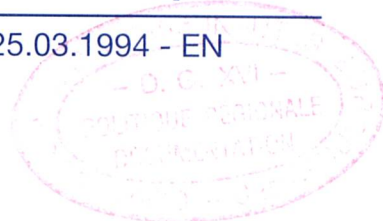




Summary of 1992 report

Fact sheet 25.03.1994 - EN



Structural Funds 1992: an initial assesment

With almost 17 billion ECU committed for the year and a high rate of financial implementation (more than 99%), the Community's share in assistance for development measures has increased in 1992. It should be remembered that the Structural Funds co-finance development programmes jointly adopted by the Member States and the Community.

Moreover, greater attention has been paid to evaluation, an essential factor in ensuring the success of efforts to reduce economic and social disparities.

This fact sheet outlines the main points of the annual report on the implementation of the reform of the Structural Funds in 1992:

- main results by Objective;
- Community initiatives, pilot projects and innovative measures;
- financial implementation;
- the role of evaluation;
- some examples of projects carried out.

Objective 1 ⁽¹⁾

1992 saw a rise in the Community's share of assistance for the development of regions whose development is lagging behind (*Objective 1* of the Structural Funds); this assistance thus played a greater part in promoting regional growth, in a context of Community-wide economic gloom. Generally speaking, Structural Fund assistance made a significant contribution (3.9% on average) to gross fixed capital formation in these regions. The investment in production capacity — and in basic infrastructure in particular — made possible by the CSFs, combined with Community support for education, training and employment measures, have had a marked effect on economic potential and human resource development.

The last operational programmes (OPs) under Objective 1 for the 1989-1993 period — for Greece, Portugal and Spain — were approved during 1992. Ten new global grants were also awarded (nine for Italy and one for Ireland).

Objective 2 ⁽¹⁾

In declining industrial areas (*Objective 2*), the CSFs for the 1992-1993 period had already been adopted at the end of 1991; the related OPs were approved shortly after in 1992. These 87 OPs are for the most part co-financed jointly by the ERDF and the ESF, with the aim of boosting effectiveness. The OPs pursue the measures launched during the 1989-1993 period, such as the restoration of derelict sites, technological innovation and improved conditions for SME development, particularly by raising staff qualifications.

Objectives 3 and 4

Use of the funds allocated to these objectives under the 1990-1992 CSFs continued in 1992 and new CSFs were developed for 1993. The aims are unchanged: combatting long-term unemployment (*Objective 3*) and facilitating the occupational integration of young people (*Objective 4*). The measures, which are co-

financed by the ESF only, are very diverse, ranging from vocational training and guidance to employment aids, and focus on the most vulnerable groups on the labour market: young people looking for their first job, the long-term unemployed, women who have been away from the labour market for a long time, disabled people, migrants, etc. The measures, increasingly implemented in the form of individualised training schemes, are the Community's specific contribution to efforts to assist these target groups.

In the course of 1992, nine CSFs and more than 30 OPs were adopted for the following year under Objectives 3 and 4. The decisions cover the whole of the EC with the exception of Objective 1 regions ⁽²⁾. At a time of persistently high and rising jobless figures, priority was given to combatting long-term unemployment and ensuring flexible ESF assistance to allow for changes in employment patterns and the completion of the single market. With this in mind, the definition of long-term unemployment was exceptionally extended to include people who have been out of work for less than 12 months but have particular difficulties on the job market. Allowance was also made for the problems faced by customs officials.

Objective 5a

As regards the adaptation of agricultural structures (*Objective 5a*), which also concerns the Community area as a whole, the various systems appear to be running smoothly or to have stabilised. Most of the Community's assistance took the form of compensatory allowances (these were intended to offset the fall in product prices, and benefitted 1.3 million farmers), which are of crucial importance in disadvantaged areas. Although investment in farms (50 000 new improvement plans) and support for young farmers dropped slightly owing to the economic situation, they continue to play a vital role.

New programmes for environmentally sensitive areas were adopted in Germany, France and the United Kingdom in 1992, along with eight regional programmes providing for forestry measures in several countries.

Development Objectives

Five priority Objectives were identified for the 1989-1993 period, three of them specifically regional in nature.

Objective 1: economic adjustment of regions whose development is lagging behind.

Objective 2: economic conversion of declining industrial regions.

Objective 5b: economic diversification of vulnerable rural areas.

Objective 3*: combatting long-term unemployment, and
Objective 4*: occupational integration of young people.

