

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

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Extraordinary meeting of the Council

- GENERAL AFFAIRS -

Brussels, 2 and 3 July 1993

President: Mr Willy CLAES

Minister for Foreign Affairs
of the Kingdom of Belgium

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium: Mr Willy CLAES Mr Robert URBAIN	Minister for Foreign Affairs Minister for Foreign Trade and European Affairs
Denmark: Mr Niels HELVEG PETERSEN Mr Jorgen ØSTRØM MØLLER	Minister for Foreign Affairs State Secretary for Foreign Affairs
Germany: Mrs Ursula SEILER-ALBRING Mr Johann EEKHOFF	Minister of State, Foreign Affairs State Secretary for Economic Affairs
Greece: Mr Michalis PAPACONSTANTINOU Mr Georges PAPASTAMKOS	Minister for Foreign Affairs State Secretary for Foreign Affairs
Spain: Mr Carlos WESTENDORP	State Secretary for Relations with the European Communities
France: Mr Alain JUPPE Mr Gérard LONGUET Mr Daniel HOFFEL Mr Alain LAMASSOURE	Minister for Foreign Affairs Minister for Industry and Foreign Trade Minister with special responsibility for Regional Planning and Local Authorities Minister with special responsibility for European Affairs
Ireland: Mr Dick SPRING Mr Charlie McCREEVY Mr Tom KITT	Minister for Foreign Affairs Minister for Tourism and Trade Minister of State at the Department of the Taoiseach with special responsibility for European Affairs
Italy: Mr Beniamino ANDREATTA Mr Paolo BARATTA Mr Luigi SPAVENTA	Minister for Foreign Affairs Minister for Foreign Trade Minister for the Budget
Luxembourg: Mr Georges WOHLFART	State Secretary for Foreign Affairs and Foreign Trade
Netherlands: Mr P. KOOIJMANS Mrs Y. VAN ROOY Mr Piet DANKERT	Minister for Foreign Affairs Minister for Foreign Trade State Secretary for Foreign Affairs
Portugal: Mr José Manuel DURAO BARROSO Mr Vitor MARTINS	Minister for Foreign Affairs State Secretary for Foreign Affairs
United Kingdom: Mr Tim SAINSBURY	Minister of State, Department of Trade and Industry
Commission: Mr Jacques DELORS Sir Leon BRITTAN Mr Pádraig FLYNN Mr Bruce MILLAN	President Vice-President Member Member

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URUGUAY ROUND - COUNCIL CONCLUSIONS

"The Council heard an extensive report by the Commission on the present state of play in the Uruguay Round negotiations, and in particular on the current quadrilateral talks.

The Council took note of comments made by delegations as to the parameters to be respected by the Community negotiator in the ongoing negotiations.

The Council invited the Commission to pursue actively the negotiations in conformity with the conclusions of the Copenhagen European Council. The Council welcomed in particular the Commission's intention to multilateralize the process as quickly as possible in Geneva after the G7 Summit, in order to ensure concrete contributions and meaningful participation by all contracting parties in the process of finalizing the Uruguay Round by the end of the year.

The Council underlined the necessity for all major participants in the international trading system to refrain from unilateral or protectionist action which might endanger the positive pursuit and satisfactory outcome of the Round.

The Council strongly endorsed the Commission's repeated condemnation of the latest United States' findings on steel. It urged the Commission to make clear to the United States Administration that these latest actions are ill-founded and unacceptable and risk having a negative effect as regards the successful conclusion of a multilateral steel agreement and consequently of the Uruguay Round."

REFORM OF THE STRUCTURAL FUNDS

On first reading, the Council reached political agreement by eleven delegations on the reform of the Structural Funds. The Irish delegation maintained a reservation as it felt that the information it had obtained as to how the financial resources would be allocated among the Member States remained unsatisfactory. The President of the Council appealed urgently to the Irish delegation to give its agreement within a few days so that the Edinburgh European Council's express request to the three Institutions to ensure that the texts concerning reform of the Structural Funds were formally adopted by the end of July could be met. Indeed compliance with that deadline was vital if the necessary programming of structural fund operations from 1 January 1994 was to go ahead, thereby preventing any interruption in the flow of funds to beneficiaries after 31 December 1993.

