

Community policies and mountain areas

In the framework of the International Year of the Mountains, the European Commission hosted a conference in Brussels on 17 to 18 October entitled 'EU policies and the mountains'. The conference, which was co-organised by the Directorate-Generals for Regional and Agricultural Policy, brought together national and regional authorities, social and economic partners, and European non-governmental organisations (NGOs) concerned with mountain development to determine how mountain communities can benefit most from existing regional, agricultural, transport and energy policies. *Further information is available at:*

http://europa.eu.int/comm/agriculture/events/mountains/index_en.htm

Interreg III C call for proposals

At the fifth Interreg III C North-East-South-West meeting on Thursday 19 September 2002 in Rostock (Germany), all participating EU Member States agreed to launch the first call for proposals for all four Interreg III C programme zones by Thursday 10 October 2002. It is intended to close the deadline by Friday 10 January 2003. *The application pack can be downloaded from:*

http://www.interreg3c.net/sixcms/home_en/

Structural Funds: payment appropriations lower than Member States' projections

In a communication adopted on 23 September 2002, the European Commission expresses concern at the low rate of execution of payment appropriations for the Structural Funds in the 2000 and 2001 budgets.

The communication notes that the responsible authorities in the Member States did not send in payment claims equal to the financial resources allocated to them and therefore did not meet their own forecasts for the volume of such claims. The Commission describes this as a 'worrying finding', which raises questions not only about the reliability of the budget forecasts, but also about delays in the implementation of programmes on the ground, and about the consequent growth in commitments outstanding.

The volume of payments in the implementation of programmes for the period 2000–06 was considerably over-estimated in 2000 and 2001. While this was partly due to the longer-than-expected time taken to negotiate programmes, the main reason was that Member States gave priority to completing projects financed under the programmes for 1994–99, for which the deadline for eligibility was 31 December 2001, and therefore were late starting the programmes for 2000–06.

For 2002, the Commission again expects an underexecution of payment appropriations, in particular because of the Member States' delays in auditing the final expenditure declarations for the

1994–99 period, and in view of the level of the payment claims so far received for the 2000–06 period.

The Commission expects the execution of the budget for 2000–06 to follow a fairly regular pattern from 2003 to 2008, with the last payments being foreseen in 2010. It is estimated that the amount outstanding at the end of the year will increase to a peak of some EUR 55 to 64 billion in 2006 and then fall to virtually zero in 2010. Even in the event of substantial underutilisation of funds, the amount outstanding in 2010 will be rendered insignificant by decommitments under the 'N+2' rule.

However, the Commission is doing everything it can to help the Member States avoid this eventuality. It has recently begun considering a wide range of ways to simplify procedures and it presented initial proposals to an informal meeting of ministers on 7 October 2002.

Further information is available at:

http://europa.eu.int/comm/regional_policy/newsroom/document/com2002_0528en01.pdf

EU budget continues to generate major financial transfers to the 'cohesion' countries

According to a report published by the European Commission on 26 September 2002, the EU budget in 2001 continued to generate major financial transfers to Greece, Portugal, Spain and Ireland, the four countries in receipt of Cohesion Funds.

Measured in relative terms, net transfers in 2001 stood at 3.5 % of Greek GNP and 1.5 % of

Portuguese GNP. The corresponding figures for Spain and Ireland were 1.2 % and 1.1 %, respec-

tively. Total allocated operating expenditure amounted to EUR 68.7 billion, which represents 85.9 % of total EU actual expenditure in that year. In absolute amounts, Spain was the largest recipient of EU expenditure followed by France, which was the biggest recipient in 2000, and then Germany and Italy. The UK remains the fifth largest recipient, closely followed by Greece.

The biggest net contributors were the richest Member State Luxembourg (0.7 % of its GNP), the Netherlands (0.5 %),

Sweden (0.4 %), Germany (0.3 %), Austria (0.3 %) and Belgium (0.2 %). Italy, France, Denmark and Finland were minor net contributors. The UK became a minor net beneficiary as a result of the particularly high amount of the UK rebate budgeted and paid in 2001. *The report, entitled 'Allocation of 2001 EU operating expenditure by Member State' is available at:*

http://europa.eu.int/comm/budget/agenda2000/reports_en.htm

The future of cohesion policy: Community added value in employment and social policy

Advancing the debate on the employment and social affairs aspects of future cohesion policy was the aim of a seminar hosted by the European Commission in Brussels on 30 September 2002.

The seminar focused in particular on four key priority themes: more and better jobs; supporting the new economy and the knowledge society; promoting social inclusion; and equality of opportunity. These were the priorities underlined in the second economic and social cohesion report (January 2001).

Opening the seminar, Employment and Social Affairs Commissioner, Anna Diamantopoulou highlighted some of the

challenges of redesigning cohesion policies and emphasised the importance of investing in people and facilitating better access to the jobs market. Participants in the seminar generally supported this view and suggested that this should involve all the instruments of cohesion, in all the territories of an enlarged Union.

http://europa.eu.int/comm/employment_social/speeches/index_en.html

EUR 266.6 million for investment projects in Spain and Greece

At the end of September 2002, the European Investment Bank (EIB) signed contracts for loans of EUR 100 million for Andalusia, EUR 60 million for the island of Gran Canaria and EUR 106.6 million for the completion of the new Athens peripheral motorway in Greece.

Andalusia, Spain's largest Objective 1 area, received an advancement of EUR 80 million for financing infrastructure and industrial investment and a further EUR 20 million, in the form of a global loan to Instituto de Fomento de Andalucía (IFA), for financing investment projects promoted by SMEs in the region.

The EIB's first operation on the island of Gran Canaria involves the financing of three major components of the island's urban infrastructure investment programme for 2000–04 and the

loan of EUR 106.6 million for the new Athens peripheral motorway is the last tranche of a larger facility of EUR 998 million approved by the EIB in July 1996 and May 2000.

Further details on the EIB's activities is available from: Information and Communications Department (Juan M. Sterlin Balenciaga, Tel. (352) 4379-3126, e-mail: j.sterlin@eib.org) or visit the EIB's website:

<http://www.eib.org>



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