Agenda 2000: general regulation governing Structural Funds, revision for the period 2000-2006

1998/0090(AVC) - 25/08/2003 - Follow-up document

This is the Communication from the Commission on the Structural Funds and their coordination with the Cohesion Fund revised indicative guidelines. Under Article 10(3), of Council Regulation 1260/1999/EC laying down general provisions on the Structural Funds, the Commission on 1 July 1999 adopted general indicative guidelines on the Structural Funds based on the relevant agreed Community policies. These guidelines were aimed at assisting national and regional authorities in the Member States in preparing their programming strategies under Structural Fund Objectives 1, 2 and 3 and in terms of their links with the Cohesion Fund. In this way the Commission made known its priorities in the light both of past experience in implementing the programmes and of Community policies linked to structural measures. The said Article requires the Commission to revise these guidelines prior to the mid-term review. Such revision is a crucial stage in the seven-year programming period (2000-2006). It is aimed at allowing the Member States to adapt their programming documents while taking account of possible changes in the socio-economic situation or labour market and of the findings of the mid-term review referred to in Article 42 of the same Regulation. The Commission asks the Member States to make revisions in duly substantiated cases. As a general rule the 1999 guidelines remain valid. The only objective of these revised guidelines is to offer Member States an complementary set of guidelines which will facilitate the identification of coherent and balanced priorities for the development of measures. The revised guidelines aim to implement the major changes that have occurred in those EU policies with possible impact on programming of the Structural Funds. They will be of help to the competent national and regional authorities in reviewing their measures. Thus the mid-term review will lead to qualitative shifts in a number of priority fields. While the Structural Funds primarily seek to enhance factors of competitiveness, and hence investment, it is also clear that the economic climate has deteriorated markedly since the adoption of the indicative guidelines. Analysis suggests that the Community Support Framework is essentially made up of public investment. These have a limited impact upon national budget balances. Nevertheless, the budgetary situation in Member States could lead to greater selectivity of projects and programmes. The mid-term review will also benefit from the major advances made in the context of the exercise carried out by all the relevant authorities aimed at simplifying, clarifying, coordinating and making more flexible the management of the Structural Funds. This question is dealt with in this document. Also Article 7(7) of the Regulation requires the Commission to review, if necessary, the indexation of the allocations for 2004, 2005 and 2006 as a technical adjustment on the basis of the last economic information available. The Commission made the calculations for the annual technical adjustment of the financial perspectives for 2004. The divergence between the theoretical Structural Funds deflator (10.4%) and the effective cumulated deflator (10.7%) is particularly low. If adjustment to mid-term inflation were carried out on this basis, this would mean a Structural Funds supplement of 90 million for each of the lastthree years of the programming period, amounts which should be distributed pro rata to all the programmes co-financed in the fifteen Member States. Given the slight divergence recorded, the Commission concludes there is no need to carry out a revision of the indexation basis for the Structural Funds. The four main principles identified by the Commission for revising the mid-term guidelines are as follows: - the European Councils - the follow up by the Commission; - the amendment of the legal framework of policies; - the Community policies for which the Commission has proposed changes; - the measures aimed at increasing the effectiveness of the Structural Funds' implementation. It should be stressed that these guidelines constitute one of the elements of the mid-term review. It is up to the management authorities and the Member States to submit proposals for amendments of measures to be concluded in agreement with the Commission, notably taking into account the results of evaluations. The attention of the Member States is drawn to the fact that any changes to programming documents will have

to include, if necessary, an update of the "state aid scoreboards". The Commission also adopted additional indicative guidelines for the applicant countries to take account of their specific situation as well as the reduced duration of their programming period for the Structural Funds.