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Adoption of two new programmes

During October, the European Commission approved finance from the Structural Funds for two new programmes:

Resider/Konver in Luxembourg

The Community will contribute almost ECU 14 million to a programme to boost economic activity in an area hit both by the decline in the steel industry and the downsizing of two NATO arms depots. One third of the population of Luxembourg lives in the area concerned, which is the same as that covered by the Objective 2 SPD (Single Programming Document) that this new programme will support.

Urban in Leeds

The Community will contribute ECU 4.5 million to this programme to improve the quality of life and create new employment opportunities in the Chapeltown and Harehills districts of Leeds.

For further information on these programmes, please contact Mr L. Nigri, DG XVI-F-2 (fax: +32 2 230 49 15) or consult DG XVI's website <<http://www.inforegio.org/erdf>>

International Buyer's Exhibition (IBEX)

To encourage small and medium-sized firms in the European Union to develop on an international scale, the Commission has decided to use ECU 25 million from the budget of the SME Community Initiative to finance trans-national measures. These include International Buyer's Exhibitions (IBEX), which are intended to help a considerable number of SMEs in a particular sector to meet large firms which could place orders in that sector. The first meeting of this kind, the Castile-Leon IBEX, will be held from 28 to 30 May 1998 and is aimed at firms in the food and agriculture sector (Community contribution ECU 648 000).

Contact: Consorcio León con futuro
M. María Jesús Álvarez Vivancos
Tel: +34 87 27 15 83
Fax: +34 87 27 15 81
E-mail: leonfutu@lesein.es

1996 Annual Report on the Structural Funds

On 30 October, the European Commission adopted the 8th Annual Report on the Structural Funds, setting out the achievements during 1996 under each of the priority Objectives of the structural policies. These achievements are also looked at from the viewpoint of the 1994-99 programming period. Halfway through this period, the emphasis is on actual implementation rather

than on the adoption of new programmes; half the assistance available from the European Union for national initiative programmes has been committed and one third paid out. The year also saw the effective start-up of the Community Initiatives. The full text of the Report may be downloaded from DG XVI's web-site <http://www.inforegio.org/wbdoc/docoffic/official/raga/raga_en.htm>

Assessment of 1994-96 in Portugal

Following the assessments of Ireland and Northern Ireland (see Inforegio News No 45 of October 1997), here are the first results of the assessment of Structural Fund assistance in Portugal between 1994 and 1996.

This mid-term assessment shows that Portugal has made very good use of the Structural Funds. In financial terms, it had already absorbed ECU 6 billion of Community funding by the end of 1996, 40% of the amount available for the whole 1994-99 period.

Results frequently exceed expectations. Each year, the support from the Structural Funds has resulted in the creation of 35 000 jobs rather than the 17 000 expected. Construction of major roads stands at 74% of the target for 1999 and implementation of the programme for the installation of telephone equipment has been even more rapid. The Union average of 42 lines per 100 people has been achieved already, although this was not expected until 1999.

Overall, the priorities adopted in 1994 have proved to be correct. However, greater stress is being placed on a number of large-scale priorities: encouraging job creation,

boosting assistance for the environment, helping introduce new technology into Portugal and completing basic infrastructure in, for example, transport. For the second half of the 1994-99 period, the Portuguese authorities and the European Commission have decided to reallocate about ECU 370 million, principally to:

- further funding for regional programmes (ECU 133 million, of which 44% will go to water and waste treatment);
- further funding for the vocational training and employment programme (ECU 35.7 million)
- encouraging local employment initiatives (ECU 17.8);
- consolidating support to industry (ECU 46 million);
- assisting completion of the north-south rail link and the extension of the Lisbon underground (ECU 34 million);
- a greater effort in education, mainly by building 1 200 extra classrooms (ECU 23.6 million);
- developing telecommunications and the information society, mainly by connecting schools and small firms to the Internet (ECU 9.4 million);
- meeting the needs of agriculture in the Azores (ECU 9.3 million);
- further assistance to the provision of health services (ECU 11.4 million).

Financial control of the Structural Funds

The European Commission recently adopted a new regulation laying down the rules which the Member States must follow in this area and internal guidelines on the financial corrections to be applied, where there are irregularities.

To ensure that management and control systems are effective in all the Member States, the Commission Regulation lays down requirements concerning minimum levels of checks (5% of the expenditure on each programme), the checks to be carried out at project level, the stages to be followed for the satisfactory treatment of irregularities and the submission of a statement of checks when each programme is closed.

The Commission's position on financial corrections where irregularities have occurred is as follows: when an irregularity is detected, the Member State should normally submit a new and acceptable project to replace the one which is not eligible. However, where there has been a serious shortcoming in the checks carried out by the Member State, or continuing failure by that Member State to comply with its responsibilities, the Commission considers that there should be no possibility of substitution. Indeed, the Commission could impose a flatrate financial correction in excess of the amount of the individual correction.

A copy of this Regulation (no. 2064/97) and the guidelines may be obtained by faxed request to +32 2 230 49 15.



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