# AGENDA 2000: economic and social cohesion

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OBJECTIVE: AGENDA 2000, ECONOMIC AND SOCIAL COHESION: presentation of the effects of enlargement on the Community's structural policies. SUBSTANCE: future enlargement requires the establishment of a rational and effective structural policy. In order to achieve this end within a financial framework which respects the budgetary constraints (0.46% of Union GNP of ECU 275 billion from 2000 to 2006) the Commission proposes four types of measure: 1) concentration of aid: the number of regional objectives would be reduced from seven to three: two regional objectives and one horizontal objective devoted to human resources. Objective 1 would continue to have a high priority (regions lagging behind in development) stressing measures dealing with unemployment and Objective 2 would be completely redefined. This objective would deal exclusively with economic and social restructuring and would bring together all measures intended for areas undergoing economic change (industry and services), declining rural areas, areas dependent on the fishing industry or urban areas in difficulty. The priorities of this objective will range from economic diversification to support for SMEs, vocational training and combating social exclusion. The third objective would cover all the other regions not covered by Objectives 1 and 2 and would seek to assist the Member States to modernize their education, training and employment systems. It would be based on a common European framework which would be implemented in a differing way from one Member State to the other. At the same time the number of Community initiatives would change from 13 to three: rural development, cross-border cooperation and human resources, paying special attention to equal opportunities; 2) the maintenance of the Cohesion Fund in its current form with annual funding from the budget of ECU 3 billion; 3) special support for the new Member States: the Commission proposes drawing ECU 1 billion a year from the total funding allocated to the new Member States (i.e. ECU 45 billion for the whole of the Fund) as a form of pre-accession aid. This amount would initially benefit all the applicant countries but would then concentrate on those whose accession would take place at a later stage. This assistance would seek primarily to help these countries to harmonization their legislation with regard to infrastructures, transport and environmental standards; 4) enhancing cost-effectiveness of aid: the criteria for access to and granting of aid would be simplified. The Commission proposes a single multi-annual programme for each region for Objectives 1 and 2. Objective 3 would take the form of a national programme or a set of regional programmes. At the same time the responsibility for the management and implementation of the aid would be shared more effectively between the partners (Commission, national, regional and local authorities). In addition to the development of partnership (including public/private), a more decentralized management of aid would be used, but with more stringent systems of control which account more closely for the use made of the Fund. Regions producing the best performance would be able to receive allocations from a 10% reserve halfway through the period in relation to the results they have produced. Lastly, new forms of intervention (interest-rate subsidies, acquisition of holdings, etc.) could be granted in order to respond better to the economic viability of projects.