Since the Irish reservation applied only to the Framework Regulation - and not to its text - the Council decided to forward to the European Parliament the six proposals for Regulations amending:

- the framework Regulation;
- the co-ordination Regulation;
- the ERDF Regulation;
- the ESF Regulation;
- the EAGGF (Guidance) Regulation and
- the Regulation establishing an instrument for financing the structural measures in favour of fisheries (FIG)

as soon as possible after the texts had been finalized so that the Parliament could proceed with its second reading at its part-session from 12 to 16 July 1993.

Provided that the Irish reservation had been withdrawn, the Council proposed to proceed with final adoption of the Structural Fund reform package at its meeting on 19 July 1993.

It will be remembered that on its first reading on 23 June, the European Parliament delivered, as part of the co-operation procedure, its Opinions on the "co-ordination" and "ERDF"

Regulations, while sending its comments on the other Regulations and requests for amending them without delivering its Opinion in formal form. After examining the amendments proposed by the European Parliament, the Commission had, on 24 June, forwarded to the Council a number of amendments to its original proposals incorporating changes designed to improve the procedure for briefing the Parliament on the Community's structural actions, to take more account of the other Community policies, to make the method of designating the regions eligible under Objectives 2 and 5b more explicit and to give the allocations of appropriations between the Member States greater transparency. The Council was accordingly in a position to take a decision on the basis of the amended Commission proposals.

As to the substance of the reform, it was noted that the Edinburgh European Council not only decided on the resources available for the Structural Funds (see Annex) and the other

- Community structural operations for the period 1993 to 1999, but also laid down a number of basic principles for continuing the Community's structural action during this period, and particularly:

- the allocation for Community initiatives should be between 5% and 10% of total resources;
- account should be taken of national prosperity, regional prosperity, population of the regions, and the relative severity of structural problems, including the level of employment, and, for the appropriate objectives, the needs of rural development, in the form of criteria for structural action;
- the basic principles laid down in 1988 (concentration, programming, partnership and additionality) should continue to guide the implementation of the Structural Funds;
- the coverage of Objective 1 should be determined according to criteria similar to those of the 1988 Regulation and should include the new German Länder and East Berlin.

In framing its proposals, the Commission based its approach on the above principles: it also took into account the new Maastricht Treaty provisions concerning social policy priorities (combining and extending the former Objectives 3 and 4 to form a new Objective 3 and creating a new Objective 4), the consequences of the agricultural reforms and also the needs

for restructuring in the fisheries sector (special instrument: FIG) (see Annex). A number of changes were in fact based on the experience gained since the last reform of the Funds in 1988 and were aimed specifically at increasing the effectiveness of the Community's structural action by simplifying the decision-making procedures and accompanying this with more careful evaluation and checking.

The main elements in the overall compromise reached by the Council were as follows:

Allocation of financial resources

The Commission outlined to the Member States the details of the method of indicative allocation of financial resources.

Objective 1 regions (see list attached)

As confirmation that the Community's outermost regions had been fully integrated into its structural action, specific reference to the Azores, the Canaries and Madeira was included in the relevant provision of the framework Regulation; for the Netherlands, Flevoland was added to the list of Objective 1 regions and the Highlands and Islands enterprise area added for the United Kingdom; also, exceptionally for France the arrondissements of Valenciennes, Douai and Avesnes, because they form a contiguous whole with the Belgian Hainaut region and in recognition of their low regional GDP; for Italy, so as to avoid a sudden break in the programming of Community aid to a region which had been receiving structural assistance under Objective 1, the Abruzzi region exceptionally retained its eligibility for a transitional non-renewable period of three years. Finally, so as to ensure that the new German Länder received equal treatment with the regions of the same type in line with the decision taken in Edinburgh, the statistics relating to the unified Germany's national prosperity and the regional prosperity of new Länder must incorporate the latest data for the new Länder.

