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Redistributing Structural Funds not used in 2000

On 3 May last, the Council and the European Parliament approved plans to distribute over the five years from 2002 to 2006 Structural Funds appropriations not committed in 2000 nor carried over to 2001. The funding in question is worth EUR 6 152 million, of which half from Greek Objective 1 programmes.

Delays in adopting some of the programmes part-financed by the Structural Funds had left EUR 6 152 million neither committed nor carried over to 2001 from the 2000 budget. Of the EUR 26 297 million in the budget, only EUR 12 107 million were actually committed, with EUR 8 038 million being carried over to 2001.

An agreement had been struck between the Commission and the other institutions that oversee the EU budget – the Council and the Parliament – that any financing neither used in 2000 nor carried over to 2001 would be attributed to the financial perspectives for 2002-06. The following funding is involved:

- EUR 3 589 million under Objective 1, breaking down as follows: EUR 3 054 million for Greece, EUR 264 million for Spain (IT and agriculture programmes), EUR 270 million for Italy (transport), EUR 0.455 million for France (technical assistance) and EUR 0.075 million for Sweden;
- EUR 1 695 million under the four Community Initiatives;
- EUR 864 million under Objective 2;
- EUR 4.5 million under the Financial Instrument for Fisheries Guidance (FIFG).

Following negotiations, on 3 May the European Parliament adopted in plenary the proposals agreed with the Commission and the Council to distribute the unused funding in increasing amounts during the period 2002-04 and in decreasing amounts thereafter.

The financial rules for 2000-06 permit this type of transfer only for unused amounts from 2000 – uncommitted funding from subsequent years may not be reallocated within the budget.

Chronological breakdown of transfers*

2002	% of total	2003	%	2004	%	2005	%	2006	%	TOTAL
870	14.1%	1 178	19.1%	1 642	26.7%	1 396	22.8%	1 067	17.3	6 152

* Amounts in EUR million.

GAPS PERSIST IN DEVELOPMENT OF REGIONS

Eurostat recently published statistics (1) showing the gap in prosperity between the 211 regions (2) of the European Union in 1998. Based on per capita GDP, 46 regions with a combined population of some 71 million – 20% of the total EU populace – are below 75% of the EU average. The ten least well-off regions are: Epirus (Greece, whose per capita GDP is a mere 42% of the Community average), Reunion (France, 50%), Extremadura (Spain, 50%), Guadeloupe (France, 52%), the Azores (Portugal, 52%), Western Greece (53%), the Peloponnese (Greece, 53%), Guiana (France, 53%), East Macedonia and Thrace (Greece, 55%) and the Ionian Islands (Greece, 56%).

(1) Expressed in terms of purchasing power.
(2) NUTS-2 level. NUTS is the regional classification system used to divide up the European Union for administrative purposes.

Finger on the pulse – Mr Barnier visiting regional projects

Michel Barnier, the European Commissioner for regional policy, is a regular visitor to the regions, where he likes to meet not only the authorities but also the people running the Structural Funds projects themselves. In April, he visited Calabria and Galicia.

It was his interest in getting a first-hand view of developments in one of Europe's poorest regions that brought Mr Barnier to Calabria. During his visit, the Commissioner was shown two of the region's success stories – the port development scheme at Gioia Tauro and the Advanced Services Centre at Lamezia, built to provide back-up services for technology start-ups. He also took part in a discussion on the future of the Union with young students.

In Galicia, Mr Barnier had the opportunity to observe the experience of one of the Union's outlying regions. His visit focused mainly on three projects: the CESGA IT resources centre, the SOGAMA plant (solid urban waste disposal) and the Penapurreira industrial park (industrial restructuring and diversification). He also dropped in at the “Galicia-Northern Portugal Working Community” in Santiago de Compostela to see at first hand how cooperation between these two regions has resulted in one of the biggest success stories of all the Union's cross-border schemes.

Getting the ball rolling for Interreg III A

The Commission has approved the first two programmes of the Interreg III A Community Initiative, for the regions of Kvarken-Mittskandia and the Skärgården Islands.

The first programme is a cross-border cooperation venture involving Sweden, Finland and Norway in the Kvarken-Mittskandia region. It focuses on training, support for business, infrastructure investment and the promotion of common values among the participating countries. The project encompasses the regions of Västerbotten in Sweden, Ostrobothnia and Northern Ostrobothnia in Finland and Helgeland in Norway. The financing provided will help these regions pool their resources and cooperate more closely in what is one of the European Union's most sparsely populated regions (with an average of 6.7 inhabitants per km^2). Its remote location presents considerable barriers to economic development – parts of the region languish some 20% or more below average per capita GDP levels for the EU as a whole.

The second programme, which involves cooperation between Sweden and Finland, concerns the Skärgården Islands. It is designed to promote balanced development and exploit the tourism potential of the participating regions through measures in the sectors of marketing, industry, the environment and IT. The maritime region of Skärgården constitutes a bridge between Sweden and Finland.

With a budget of EUR 4 875 million for 2000-06, the Interreg III Initiative will be funding some 70 cross-border, transnational and interregional programmes during this period.

	Programme	Structural Funds contribution *	Total cost*
Interreg IIIA	Kvarken-Mittskandia	24.0	57.0
	Skärgården Islands	8.6	18.4

* EUR million.

Three programmes for Germany

The Commission has given its agreement in principle for two Objective 2 regional development programmes for the Länder of Bavaria and Hamburg, and has formally approved a pan-regional transport development programme covering all Objective 1 regions.

In **Bavaria**, the programme covers the areas bordering the Czech Republic, urban areas in Schweinfurt, Nuremberg and Fürth and – up to the end of 2005 – a number of underdeveloped rural areas. Action will concentrate on five priorities: the expansion of infrastructure, competitiveness in business, research and development (especially in the environmental field and technology transfer), the promotion of tourism and urban and rural regeneration.

This is the first time that **Hamburg** has qualified for Objective 2 assistance. The programme devised for this Land will help revitalise its inner-city boroughs, especially the St. Pauli area, an unemployment black spot reliant on moribund traditional manufacturing and port activities.
The expansion of services, especially in the media sector, is set to continue. Some 20 000 people in the area stand to benefit from the programme.

The general programme for **transport** infrastructure applies to the new Länder, all of which are eligible for Objective 1. A total of 232 km of new roads and 18 km of railway are planned, with a further 214 km of railway and 15 km of waterways being modernised. With its accent on intermodality, the programme is intended to improve access to the Länder of the former GDR and thus attract investment. These infrastructure projects will also have the effect of expanding the Trans-European Transport Network.

		Programme	Structural Funds contribution *	Total cost*
Germany	*Objective 1*	Transport	1 592.0	3 156.0
	Objective 2	Bavaria	536.0	2 200.0
		Hamburg	6.2	12.4

* EUR million.

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