

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## CONCLUSIONS OF THE REPORT

### PURSUANT TO ARTICLE 25 OF REGULATION

(EEC) NO 4253/88

ESF - 1990

(presented by the Commission)

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1990 was the second year of implementation of structural policy reform, but for the European Social Fund it was the first year in which the new rules were applied in full. Some of the reform principles had entered into force in 1989, but assistance applications had still been governed by the old rules.

Two years after a start was made on implementing the ESF reform, a study of the situation reveals the amount of work done by the Member States and the Commission up to the end of 1990.

The ESF is involved in the five objectives of Community structural action: the two which refer to the entire Community and in which it is the only Fund involved (measures to combat long-term unemployment and facilitate the occupational integration of young people - Objectives 3 and 4) and the other three devoted to regional and rural development (Objectives 1, 2 and 5b).

European Social Fund activities in 1990 related to various aspects of the implementation of structural Fund activities, i.e.:

- the level at which decisions are taken in principle (adoption of Community support frameworks and Community initiatives),
- requests for assistance over a period of several years, giving specific form to the Community aid for which the CSFs make provision,
- annual implementation of assistance budgets.

1) **Preparation of Community support frameworks with regard to the ESF**

68 Community support frameworks involving the ESF had been established in 1989 (all those for Objective 1 except for Greece, the 54 CSFs for Objective 2, and all those for Objectives 3 and 4 except for Spain).

In 1990 45 CSFs were finalised: one each for Objectives 3 and 4 for Spain, and 44 for Objective 5b.

Finally, following German unification, a start was made on preparing the CSF for the eastern regions of Germany (the five new Länder and the eastern part of Berlin). The Council adopted a Regulation (No 3575/90 of 4 December 1990) extending the rules applicable to the structural Funds to the whole of eastern Germany, with a total contribution from the Funds of ECU 3 000 million for the period 1991-1993; the CSF for these regions, adopted on 13.3.1991, provides for an ESF contribution of ECU 900 million for 1991-1993.

2) Preparation and adoption of Community initiatives in the field of human resources (NOW - HORIZON - EUROFORM)

On 18 December 1990, on the basis of Article 11 of Regulation 2052/88, which gives the Commission the power to propose that the Member States submit applications for assistance in areas that are not covered or are inadequately covered by plans and Community support frameworks, the Commission adopted three Community initiatives in the field of human resources, namely EUROFORM, NOW and HORIZON.

EUROFORM is concerned with the vocational qualifications, skills and job opportunities which should emerge with the Single Market. Its aim is to promote transnational partnerships in the field of vocational training (indicative contribution from the Community budget: ECU 300 million).

NOW aims to facilitate the occupational integration of women and to promote equal opportunities in employment and vocational training (indicative Community contribution: ECU 120 million).

The objective of HORIZON is to improve access for the disabled and certain other disadvantaged groups to the job market (indicative Community budget: ECU 180 million).

The three initiatives have characteristics in common, in that:

- by encouraging the exchange of experience between Member States as well as joint measures, e.g. between the regions covered by Objective 1 and the other regions of the Community, they should impart an added Community value to training and employment measures under the CSFs;
- all three aim to strengthen economic and social cohesion by reducing regional disparities (by giving priority to regions covered by Objective 1) and by helping the most disadvantaged categories to enter the job market.

Evolution of applications for assistance over several years  
submitted by the Member States

The Member States submitted applications for assistance pursuant to the priorities and budgets set out in the CSFs.

Applications for assistance from the ESF may be submitted in two main forms: either as operational programmes (integrated sets of measures covering a period of several years) or global grants (series of projects managed by an intermediary appointed by the Member States).

Most applications examined were approved, and those approved in 1989 and 1990 (ECU 14 345 million) enabled nearly 93% of the amounts under the CSFs (except for the eastern parts of Germany) to be committed, which seems satisfactory considering that the operational programmes for Objective 5b could not be approved in 1990, as the Member States had until the end of the year to submit applications for assistance.

341 assistance applications involving the European Social Fund had been approved as of 31.12.1990, mostly operational programmes, with a very small number of global grants.

These operational programmes and global grants closely adhere to the priorities and amounts established in the CSFs.

- As far as the horizontal objectives (Objectives 3 and 4) are concerned, part-financed measures are focused on the following:
  - \* basic training and training upgrading aimed primarily at untrained persons, absorbing almost half of the budgets laid down in CSFs;
  - \* further training (for persons who have already received training or held a job) and technological/specialised training, giving priority to the qualifications in demand on the labour market;
  - \* measures aimed at the groups of persons with special difficulties on the labour market (women, the disabled, migrants), accounting for a large proportion of Community part-financing;
  - \* recruitment aid.

In all cases special attention has been given to the link between training and employment.