Objective 5a: adaptation of structures for the processing and marketing of agricultural and fishing products.

** For the 1994-1999 period, these two Objectives have been merged into a new Objective 3, which also includes the integration of persons exposed to exclusion from the labour market. The new Objective 4 concerns the adaptation of workers of either sex to industrial changes and changes in production systems.*

Objective 5b ⁽¹⁾

Action undertaken in the vulnerable rural areas covered by *Objective 5b* has also produced knock-on effects extending well beyond the immediately observable results. Numerous projects have concentrated on issues such as rural tourism, assistance for SMEs, the renovation of villages and local product development, and have already had an impact at local level, whilst agricultural diversification is taking effect more slowly.

1992 saw the adoption of the last rural development OPs for the 1989-1993 period. Of the programme total, the proportion of integrated multifund OPs (80%) demonstrates, once again, the desire for coordinated action in the various fields of activity.

Community initiatives

Some forty programmes under the various Objectives were also adopted within the framework of the Community initiatives, including approximately fifteen under INTERREG (cross-border cooperation). Also worthy of mention is the establishment of local action groups as part of the LEADER initiative. And a new initiative, RETEX (economic diversification in regions heavily dependent on the clothing and textile industry), was adopted.

Pilot projects and innovative measures

Measures financed by the ERDF in 1992 included setting up an office for the RECITE interregional cooperation programme, and launching seven urban pilot projects — three focusing on economic development in regions experiencing social problems, and four concerning technological development in urban areas. As for the ESF, a global grant was awarded for the transnational EUROQUALIFICATION programme (support for training leading to qualifications). And the EAGGF financed more than 40 agricultural conversion projects.

Evaluation - a key factor

One of the most encouraging trends in 1992 was the surge of interest in *evaluation*, a crucial element of transparency and efficiency. Increased activity in this area — in particular on the initiative of a number of Member States and regions, and members of the business community and the social sphere — has prompted the Commission to set up a technical evaluation group to promote the coordination of evaluation policies at Community, national and regional level. The Commission has also launched a pilot programme called MEANS (Méthodes d'Evaluation des Actions de Nature structurelle - evaluation methods for structural measures), whose purpose is to adapt these methods to the new forms of Community action and ensure that all the partners are conversant with them.

Although ex-ante evaluation of the impact of assistance is not yet feasible in all cases and improvements are therefore required, substantial progress has been achieved on thematic assessments. A number of these were launched or carried out in 1992 on the initiative of the Commission itself, dealing with human resources in Objective 1 regions; research and development (R&D), transport and telecommunications in Greece, Ireland and Portugal; R&D, water, the environment, energy, industry and services in Italy; the environment in the Community's structural policy; and changes in rural areas. Being forward-looking, thematic assessments will help to identify priorities - a major advantage, since economic and social disparities, as we are all only too aware, cannot be reduced overnight...

⁽¹⁾ Specifically regional Objectives.

⁽²⁾ For these regions, measures for training and employment were included in the Objective 1 CSFs for 1989-1993.

The Structural Funds

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- European Agricultural Guidance and Guarantee Fund (EAGGF)

General objective: to promote a better economic and social balance in the Community.

Reform of the Structural Funds

The purpose of the reform was to ensure:

- **concentration** of assistance on five priority Objectives;
- **partnership** between regional, national and Community authorities;
- **additionality** of Community assistance, which must complement the efforts of Member States in order to promote the development of the Community; and
- **multiannual programming:**
 - 1) presentation of development plans by the Member States;
 - 2) adoption by the Commission of Community support frameworks (CSFs) established jointly with national and regional authorities; and
 - 3) presentation by the Member States of operational programmes (OPs) or other forms of assistance, which, once adopted by the Commission, are implemented at national and regional level.

These three phases might be reduced to two for the 1994-1999 period.

Financial implementation

The Structural Funds committed 16 925 million ECU during the year (at 1992 prices), or 99.2% of available funds. To this should be added a commitment appropriation of 1 046 million ECU — 100% of the amount available — for the new German Länder.

The actual payments totalled 15 816 million ECU (1 237 million ECU for the new Länder), of which 99.3% (96.3% for the new Länder) was used during 1992. At the end of the year, 13 260 million ECU (258 million ECU for the new Länder) of the sums

committed between 1989 and 1992 remained to be settled. Generally speaking, therefore, the take-up of funds has been very satisfactory. Problems remain in Italy, however, owing to the severe budgetary difficulties the country experienced in 1992.

