

Results of the Cohesion Forum

On 28, 29 and 30 April this year, the Commission organized a Forum in Brussels attended by more than 1200 people with responsibilities in the field of economic and social cohesion policy across the Union. Here is a summary of some of the main conclusions drawn by Monika Wulf-Mathies, the Commissioner for cohesion policy.

Mrs Wulf-Mathies reminded her audience that mutual solidarity is the cornerstone of the Community's cohesion policy and that the poorest regions of the Union should remain the main recipients of Community structural assistance.

The accelerating pace of structural change, affecting not only industrial regions but rural and urban areas as well, means that the Community needs to step up its efforts, the Commissioner said. The regions have to be helped to diversify the fabric of their local economies and increase their capacity to innovate, in particular by developing information technology and encouraging R&D activities.

People are the Union's principal resource. It is essential, she said, that the Structural Funds provide more support for the acquisition of skills and for life-long learning, as well as stimulating the jobs market and fleshing out Community employment policy.

Regarding the operation of the Structural Funds, some of the participants at the forum proposed reducing the number of Objectives under the Funds to two. Mrs Wulf-Mathies tended to favour three Objectives for the period after 1999, namely:

1. one Objective centred on reducing development disparities and confined to the

least prosperous regions of the Union, defined according to the strict application of current statistical criteria (i.e. where GDP per capita is less than 75% of the EU average)

2. one Objective concerning the necessary flanking measures for structural change in urban and rural areas
3. one Objective focusing on human resources (training and employment policy).

Similarly, in terms of simplifying procedures and concentrating assistance, the participants in the Forum called for a reduction in the number of programmes, in particular by cutting back the variety of Community Initiatives.

The debate also confirmed the necessity of assessing the results of Community assistance. Simply checking that money had been disbursed is not enough. Objective criteria need to be set for measuring the efficiency of expenditure. The assistance provided by the Structural Funds should be regarded less as an entitlement and more as an incentive to running efficient and effective development programmes. With budgets tight everywhere, more diverse ways of providing assistance have to be considered, such as: combinations of subsidies and loans, interest-rate subsidies, loan guarantees, etc.

The likely milestones for the review of the Structural Funds for the period after 1999, are as follows: during the summer of 1997, the Commission will present its overall financial perspective for 2000-06 ("Santer package"); the European Council to be held in Luxembourg should adopt this in December 1997; in the spring of 1998, the Commission will submit its proposals for new Structural Fund regulations and these should be adopted in the course of 1998.

Helping Europe's cities

On 6 May 1997, the European Commission adopted a communication entitled "Towards an urban agenda in the European Union". This document contributed to the debate at the summit of regions and cities which was held on 15 and 16 May, and will also be discussed at the informal Council meeting of regional policy and planning ministers at Noordwijk on 9 and 10 June.

The communication reminds us that cities generate economic growth, competitiveness and employment. Their assets and comparative weaknesses have direct implications for regional disparities at Community level.

The document also highlights the fact that problems are rapidly multiplying in Europe's cities: congestion, environmental pollution, unemployment, poverty, social marginalisation, crime, etc.

The Commission stresses the need to find an integrated

response to cope with these challenges. Integration means better coordination of schemes at local, regional, national and European level, as opposed to the evident fragmentation of efforts at the moment. Cohesive programming would help towns and cities to better tackle their problems and fulfill their potentials.

The communication also suggests how the Community's Structural Funds could be used to finance schemes to deal with urban problems, in particular through targeting pockets of unemployment in inner cities and densely populated suburbs and through improving infrastructure and public transport systems in order to make peripheral areas more accessible.

The complete text of the communication can be obtained on request by fax on: +32-2-230 49 15.

Eligibility of expenditure under the Structural Funds

On 16 April the Commission adopted a document which identifies the kinds of expenditure eligible for part-financing under the Structural Funds in fields which have proved to be the most problematic to date.

The Commission's guidelines take the form of 22 fact sheets dealing with the following issues:

- Definition of "Final Beneficiary" of Assistance
- Period of eligibility
- Validity of commitments at Member State level
- Details on the principle of real cost
- Overhead allocation
- Depreciation
- National part-financing in kind
- Book-keeping of bank interest earned on community advances
- Book-keeping entries of other receipts
- Financial, banking and legal charges
- Costs of bank guarantees
- Purchase of secondhand equipment

- Purchase of land
- Purchase of real estate
- VAT and other taxes and charges
- Alternative financing of partfinanced projects
- Current operations / restructuring of company balance sheets
- Financial engineering: guarantee funds
- Financial engineering: venture capital funds
- Leasing
- Schemes involving refundable aid
- Costs incurred by public administration, including salaries of member states' civil servants.

The fact sheets have been drawn up by the relevant departments within the Commission. There have been formal consultations on them with the Member States and they have been applicable throughout the Union since 1 May.

Copies of one or more of the datasheets can be obtained on request by fax on +32-2-230 49 15.

Two new programmes adopted

The Commission recently approved funding for two new Community Initiative programmes: under Urban in Kiel, Germany (ECU 7.11 million) and under Interreg II involving Italy and Austria (ECU 11.85 million). To obtain more

information about these programmes, contact L. Nigri of DG XVI/F/2 (fax +32-2-296.60.03) or consult the 'ERDF programmes' pages on DG XVI's Internet site (electronic address: <http://europa.eu.int/en/comm/dgl6/dgl6home.htm>).



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