Objectives 2 and 5b areas

The selection procedure adopted for areas eligible under Objectives 2 and 5b stipulate that the list will be proposed on the initiative of the Member States concerned. In preparing the list, the Commission will consult closely with each of the Member States having regard to the specific nature of their institutions and their national partnership practices and will also take into account the priorities of national regional planning policies. As a consequence, no regions which have not been proposed by a Member State will be included on the Commission list without the agreement of that Member State.

Finally, it was stipulated that in implementing the criteria for selecting Objective 2 areas, the Commission would take into account the level of unemployment, the degree of industrialization and industrial decline, and the level of economic activity or actual employment, as reflected nationally on a relative basis compared with the Community average.

Objectives 3 and 4

The creation of the new Objective 4 and the combining and extension of the former Objectives 3 and 4 into a new Objective 3 were approved subject to the following provisions:

Allocation of resources between Objectives 3 and 4 would primarily depend on Member States' priorities. It was noted that a number of Member States believed that the realities affecting the level of people's economic activity or actual employment could also be used as the reference basis for submitting the plan for Objectives 3 and 4. Furthermore, the overall allocation for the new Objective 4 would largely depend on the innovatory nature of the programmes submitted by the Member States. For each year in the period 1994 to 1999, at least 80% of the resources available for Objectives 3 and 4 would be allocated to Objective 3 and the majority of the subsidies available under Objective 4 would go to SME. The Commission would ensure that action taken under Objective 4 would not result in distortion of competition.

Objective 5

It was agreed that all references to programming for measures taken under this Objective would be deleted.

Community initiatives

Following the decision on the allocation of financial resources between Objectives 3 and 4, it was agreed that the proportion of Structural Fund commitment appropriations earmarked for financing action taken on the Commission's initiative would be increased to 9%.

On this point, the Commission said that it would like the Council to hold a wide-ranging and detailed discussion on the Green Paper which it had submitted on this subject and that it would take the guidelines which emerged for implementing Community initiatives fully into account. Furthermore, the Presidency's compromise had been based on the assumption that the tasks indicated in the Edinburgh European Council's conclusions, to be set out in more detailed form in the Council guidelines following the Green Paper, would encompass the full diversity of structural problems over the entire territory of the Community.

Appraisal and evaluation

In line with the conclusions of the European Council in Edinburgh, the Presidency's compromise concentrated on giving greater prominence to the need for *ex ante* appraisal, monitoring and *ex post* evaluation of the structural action. Taking up this point, the Council also reaffirmed the principle enunciated by the European Council whereby assistance would be allocated where appraisal showed medium-term economic and social benefits commensurate with the resources deployed.



Partnership

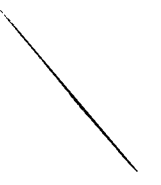
The Council stipulated that Member States which wished to do so could also include employers and labour in the partnership between the Commission, the Member States concerned and their competent authorities and bodies.

Adjustment of the differential of rates of assistance

The limits on Community rates of assistance under Objective 1 were in principle retained, (a maximum of 75% of the total cost and, as a general rule, at least 50% of public expenditure), but in the case of the "cohesion" regions, Community assistance could, in duly justified exceptional cases, be as high as 80% with a maximum of 85% of the total cost in the case of the outermost regions.

Other matters

The compromise reached by the Council also included measures to take account of environmental requirements, provisions on the transition to the new programming period, and provisions covering a number of specific questions raised by various delegations.



1. LEGAL BASIS

Framework Regulation:	Article 130d (unanimity)
Co-ordination Regulation:	Article 130e (qualified majority) co-operation procedure
ERDF:	Article 130e (qualified majority) co-operation procedure
ESF:	Articles 126 and 127 (unanimity)
EAGGF:	Article 43 (qualified majority)
FIFG:	Article 43 (qualified majority)

2. RESOURCES AVAILABLE FOR THE STRUCTURAL FUNDS

Commitment appropriations for the period 1994-1999
(ECU million at 1992 prices)

	1994	1995	1996	1997	1998	1999	1994-1999
Structural Funds and FIFG	20 135	21 480	22 740	24 026	25 690	27 400	141 471
of which Objective 1 regions:	13 220	14 300	15 330	16 396	17 820	19 280	96 346

3. OBJECTIVES**Objective 1**

promoting the development and structural adjustment of regions whose development is lagging behind.

