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

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PURPOSE : to present a special report 7/2003 from the Court of Auditors on the implementation of the assistance programmes of the Structural Funds during the period 2000-2006. CONTENT : this Special Report No 7/2003 from the Court of Auditors states that along with the Cohesion Fund, the Structural Funds are the European Union's main instruments of regional policy and economic and social cohesion. Through their implementation during the programming periods 1989-1993 and 1994-1999, the Funds have already played a significant part in strengthening this cohesion within the European Union. The European Council of Heads of State and of Government meeting in Berlin on 24 and 25 March 1999 took the decision to set aside EUR 195 billion for Structural Fund activities between 2000 and 2006. The programming of structural assistance for this new period has been characterised by a desire for simplification, chiefly by way of greater decentralisation, a clearer division of responsibilities and a tighter definition of the functions of management, payment, monitoring and control. In the same way, when compared with the previous period, the Commission's efforts to achieve a more effective and productive regional policy have brought visible results in terms of quality and consistency. However, the Court's audit, which aimed in particular to evaluate the implementation of assistance programming for the period 2000-2006, highlighted a number of weaknesses: a) the criteria used to determine the eligibility of areas, especially under Objective 2, are insufficiently objective and therefore leave a good deal of scope for bilateral negotiation between the Member States and the Commission; b) the procedures introduced by the Commission for the approval of structural programmes have proved highly complicated and resulted in extensive delays; c) the Commission's methodological guidelines have not always contained information of a sufficiently comprehensive, clear or operational nature to help national decision-makers at the various stages of planning and management of the Structural Funds (evaluation, programming, monitoring and control); d) the arrangements set in place for the allocation of the performance reserve make it difficult to apply it consistently and appropriately; e) the management, payment and control systems used in the Member States are often deficient, especially as regards the separation of functions, the certification of expenditure, electronic data interchange and the drafting of annual implementation reports; f) the eligibility rules for the period 2000-2006 remain incomplete or imprecise and result in unjustifiable differences in treatment; g) the project selection criteria as laid out in the programme complements are sometimes too broad and do not always make it possible to justify the choice of best projects in terms of the stated objectives and priorities. In the light of these observations and, moreover, in the context of the accession of ten new Member States, the Court recommends in particular that the Commission: - take steps to remedy the shortcomings concerning the clarity of the methodological guidelines and the division ofresponsibilities between programming, management, monitoring and control, by more clearly defining operational aspects, ensuring the effectiveness of controls and reducing the administrative burden where it is unnecessary for the smooth implementation of assistance; - continue its efforts to improve the effectiveness of the current drive for simplification by maintaining the high standard of structural measures in terms of legality, regularity and sound financial management.