- In the regions covered by Objective 1, assistance from the European Social Fund may be divided into three main categories:
  - \* first, continuous training measures, which represent around 70% of ESF aid in the regions covered by Objective 1. Such measures may benefit several sectors or concentrate on specific ones (e.g. tourism, research, rural development, telecommunications, etc.) which also receive support from the ERDF and EAGGF. Measures may also form part of the action to combat long-term unemployment (Objective 3) or to facilitate the occupational integration of young people (Objective 4);
  - \* secondly, assistance for basic training, accounting for around a quarter of ESF aid in these regions. Measures include the improvement of apprenticeship training and adapting secondary education to technological and economic change;
  - \* thirdly, the consolidation of training structures, for which the ESF supports the training of instructors, and the ERDF the construction and equipping of centres. Such assistance aims to improve the quality of teaching tools, increase the number of training opportunities, and improve the qualifications of instructors.
- In the regions affected by industrial decline (Objective 2), the main forms of assistance financed by the ESF are as follows:
  - \* measures to improve the scope for creating and developing production activities;
  - \* measures to promote the development of new firms, especially small and medium-sized enterprises and small and medium-sized industries at local level;
  - \* measures under the "technology" priority in the Community support frameworks;

- .. measures to promote tourism;
- \* measures to improve the regions' attractiveness and environment.
- Under the heading of rural development (Objective 5b), the ESF part-finances training and employment in the sectors of the economy which are supported by the EAGGF and ERDF, especially:
  - \* primary sector development: agriculture, forestry, fishing;
  - \* development of small and medium-sized enterprises;
  - \* tourism, innovation and natural parks.
- Technical assistance and innovatory measures referring to all objectives have been introduced to facilitate implementation of the reform and the experimental adoption of new approaches to vocational training.
 

In addition to these various forms of assistance under the CSFs, a number of specific measures pursuant to Article 1(2)(b), (c) and (d) of Regulation (EEC) No 4255/88 have been implemented, involving technical assistance on the initiative of the Commission, and social dialogue.

#### 4) Implementation of the 1990 budget

The resources available for commitments in 1990 amounted to ECU 4 100 million (against 3 519 million in 1989), and commitments allocated stood at ECU 3 504.9 million (compared with ECU 3 478 million the previous year).

The level of non-committed amounts is explained by the time taken to implement the reform (delay in establishing the CSFs for Objective 5b, late approval of Community initiatives, and delays in submission and examination of assistance applications) as well as the fact that the 1990 budget forecasts for the ESF were higher than the amounts finally adopted in the CSFs for training/employment measures in 1990.

On the other side of the coin, the level of use of payment appropriations was very high (ECU 3 212 million, 20% up on 1989, representing 99.3% of the available budget of ECU 3 233.9 million).

The quality and level of implementation of expenditure is one of the main issues of the reform, and special attention will have to be devoted to these problems in the coming years.

Similarly, monitoring and assessment, which began in 1990, will also constitute a priority during the same period.

5) The launching of assessment and monitoring operations

The first monitoring meetings were held, and the monitoring committees for the CSFs, operational programmes and global grants started their work.

The Commission installed a data-processing system (hardware and software) covering almost all Member States, for monitoring assistance from commitment of resources to closure of the file.

A number of assessment studies covering all objectives were launched.

As regards Objectives 3 and 4, the assessment work which started in 1990 follows two approaches:

- \* First, global analysis to assess the impact of Community measures is being undertaken in each Member State and coordinated at Community level;
- \* Secondly, important aspects of vocational training and employment policy involving Community part-financing are being assessed on a thematic basis.

This applies to certain types of action (e.g. employment aid policies) and measures to help certain categories of persons (women, the disabled and the long-term unemployed). Other studies seek to clarify methods of improving policy and labour market management (regional systems for the programming, management and assessment of training activities).

In the regions covered by Objective 1, global impact studies covering all Community structural aid have been carried out. A specific analysis of the assessment of structural assistance in the field of human resources has also been launched.

Some results of implementation are already apparent:

- By encouraging the exchange of experience and extension to other Member States of policies which have proved beneficial elsewhere, the ESF promotes coherent vocational policies throughout the Community;

- The ESF represents a driving force in the regions covered by Objective 1, given the relative importance of Community financing in those countries' employment and training policies;
- Increased decentralisation of Fund aid has been encouraged under all objectives;
- Despite the rather cumbersome procedures, programming is still regarded as progress by all the parties concerned, as it mobilises national structures, encourages the decompartmentalisation of measures and the establishing of medium-term strategies, especially in regional terms, and encourages the adaptation of human resources policies to the socio-economic environment.  
The fact that the authorities and training promoters can depend on Community funding over a period of several years as a result of multi-annual programming constitutes an improvement on the previous situation.

Under these circumstances the first assessment and monitoring exercises indicate that, to be genuinely effective, programming must involve the regional and social partners to a greater degree.

\* \* \*

The report was presented to the European Social Fund Committee on 13.12.1991. Following the submission and insertion of modifications regarding points of detail, the opinion of the Committee was positive and was obtained on 2.3.1992.