Objective 2

converting the regions, frontier regions or parts of regions (including employment areas and urban communities) seriously affected by industrial decline.

Objective 3

combating long-term unemployment and facilitating the integration into working life of young people and of persons exposed to exclusion from the labour market.

Objective 4

facilitating the adaptation of workers to industrial changes and to changes in production systems.

Objectives 5a and 5b

Promoting rural development by:

- (a) speeding up the adjustment of agricultural structures in the framework of the reform of the common agricultural policy (+ Financial Instrument for Fisheries Guidance - FIG);
- (b) facilitating the development and structural adjustment of rural areas.

In the framework of the review of the common fisheries policy, measures for the adjustment of fisheries structures come under Objective 5a.

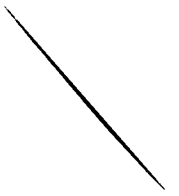
MEANS

- Objective 1: ERDF, ESF and EAGGF Guidance Section
- Objective 2: ERDF and ESF
- Objective 3: ESF
- Objective 4: ESF
- Objective 5a: EAGGF Guidance Section and FIG
- Objective 5b: EAGGF Guidance Section, ESF and ERDF.

Apart from the Structural Funds and the FIG, the EIB, the cohesion financial instrument and the other existing financial instruments will also contribute to the attainment of the five Objectives listed above.

4. REGIONS CONCERNED BY OBJECTIVE 1

- BELGIUM** : Hainaut.
- GERMANY** : Brandenburg, Mecklenburg-Western Pomerania, East Berlin, Saxony, Saxony-Anhalt, Thuringia.
- GREECE** : The entire country.
- SPAIN** : Andalucia, Asturias, Cantabria, Castilla y León, Castilla-La Mancha, Ceuta y Melilla, Comunidad Valenciana, Extremadura, Galicia, Canary Islands, Murcia.
- FRANCE** : French overseas departments, Corsica and the arrondissements of Valenciennes, Douai and Avesnes.
- IRELAND** : The entire country.
- ITALY** : Basilicata, Calabria, Campania, Molise, Apulia, Sardinia, Sicily, Abruzzi (1994-1996).
- NETHERLANDS** : Flevoland.
- PORTUGAL** : The entire country.
- UNITED KINGDOM** : Highlands and Islands enterprise area, Merseyside, Northern Ireland.



Bruxelles, le 1er juillet 1993

NOTE BIO(93)176 AUX BUREAUX NATIONAUX
cc. aux membres du Service du Porte-Parole

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Préparation du Conseil Affaires Générales du 2 juillet 1993 sur les Fonds Structurels.
(Betti Olivi)

Avant la réunion du Conseil Affaires Générales le 2 juillet est prévue à 9h30 une réunion informelle de concertation avec le Parlement Européen sur la révision des 6 règlements sur les Fonds Structurels. La délégation du Parlement Européen sera composée par le Président, M. Klepsch et les deux rapporteurs principaux, M. Kohler et M. Lambrias. La Commission le 23 juin a décidé une modification de ses propositions initiales pour tenir compte de l'avis du Parlement Européen sur les six règlements, même si la procédure de coopération est juridiquement prévue seulement sur le règlement de coordination et le règlement FEDER .

Le Conseil a eu un premier débat d'orientation le 8 juin dernier qui a permis à la présidence danoise, en étroite collaboration avec la Présidence belge, d'établir un compromis global sur les six règlements. Sur cette base l'adoption d'une position commune est attendue demain, de manière à permettre au P.E. de procéder à la deuxième lecture au cours de la session de juillet et à l'adoption définitive des règlements par le Conseil le 19 juillet. La Commission procédera à la définition des zones objectifs 2 et 5b au début de l'automne et les Etats membres pourront ainsi avancer dans leurs travaux de préparation des programmes devant amener à la mise en oeuvre effective des actions structurelles communautaires dès le 1er janvier 1994.