Of the 63 000 million ECU available for the 1989-1993 period, excluding the 3 000 million ECU allocated to the new Länder for 1991-1993, 52 419 million ECU (at 1988 prices) were earmarked for the Structural Funds between 1989 and 1992.

Forms of assistance

The **operational programmes (OPs)** are coherent packages of multiannual measures. They are the main form of Community assistance financed under the CSFs, and focus on investment in infrastructure, human resource development, and cross-sectoral and long-term measures.

The other forms of assistance include **global grants**, which are individually awarded to an intermediary body responsible for administering them. The purpose of global grants is to promote local development by facilitating the involvement of industry.

Table 1

1992 allocations, by Member State and by Fund

(in millions of ECU, at 1992 prices)

	ERDF	ESF	EAGGF
Belgium	27.88	109.26	27.50
Denmark	7.65	34.89	26.16
Germany	182.16	421.02	249.28
Greece	1 115.98	396.49	362.61
Spain	1 805.64	978.15	599.30
France	463.22	716.45	495.65
Ireland	492.81	178.11	194.01
Italy	929.31	532.54	319.40
Luxembourg	10.38	2.91	6.36
Netherlands	42.88	126.02	23.69
Portugal	1 344.06	585.67	295.68
United Kingdom	502.48	890.43	105.41
TOTAL	6 936.70	4 972.80	2 705.10
New Länder	488.90	313.78	243.40

Some totals include appropriations not shared between Member States.

The table does not include Community initiatives, for which 1 269.70 million ECU were committed in 1992, or innovative and transitional measures (340.30 million ECU).

Table 2

1992 allocations, by Member State and by Objective

(in millions of ECU, at 1992 prices)

	Obj. 1	Obj. 2	Obj. 3-4	Obj. 5a ⁽¹⁾	Obj. 5b
Belgium		46.05	85.12	10.77	7.22
Denmark		6.15	33.16	12.94	3.23
Germany		156.23	350.85	34.55	169.70
Greece	1 875.08			63.62	
Spain	2 617.03	365.63	219.92	88.45	115.36
France	220.55	318.55	533.49	58.76	342.10
Ireland	864.93			35.08	
Italy	1 294.65	149.20	174.93	71.69	76.55
Luxembourg		10.81	2.43	0.27	0.05
Netherlands		54.52	104.43	8.41	14.92
Portugal	2 225.40			62.30	
United Kingdom	188.84	513.46	651.47	32.37	73.92
TOTAL	9 299.18	1 620.87	2 155.98	479.20	803.06
New Länder	1 045.98				

Community initiatives

The Commission may, on its own initiative, propose measures to contribute to resolving problems of particular significance at Community level, and to complement the CSFs. 14 Community initiatives were launched between 1989 and 1993. The allocations earmarked for each of these initiatives are used to finance specific programmes - the Community Initiative Programmes (CIPs) - in the same way as OPs are developed to implement the CSFs.

Pilot Projects

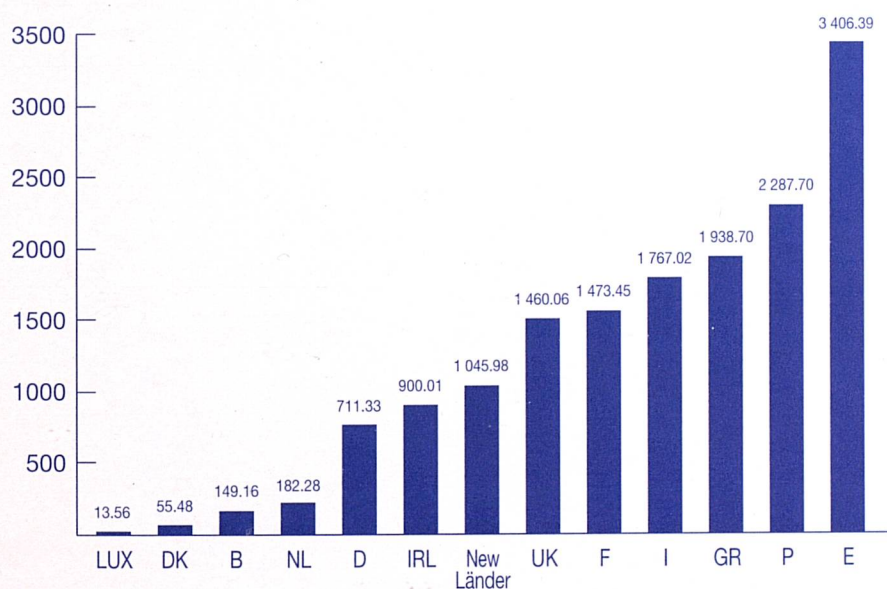
Pilot Projects and other innovative measures are a means of exploring new paths for action through the exchange of experience, transfer of know-how, and cooperation in the fields of regional and urban development⁽¹⁾, employment and training⁽²⁾, and the adaptation of agricultural structures⁽³⁾.

