Funds amounts to **MECU 7** (ERDF 86%; ESF 14%)

Regional Development Strategy and Expected Impact

The strategy provides continuity with the previous period (1991-1993) especially given the almost continuous geography of the eligible region and its traditional heavy dependence on the steel industry. In general terms, the strategic approach aims to strengthen efforts to avoid the concentration of economic activity and jobs in a single sector (tertiary), and a single region (the capital). Nonetheless, new emphasis is being given to the re-use of old industrial buildings and wasteland, to environmental problems and the promotion of human resources.

Amongst the expected impacts from the development priorities selected (see below) are the creation of 15 to 20 companies and 300-400 jobs in the ZARE industrial zone and the reclamation of around 74 hectares of land in the old industrial site of PAFEWE with a view to the establishment of 4 new businesses and the creation of about 300 jobs. Training actions also aim, for example, at supplementing existing qualifications to meet industrial change and are targeted at a total of 1,135 people.

Development Priorities

In pursuing the above strategy, three development priorities were selected for Community financing :

- Support for the industrial sector
- Support for other sectors
- Environmental protection

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructure)
MECU 1 (14.2%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D)
MECU 2 (28.6%)
- Planning and Regeneration (Industrial sites, Urban areas) MECU 2 (28.6%)
- Environmental Protection (Clean technologies, recycling, etc.)
MECU 2 (28.6%)

NETHERLANDS

Background

In the course of December 1994, the Commission adopted the five Single Programming Documents (SPDs) for the Dutch regions of **Arnhem-Nijmegen**, **Zuidoost Brabant**, **Zuid-Limbourg**, **Twente** and **Groningen-Drenthe**.

The total contribution of the Funds amounts to **MECU 300** (ERDF 69%; ESF 31%) distributed as follows :

	MECU		MECU
Arnhem-Nijmegen	56	Zuidoost Brabant	67
Zuid-Limburg	43	Twente	58
Groningen-Drenthe	76		

Regional Development Strategy and Expected Impact

The underlying strategy of all the Dutch SPDs is towards the achievement of growth and the creation of new jobs and improved living standards; the SPDs for **Zuid-Limburg** and **Twente** also specifically stress the need to ensure that the environment is not undermined as a result. Amongst the estimated outputs are an extra 2,000 jobs (1,800 in industry, 200 in tourism) in both **Arnhem-Nijmegen** and **Zuidoost Brabant** with an additional 210 jobs by 1998 in **Groningen-Drenthe** as a direct result of the SPDs, increasing to 640-800 by the year 2000). A target for **Twente** is a reduction in the regional component of unemployment to 0.5% by 1998. **Zuid-Limburg** expects to see a 10% increase in the share of SMEs in total industrial production.

Development Priorities

All five regions selected the following development priorities for Community support :

- Strengthening Industry and Business services (inc. technology development, with a specific priority for " Knowledge Development" - **Zuid-Limburg** only)
- Tourism (inc. urban environment)
- Transport and Distribution (and Logistics)

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure as well as the percentage allocation by region :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructure)
MECU 141.39 (43.8%)
(Arnhem-Nijmegen 18.5%; Zuidoost-Brabant 24.4%; Zuid-Limburg 10.7%;
Twente 23.5%; Groningen-Drenthe 22.9%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D)
MECU 112.79 (37.6%)
(Arnhem-Nijmegen 20.1%; Zuidoost-Brabant 23.9%; Zuid-Limburg 13.1%;
Twente 16.6%; Groningen-Drenthe 26.3%)
- Planning and Regeneration (Industrial sites, Urban areas)
MECU 41.47 (13.8%)
(Arnhem-Nijmegen 15.5%; Zuidoost-Brabant 14.5%; Zuid-Limburg 26.7%;
Twente 16.8%; Groningen-Drenthe 26.5%)
- Environmental Protection (Clean technologies, recycling, etc.)
MECU 5 (1.8%)
(Zuid-Limburg 41%; Groningen-Drenthe 59%)
- Technical Assistance MECU 9,270 (3.0%)

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SPAIN

Background

In the course of December 1994, the Commission adopted the Community Support Framework (CSF) for the regions of Spain eligible under Objective 2.

The decision to remain with the CSF approach took into account, in particular, the desire of the regions to be closely involved in the regional programmes.

The total contribution of the Funds amounts to MECU 1,130 (ERDF 77%; ESF 23%) distributed as follows :

	MECU		MECU
Multi-regional	492.92	Madrid	76.74
Aragón	34.59	Navarra	20.35
Baleares	10.37	La Rioja	7.87
Cataluña	308.97	Pais-Vasco	179.19

Regional Development Strategies

As with most Objective 2 regions of the European Union, the Spanish regions in industrial decline exhibit high levels of unemployment and significant reductions in traditional industry. The strategic aims of Community intervention thus relate to the reduction of unemployment and increased competitiveness of businesses. In this context, in comparison with the Plan originally submitted, the partnership in agreement with the Spanish authorities, established a CSF which constituted :

- greater emphasis on SMEs in the final field of productive investment and professional training;
- an increase in research, technology and innovation;
- a better integration of the Structural Funds;
- modulated co-financing rates for the different priorities.