Il est à souligner que le Conseil n'est pas appelé à définir demain les allocations financières par région ou par pays, mais les procédures et les critères que la Commission suivra pour la répartition indicative par Etat membre pour chacun des objectifs 1 à 4 et 5b des crédits d'engagement des fonds structurels. On se rappellera que les montants financiers globaux, ainsi que les ressources à assurer à l'obj 1 et, à l'intérieur de celui-ci, celle pour les 4 pays cohésion, ont fait l'objet d'un accord au Sommet d'Edinbourg en décembre dernier.

Les questions essentielles sur lesquelles un accord devrait se dégager sont les suivantes:

I. Liste des régions de l'obj. 1

La Commission a proposé:

- d'inclure dans la liste de l'Annexe I:

= les nouveaux Länder allemands et Berlin-Est

= la région de Cantabria (ES), son PIB par habitant étant tombé au-dessous de 75% de la moyenne communautaire,

= pour des "raisons particulières", les régions du Hainaut, (B, PIB 77,3%), Highlands and Islands (UK, PIB 78,7%), Merseyside (UK, PIB 78,94%);

- de ne plus reprendre dans cette liste:

= la région des Abruzzi (I), son PIB par habitant ayant atteint 89,3% de la moyenne communautaire.

La Commission n'a pas inclus, dans sa proposition de liste, le Flevoland (NL); région qui satisfait aux critères du PIB mais qui, à son avis, n'a pas les caractéristiques d'une région en retard de développement.

II. Critères pour la répartition entre EM des ressources financières

La proposition de la Commission étend le principe d'une répartition par Etat membre à l'ensemble des Fonds sur base de l'ensemble des critères retenus à Edimbourg et selon des procédures transparentes.

Elle prévoit que la participation communautaire au financement des actions est modulée en fonction des considérations ci-après:

- la gravité des problèmes spécifiques, notamment régionaux ou sociaux, visés par les actions;
- la capacité financière de l'Etat membre concerné, compte tenu notamment de la prospérité relative de cet Etat membre et de la nécessité d'éviter des augmentations excessives des dépenses budgétaires;
- l'intérêt particulier que les actions revêtent du point de vue communautaire;
- l'intérêt particulier que les actions revêtent du point de vue régional et national;
- les caractéristiques propres aux types d'actions visées.

III. Les adaptations du dispositif prévu pour l'action des Fonds Structurels.

Les propositions de la Commission sont décrites dans les Notes P(93)4 du 14 février 1993 et P(93)8 du 24 mars 1993. En ce qui concerne le débat du Conseil du 8 juin voir la Note BIO(93)153 du 9 juin 1993.

Amitiés
Bruno DETHOMAS



Bruxelles, le 5 juillet 1993

NOTE BIO(93)176 (suite 1) AUX BUREAUX NATIONAUX
cc. Aux membres du Service du Porte-Parole

Conseil Affaires Générales - Session extraordinaire du 2 juillet. Accord sur les Fonds Structurels (Betti Olivi)

Avant la réunion du Conseil le 2 juillet à 9h30 le Président M. Claes et le Commissaire M. Millan ont rencontré une délégation du Parlement Européen pour une réunion informelle de concertation. Au début de la réunion du Conseil M. Claes en a rappelé la teneur pour que le débat en tienne compte. Les priorités du PE sont les suivantes:

- pleine information du PE sur la mise en oeuvre de la politique structurelle;
- renforcement du rôle des régions et implication des partenaires économiques et sociaux;
- initiatives communautaires
- pas de comité de gestion;
- transparence dans les allocations entre les Etats membres;
- respect des principes communautaires de la réforme de 1989 (donc pas de renationalisation des critères d'éligibilité).

Le timing très serré est souligné par M. Claes: si un accord n'intervient pas aujourd'hui, on risque d'avoir un retard d'au moins six mois.

Le président fait état d'une proposition de compromis élaborée par la Présidence danoise et reprise par la Présidence belge qui résulte d'intenses travaux menés au sein du Groupe et du Coreper; celle-ci doit être accompagnée par une solution aux deux questions préalables qui restent à résoudre:

- la liste des régions de l'objectif 1,
- les critères pour l'allocation des ressources par Etat membre.