⁽¹⁾ ERDF: Article 10 of Regulation (EEC) 4254/88.

⁽²⁾ ESF: Article 1 of Regulation (EEC) 4255/88.

⁽³⁾ EAGGF: Article 8 of Regulation (EEC) 4256/88.

Comparison between Member States (in millions of ECU, at 1992 prices)



⁽¹⁾ Agricultural, forestry, fish farming and fishing products. Regulations (EEC) 866/90 and 4042/89.

Some totals include appropriations not shared between Member States.

The table does not include Community initiatives, for which 1 269.70 million ECU were committed in 1992, or innovative and transitional measures (340.30 million ECU).

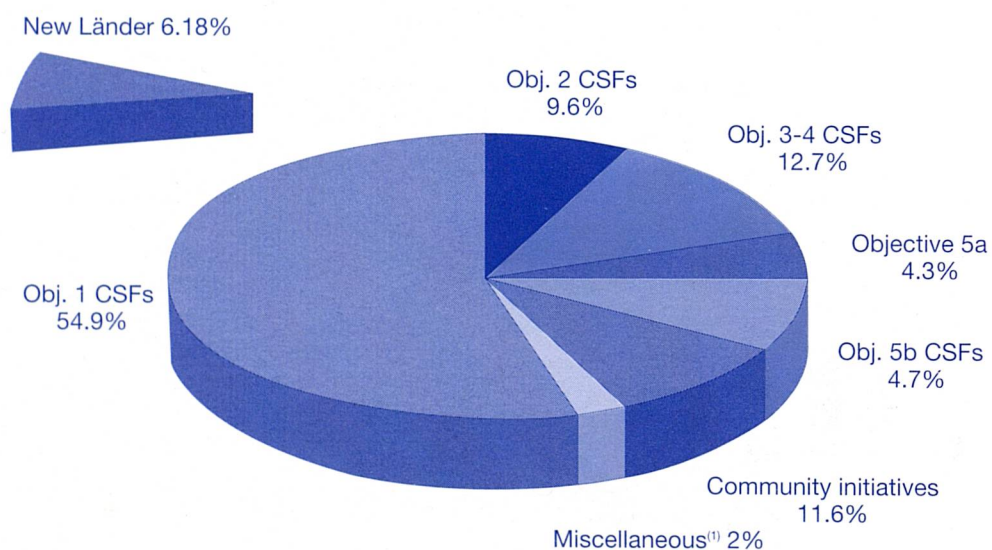
Table 3

1992 commitments, by Fund and by Objective

(in millions of ECU, at 1992 prices)

	EAGGF-Guid. Agr.	EAGGF-Guid. Fisheries	ERDF	ESF	TOTAL
Obj. 1 CSFs	1 505.7	46.9	5 456.6	2 289.9	9 299.1
Obj. 2 CSFs			1 166.0	454.9	1 620.9
Obj. 3-4 CSFs				2 156.0	2 156.0
Objective 5a	701.3	34.2			735.5
Obj. 5b CSFs	417.0		314.1	72.0	803.1
Total CSFs	2 624.0	81.1	6 936.7	4 972.8	14 614.6
Comm. Initiatives	187.8		1 265.9	516.0	1 969.7
Miscell. ⁽¹⁾	63.0		183.3	94.0	340.3
TOTAL	2 874.8	81.1	8 385.9	5 582.8	16 924.6
New Länder	243.4		488.8	313.8	1 046.0

Percentage by Objective



⁽¹⁾ Transitional measures and innovative measures.

The CSFs account for 86.4% of the sums committed (excluding the new Länder).

