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

1998/0090(AVC) - 21/06/1999 - Final act

PURPOSE : General Regulation governing the Structural Funds revision for the period 2000-2006. COMMUNITY MEASURE : Council Regulation 1260/99/EC laying down general provisions on the Structural Funds. CONTENT : three key aspects characterise the Structural Policy Reform: - the concentration of resources on the least favoured regions; - simplification of financial management procedures; - clearer allocation of responsibilities between the Commission and the Member States. Priority Objectives and Community Initiatives : to improve the effectiveness of the structural measures, Regulation 1260/99/EC reduces the number of Objectives from the previous 7 down to 3 : 1) Objective 1 promotes the development and structural adjustment of regions whose development is lagging behind, i.e. regions whose average per capita GDP is below 75% of the European Union average. The new Objective also covers the most remote regions (the French overseas départements, the Azores, Madeira and the Canary Islands), as well as the areas eligible under the former Objective 6 created pursuant to the Act of Accession of Austria, Finland and Sweden. As was previously the case, two-thirds of the Structural Fund operations will come under Objective 1. Almost 20% of the Union's total population should benefit from the measures taken under this Objective; 2) Objective 2 contributes to the economic and social conversion of regions in structural difficulties - other than those eligible for the new Objective 1. This Objective brings together the former Objectives 2 and 5(b) and other areas facing the need for economic diversification: overall, it will cover areas undergoing economic change, declining rural areas, depressed areas dependent on fisheries and urban areas in difficulty. No more than 18% of the Unions's population will be covered by this Objective; 3) Objective 3 gathers together all the measures for human resource development outside the regions eligible for Objective 1. This Objective carries over the former Objectives 3 and 4. It is the reference framework for all the measures taken under the new Title on employment in the Treaty of Amsterdam and under the European Employment Strategy. The Structural Funds : 4 types of Structural Fund have been introduced over the years. These include : - the ERDF (the European Regional Development Fund) which contributes mainly to assisting the regions whose development is lagging behind and those undergoing economic conversion or experiencing structural difficulties; - the ESF (the European Social Fund) mainly provides assistance under the European Employment Strategy; - the EAGGF (the European Agricultural Guidance and Guarantee Fund) Guidance Section helps in both the development and structural adjustment of the regions whose development is lagging behind by improving the efficiency of the structures for production, processing and marketing of agricultural and forestry products, and in the development of rural areas; - lastly, the FIFG (the Financial Instrument for FisheriesGuidance) is a structural instrument to finance the fisheries sector. These 4 Funds shall contribute, each according to the specific provisions governing its operations, to the attainment of Objectives 1, 2 and 3, as follows: a) Objective 1: ERDF, ESF, EAGGF Guidance Section and FIFG; b) Objective 2: ERDF and ESF; c) Objective 3: ESF. Transitional agreements have been introduced for the regions eligible for Objectives 1, 2 or 5(b) between 1994 and 1999 but which will not be eligible for Objectives 1 and 2 in the period 2006-06. The transitional support should stop on 31/12/2005. Furthermore, the new Regulations provide for a reduction in the number of Community Initiatives from 13 to 4. These new initiatives are as follows: - INTERREG, which aims to stimulate cross-border, transnational and inter-regional cooperation; - LEADER, which promotes rural development through the initiatives of local action groups; - EQUAL, which provides for the development of new ways of combating all forms of discrimination and inequality as regards access to the labour market; - URBAN, which encourages the economic and social regeneration of towns, cities and neighbourhoods in crisis. The task of these initiatives will be to carry out actions that are of common interest to the Union by means of cooperation between regions, Member States and the economic and social partners. Funding : the total

budget for the Structural Funds amounts to EUR 195 billion for the period 2000-06. To improve the effectiveness of the appropriations committed, the Regulation provides for a significant concentration of funding on Objective 1. The breakdown between the three Objectives is as follows: - 69.7% of the total allocation goes to Objective 1, i.e. EUR 135.9 billion; - 11.5% of the total allocation goes to Objective 2, i. e. EUR 22.5 billion; - 12.3% of the total allocation goes to Objective 3, i.e. EUR 24.05 billion; - 0.5% of the total allocation goes to the FIFG outside Objective 1, i.e EUR 1.1 billion. It should be noted that these percentages includes the resources to be allocated to transitional support (11.142 billion euros). The remainder will be devoted to Community Initiatives (5.35%), innovative actions and technical assistance (0.65%). The Regulation provides for a new sharing out of tasks and responsibilities in the implementation of regional policy: - broadening of the partnership to regional and local authorities, to representative NGOs, to environmental authorities and to economic and social partners; - clearer division of responsibilities with respect to programming and implementation : the responsible authorities will be designated at national level and will benefit from considerable autonomy;, in particular with respect to management issues. The Commission will confine its power ofdecision to the strategic level of programming; - integrated programming: given the reduction in the number of Objectives and Community Initiatives, the programming process will be more rational (Single Programming Documents for Objs. 2 and 3; Community Support Frameworks for Obj. 1). the programming period will be seven years (2000-2006) with modifications permitted mid-way through this period; - responsible and transparent monitoring: a series of measures are provided for with a view to facilitating and simplifying the financial management of the Funds. The Regulation will speed up financial commitments with the granting of annual allocations. The Regulation also makes provision for the keeping of 4% of the credits planned for each indicative national allocation. This sum will be allocated mid-way through the programming period (at the latest by 31.03.2004) to the most effective programmes in terms of budgetary implementation, management and the achievement of objectives. Lastly, provisions are made for the correct and efficient application of the Structural Funds: revision of the principle of additionality, better defined eligibility of expenses, full integration of the evaluation (systematic annual reports, ex ante and ex post evaluations) and the strengthening of decentralised financial control; - reports on the Structural Funds: the Regulation requires the presentation of various evaluation reports and the implementation of the reform (annual, three-yearly and final reports). On a proposal from the Commission, the Council will re-examine the Regulation no later than 31 December 2006. ENTRY INTO FORCE: 29.06.1999. The articles relating to budgetary commitments will enter into force on 01.01.2000.