Development Priorities

In addressing the above strategic aims the CSF encompasses the following development priorities :

- Support for employment and the competitiveness of businesses
- Protection of the Environment
- Support for Research, Technology and Innovation
- Development of transport linked to economic activity
- Local and Urban Development

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructures) **MECU 592 (45.2%)**
- Human Resources (Training, aids to employment, Training centres, equipment, R&D) **MECU 317 (34.1%)**
- Planning and Regeneration (Industrial sites, Urban areas) **MECU 174 (13.7%)**
- Environmental Protection (clean technologies, recycling, etc.) **MECU 40 (5.7%)**
- Technical Assistance **MECU 8 (1.3%)**

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UNITED KINGDOM

Background

In the course of December 1994, the Commission adopted the thirteen Single Programming Documents (SPDs) for the UK regions eligible under Objective 2.

The total contribution of the Funds amounts to MECU 2,142.3 (ERDF 77%; ESF 23%) distributed as follows :

	MECU		MECU
East London and the Lee Valley	74	Plymouth	29
East Midlands	79	Thanet	14
Eastern Scotland	121	West Midlands	371
Gibraltar	5	West Cumbria and Furness	25
Greater Manchester, Lancashire, Chelshire	329	Western Scotland	286
Industrial South Wales	188	Yorkshire and Humberside	313
North East England	308		

Regional Development Strategy and Expected Impact

The development strategies of the U.K. Objective 2 SPDs have been devised in the context of the White Paper on Growth, Competitiveness and Employment. They include the following key strategic aims which are shared by many of the documents as exemplified below :

- the general aim of helping businesses competitiveness, including helping businesses to use new technology is incorporated in the strategies of, for example, **East Midlands, East London and the Lee Valley and Eastern Scotland**;
- the development of a workforce with skills relevant to forecasts needs, leading to good quality jobs is especially included, for example, as a strategic aim for **Yorkshire and Humberside, West Cumbria and Furness and Gibraltar**. In Yorkshire and Humberside ex-ante assessment at the programmes estimates that 35,180 people will be trained whereas 400 new jobs will be created in Gibraltar, including replacing those in defence and ship repair by jobs in other sectors;
- the attraction of inward investment is a particular feature in the strategic development of **North East England** (where forecast impacts include 25 additional job-creating investments from new or existing inward investors), **Western Scotland and East London and the Lee Valley**;

- the expansion of the SME base is included as a specific strategic aim for **West Cumbria and Furness** and **Yorkshire and Humberside**, the latter expecting the measures to assist with the creation of 100 new businesses. In **Plymouth**, for example, 500 net new business registrations per annum are anticipated;
- diversification of activity towards achieving a self-reliant economic base is reflected in the development of job opportunities within the cultural and media industries under the strategic approach of **Greater Manchester, Lancashire and Cheshire** as well as, for example, **North East England** where expected tourism outputs include 2 million additional visitor trips to the region and an extra 300,000 overnight stays per annum;
- the improvement of the social and economic position of the region and the reduction of further divergence within the regional economy are strategic aims of most of the Programmes. The complementary strategy of;
- focusing resources from both the ERDF and ESF on less-well off parts of the region is, for example, exemplified in the **Plymouth** and **Greater Manchester** documents.

Development Priorities

In addressing such strategic aims virtually all the Single Programming Documents also encompass the following main development priorities :

- Action to support SMEs including strengthening and diversification of mature SMEs
- Strengthening knowledge based industries and advanced technology development
- Action to attract new industry and services (including inward investment)
- Development of tourism and cultural industries (as well as environment and image)
- Community Economic Development ("regional economic and social cohesion")

Certain other priorities are specific to the needs and characteristics of particular areas eg. "Internationalisation" (Thanet), or action for the Valleys and Disadvantaged Areas of **Industrial South Wales**.

Sectoral Breakdown

The following sets out the overall breakdown by total expenditure on each of the main categories of expenditure :

- Productive Environment (Industry and services, SMEs, tourism, support infrastructure)
MECU 1,038 (48%)
- Human Resources (Training, aids to employment, Training centres, equipment, R&D)
MECU 755 (35%)
- Planning and Regeneration (Industrial sites, Urban areas) MECU 189 (9%)
- Environmental Protection (Clean technologies, recycling, etc.)
MECU 138 (7%)
- Technical Assistance MECU 22 (1%)

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