Table 4

1992 payments, by Member State and by Fund

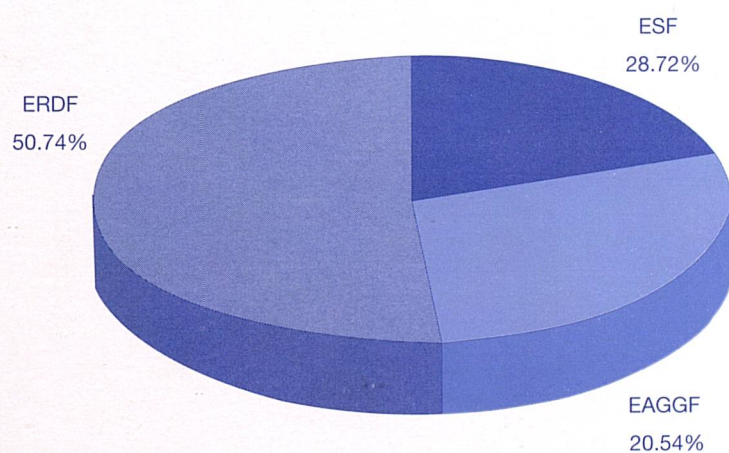
(relating to commitments dating back to 1989, in millions of ECU, at 1992 prices)

	ERDF	ESF	EAGGF
Belgium	48.66	87.76	31.42
Denmark	4.81	22.65	25.79
Germany	199.10	321.24	243.69
Greece	991.28	257.22	378.28
Spain	1 964.54	806.42	620.44
France	397.97	546.40	510.99
Ireland	457.10	297.29	198.50
Italy	1 148.84	375.55	335.36
Luxembourg	3.11	2.70	7.33
Netherlands	28.81	70.89	22.56
Portugal	1 249.91	503.32	364.50
United Kingdom	514.86	675.61	97.45
TOTAL	7 008.99	3 967.05	2 836.31
New Länder	634.63	364.71	237.71

Commitments and payments

The measures adopted by the Commission entail corresponding financial commitments by the Structural Funds. Measures (and payments) are implemented in annual instalments. The payment situation reflects a programme's progress. For measures lasting over a year, payments depend on both the finance plan and the progress made. Advances may be granted on commitments. The balance is paid after the Member State delivers a report to the Commission on the implementation of the measure.

Percentage by Fund (100% = 13 812.35 million ECU)



Some totals include appropriations not shared between Member States.
The table does not include Community initiatives or innovative and transitional measures.

Structural measures in 1992: a few examples among many

OBJECTIVE 1. In Greece, the «Crash Programme» for the development of technology is expected to bring about the digitisation of the Greek network by the turn of the century. In Spain, significant environmental measures are underway (drainage and water purification in the area of Valencia and Asturias, urban regeneration in Santa Cruz de Tenerife, etc.). In Portugal, Community assistance is of increasing importance for economic development (accounting for 3.5% of GDP in 1992); initiatives worthy of note include the PROFAP programme for the modernisation of public administration and training of officials. In Italy, work began on connecting the electricity grid with the Greek network at Galatina within the framework of an INTERREG-REGEN programme; global grants have also been awarded for a variety of measures, in particular services for SMEs.

OBJECTIVE 2. In Twente (Netherlands), technology transfers were conducted from the university to SMEs, joint ERDF/ESF assistance was granted for a project for training in new technologies, and the ERDF also co-financed the construction of a business and science park. In Piedmont (Italy), an in-depth study was conducted to develop «business-to-business» courses tailored to local needs.

OBJECTIVE 5b. In Germany, programmes for the renovation of villages provide good examples of integrated action: they have been implemented by the public authorities with support from private investors, and focus on rehabilitating natural waterways, restoring buildings, building recreational facilities, etc., in addition to agricultural activities. In France, agricultural diversification projects have yielded cost-effective alternatives to traditional areas of production. The many rural tourism projects conducted throughout the EC have been a driving force behind development in several regions.

OBJECTIVES 3 and 4. In the region of Funen (Denmark), a training scheme run for women on the list of the long-term unemployed develops their creative abilities (decorative skills, drawing, etc.) and helps them start up in business. The scheme covers all the aspects involved, down to the most practical details. Some 70% of trainees found a job in 1992. The Düsseldorf Chamber of Trade (Germany) is running a training course for the long-term unemployed in three stages: motivation and basic skills, classroom learning, and in-house training. In Spain, certain schemes developed to steer young graduates towards new technologies are highly technologically advanced and have gained an international dimension.

OBJECTIVE 5a. Forestry measures in the Community were expanded in 1992, and are expected to lead to more intensive reafforestation of agricultural land in 1993. Programmes for environmentally sensitive areas have also been stepped up.

