

# Structural Funds. 13th annual report 2001

2003/2019(INI) - 30/10/2002

**PURPOSE** : to present the thirteenth annual report on the Structural Funds (2001). **CONTENT** : this report is compiled in accordance with Article 45(2) of Regulation 1260/1999/EC laying down general provisions on the Structural Funds. It sets out the work of the Structural Funds and the activities undertaken to coordinate their work with that of the other financial instruments during 2001. The report is centred on three main topics: - the major events in the work of each Fund and the other financial instruments; - coordination with the other Community instruments and policies; - an evaluation of implementation during the year and in the past. The main feature of 2001 was the conclusion of negotiations with the Member States on Objective 1, which accounts for 70% of the budget of the Structural Funds for 2000-06. The overview was broadly positive even though some difficulties had been encountered, including the overrunning by five months of the period for negotiations originally planned for finalising the programming documents because of the desire to ensure high-quality programming. As regards implementation, adoption of all the single programming documents and operational programmes meant that all the appropriations planned could be committed and 70% of payments made for both Objective 1 and Objective 2. There were, however, some delays as regards Objective 3. The implementation of Community Initiatives also proceeded steadily: Interreg III (54 of the 70 programmes were approved); Urban II (the 70 programmes were approved); Equal (the Member States issued the calls for projects as soon as their CIPs were adopted); Leader+ (56 of the 73 programmes were approved). The overall rate of budgetary implementation for the Community Initiatives was 89% for both commitments and payments. As regards innovative measures, the ERDF approved 81 of the 103 projects submitted to it and the ESF selected 37 of the 148 projects proposed on the subject 'adjustment to the new economy' and granted part-financing averaging 72%. The call for projects on the second topic, 'a local employment strategy', was issued on 31 October 2001. As regards the coordination with other Community instruments and policies, the report notes that the Cohesion Fund finances transport infrastructure and environmental projects. Coherence with the measures financed by the Structural Funds is ensured through the Strategic Reference Frameworks. Similarly, the cooperation agreement between the EIB and the Commission for 2000-06 has permitted the introduction of arrangements for contacts between the geographical units in the two institutions, so improving coordination between the assistance they grant. During 2001, the ERDF carried out 27 missions to audit the management systems of the Member States. These preventative audits demonstrated the care taken by the Member States as regards the quality of their systems, mainly by creating internal audit bodies. The report states that it is, however, regrettable that far too often the competent authorities in the Member States are still making payments without any real checks that the expenditure is genuine. The audits also revealed a lack of authority over the intermediate and implementing bodies, which, in any case, should have more precise and harmonised procedural rules. The ESF carried out 41 audits and inspections and the FIGG 12. The 18 inspections by the EAGGF basically revealed an unsatisfactory application of Regulation 2064/97/EC, some cases where ineligible expenditure had been financed and still too many problems in reconciling the declarations of expenditure sent to the Commission with the corresponding transactions.