

New Objective 1: underway in Portugal and Austria

New regulations on the use of the euro and the eligibility of expenditure

A new implementing regulation was adopted recently by the Commission to specify how the euro is to be used in implementing the budget of the Structural Funds. Another regulation on the eligibility of expenditure part-financed by the Structural Funds has been approved by the committees representing the Member States and will soon be adopted.

Readers will recall that all the regulations on structural measures in 2000-06 are available on the Inforegio website:

<http://www.inforegio.cec.eu.int/wbdoc/docoffic/official/reglem_en.htm> or on request by fax from +32 2 296 60 03.

On 31 March Commissioner Michel Barnier signed the new Community Support Framework (CSF) for Portugal for 2000-06. The draft single programming document (SPD) for the Austrian region of Burgenland was also approved by the European Commission on 8 March 2000.

Portugal's CSF has been drawn up on the basis of the national economic and social development plan submitted by the Portuguese Government. It sets out the guiding principles of all the Union's structural aid to Portugal in 2000-06. The operational programmes (which have still to be adopted) focus on four major areas for assistance:

- improving skills levels, promoting employment and social cohesion;
- promoting competitiveness and boosting innovation;
- building on Portugal's natural advantages and geo-economic position;
- promoting sustainable development in the regions as well as national cohesion.

Mr Michel Barnier said that this CSF was "the result of the excellent partnership between the Portuguese government and the Commission" and that it should make it possible "to fully integrate the Portuguese economy and territory into the single European market".

The SPD for Burgenland (Austria) aims to modernise this region in particular by intensifying activities with a high value-added component. Close attention is to be given to the creation of businesses and the development of SMEs. The five priorities for assistance under the previous programme have been rolled forward:

- increasing commercial and industrial activities;
- developing research and technological development;
- tourism and culture;
- agriculture, rural development, forestry, fishing and environmental protection;
- developing human resources.

To follow the adoption of the new programmes, you should regularly consult the "What's New" page on the Inforegio website <http://inforegio.cec.eu.int>



The Prime Minister of Portugal, Antonio Guterres, and Michel Barnier, Commissioner responsible for regional policy, at the signature of the new CSF.

	Public investment*	Contribution of the Structural Funds*
CSF Portugal	32 800	20 535
SPD Burgenland (Austria)	370	271

* EUR million.

New area designations for aid for regional purpose

In the first quarter of 2000, the Commission approved a further series of lists of designated areas for regional state-aid schemes in 2000-06 (see Inforegio News 71). In Germany, France, Italy and Sweden, companies located in the designated areas will now be able to benefit from new government aid for investment.

The Community legislation on competition policy allows in a limited way for government aid to businesses in order to promote the development of the least prosperous regions and/or those with unfavourable socio-economic indicators. The first category covers more or less the regions eligible under Objective 1, and the second may include areas eligible under Objective 2. These areas are selected by each Member State within ceilings set by the Commission (see Inforegio News 60).

The decisions taken in the last few weeks concern the whole of France and Sweden and parts of Germany and Italy.

In France, the map of designated areas approved by the Commission is made up of the "Carte de la Prime à l'Aménagement des Territoires" ("Map of subsidies for spatial planning") concerning continental France and its overseas departments. In Sweden, the areas concerned are mainly located in the northern part of the country.

In the case of Germany, the new map covers Berlin and several western German Länder; it supplements the first map adopted in July 1999 covering the five new Länder.

With regard to Italy, the Commission has accepted the list of designations for the most disadvantaged regions in the South (Calabria, Basilicata, Campania, Puglia, Sardinia and Sicily) but it has rejected the proposals for the Centre and North of the country. A review of these designations will be undertaken following the decision on Objective 2 areas.

Enlargement and regional policy

Discussions on implementing the body of Community legislation on the Structural Funds (Chapter 21 of the accession negotiations) will be starting soon with the six applicant countries which began their accession negotiations two years ago (i.e. Poland, Hungary, the Czech Republic, Slovenia, Estonia and Cyprus). The Council has sent each one of these countries the common position of the European Union. An initial debate took place on 6 April and a meeting of foreign ministers is planned for June.

As a result of decisions taken at the European Council in Helsinki, the accession negotiations with the six other applicant countries (i.e. Romania, Slovakia, Latvia, Lithuania, Bulgaria and Malta) were launched on 28 March on a varying selection of chapters. Discussions on Chapter 21 will begin at a later date, but the countries making the most rapid progress can hope to catch up with the first group. The status of Turkey as an applicant country was confirmed in Helsinki but it does not yet meet the political criteria for starting negotiations.

Reorganisation of the Regional Policy Directorate-General

A new organisation chart was introduced in the Directorate-General for Regional Policy in April to make it better able to meet the tasks set out in the new structural policy regulations for 2000-06. The main features of this reorganisation are:

- creation of a Directorate responsible for the implementation of the Instrument for Structural Policies for Pre-Accession (ISPA);
 - integrated management of the ERDF and the Cohesion Fund;
 - creation of a separate monitoring unit;
 - grouping together of forward planning, coordination and evaluation.
- You can consult the new organisation chart on the Inforegio website at: http://inforegio.cec.eu.int/wbcont/meetwho/who_en.htm or you can obtain it by mail by sending a fax to the following number: + 32 2 296 60 03.



European Commission
Directorate-General for Regional Policy

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