Après un premier tour de table qui a permis à toutes les délégations de présenter leurs positions, le Président a dû constater des divergences substantielles et a donc poursuivi la réunion en restreinte.

Après le point à l'ordre du jour relatif à l'Uruguay Round, la réunion a repris vers 18h et s'est conclue à 4 h du matin après de longues suspensions pour permettre des discussions bilatérales.

Le résultat est un accord conditionné par une réserve irlandaise concernant le montant qui devrait découler de l'application des règlements en faveur de ce pays.

A la Conférence de presse, à l'issue de la réunion, le Président Claes a formulé un appel urgent au Gouvernement irlandais pour qu'il lève sa réserve; dans le cas contraire, en effet, on risque une suspension des aides communautaires à partir du 1er janvier: si le PE ne peut pas procéder à la 2ème lecture au cours de la session de juillet, la ratification du Traité impliquera une procédure différente (avis conforme) ainsi que la consultation du Comité des régions.

Le débat sur les critères régissant la répartition des fonds a été long et difficile. La Commission communiquera les montants indicatifs qui en résultent après l'adoption définitive des règlements. A titre de background on peut rappeler quels sont les chiffres globaux décidés par le Conseil Européen à Edinbourg:

Pour les six ans 1994-99 en milliards d'ECU (prix 1992)

TOTAL FONDS STRUCTURELS (sans Fonds de cohésion): 141 md

OBJECTIF 1: 96 md

-dont 4 pays cohésion, c'est à dire E, P, EL, Irl: 61 md
(toujours sans Fonds de cohésion)

-reste de l'objectif 1: 35 md
c'est à dire les 5 Länder de l'est, Mezzogiorno, DOM et Corse, Irlande du Nord et les nouvelles zones qui viennent d'être décidées (voir plus loin);

OBJECTIFS 2, 3, 4, et 5: 45 md

la répartition entre ceux-ci s'effectuant en gros selon les parts respectives du passé.

Quelques points importants du compromis (de modification par rapport à la proposition de la Commission)

Liste des régions de l'obj. 1

Par rapport à la proposition de la Commission sont incluses les régions suivantes:

- le Flevoland (NL)
- les Abruzzes (I) pour trois ans
- la définition de "enterprise area" pour les Highlands and Islands (UK)
- les arondissements Valenciennois et Sambre-Avesnois (F)

En outre une mention explicite est faite dans le texte du règlement (et non pas seulement dans la liste en annexe du Règl.) des régions ultrapériphériques des Açores, des Iles Canaries et Madère.

Pour la détermination de l'allocation financière des nouveaux länder allemands, seront utilisées les statistiques de l'Allemagne unifiée.

Plafond des aides publiques: 80% obj 1, 85% régions ultrapériphériques.

Objectif 2

Parmi les critères, ajout de "l'incidence relative des situations nationales par rapport à la moyenne communautaire, pour ce qui concerne le taux du chômage, le taux d'industrialisation et le déclin industriel" (demande de la délégation italienne).

Déclaration de la Commission qu'elle tiendra pleinement compte du point de vue des EM sur le choix des zones éligibles et qu'aucune région ne sera introduite contre l'avis de l'EM.

Objectifs 3 et 4

Pour chaque année l'allocation pour l'obj 4 ne pourra pas être supérieur à 20% du total pour les deux objectifs et en devront bénéficier surtout les PME (demandes britanniques).

Les critères de référence prévoient aussi "le taux d'activité ou taux d'emploi réel" (demande néerlandaise).

Objectif 5a

Suppression de la programmation pour cet objectif.

Initiatives communautaires

Un pourcentage de 9% du total des crédits est retenu. Il s'agit d'un important succès pour la Commission qui fait suite à la présentation du Livre Vert. La marge de flexibilité nécessaire à la gestion des Fonds est ainsi assurée.

Evaluation

La nécessité d'une évaluation ex ante, d'un suivi et d'une évaluation ex post de l'action structurelle est renforcée dans le dispositif (value for money: demande britannique).

Amitiés
Bruno DETHOMAS



